

Business Strategy / Operating Model / Culture

LOOKING FORWARD

Annual Report 2019

 **CIMB THAI**
ธนาคาร ซีไอเอ็มบี ไทย



Vision

“To be Thailand’s Leading ASEAN Bank for all stakeholders.”

Mission

“To strive towards being Thailand’s Leading ASEAN Bank by providing innovative financial products, excellent service, and compelling cross border solutions through synergy with CIMB Group.”

Corporate Value

“Core values reflect what is truly important for CIMB Thai. These are not values that change over time, according to situations or by persons, but rather they are the foundation of our culture, and the soul of our Bank.”

CTHAI:

Customer

We appreciate the unique needs of each individual and organisation. By putting their needs first and delivering quality solutions, we strive to create relationships of lasting value.

Teamwork

We strive to deliver results by maximising our potential. We believe that true potential can only be unleashed from collaboration and teamwork.

Honesty

We place a high value on integrity as professionals in a business where trust is essential. We are accountable for both our shortcomings and successes. This mindset allows our customers to entrust their business with us.

ASEAN

As a member of CIMB Group, we aspire to be the leading ASEAN bank in Thailand. It is through integration of our people, products and processes that we can bring the best ASEAN opportunities to our stakeholders.

Innovation

We are always looking to improve ourselves through innovation. By constantly encouraging creativity, improving capability and identifying opportunities we are able to collectively ensure that we deliver market-leading solutions to our stakeholders.

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Advancing Further and Farther

CIMB Thai Bank and CIMB Group have pursued our transformation journey under the Forward23 strategy with focus on customer centricity, sustainability, going beyond banking, technology & data, and particularly our people.

We are committed to exploring fresh opportunities for our customers and empowering them to overcome limitations and move forward farther than expected. This requires high morale, shared vision, financial expertise, and innovative technology, in conjunction with active collaboration of our team and network, to drive our customers' growth further and farther towards economic advancement of Thailand and ASEAN community as a whole.



Easier with 24-7 Solutions

The digital revolution has constantly brought about new challenges. We are ready to work alongside you and embrace changes in the digital age of the banking industry, with offering of a comprehensive suite of financial solutions that are responsive to your lifestyle choices and easily accessible at your fingertips.



Inspired and Empowered

High employee morale is the start-up of the route to business success. We realise the importance of human resource development and have consistently enhanced our employees' knowledge and expertise, in parallel to inspiring and motivating them to work productively and generate satisfactory results. They can then take pride in their job duties and this will help build a strong culture of employee spirit at work.







Connections through Strong Network

CIMB Thai Bank, along with CIMB Group, offers dependable expertise in the ASEAN market. We can help you find financial products and innovations that match your needs with customer value proposition kept in mind through our ASEAN network as the gateway for you to access broader and better opportunities with confidence.



Self-sufficient and Sustainable

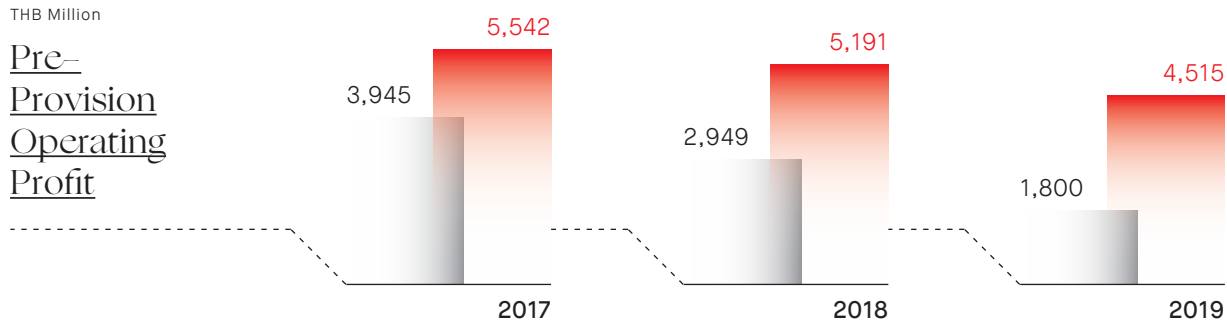
Education lays solid foundations for social and national development. We are aware of how important educational development is for the strengthening of the society and local communities. Our aspiration is to take part in building the society filled with smiles of people assured of their better quality of life and environment and living in a self-sufficient and sustainable manner.

Financial Highlights

Bank Only Consolidated

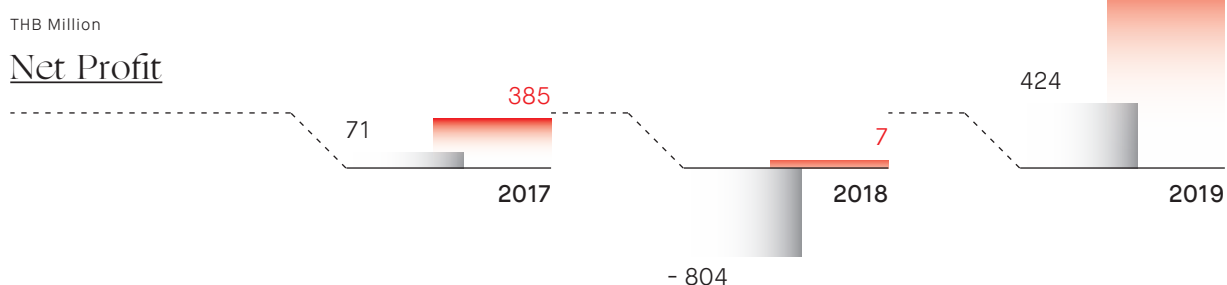
THB Million

Pre-Provision
Operating
Profit



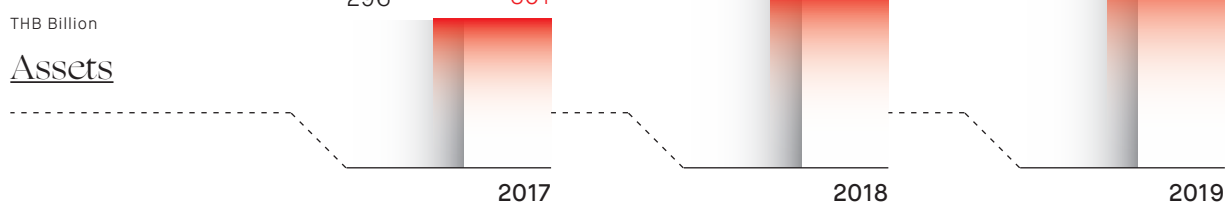
THB Million

Net Profit



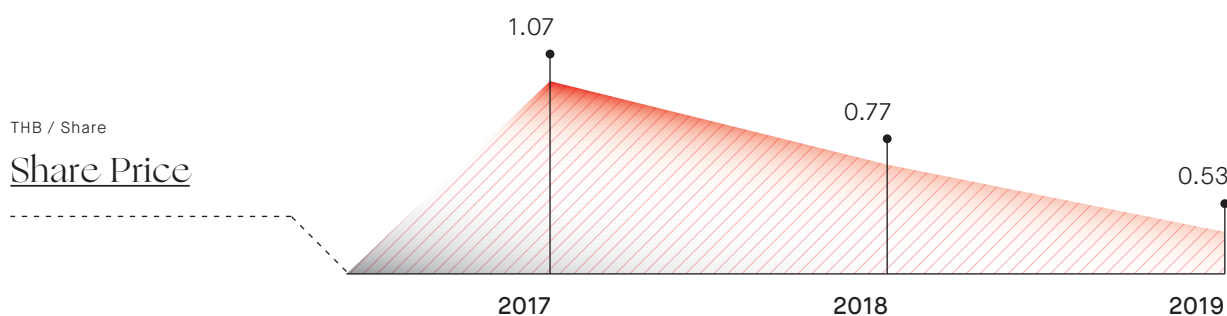
THB Billion

Assets



THB / Share

Share Price



Net Profit Growth 21657.77%

Bis Ratio 18.0%

In THB Million	Consolidated			Bank Only		
At Year End	2017	2018	2019	2017	2018	2019
Total liabilities	267,552	318,927	353,386	264,983	315,997	350,225
Shareholders' equity	33,052	36,922	38,521	31,324	34,380	34,925
Net interest income	10,202	10,747	10,907	7,588	7,826	7,513
Non - interest income	2,952	2,936	3,247	2,476	1,662	1,550
Total income	13,155	13,682	14,155	10,064	9,489	9,063
Basic earning per share (Baht)	0.01	0.00	0.04	0.00	-0.03	0.01
Book value per share (Baht)	1.10	1.10	1.09			
Share price per share (Baht)	1.07	0.77	0.53			

<u>Bank Only</u>	<u>Consolidated</u>	2017	2018	2019			
THB Billion							
Gross Loans*		205	211	219	226	231	240
* Loans excluded money market net deferred revenue							
THB Billion							
Deposits		178	177	185	185	199	199
BIS Ratio		16.6%	17.0%	18.7%	19.3%	17.4%	18.0%
ROE		0.2%	1.3%	-2.5%	0.0%	1.2%	4.0%
ROA		0.0%	0.1%	-0.2%	0.0%	0.1%	0.4%
Gross NPL Ratio		4.7%	4.8%	4.3%	4.3%	4.6%	4.6%

NIM 3.31%

Gross Loan Growth 6.1%



Dato' Robert Cheim Dau Meng

Chairman of the Board of Directors

Message from the Chairman of the Board of Directors

Dear Shareholders,

2019 proved to be a challenging year for both Thai and global economies in the backdrop of protracted trade tensions and a decline in domestic investment. This slowdown has prevailed alongside simmering discontent with persistent socioeconomic inequalities and the deepening climate crisis. More recently, the coronavirus outbreak will further dampen tourism and this will negatively impact Thai economy in 2020.

Despite growing uncertainty in the direction of global economy, Thailand remains an attractive investment destination. Foreign direct investment (FDI) applications in the first nine months of 2019 increased 69% from a year earlier, boosted by the rollout of investment promotion packages, proactive measures to improve the country's business ecosystem and ease of doing business.

The banking industry has been facing unprecedented disruption in the face of rapidly evolving customer behaviour and competition from digital attackers. On a global scale, Thailand is ranked first for internet banking penetration, second for ownership of cryptocurrency, and third in mobile commerce, according to the Global Digital Report 2019. On the regulatory front, the Bank of Thailand has displayed a strong willingness to embrace the digital revolution, laying the foundations for standalone digital banks, as well as the issuance of a digital currency to facilitate cross border transactions in the near future. Given these external trends, it is imperative that we continue our transformation into an innovative and forward looking bank that will be at the forefront of the digital age.

In 2019, CIMB Thai reported a consolidated net profit of THB 1,501.6 million, a 216-time increase from the previous year, and the highest ever profit recorded by the Bank. This was driven by a reduction in provisions by 47.7% and an increase in operating income of 3.5%. The Bank's capital position remains strong, with BIS and Tier-1 capital ratios of 18% and 13% respectively, both well above the regulatory standard and internal capital targets.

In addition to delivering solid financial performance, our key focus in 2019 was to build a strong foundation for the Bank to further advance its transformation. The Fast Forward programme has been instrumental in embedding new proactive strategies across the organisation to enhance our product offering, streamline processes and create an agile and digital-ready work culture. In 2020, we will continue to focus on improving our customer experience with strengthened data analytics and increased use of technology. The Board will continue to fully support the Bank's aspiration of becoming an 'ASEAN Bank' in Thailand with the scale of a mid-tier bank by 2023.

Good governance remains at the core of our culture. Operating our business with the highest standards of transparency ensures that we can drive sustainable value creation for all our stakeholders. In line with CIMB Group policy, we will continue to steer and motivate sustainable business practices.

On behalf of the Board of Directors, I would like to thank the Management Committee and all employees for their hard work and commitment throughout the past year. I also thank Khun Chakramon Phasukavanich, Khun Maris Samaram, Khun Chitrapongse Kwangsukstith, Dato' Lee Kok Kwan, Datuk' Joseph Dominic Silva and Khun Kittiphun Anutarasoti, who left the Board of Directors in 2019, and welcome our new directors, namely Khun Oranuch Apisaksirikul, Khun Natasak Rodjanapiches and Khun Niti Jungnitnirundr. To our shareholders, I wholeheartedly extend my gratitude for your continuous support and trust in CIMB Thai Bank.





Adisorn Sermchaiwong

President and Chief Executive Officer

Message from the President and Chief Executive Officer

Dear Shareholders,

Thailand witnessed a challenging year in 2019 as the country recorded its lowest GDP growth in five years. The muted growth was attributable to a contraction in exports due to the stronger Thai Baht and the prolonged trade tensions between the two economic superpowers. This was compounded by a slowdown in private consumption and investment, increasing household debts and the worst drought in 40 years.

Despite these challenges, CIMB Thai moved ahead with our Fast Forward transformation programme. Our investment and hard work started to pay off as we concluded 2019 with a record high profit. CIMB Thai Group posted a net profit of THB 1,501.6 million, a surge from THB 6.9 million year-on-year, driven by a 47.7% decline in provisions thanks to our vigorous asset quality improvement. Our operating income grew to THB 14.2 billion on the back of higher net interest income of THB 160.6 million, primarily from loan expansion and higher interest income on hire purchase business and investments. Net interest margin over earning assets declined to 3.31% from 3.71% in 2018, as we have focused more on acquiring high quality assets. Operating expenses moved up to THB 9.6 billion, largely due to higher personnel expense and other expenses following an amendment to the Labour Protection Act, which mandated higher severance pay for retired and long-service staff. Coupled with expenses on the Fast Forward programme, the cost to income ratio was 68.1% in 2019, compared to 62.1% in 2018. Total gross loans stood at THB 242.1 billion, up by 6.3% year-on-year, while deposits amounted to THB 241.5 billion, up by 3.1%. Our capital fund position has remained strong, with BIS and Tier-1 capital ratios of 18% and 13% respectively, both well above the regulatory requirement and internal capital standards.

Our 2-year Fast Forward programme has played a pivotal role in improving the work processes, creating cross collaboration and realising business opportunities. Our DNA and the way we work has been transformed to become more agile, responsive and outcome-oriented. Significant improvement can be seen across all business and support units. For instance, our auto business has achieved all-time high new loan bookings, thanks to better dealer segmentation and targeted strategies within those segments. Our secured loan portfolio also improved by 9% year-on-year, despite impact from new loan-to-value (LTV) regulations introduced in early 2019. For wealth management, the stronger focus on mutual funds and bancassurance has grown fee income by 21% year-on-year. We have also embraced innovation, launching, among others, robotic process automation and streamlining IT processes. Hence, it is essential that we continue to institutionalise the improvements which Fast Forward has brought, to allow us to continue with the transformation journey into a strong and profitable mid-tier bank that can compete sustainably in the rapidly evolving Thai banking industry.

The digital revolution gives us an opportunity to rapidly expand our presence and reach even more customers, which the traditional brick-and-mortar branch alone would not be able to do. We have made significant progress on the digital front, first and foremost by revamping the way we work – lessening reliance on external vendors and establishing an in-house developer team who was able to launch CIMB Thai Digital Banking mobile application within just six months. As of the end of December 2019, almost 90% of fund transfers and more than half of mutual fund subscriptions were conducted via the application. We have also made inroads into digital lending via CIMB Thai Auto application which enables customers to apply in only five minutes and make an appointment within three hours, as well as partnerships with 9F to launch a mobile lending application and NEO Money to create a first-in-market debt consolidation application. Viewing the ability to leverage Big Data as a key differentiator, we have begun to create advanced analytics capabilities in-house to translate transaction data into actionable insights so that products and services are better tailored to our customers' needs.

Our people remain at the heart of our organisation. One of our top priorities is to equip them with the skills and knowledge to develop their full potential and empower them to thrive in the digital era. We have meaningfully engaged staff through various forums and events, to create a sense of collective ownership towards the Bank and promote collaboration across the organisation. Our efforts have been recognised as we are one of only two banks in the country who have won the Best Companies to Work for in Asia (Thailand) awarded by HR Asia.

Looking forward into 2020 and beyond, we aspire to become a purely digital bank with ASEAN reach and the best customer experience. We aim to be an industry leader in wealth management, capitalising in our award winning Treasury franchise and our regional network as part of the broader CIMB Group, to provide the full suite of wealth products and advisory services to the increasingly affluent and discerning Thai clientele. For Wholesale Banking, we will selectively grow our universe of clients, focusing on high quality corporates in order to sustainably achieve our 2020 loan growth target of 11% to hit THB 80 billion in total loans.

In an increasingly competitive landscape, we cannot afford to maintain status quo on the high cost to income (CI) ratio. Cost optimisation and productivity uplift will be two key levers in our determination to progressively reduce CI ratio to a competitively sustainable level of circa 50% by 2023. Digitisation, automation and streamlining will help achieve these goals, alongside the adoption of new working models focusing on value maximisation. Furthermore, as a conduit of economic growth, we have embraced sustainability into our operating model in alignment with the Group's aspirations to become an industry leader in sustainability. Among the initial steps in this direction, we are the first bank to offer loans for electric motorcycles, and have partnered with NEO Money to offer a debt consolidation application as part of our commitment to responsible lending.

On behalf of the Management Committee and all CIMB Thai employees, I would like to sincerely thank our shareholders, customers and partners for their continued trust and unwavering commitment to CIMB Thai.





Tengku Zafrul Tengku Abdul Aziz

Group Chief Executive Officer

(Resigned from CIMB Group, effective from 9 March 2020)

Letter From Group Chief Executive Officer, CIMB Group

Dear Shareholders,

Globally, 2019 was often described as a year filled with uncertainties. Prolonged trade tensions between the US and China, the complicated BREXIT contemplation and general political unrest in much of the world resulted in a drag on global growth. Despite these headwinds, Thailand's macroeconomic credentials remain sound, with a healthy current account surplus, ample foreign reserves, negligible inflation and strong foreign investment flows.

In 2019, CIMB Group performed well. We met most of our key headline targets including return on equity, loan loss charge and CET1 ratio. We also made great progress in our mid-term growth strategy, Forward23. This would, of course, not be possible without the contribution of all our key subsidiaries, including CIMB Thai.

CIMB Thai recorded a consolidated net profit of THB 1,501.6 million, its highest ever, from THB 6.9 million in 2018. This is an improvement of 216 times year-on-year! This was primarily driven by a 47.7% decline in provisions, as well as a 3.5% growth in operating income which was partially offset by a 13.5% increase in operating expenses. This was largely due to higher personnel cost attributed to a change in the labour law. Coupled with expenses incurred from the Fast Forward expansion strategy, the cost to income ratio was higher at 68.1% in 2019 compared to 62.1% in 2018.

2019 marked the last year of CIMB Thai's 2-year rapid transformation programme dubbed 'Fast Forward,' which aimed to build new growth engines and capabilities to enable the Bank to become a high-performing mid-tier bank by 2023. The various initiatives in Fast Forward have fundamentally transformed the Bank by putting a clear focus on Consumer Banking as the biggest growth platform, building advanced analytics capabilities and recalibrating new areas for growth such as Private Banking, Commercial Banking and Transaction Banking. We also invested in leadership development and enhanced the organisational health of the Bank.

We have witnessed strong improvements across the business units. In Consumer Banking, the stronger focus in the Wealth segment has enabled fee income to grow 21% year-on-year, while in Wholesale Banking, cross border loan outbound referrals have grown 70% year-on-year as the business leveraged on the regional network of CIMB Group. Our award-winning Treasury franchise is a leader in the market, being among the top 3 in corporate bond trading and top 6 in debt capital markets. Our clear strategy in Transaction Banking is showing positive results – the launch of high yield savings account in September 2019 has brought in more than THB 10 billion by the end of 2019. Over in Commercial Banking, the establishment of the Credit Centre to drive efficiency in credit submissions has resulted in a reduction in turnaround time and increase in approval rates, while in Private Banking, the client base grew 50% year-on-year, attracted by the broad and sophisticated product offering.

In 2020, against the backdrop of a global economic slowdown coupled with political and geopolitical tensions, we expect muted growth in Thailand. The current novel coronavirus, 2019-nCoV, will certainly negatively impact tourism, which the Thai economy is heavily reliant on. Hopefully, this will be offset by government spending on large public infrastructure projects.

While this year will be a transitional year for CIMB Thai, as the Bank moves from the Fast Forward transformation journey onto the Forward23 phase, CIMB Thai will continue to reap the benefits of Fast Forward as the initiatives and infrastructure that have been invested start to bear fruit.

CIMB Group's Forward23 strategy is the Bank's next transformation journey, which is focused on five strategic pivots, namely Customer Centricity, Sustainability, Beyond Banking, Technology & Data and Our People. Embedding these priorities into our operating model and getting it right will ensure our ability to not only survive, but to thrive, in the new era of banking.

We are committed to the continued growth of CIMB Thai and its economy, as it remains a key element of CIMB Group's regional network. This is demonstrated by the increase in cross-border deals and referrals between CIMB Thai and the Group, in enabling our clients to expand their business and presence across the region. By leveraging on the Group's expertise and network across the region, CIMB Thai offers a differentiated proposition to provide a diverse range of products and services to an increasingly discerning Thai clientele, be they corporates or individuals.

On behalf of CIMB Group, I would like to express my sincerest gratitude to the Chairman, Board of Directors, Bank of Thailand, our valued customers, shareholders and all stakeholders for their continued support and confidence in CIMB Thai. Lastly, thank you to #teamCIMBThai for your valuable contributions throughout the past year in achieving the targets and aspirations of Fast Forward. With your continued dedication and passion, I am confident that we will be able to make the next phase of our transformation journey in Forward23 a resounding success!

Thank you.



Board of Directors

Chairman /
Member and Alternate
Chairman of Nomination,
Remuneration and
Corporate Governance
Committee



Dato'
Robert
Cheim
Dau Meng

Independent Director /
Chairperson of
Nomination, Remuneration
and Corporate
Governance Committee



Mrs.
Watanan
Petersik

Independent Director /
Chairperson of
Audit Committee



Mrs.
Oranuch
Apisaksirikul

Independent Director /
Member of
Audit Committee /
Member of Nomination,
Remuneration and
Corporate Governance
Committee



Mr.
Chanmanu
Sumawong

Independent Director /
Member of
Audit Committee /
Member and Alternate
Chairman of Board
Risk and Compliance
Committee



Dr.
Rom
Hiranpruk

Independent Director /
Member of
Audit Committee



Mr.
Niti
Jungnitnirundr

Mr.
Natasak
Rodjanapiches



Independent Director /
Member of Board
Risk and Compliance
Committee

Ms.
Serena
Tan Mei
Shwen



Director /
Chairperson of Board
Risk and Compliance
Committee

Encik Omar
Siddiq Bin
Amin Noer
Rashid



Director /
Member of Board
Risk and Compliance
Committee

Encik Shahnaz
Farouque
Bin Jammal
Ahmad



Director /
Member of Board
Risk and Compliance
Committee

Mr.
Adisorn
Sermchaiwong



Director /
President and
Chief Executive
Officer

Management Committee

Mr.
Adisorn
Sermchaiwong

President and
Chief Executive
Officer



Mr.
Sutee
Losoponkul

Co-Head of
Wholesale Banking
and Head of
Treasury & Markets



Mr.
Arhit
Masathirakul

Head of
Risk Management



Mr.
Pornchai
Padmintra

Co-Head of
Wholesale Banking
and Head of
Corporate Banking
and Investment
Banking

Mrs.
Bussakorn
Puttinan

Head of
Technology and
Operations



Ms.
Siriporn
Sanunpairaue

Head of
Corporate
Assurance



Mrs.
Kanokpai
Vongsatitporn

Head of
Human Resources



Mr.
Jason Leong
Kok Yew

Head of Finance

Mr.
Tan
Keat Jin

Deputy Head of
Consumer Banking



Mr.
Prapas
Thongsuk

Head of
Corporate
Communications



Mr.
Zethjak
Leeyakars

Head of
Compliance



Mr.
Yeong
Thian Lim

Head of Strategy

Mr.
Paisan
Thumpothong

Head of
Transaction
Banking



Mr.
Jittiwat
Kantamala

Head of
Private Banking



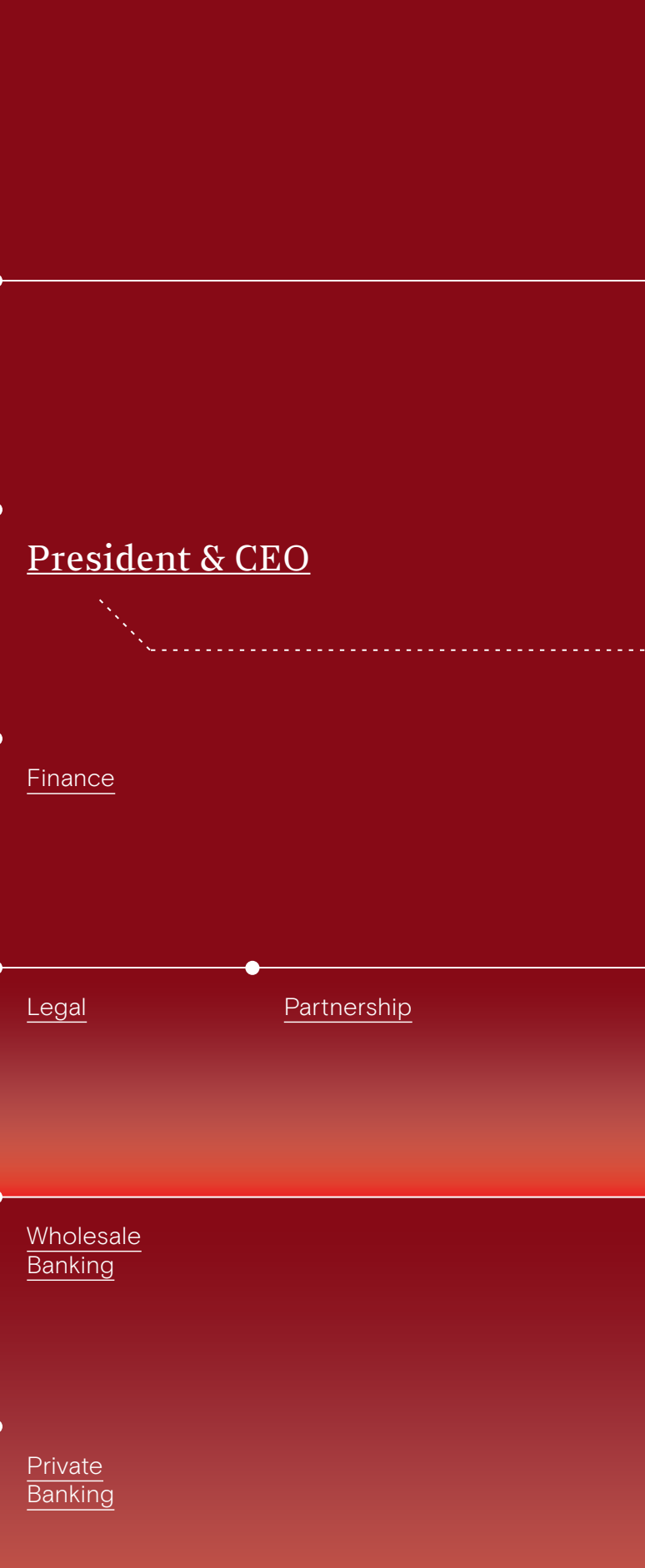
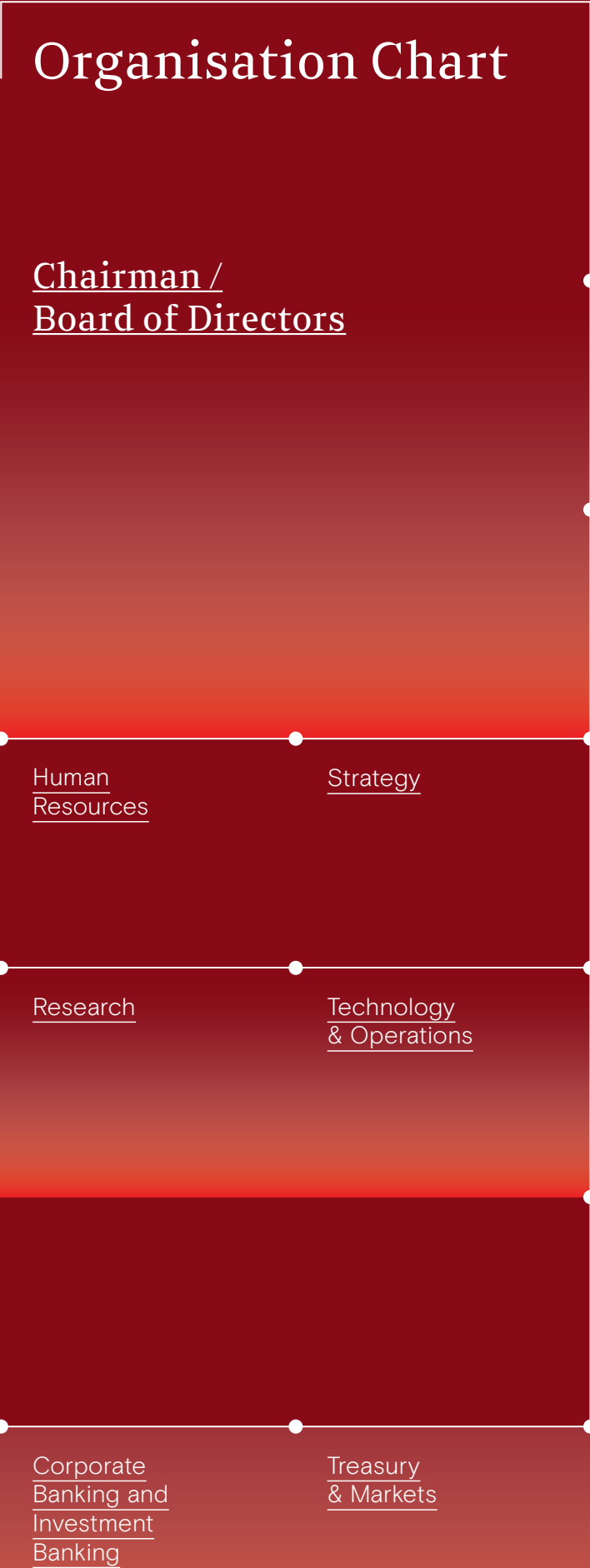
Ms.
Uthaiwan
Sukphanpim

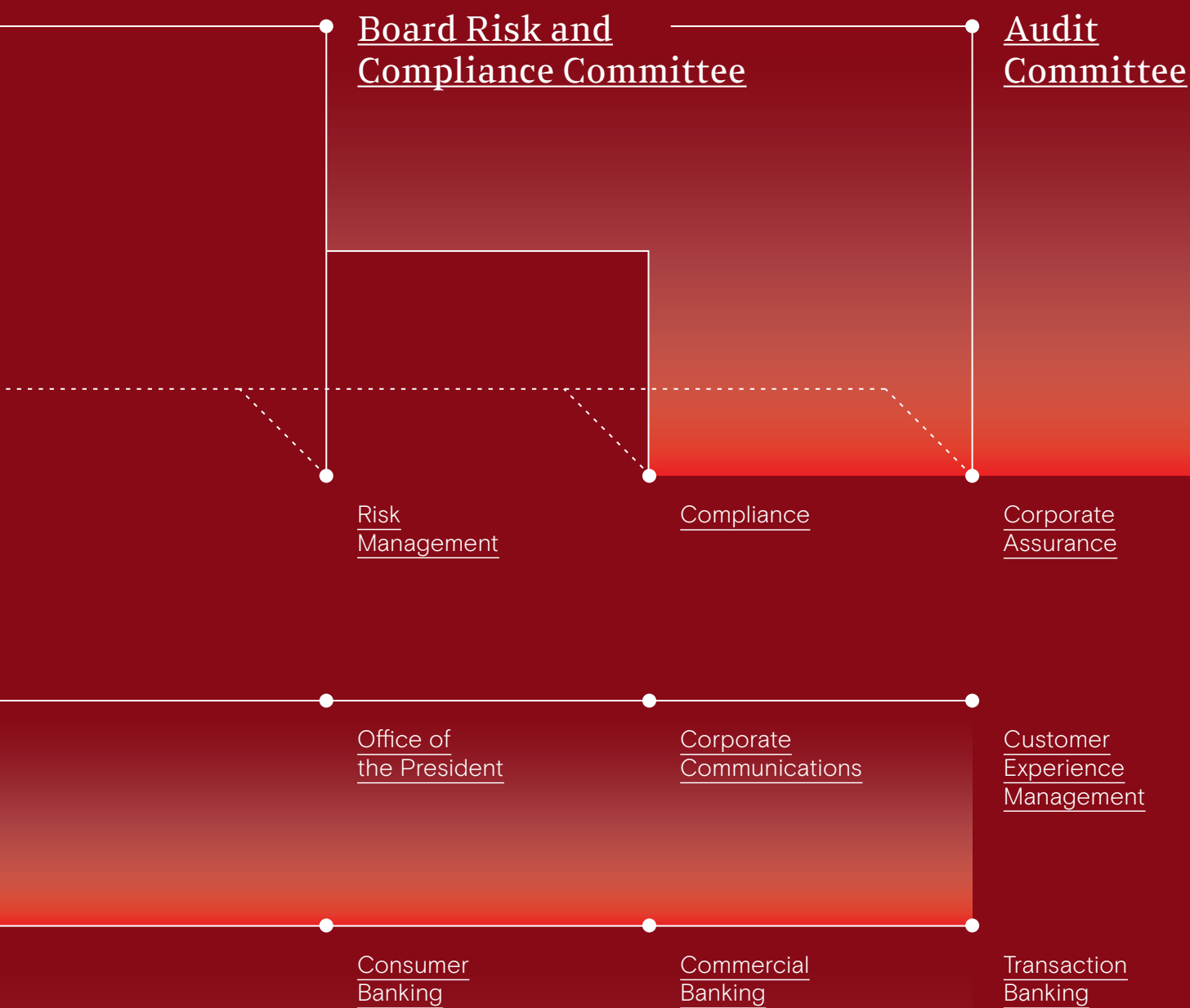
Head of
Customer
Experience
Management



Ms.
Pajaree
Thongvanit

Head of Legal





Effective from 1 January 2020

CSR Projects and Activities

Corporate social responsibility (CSR) has been one of CIMB Thai's key missions over the past nine years. We have carried out numerous projects under the concept "Let Children Colour Their Dreams" to promote education for the youth in remote areas who are still in need of learning tools alongside developing local wisdom so that both the communities and the schools could grow sustainably together. The main area of our support is information and communication technology (ICT). We have provided computers and Internet systems to give school children equal access to sources of knowledge. Besides, with awareness of the importance of learning outside the classroom, we have supported several career-building projects, such as demonstration plots for local plants, mushroom greenhouse, poultry house, clay doll factory, junior guide, etc., to promote vocational training and instil in children a sense of responsibility in line with the government's "Moderate Class, More Knowledge" policy.

To support the communities, we have encouraged community people to develop sidelines based on their respective local wisdom and with focus on cooperation between the communities and the schools through such projects as Pig Bank at Baan Khao Saraphi





Border Patrol Police School in Sa Kaeo and Sericulture Learning Centre at Baan Nong Muang Waan School in Nakhon Ratchasima. The latter project was initiated in 2016 in collaboration with Queen Sirikit Sericulture Center Nakhon Ratchasima under The Queen Sirikit Department of Sericulture Region 4 - Nakhon Ratchasima to extend the wisdom of local learned men for end-to-end development of silk weaving, from growing mulberry and raising silkworms to using weaving tools, dyeing silk from natural materials, and delivering a finished product that meets the Classic Thai Silk Silver Peacock standard. Coupled with the continued development of new designs and patterns in response to market demand, the silk fabrics produced under this project attained the Royal Thai Silk Goldren Peacock standard in 2019. Community people have also been provided with training on sale skills at the Bank's CSR market activity held at our head office where community people and school children were invited to sell their local products. This has reflected the fruitful cooperation of the Bank with government agencies, schools and communities.

Apart from the projects run by the Bank, we have cultivated a sense of social responsibility among our staff by encouraging them to propose and own CSR projects under the Community Link scheme. Various projects have consistently been opened for volunteering staff to participate, such as "Let Children Colour Their Dreams... Lime and Leech Lime Orchard and Processing" project and Pig Bank project. Staff in provincial branches have also been persuaded to explore and propose list of remote area schools in need of support. They will directly contact the schools and communities while the Bank will only give advice and assistance. This will further foster good relationship between the Bank and local communities.

The CSR projects and activities implemented so far have demonstrated our commitment to development of local communities alongside educational development for school children, as both schools and communities are intertwined and reliant on each other in pursuing sustainable development and prosperity.

Our CSR projects up to 2019 have benefited more than 10,000 teachers, students, school networks, parents, alumnus and communities, covering more than 100 schools nationwide.

In 2019, we received very good cooperation from our allies, namely Thai Television Channel 3 News Family, Srinakharinwirot University, Media Associated Co., Ltd., and Kingsman C.M.T.I. Co., Ltd., for projects and activities as follows:



Educational projects: (carried out in conjunction with community projects) comprising eight projects of computer learning centre and library; science-classroom, farmland for meal, clay doll learning centre and demonstration field at the following schools

- Wat Samran School, Lopburi
- Baan Din Lan School, Songkhla
- Baan Gud Kamin School, Nakhon Ratchasima
- Baan Hnong Aor Noi School, Udon Thani
- Wat Jed Yod School, Chiang Mai
- Baan Huay Lan School, Phetchaboon
- Wat Don Kee Lek School, Chachoengsao
- Baan Khao Saraphi Border Patrol Police School, Sa Kaeo





Social and environment projects, consisting of five projects as follows:

- Blood donation in association with The Thai Red Cross Society, every three months
- “Power of Thais... Aiding Disaster Victims in Laos”
- “Power of Thais... Aiding Tsunami Victims in Indonesia”
- “Do Good and Let People See” to fund the construction of Banphaeo International Eye Hospital, Samut Sakhon
- “Sericulture Learning Centre” at Community and Baan Nong Muang Waan School in Nakhon Ratchasima

For 2020, we will remain steadfast in our commitment to social responsibility with the main emphasis on education and special attention to environmental protection, especially as regards plastic waste which is currently a global concern with drastic impact on the environment. The Bank joined hands with Environment and Sanitation Section, Pathumwan District Office, in launching the “CIMB THAI Go Green” project on 4 December 2019, which is Thai Environment Day, to campaign for all staff to reduce, reuse and recycle plastic bags. Cloth bags and eco-friendly cups have been handed out to staff and use of degradable or reusable containers promoted to minimise the volume of plastic wastes to the least or zero. Staff have also been urged to learn and maintain discipline in sorting wastes properly. We have made available waste bins that sort wastes by element, i.e. food leftovers, general wastes, and reusable materials for efficient waste management where even food scraps can be turned into compost for farmers.

The Bank and Pathumwan District Office have also planned to further extend our collaboration across the Langsuan community covering business entities, shops, street food vendors and street hawkers in the area. This will reiterate CIMB Thai and CIMB Group’s ongoing commitment to operating our business with responsibility for the society and the environment toward sustainability.

Anti-Corruption

CIMB Thai Bank Public Company Limited (CIMB Thai) has participated as a member of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) to underline our ongoing commitment to fight all forms of corruption. We have mapped out sound practice guidelines and procedures to counter corruption with the Anti-Corruption Policy and Procedures established to be strictly adopted by directors, executives and staff of the Bank and the companies in our financial business group. We have also reviewed the relevant practices, responsibility structure, risk management system, internal control and audit system to safeguard against any internal fraud.

Moreover, to support our anti-corruption operation in a more concrete manner, the No Gift Policy and Procedures has been put in place and communicated to staff at all levels to encourage them to take part in building a transparent organisation culture. All other stakeholders have also been requested to refrain from giving gifts to the Bank's executives and staff members. This aims to prevent and reduce circumstances where corruption risk may be incurred and to ensure that the Bank operates business in accordance with corporate governance principles, and with integrity, transparency and avoidance of conflicts of interests, which are the core principles of business operations of the Bank and companies in our financial business group.

To further enhance our staff's knowledge and understanding, we have prepared learning materials and implemented e-learning on good practice guidelines of the Anti-Corruption and No Gift Policies and Procedures with all staff members required to study and take the test on a yearly basis.

With awareness of the accountability for all stakeholders, the Bank has instituted the Whistleblowing Policy with channels put in place for any report of concern or complaint to be made and processed directly to Chairman of the Board of Directors, Chairman of the Audit Committee, or President and Chief Executive Officer, or via the Bank's website, regarding any wrongful acts in duty, internal fraud and non-compliance by the employees with the Bank's work rules. Under the Policy, the whistleblowers or the complainants will be protected and treated with fairness and the information and complaints will be kept in confidentiality.

Moving Forward to Drive ASEAN towards Sustainability

Throughout the period of Thailand's chairmanship of ASEAN in 2019, Thailand has pushed for the region's progress in three areas, involving 13 issues that are priority economic deliverables already negotiated at the level of ASEAN Senior Officials and ASEAN Economic Ministers as jointly committed by ASEAN member countries under the theme "Advancing Partnership for Sustainability." The theme reflects the direction of driving ASEAN towards sustainability, i.e. pushing for cooperation to strengthen ASEAN, working together to advance ASEAN, promoting linking mechanisms, and giving priority to sustainable development, with ultimate goal of the well-being and peace for the peoples of the region.

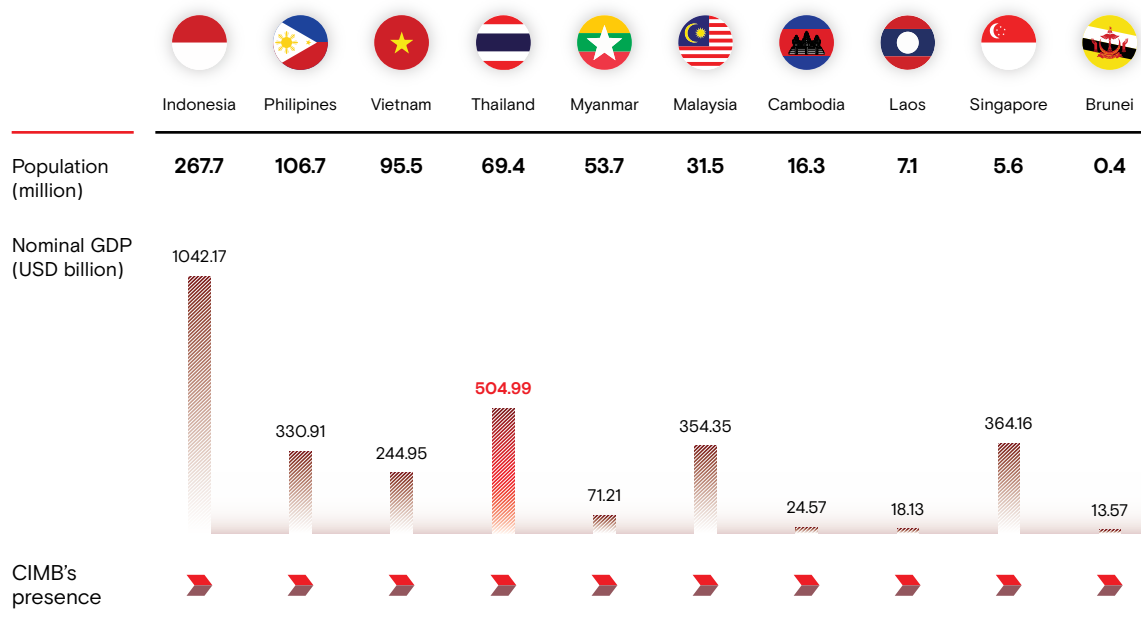
The 13 priority economic deliverables cover three areas as follows:

Future Orientation: ASEAN aims to get prepared for the changes coming with the 4th Industrial Revolution (4IR). Five of the 13 deliverables focus primarily on the 4IR, comprising 1) ASEAN digital integration framework action plan, 2) Guideline on skilled labour/professional services development, 3) Policy guideline on innovation of ASEAN, 4) ASEAN Declaration on industrial transformation to Industry 4.0, and 5) ASEAN's readiness to embrace innovation and digital technologies for small-scale ASEAN entrepreneurs.

Enhanced Connectivity: Regional connectivity is to be reinforced through five deliverables, comprising 6) Conclusion of the Regional Comprehensive Economic Partnership (RCEP) negotiations, 7) Operation of the linking electronic systems at ASEAN Single Window, 8) Guideline on ASEAN local currency settlement cooperation framework to support trade and investment, 9) Development of the launch of innovative financing facilities, and 10) Framework of ASEAN Gastronomy Tourism Master Plan.

Sustainability in All Dimensions: Sustainable development is to be promoted in all dimensions through the following deliverables: 11) Concept proposal for sustainable fisheries, 12) Roadmap for ASEAN sustainable capital markets, and 13) Establishment of ASEAN Centre for Energy and the National Science and Technology Development Agency on biofuels and bioenergy in the region. It is instrumental to propel the negotiations of RCEP to ensure successful conclusion of the above-mentioned deliverables. RCEP is a regional framework of economic cooperation among

CIMB Group's Operation in ASEAN Countries



the 10 ASEAN countries and six partners --- China, Japan, South Korea, India, Australia and New Zealand. It is an extension developed from the five existing trade agreements ASEAN have earlier inked with the said six partner countries, comprising ASEAN-China, ASEAN-Japan, ASEAN-Korea, ASEAN-India, and ASEAN-Australia-New Zealand agreements linking the economies of the region with the global economy. However, for India, there are outstanding issues that still need further negotiations, the same as negotiations on the operation procedures relating to the agreements to be in line with internal procedures of the respective countries so that the RCEP framework agreement can be jointly executed by 2020.

The RCEP framework agreement covers the world's largest free trade area or FTA. If including India, the combined population would be more than 3.5 billion persons or almost 50 percent of world population. RCEP member states' total GDP would amount to USD 27.2 trillion or 32.3 percent of global GDP. Their combined trade volume would account for USD 11.5 trillion, roughly 29.3 percent of global trade volume. If India is not ready to participate in RCEP, the remaining 15 RCEP member states' combined population would be 2.2 billion persons, roughly 30 percent of world population, and total GDP would amount to USD 24.5 trillion or 28.9 percent of world GDP. Their trade volume would account for USD 10.7 trillion, roughly 27.2 percent of global trade volume, still making RCEP FTA a large free trade area.

The RCEP framework agreement will facilitate broader ranging trade and investment, help reduce duplication of rules and regulations, and awaken ASEAN member countries to focus more on regional supply chain which would lead to an increase in international trade value and attract investments from countries beyond RCEP. For Thailand, this agreement will create opportunities for Thai entrepreneurs in terms of expanding the supply chains, more open markets, and outward

investment in various fields where Thai entrepreneurs have potential, such as healthcare, construction, retail, etc. However, RCEP is a large and highly competitive market and many member countries may expand their markets to Thailand as well. Thai entrepreneurs should thus adjust themselves by developing their product standards in order to cope with market penetration of partner countries that may come with higher technology and lower priced products.

In driving ASEAN towards sustainability, ASEAN member countries have to deal with many challenges such as the persisting global economic slowdown, trade tensions between superpowers, intensifying trade protectionism, global financial market fluctuations, and technological changes of the digital age that ASEAN have to embrace. If ASEAN could handle these challenges competently, they would be a resilient region well positioned to move forward and play a leading role in international economic forums.

LOOKING FORWARD

Looking forward, CIMB Group believes that ASEAN will continue to be an open, resilient and dynamic region where cooperation is also required from regions elsewhere. CIMB Group with region-wide networks will remain steadfast in supports for corporate and SME customers with aspirations to expand investments across the region, leveraging on CIMB Group's strength, expertise and product diversity.

CIMB Thai, as a member of CIMB Group, has all along actively supported and explored fresh opportunities for Thai companies in their outward investments in or production expansion to the neighbouring countries like Cambodia, Lao PDR, Myanmar and Vietnam on account of their rapid economic development, and abundant resources and labour. Such outward investments are aimed at maintaining or building competitive advantage, as well as entitlement to the generalised systems of preferences from several developed countries.

Thailand's Economic Outlook 2020

Economic growth forecast to be cut

Never can plans keep up with changes: The situation in January 2020 could reflect the message of this statement. CIMB Thai's Research Office earlier predicted Thai economic growth of 2.7% in 2020 supported by three factors, i.e. relocation of investment bases, active fiscal stimulus measures and tourism. However, under the current circumstances, these supportive factors might instead turn into risk factors for the economy. Foreign investment could be put off, and budget disbursement delayed pending the fiscal budget approval, which might cause public investment to turn negative.

The novel coronavirus or Covid-19 outbreak in China with infected patients reported in several countries including Thailand could hit tourism severely with the number of tourists to slide considerably in H1/2020. To sum up, the economy in H1/2020 could likely expand below 2% dampened by the above negative factors. However, we believe such bleak outlook will be temporary lasting only until the end of Q2/2020, and brighter prospects should be seen afterward with Thai economic growth driven to above 3% in H2/2020. **We thus cut our economic growth forecast in 2020 from 2.7% to 1.7%.** Moreover, as the fiscal policy cannot be enacted to spur the economy at the moment, the Monetary Policy Committee (MPC) decided to slash the policy rate by 25 basis points to stand at 1.00% per annum at its meeting on 5 February 2020 and we predict that the rate could be cut further if needed. Meanwhile, the baht could weaken to 32.00 against the US dollar in Q2/2020 before strengthening to 30.50 against the US dollar at year-end.

TIME FOR THAI ECONOMY TO TAKE REST AND REGAIN ENERGY

Thai economy today is like a patient having caught coronavirus effect with three respiratory symptoms, i.e. high fever, shortness of breath and coughing. **The high fever symptom came from the likelihood of a sharp drop in tourism revenue by more than THB 100 billion** in the aftermath of the contraction in the arrivals of Chinese and other foreign tourists in H1/2020. Compared to the SARS and H1N1 swine flu epidemics when Thailand's tourist inflow shrank by 20%, the coronavirus outbreak, if regarded as the recurrence of such past incidents, may deal a larger blow to the economy as Chinese tourists at present account for more than 30% of total number of tourists, compared with 7% at that time. During January and February, more than 1 million Chinese tourists have been recorded per month. If Chinese travellers cancel their travel plans abroad,

including Thailand which is among their top destinations, tourism revenue could shrink, thus narrowing the current account surplus. A softer pace of economic growth is anticipated as the impacts could also be felt by such tourism-related businesses as hotels, restaurants, transport, retail, food and beverage, and so on. It is noted that tourism contributes more than 10% of GDP. In the absence of this portion, Thai economy might risk shivering. **Another symptom is shortness of breath as the fiscal budget bill was delayed by the Parliament process.** We earlier expected the annual fiscal budget would help fuel the economy and build investor confidence on the back of accelerated budget disbursement. Under the current circumstances, however, we are like a patient with breathing difficulties having only a small remaining amount of budget from the previous fiscal year, which is not enough to fund the projects in pipeline and boost confidence. **The last symptom is coughing. It is a dry cough in the backdrop of Thailand's droughts which have hard hit the agricultural sector.** The water levels at several dams, especially those in the Central and Eastern regions, have fallen significantly, affecting the output of rice and other cash crop harvests. We only hope that the limited water supplies would not hurt industries in the Eastern region that require ample water supplies for their production. Moreover, with the shrinkage in farm income, the purchasing power of low-income households could be lessened. The economy could risk slowing down, particularly in rural and provincial areas, to a greater extent than in the previous years. Nonetheless, we should not lose hope. Research Office views that all these symptoms could disappear in H2/2020. We should be able to control the severity of this situation and come up with some solutions, which are not in a way of economic restructuring. If the spreading coronavirus can be stemmed in China and our budget bill is passed by the Parliament, the government should be able to roll out economic stimulus packages and speed up investments, which would bring back confidence to the private sector. The Thai economy should then be rejuvenated and grow by almost 3% in H2/2020, fuelled by the export sector, which is the main engine to drive the economy in parallel to private investment in expectation of brighter prospects from the first round of trade talks between the U.S. and China. However, Thai export in H1/2020 may still risk contracting given the sluggishness of Chinese economy and the economies of our major trade partners in ASEAN who also rely mainly on export to China and Chinese tourist inflows.

HOW TO STIMULATE THE ECONOMY

Besides interest rate cut and the baht depreciation, do we have any other tools that can prop up the economy and prevent the economic growth from falling below 2%, the lowest in 21 quarters since Q4/2014? What to be put on the urgent agenda should be building confidence among Thais and tourists in Thai government's ability to contain the virus spread. We may lose some tourism revenue in a short term but confidence can subsequently be restored and the industry will soon recover. In addition, tour operators should be encouraged to seek new markets. There should also be promotion campaigns for Thais to travel in Thailand. Meanwhile, the weak agricultural sector and purchasing power of rural people is a long-term structural problem that needs to be addressed alongside the launch of welfare schemes for low-income earners. We view that employing local labour for construction of local public utilities such as roads, irrigation systems, water tanks or residences for the elderly may also create job opportunities, the budget allocated for which will lead to distribution of income. In a short term, we should drive development of private sector production efficiency in preparation for another round of export competition in H2/2020 amid the global economic recovery and easing of trade tensions. As export alone cannot drive growth, our goods need to be of good quality, so there should be investment in machinery. It is now a good timing for investors to accelerate their investment under the current uncertain circumstances when financial costs are low, and hopefully, rapid economic revival can be expected in H2/2020.

CONSUMER BANKING

2019 was another year of success, as Consumer Banking has delivered valuable products and services via fast and convenient digital channels, branches, and wealth centres. Two new branches were opened at Central East Ville and Central Festival Phuket, together with the introduction of “digital cashless branch” at Major Cineplex – Siam Paragon.

Consumer Banking has continued to develop digital banking services through our mobile application called “CIMB Thai Digital Banking” with more than 75,000 users registered during the year. Besides general banking transactions, new services have been offered on the application, such as digital savings account with a maximum 2% interest rate, QR fund transfer, 24-hour mutual fund service, mutual fund portfolio consolidation, and introduction of primary bond booking. So far, more than 90% of our banking transactions have been made on the mobile application. This will accordingly contribute to the country’s development of a “Cashless Society.”

With strong positioning in digital banking endeavors, CIMB Thai is the first bank in CIMB Group that has rolled out the Regional Wealth Management System (RWMS) for financial investment planning for customers via sales tablet devices. Moreover, our subsidiaries, i.e. CIMB Thai Auto Co., Ltd. (CT Auto) and WorldLease Co., Ltd. (WL), have developed digital loan booking channels, i.e. Mobile Application for Marketing (MAM) through which 100% of car loan applications with CT Auto have been made, and Self-Apply Machine for Motorcycle (SAMM) which recorded half of the new motorcycle loan bookings with WL in 2019.

Partnership is also the key to lending and wealth business expansion. In 2019, CIMB Thai together with 9F, a FinTech firm from China, launched a new mobile lending application using the Alternative Credit Underwriting (ACU) as the customer data analytics tool. We have also partnered with a local FinTech firm, namely NEO Money, in pioneering and co-launch of Digital Partners APIs on the concept of debt consolidation. In addition, we have initiated the “Open Architecture (OA)” project with seven asset managers to facilitate and expand services to customers via FundConnex system developed by the Stock Exchange of Thailand (SET). Currently, we have eight asset management companies, including Principal Asset Management Co., Ltd., as partners with approximately 80 funds on shelf ready to serve our customers.

The year 2019 saw us start to deploy Advanced Analytics as a technique for us to better understand our customers and offer products and services of their interest. We have successfully offered existing customers better rates for both loan products and fixed deposit products based on their behaviors and profiles, to which responses received from them have more than doubled, and the number of recurring customers has increased by 56%.

For wealth products, we have selected and offered a variety of investment product choices, focusing only on primary and secondary bonds of investment grade or above. Particularly, we have offered quality secondary bonds during low interest rate situation, resulting in an increase in transaction volume by more than 90% as compared to the previous year.

Despite experiencing one of the toughest years in banking industry, our consumer loan outstanding grew substantially by 12% with risk-based pricing and through digital marketing, digital lending, and CIMB Thai Digital Banking application. New loan bookings amounted to THB 48,000 million or a 6% growth. Home loans and personal loans did not shrink to the extent experienced by the market in overall. CT Auto’s new loan bookings grew by 38%, ranking No. 2 in the market. WL’s new loan bookings also grew by 31% as compared to the previous year. The company will move forward to drive electric motorcycle loans under the “Pollution Free Leasing” campaign in alignment with the Bank’s mission of sustainable banking.

For 2020, Consumer Banking will remain steadfast in forging digital banking platform with 24-hour services for digital saving and digital lending supported by the e-KYC system which will increasingly play a significant role. In view of Advanced Analytics, hyper-personalisation will be a key factor in bringing customer engagement in 2020. We will combine Advanced Analytics using Machine Learning and Intelligent Campaign Management System (iCAMS) to automatically customise and personalise communication and offering of financial products and services to the customers so that they would get products and services of their preferences in conjunction with quality financial advisory service from us. In addition, we plan to seek and collaborate with new asset management partners to offer a broader diversity of mutual fund products on the FundConnex platform with a view to growing both the Bank and our customers on a sustainable basis.

TRANSACTION BANKING

Transaction Banking provides both cash management and trade finance services to corporate and commercial customers to enable them to manage their domestic and international cash transactions conveniently, effectively, economically and timely. We also offer financial solutions which suit customers' requirements for various types of businesses.

In 2019, Transaction Banking focused on delivering convenience and cost saving as value proposition to customers, with the launch of "CIMB Biz Account." CIMB Biz Account is a type of current deposit account offering a high interest rate and allowing online fund transfer, payment and receipt of fund free of service charge. This can help shorten cash management process for customers. This facility has also been extended to other related services to maximise customers' benefits, such as CIMB Biz Export designed to exclusively serve customers who are exporters. Furthermore, we have uplifted our Biz Digital to emphasise our ASEAN footprint by adding another channel for doing cash transactions, i.e. BizChannel@CIMB Mobile Application, where customers can manage their businesses anytime and anywhere around the world. Blockchain has also been used for issuance of electronic letter of guarantee (e-LG).

For 2020, Transaction Banking will continue to give priority to customer base expansion through CIMB Biz Account to which more benefits will be brought to respond to diverse demand of customers of all segments/business types, as well as to develop Biz Digital further on. We will also deepen collaboration with business partners which provide financial platforms to jointly develop financial solutions on Biz Gateway including use of Blockchain for offering of other services.

WHOLESALE BANKING – CORPORATE BANKING AND INVESTMENT BANKING

The Bank's Wholesale Banking – Corporate Banking and Investment Banking is composed of three main function lines, i.e. Corporate Banking, Financial Institutions Thailand & CLMV, and Investment Banking. We provide a comprehensive range of financial services to big corporate clients by focusing on teamwork and joint sale-and-relationship plan with key clients to leverage our capacity and service quality to efficiently serve our clients' needs and best generate income and benefits to the Bank.

Despite the volatile economy and softening growth in 2019, Wholesale Banking generated total revenues and profit before tax (PBT) close to those in the previous year, and expanded high-quality large corporate loans by 4%, which was a record high for Wholesale Banking. Total new credit lines approved in the year amounted to THB 30 billion, which pushed up our interest income and fee income to grow by 9% and 38% respectively.

Wholesale Banking did exceptionally well in asset quality management of both existing loan portfolio and new high-quality loan approvals by close and regular monitoring of clients through the early warning and watchlist process to prevent problem loans, and efficient specialised teams

in debt collection and resolutions. Moreover, operating expenses were effectively controlled to the level of 8% below the budget.

Most of our revenues came from significant client groups who entrust us as their main bank, including those with ASEAN aspirations in line with our strategy and motto: “Be More Relevant to Important Clients and Accelerate Our ASEAN Initiatives.”

Wholesale Banking was successful in expanding the business to other ASEAN countries, particularly CLMV (Cambodia, Lao PDR, Myanmar, Vietnam), through CIMB Group which has strengths in capital, personnel and partnering network in ASEAN. We completed business deals with big corporate clients who had large investments in both domestic and regional markets, especially ASEAN, and we were able to provide efficient solutions and services that met their expectations. We also worked closely with other CIMB Group members in continuously expanding the income base in their respective countries.

Corporate Banking and Financial Institutions Thailand & CLMV

The Bank's Corporate Banking offers a comprehensive range of financial services, such as working capital loans for general business, term loans for investment in fixed assets, project financing, and trade finance, as well as other financial services like cash management and foreign exchange transaction for large corporate clients in a diverse range of business sectors, for example, commercial, manufacturing, property development, and transportation. Meanwhile, Financial Institutions Thailand & CLMV provides financial services to financial institutional customers, both banks and non-bank entities such as leasing, securities, asset management, and insurance companies, etc. As most clients have had a long-time relationship with the Bank, we work alongside them as their strategic business partner that supports them towards a strong and sustainable business growth. We also offer them business and investment opportunities throughout and within the CIMB Group's regional network.

Corporate Banking and Financial Institutions Thailand & CLMV have collaborated with Research Office in keeping abreast of business and economic trends, and with Risk Management in expanding our exposure and business to low risk sectors. We have also targeted large clients with strong financial position and investment plans into ASEAN and those with cross-selling opportunities. These include big projects which generate comprehensive income, e.g. interest, fee and financial advisory income, and other income from transactional banking and hedging products, as well as equity and debt underwriting to serve the clients' financial needs in all perspectives.

As of 31 December 2019, Corporate Banking and Financial Institutions Thailand & CLMV's outstanding loan balance increased by 4% year-on-year and stood at a record high of THB 72 billion.

In view of the business plan from 2020 onwards, Corporate Banking and Financial Institutions Thailand & CLMV will focus on generating firm and consistent income with priority given to key account management and planning to achieve recurring income along with cross-selling opportunities. Our strategy is to reach out to selected major client groups as well as acquisition of new clients with strong potential to continuously improve our asset quality. Furthermore, we will keep expanding our business and service across ASEAN and foster business and relationships with foreign clients to promote foreign direct investment in Thailand with cooperation from other CIMB Group members.

Investment Banking

The Bank's Investment Banking comprises highly experienced, competent and efficient financial advisors offering the best financial solutions and providing capital/fund raising capabilities to our clients.

In 2019, Investment Banking's income increased by 12% year-on-year. We successfully completed two large transactions in collaboration with CIMB Group in equity market, performing as the financial advisor, lead underwriter/co-underwriter and initial purchaser (jointly with CIMB Group) and generated debt underwriting fee income in conjunction with Treasury & Markets with a year-on-year growth of 62%. In addition, Investment Banking has closely worked with Corporate Banking in certain corporate loan and project financing transactions with a view to best serving our clients' needs.

We have continued to reinforce our teams through collaboration with CIMB Group by having sector specialists from CIMB Group to provide knowledge and insight of industrial sectors at regional level and work closely with us to offer our clients comprehensive financial services, including strategic and business operation advisory services. As a result, we have been able to strengthen our relationships and add value to our clients' businesses while enhancing their competitiveness through innovation of financial products that best suit them.

The collaboration and synergy among the Bank's Corporate Banking, Financial Institutions Thailand & CLMV, Investment Banking, and CIMB Group network in ASEAN will contribute to the Bank's potential as an important bank to our clients and their business partner in achieving their ASEAN investment goals.

Key successful deals in 2019 comprised:

Debt Markets	Role	Issue Size (THB million)
Government Housing Bank	Sole Lead Underwriter	30,600.00
TPI Polene Public Company Limited	Sole Lead Underwriter	9,630.00
True Corporation Public Company Limited	Joint Lead Underwriter	8,768.41
State Railway of Thailand	Joint Lead Underwriter	5,700.00
Toyota Leasing (Thailand) Company Limited	Joint Lead Underwriter	5,461.25
TPI Polene Power Public Company Limited	Sole Lead Underwriter	4,000.00
Ngern Tid Lor Company Limited	Joint Lead Underwriter	3,950.00
Muangthai Capital Public Company Limited	Sole Lead Underwriter/ Joint Lead Underwriter	2,670.00
National Housing Authority	Sole Lead Underwriter	2,500.00
Ananda Development Public Company Limited	Joint Lead Underwriter	2,128.00
True Move H Universal Communication Company Limited	Joint Lead Underwriter	1,992.60
Thai Beverage Public Company Limited	Joint Lead Underwriter	1,464.70
Origin Property Public Company Limited	Joint Lead Underwriter	1,359.34
Central Pattana Public Company Limited	Joint Lead Underwriter	1,250.00

Debt Markets	Role	Issue Size (THB million)
Sansiri Public Company Limited	Joint Lead Underwriter	1,203.50
Provincial Waterworks Authority	Sole Lead Underwriter	1,050.00
Neighbouring Countries Economic Development Cooperation Agency (Public Organisation)	Sole Lead Underwriter	1,000.00
Siamgas and Petrochemicals Public Company Limited	Joint Lead Underwriter	750.00
Srisawad Corporation Public Company Limited	Joint Lead Underwriter	711.25
Krungthai Car Rent and Lease Public Company Limited	Sole Lead Underwriter	700.00
Asia Sermkij Leasing Public Company Limited	Sole Lead Underwriter	270.00
SC Asset Corporation Public Company Limited	Sole Lead Underwriter	145.00

Equity Markets	Role	Total Deal Size (THB million)
Dusit Thani Freehold and Leasehold Real Estate Investment Trust	Financial Advisor / Lead Underwriter	1,782.39
S Hotels & Resorts Public Company Limited	Financial Advisor / Lead Underwriter / Initial Purchaser (Jointly with CIMB Group)	7,474.77
Asset World Corp Public Company Limited	Co-Underwriter (Jointly with CIMB Group)	41,742.00

COMMERCIAL BANKING

Commercial Banking serves small and medium-sized enterprises (SMEs) through our business centres situated in strategic locations nationwide. We provide comprehensive financial products and services tailored to suit each customer's needs. With CIMB Group's strong and well-established network throughout ASEAN, we also work with our customers to enable their full potential in their trade and investment across the region.

In 2019, Commercial Banking continued to grow SMEs from 2018. We have continuously enhanced and streamlined our credit evaluation and approval process to reduce redundancies as well as to shorten the approval turnaround time. As for asset quality management, with our reorganisation structure and strong credit underwriting foundation, we have well managed our asset quality with loan loss provision set aside as targeted.

Looking forward to 2020, we will continuously strive for growth in SME segment as well as increase in our market share in promising SME businesses. Our asset quality management will also be carried on prudently and vigilantly to ensure sustainable business growth.

TREASURY & MARKETS

Treasury & Markets (T&M) is responsible for developing and providing financial solutions that help our clients manage their risks and capture the right investment opportunities across different asset classes as well as facilitating fundraising through the debt capital market. We also manage the Bank's funding and liquidity in accordance with regulatory requirements and optimise the Bank's assets within our framework.

In 2019, T&M contributed a good financial result to CIMB Thai with strong product capabilities in structured products, derivatives (equity/rates/credit), debt securities trading, and foreign exchange, which earned the Bank altogether eleven awards as follows:

The Asset Triple A Private Banking, Wealth Management: Investment and ETF Awards

- 1) Best Structured Products House: Highly Commended
- 2) Derivatives House of The Year
- 3) Best Equity Derivatives House of The Year
- 4) Best Rates Derivatives House of The Year
- 5) Best Credit Derivatives House of The Year
- 6) Best Structured Investment Products – Credit, Equity, Rates

ASIAMONEY

- 7) Best FX Counterparty (ranking No. 2 in Thailand)

Alpha

- 8) Best Refinancing Deal in Southeast Asia

ThaiBMA (Thai Bond Market Association)

- 9) Most Active Bank in Corporate Bond Secondary Market
- 10) Best Bond Dealer
- 11) Sales Staff of The Year

Furthermore, CIMB Thai is one of the key players in the debt capital market, ranking No. 6 with 8.7% market share in THB corporate bond underwriting league table published by Bloomberg. Regarding secondary market, CIMB Thai has ranked No. 1 with 8.8% market share for all bonds trading value (time-to-maturity > 1 year) according to a league table reported by Thai Bond Market Association.

Looking forward into 2023, we aspire to become Thailand's top corporate solution and investment house for consumer and private banking clients, while secure market leadership positions in credit markets and structured products. To achieve this aspiration, we have clearly defined three strategic priorities to be implemented going forward as follows:

- 1) Increase cross selling: Deepen our client engagement in different segments by working together with respective client coverage teams to identify clients' needs and providing solutions that match their requirements.
- 2) Develop new innovative solutions: Broaden our suite of solutions in wealth management business, e.g. expand a diversity of in-house structured investment products, extend a breadth of onshore and offshore bonds, enhance custodian related systems and capabilities, and embark on an open architecture of foreign structured notes.
- 3) Develop digital distribution platforms: Continue to develop online distribution and execution platforms for the Bank's staff (web-based application) and external clients (mobile application) to scale up businesses digitally and improve efficiency.

COMPETITIVE ENVIRONMENT - MARKET SHARES

Unit: THB million

Banks	Assets	Market Share (%)	Deposits	Market Share (%)	Net Loans	Market Share (%)
Bangkok Bank	3,123,361	17.0%	2,316,035	17.6%	1,832,828	15.8%
Siam Commercial Bank	2,952,447	16.1%	2,156,489	16.3%	1,995,248	17.3%
Krung Thai Bank	2,908,358	15.8%	2,158,460	16.4%	1,879,541	16.3%
Kasikornbank	2,724,055	14.8%	2,065,669	15.7%	1,826,520	15.8%
Bank of Ayudhya	2,234,725	12.2%	1,558,780	11.8%	1,610,374	13.9%
TMB Bank	1,045,343	5.7%	663,559	5.0%	168,062	1.5%
Thanachart Bank	999,575	5.4%	734,561	5.6%	693,929	6.0%
United Overseas Bank	556,212	3.0%	456,411	3.5%	404,342	3.5%
CIMB THAI Bank	385,149	2.1%	199,132	1.5%	221,952	1.9%
Kiatnakin Bank	299,216	1.6%	172,661	1.3%	230,062	2.0%
TISCO Bank	285,305	1.6%	218,433	1.7%	228,608	2.0%
Land and Houses Bank	230,548	1.3%	165,018	1.3%	151,569	1.3%
Industrial and Commercial Bank of China (Thai)	215,797	1.2%	129,823	1.0%	110,246	1.0%
Standard Chartered Bank (Thai)	142,378	0.8%	61,908	0.5%	27,653	0.2%
Sumitomo Mitsui Trust Bank (Thai)	81,785	0.4%	19,133	0.1%	52,014	0.4%
Bank of China (Thai)	69,996	0.4%	47,088	0.4%	46,462	0.4%
Thai Credit Retail Bank	56,635	0.3%	47,325	0.4%	48,204	0.4%
ANZ Bank (Thai)	32,175	0.2%	7,372	0.1%	17,889	0.2%
Mega International Commercial Bank	25,555	0.1%	13,237	0.1%	19,917	0.2%
Total	18,368,575	100.0%	13,191,092	100.0%	11,565,470	100.0%

Source: Summary of Assets and Liabilities Statement (C.B. 1.1), Bank of Thailand

PROCUREMENT OF PRODUCTS AND SERVICES

Source of Funding

As at 31 December 2019, deposits managed by the Bank stood at THB 209.2 billion (including interbank and money market deposits), whilst borrowings (including interbank and money market borrowings) amounted to THB 76.7 billion. Of the total, 81.1% was used for gross loans including accrued interest, and the balance was applied towards interbank and money market items and investments. The Bank has closely monitored its liquidity gap in each period in line with the policy in place to acquire and utilise funds in an efficient and effective manner.

Comparing the Bank's loans and deposits, total gross loans with maturity of not more than one year stood at THB 63.3 billion and loans with maturity of more than one year amounted to THB 171.0 billion. Meanwhile, deposits with maturity of not more than one year stood at THB 199.5 billion and those with maturity of over one year amounted to THB 9.7 billion.

Capital Adequacy Ratio

As at 31 December 2019, CIMB Thai Group's capital adequacy ratio (CAR), common equity tier 1 (CET1) capital and tier 1 capital were 18.0%, 13.1% and 13.1%, respectively, while those of the Bank were 17.4%, 12.4% and 12.4%, respectively. The Bank has maintained a robust capital position with CAR, CET1 and tier 1 capital well above the Bank of Thailand's minimum requirements.

Unit: THB billion

Capital funds	Minimum requirements	Full consolidate supervision			Separate		
		31 Dec 19	31 Dec 18	31 Dec 17	31 Dec 19	31 Dec 18	31 Dec 17
Tier 1 capital		34.6	34.9	30.9	32.6	32.8	29.9
CET1 capital		34.6	34.9	30.9	32.6	32.8	29.9
Tier 2 capital		13.0	13.0	9.8	13.3	13.2	9.9
Total capital funds		47.6	47.9	40.7	45.9	46.0	39.8
Tier 1 capital to risk-weight assets	8.500%	13.1%	14.1%	12.9%	12.4%	13.3%	12.5%
CET1 capital to risk-weight assets	7.000%	13.1%	14.1%	12.9%	12.4%	13.3%	12.5%
Tier 2 capital to risk-weight assets	-	4.9%	5.2%	4.1%	5.0%	5.4%	4.1%
Capital adequacy ratio	11.000%	18.0%	19.3%	17.0%	17.4%	18.7%	16.6%
Total risk-weight assets		265.4	247.6	239.1	263.6	246.2	239.6

LIQUIDITY RISK MANAGEMENT POLICY

Liquidity risk is defined as the risk of the Bank's inability to meet the required payments or obligations when they are due, which may be a result of the inability to convert assets into cash or obtain adequate funding in time. It may adversely affect the daily operations and incur unacceptable losses.

The objective of the Bank's liquidity risk management is to ensure that the Bank can meet the cash obligation in a timely and cost-effective manner both at present and in future. To this end, its liquidity risk management is to maintain high quality liquid assets and well diversified portfolios as well as sources of funds under both business-as-usual and stress conditions. Due to the Bank's business framework to strive for a broader delivery network and markets, the Bank has maintained a diversified core deposit base comprising savings, current and term deposits, thus providing a large, stable funding base. The Bank has also maintained certain liquidity buffers throughout the year to ensure its stable business operation in strategic, structural and tactical perspectives.

The responsibility for liquidity risk management and control is delegated to the Asset and Liability Management Committee (ALCO) which meets at least once a month to discuss the liquidity risk and funding profile/plan of the Bank. ALCO is responsible for the overall management and oversight of liquidity and review/recommendation of liquidity risk management policy before seeking approval from the Board of Directors. ALCO is also in charge of approving liquidity risk tolerance. Asset and Liability Management (ALM), which is responsible for monitoring of the liquidity risk profile, works closely with Treasury & Markets in the surveillance of market conditions. Business units are responsible for establishing and maintaining strong business relationship with

their respective depositors and key funding sources. In addition, the Bank has set up the Funding Committee composed of representatives from business units, Finance and Risk Management to oversee the Bank's funding strategy. Besides, Treasury & Markets performs global funds dealing on a necessity or contingency basis. The Bank has to prudently manage the liquidity position to meet daily operation needs. It regularly measures and forecasts the respective cash flows arising from the maturity profiles of assets, liabilities, off balance sheet commitments and derivatives over a variety of time horizons under business-as-usual and stress conditions. As regards companies in the Bank's financial business group, liquidity risk management will be centralised. To support their liquidity, the Bank may consider and approve liquidity lines to them within the respective credit lines approved by the Board of Directors.

The Bank will continue to emphasise and improve its retail customer acquisition to match its asset expansion. Its liquidity management strategy is to drive the accumulation of current accounts and saving accounts (CASA), as well as retail term deposits as they are stable and economical sources of funding, while using the more price sensitive corporate deposits, bills of exchange, short-term debentures, and structured products as a means to balance out the funding and liquidity of the Bank. The Bank has designated functional teams to be responsible for the proper marketing strategy for each segment and to strengthen the Bank's relationship with the clients for sustainable long-term deposit growth. In addition, the Bank has in place an early warning system which is closely monitored, together with a contingency funding plan, to alert and enable the management to take effective and efficient measures during a liquidity crunch and under adverse market conditions.

Credit Approval

The Bank has two approval processes for non-retail credits, i.e. Credit Committee and Joint Delegation Authority (JDA) of Risk Management and Business Unit.

JDA approval level is determined by group exposure, global group rating, and loan-to-collateral value to help shorten the approval process, and alleviate Credit Committee's burden.

In case that the customer's criteria do not fall into the matrix, an approval by Credit Committee shall be sought.

Collateral Policy

In the Bank's lending policies, the primary basis of assessing the creditworthiness is the borrower's ability to repay loan obligations, most often from cash flows generated through normal business operations and other primary sources of repayment. Nevertheless, collateral also represents an important component of many credit transactions because it will be the secondary source of repayment and will help alleviate loss in the event of default. Among the different types of collateral which the Bank accepts are deposits, government bond, debt and equity instruments, land, construction and machinery, etc. The loan-to-collateral value ratio will vary based upon the risk level of each credit product, the borrower's creditworthiness and liquidity of collaterals. The Bank has established a collateral valuation policy to ensure effective risk management as well as to comply with the Bank of Thailand's guidelines. Once the collateral is taken, it is important to follow the Bank's policy regarding collateral price appraisal and price appraisal frequency.

Debt Monitoring Guidelines and Follow-up Procedures

The Bank has set up guidelines for closely managing and monitoring watch-list and problem loan accounts in order to speedily resolve its problem loans and standardise the problem loan monitoring process. The guidelines prescribe a monitoring process for watch-list accounts,

special mentioned and substandard or worse accounts and the guidelines will be revised periodically to ensure their effectiveness and relevance. In addition to mandatory debt classification in accordance with the Bank of Thailand's guidelines, the Bank has established additional qualitative criteria for early classification of debt with signs of deterioration prior to default. For pre-NPL accounts to be effectively managed, the early warning process and early warning indicators have been set up as guidelines for relationship managers to take early action in identifying accounts with potential problem and develop proper action plan to timely solve the problem so that risk to the Bank can be mitigated. The accounts with potential problems are put under watch list classified by degree of their problem and risk level into three groups, i.e. watch list – low, watch list – medium and watch list – high. The accounts under watch list – low remain under normal class while those under watch list – medium and high are classified as special mentioned. These watch list accounts as well as NPL accounts with exposure more than THB 10 million are regularly reported to the Asset Quality Committee (AQC) on a monthly basis.

AQC was set up to closely monitor development of those watch list accounts, NPL accounts and any other accounts requiring close attention, provide guidance, approve or recommend recovery actions to be taken for those watch list and NPL accounts so that the Bank can effectively manage both potential problem loans and problem loans, comprising debt classification, provisioning, and recovery actions to minimise loss and maximise recovery for the Bank.

Moreover, the Bank has revamped the policies in relation to non-performing loan (NPL) and non-performing asset (NPA) management and guidelines to determine valuation for disposition based on discounted cash flow and fair market value to enhance transparency and openness to examination while also minimizing loss for the Bank.

Debt Restructuring Policy

The Bank has established a policy to undertake debt restructuring for borrowers who have cooperated with the Bank as well as have had potential to comply with the conditions newly agreed upon. The objective of the policy is to ensure that the Bank and the borrowers have mutually benefited from the debt restructuring, that is, the Bank has opportunity to maximise recovery or minimise potential loss, while the borrowers are able to continue their business operation with incurrence of some loss on their part. The Bank will restructure debts in accordance with the Bank of Thailand's regulations and the task will be carried out prudently and in a way that does not avoid the requirements regarding debt reclassification, additional provisioning and suspension of income recognition of accrued interest.

Debt restructuring is undertaken taking into consideration the criteria, process and method provided for debt restructuring process covering debtor analysis, approval, preparation of agreement, follow-up and assessment. Such process must be in compliance with the applicable rules and regulations of the authorities and the Bank. The responsibility for coordinating debt restructuring activities lies primarily with the internal work units of the Bank. However, a certified and experienced third party specialised in this area may be engaged to provide financial advisory services or undertake debt restructuring for the Bank. However, debt restructuring conditions are subject to approval of the Board of Directors, or the Credit Committee, or the Asset Quality Committee, or other persons as authorised by the Bank.

Policy on Asset Classification and Loan Loss Provision

The Bank has complied with the Bank of Thailand's regulations which require asset classification and loan loss provision at the rate for each asset category as prescribed by the Bank of Thailand Notification No. SorNorSor. 5/2559 regarding criteria for debt classification and provisioning of financial institutions, dated 10 June 2016 or as may be amended by the Bank of Thailand from

time to time. However, the Bank's internal guidelines are more stringent than the regulatory requirements, with combination of the qualitative and quantitative criteria prescribed by the Bank of Thailand, and prudent adoption of a final classification which is based on the weaker result of the two sets of criteria to reflect real risk level of the debtor.

In addition to specific provision, the Bank may set aside general provision as appropriate in order to be a buffer against any unexpected losses from economic cycle, etc.

Policy for Intra-Group Transaction of the Financial Group

For good governance, the Bank has established Intra-Group Transaction Policy to provide guidelines for efficient risk management of intra-group transactions to identify, measure, control and monitor risks that may arise from intra-group transactions.

The Policy is also to ensure that intra-group transactions of the financial group are in compliance with the Bank of Thailand's regulations, i.e. the same procedures for normal customer transactions also apply to inter-group transactions, legally enforceable documents are executed and terms and conditions are the same as those agreed upon with normal customers of the same risk level, etc.

HIGHLIGHTS OF CORPORATE BRANDING ACTIVITIES IN 2019

CIMB Thai has pursued the execution of our “FORWARD” brand promise and positioning according to CIMB Group policy throughout 2019. This has reflected our determination giving a high priority to the way our customers think and what they need so that we can offer our financial support and solutions towards the targets, which is our key mission to build greater brand awareness among the general public. In 2019, we produced and launched a new commercial campaign “Hero In You” based on the true story of Bank staff aiming to inspire people to change their perspectives by looking inside themselves and realising their inner strength so that they can move forward. A key message sent to staff members, customers and the public is “We sometimes underestimate ourselves and fail to realise our own capabilities. In fact, we all can be empowered by our inner strength. CIMB Thai believes in the Hero In You... which will drive you towards your goals.” This commercial was shown both online and through traditional media like TV, during the on-air time of Thai drama top-hits to reach out to viewers as much as possible, as well as disseminated through such out-of-home media as billboards and decorative stickers at our branches to optimise utilisation of branch office space, and so on.

As an extension of the concept of “Hero In You” underlining the importance of growing confidence in oneself with the power of positive thinking, we organised “CIMB THAI Triathlon for ASEAN Day” for the second straight year on 4 August 2019 to celebrate ASEAN Day. It was one of the highlights of the year and a convincing proof of “Hero In You.” It was also the first time for such a national triathlon tournament where people interested in this type of sports but having no past experience were invited to join. This corresponded with the concept of “Hero In You” which aims to encourage people to overcome self limitations, believe in their inner power, and rise to challenges, hence a good experience for the participants. The tournament drew more than 600 athletes from various countries, including CIMB Preferred customers who had undergone a preparation training in the “Virtual Triathlon Training by CIMB Preferred” programme. It brought an impressive experience to the participating athletes and built CIMB Thai brand awareness among the general public.

In addition, CIMB Thai continued to use both online and traditional media channels in proactive marketing promotion of our financial products to better meet target customers’ increasingly diverse demand. We launched “EC Mee Credit” personal loan programme and refinancing housing loan scheme with offering of special interest rates to cater to individual needs, as well as a diverse range of investment products with favourable returns under advice from our investment experts. Penetration of social media has also been enhanced through Facebook, LINE, Instagram, Twitter and YouTube, with dissemination of news and information on our products and services, financial tips, marketing activities and promotion campaigns, as well as other interesting everyday life topics with a view to building customers’ brand engagement with the Bank. In addition, we joined Money Expo events in five provinces, i.e. Bangkok, Nakhon Ratchasima, Udonthani, Chiang Mai and Songkhla (Hat Yai) under the theme “CIMB Thai Notes of Financial Rhythm” aimed at expanding customer base in each region with offering of an array of financial products. Each different type of products generates outcome to each stage of the business operations just like the different rhythms and sounds generated by each musical instrument of an orchestra.

Looking forward, we will still give importance to publicising and updating our business progress with a refocusing strategy to online channels in line with the shifting of consumer behaviors and preferences towards online media in order to better promote our image and professionalism in respect of business advancement, ASEAN investment opportunities, product innovations and diversity of service channels. Moreover, our Research Office’s domestic and global economic research and analysis articles have consistently drawn great attention from the media in further disseminating to the public.

Analysis of Financial Standing and Operating Performance

1. Consolidated Operating Results

For the year ended 31 December 2019, CIMB Thai Group recorded a consolidated net profit of THB 1,501.6 million, an over 216-fold year-on-year (YoY) increase of THB 1,494.7 million. The improvement was mainly attributable to a 47.7% decline in provisions resulting from rationalisation of the process to improve the asset quality and a 3.5% growth in operating income, partially offset by a 13.5% increase in operating expenses.

Net Interest Margin (NIM) over earning assets stood at 3.31% in 2019, compared to 3.71% in 2018, owing to higher cost of funds.

As at 31 December 2019, total gross loans (inclusive of loans guaranteed by other banks and loans to financial institutions) net of deferred revenue of CIMB Thai Group stood at THB 242.1 billion, an increase of 6.3% from 31 December 2018. Deposits (inclusive of bills of exchange, debentures and selected structured deposit products) amounted to THB 241.5 billion, a growth of 3.1% from THB 234.3 billion at the end of December 2018. The modified loan to deposit ratio (modified LDR) moved up to 100.3% from 97.2% as at 31 December 2018.

(a) Summary of CIMB Thai Group's income

On a YoY basis, CIMB Thai Group's consolidated operating income grew by THB 472.5 million or 3.5% to THB 14.2 billion coming from an increase in net interest income of THB 160.6 million or 1.5% YoY on the back of loan expansion and higher interest income on hire purchase business and investments. Net fee and service income improved by THB 362.3 million or 20.0%, due to higher fee income from insurance and debt capital markets. Other operating income decreased by THB 50.5 million or 4.5% mainly attributable to losses on financial instruments designated at fair value through profit or loss offset by gains from trading and foreign exchange transactions and an increase in gains on investments and gains on sale of NPLs.

(b) Cost of funds and operating expenses

CIMB Thai Group's interest expenses in 2019 amounted to THB 5.5 billion, a YoY increase of THB 950.6 million or 20.8%, largely from an increase in interest expenses on deposits.

For the year ended 31 December 2019, operating expenses rose by THB 1,148.1 million or 13.5% YoY, largely due to higher employee expenses and other operating expenses following an amendment

bill to the Labour Protection Law which requires employers' higher compensation payment to employees who have retired or have 20 years of service or more. Coupled with expenses incurred from the business expansion strategy under the Fast Forward programme, the cost to income ratio moved higher to 68.1% in 2019, compared to 62.1% in 2018.

(c) Net profit

For the year ended 31 December 2019, CIMB Thai Group recorded a consolidated net profit of THB 1,501.6 million, an over 216-fold year-on-year growth of THB 1,494.7 million. The improvement was mainly attributable to a 47.7% decline in provisions as a result of rationalisation of the process to improve the asset quality and a 3.5% growth in operating income, partially offset by a 13.5% increase in operating expenses.

(d) Return on equity

For the year 2019, CIMB Thai Group's return on equity was 4.0% compared with 0.0% in 2018, and the Bank's return on equity was 1.2% compared with (2.5)% in 2018, mainly due to an increase in net profit during the year.

2. CONSOLIDATED FINANCIAL STANDING

Assets

As at 31 December 2019, CIMB Thai Group's total assets amounted to THB 391.9 billion, a THB 36.0 billion or 10.1% growth from a year earlier, as detailed below:

Interbank and money market items (assets) were THB 6.4 billion, a THB 368 million or 5.4% decrease, mainly attributable to the Bank's liquidity management.

Derivative assets moved up by THB 20.1 billion or 85.8% to THB 43.5 billion, coming mainly from interest rate contracts and foreign exchange contracts.

Net investments stood at THB 86.8 billion, declining by THB 5.4 billion or 5.8%, mainly due to a decrease in available-for-sale securities, partially offset by an increase in securities designated at fair value through profit or loss and securities held for trading.

Net loans and accrued interest receivables were THB 229.9 billion, a 6.3% growth largely in retail segment.

Credit support assets on derivatives amounted to THB 15.0 billion, going up by THB 8.9 billion or 147.3%, which is in line with derivatives business.

Asset quality

(a) Loans and loan concentration

As at 31 December 2019, CIMB Thai Group's total loans net of deferred revenue accounted for THB 240.1 billion, a growth of THB 13.8 billion or 6.1% from THB 226.3 billion as at 31 December 2018. Loans principally comprised housing loans, hire purchase receivables and manufacturing and commerce sectors, making up 67.9% of total loans. Housing loans represented the largest proportion, i.e. THB 78.7 billion or 32.8% of total loans, which was in line with the Bank's business strategy, followed by hire purchase receivables amounting to THB 42.7 billion or 17.8%, and manufacturing and commerce sectors THB 41.4 billion or 17.3% of total loans. Sectors with growth of loans were mainly hire purchase and housing, recording a YoY growth of 28.3% and 9.4% respectively.

	31 December 2019		31 December 2018		Change	
	THB million	%	THB million	%	THB million	%
Loans classified by type of business						
Agriculture and mining	8,349	3.5	6,956	3.1	1,393	20.0
Manufacturing and commerce	41,446	17.3	45,157	19.9	(3,711)	(8.2)
Real estate and construction	16,364	6.8	13,836	6.1	2,528	18.3
Public utilities and services	24,921	10.4	29,779	13.1	(4,858)	(16.3)
Personal loans	10,529	4.4	11,961	5.3	(1,432)	(12.0)
Housing loans	78,698	32.8	71,916	31.8	6,782	9.4
Hire purchase receivables	42,665	17.8	33,244	14.7	9,421	28.3
Others	17,108	7.0	13,451	5.9	3,657	27.2
Total loans net of deferred revenue	240,080	100.0	226,300	100.0	13,780	6.1

To prevent concentration risk in any particular industry, the Bank has a policy in place to diversify loans granted to various business sectors covering clients from all categories: large, medium and small enterprises as well as retail clients.

(b) Classification of assets

As at 31 December 2019, CIMB Thai Group's net loans and accrued interest receivables (excluding loans to financial institutions) amounted to THB 240.5 billion, an increase of 6.1% compared with those as at 31 December 2018. Classification of loans is in compliance with the Bank of Thailand's notification. Pass loans stood at THB 216.9 billion, special-mention loans THB 12.3 billion, and non-performing loans classified as sub-standard, doubtful and doubtful of loss were reported at THB 3.4 billion, THB 1.6 billion, and THB 6.3 billion respectively.

CIMB Thai Group's loan loss coverage ratio was 94.1% as at 31 December 2019 compared to 107.0% as at the end of December 2018. As at 31 December 2019, total provisions stood at THB 10.6 billion, translating to a THB 5.0 billion excess over the Bank of Thailand's reserve requirements.

(c) Non-performing loans (NPLs)

The gross non-performing loans (NPLs) amounted to THB 11.3 billion, constituting to a gross NPL ratio of 4.6% compared to 4.3% as at 31 December 2018, arising from certain corporate accounts and retail segments. The Bank has continued to maintain the tightened credit underwriting standards and risk management policies, as well as focusing on improvement of efficiency in debt collection, monitoring and resolution of troubled debts.

(d) Income recognition

Interest income is recognised on an accrual basis. The Bank discontinues recognition of accrued interest income on loans that are more than three months overdue or when there is uncertainty of collectability, and then a cash basis is applied. It also reverses interest income on such loans in order to comply with the Bank of Thailand's notification. It will continue income recognition on an accrual basis when the entire amount of principal and overdue interest has been settled.

The Bank recognises interest income on restructured loans on the same accrual basis as applicable to the loans discussed above, with the exception of the loans that are subject to monitoring in

compliance with restructuring conditions, on which the Bank recognises interest income on a cash basis until the borrower has been able to comply with the restructuring conditions for a period of at least three consecutive months or three consecutive installments, whichever is longer.

Liabilities

As at 31 December 2019, CIMB Thai Group's total liabilities amounted to THB 353.4 billion, going up by THB 34.5 billion or 10.8% YoY as follows:

Deposits were THB 199.0 billion, up by THB 13.9 billion or 7.5% YoY, mainly from an increase in saving and fixed deposits.

Interbank and money market items (liabilities) were THB 43.4 billion, decreasing by THB 1.1 billion or 2.6% YoY, as a result of the Bank's liquidity management.

Financial liabilities designated at fair value through profit or loss declined by THB 11.1 billion or 31.2% to THB 24.4 billion, coming mainly from structured debentures.

Derivative liabilities went up by THB 20.3 billion or 83.7% to THB 44.7 billion, mainly due to interest rate contracts and foreign exchange rate contracts.

Debt issued and borrowings amounted to THB 25.8 billion, up by THB 6.9 billion or 36.1%, largely caused by an increase in structured debentures.

Equity

As at 31 December 2019, CIMB Thai Group's equity was recorded at THB 38.5 billion, representing a growth of THB 1.6 billion or 4.3% from a year earlier, principally due to the net profit growth during the year.

Off balance sheets: Commitments

As at 31 December 2019, the Bank and its subsidiaries had combined commitments of THB 3,761.5 billion, declining by THB 286.3 billion (7.1%) from THB 4,047.9 billion YoY, mostly from derivatives as indicated in the table below:

		(Unit: THB billion)	
Off balance sheets: Commitments	31 December 2019	31 December 2018	Variance %
Avals to bills and guarantees of loans	0	280	(100.0)
Liability under unmatured import bills	331	239	38.5
Letters of credit	605	1,185	(48.9)
Other commitments:	3,760,609	4,046,169	(7.1)
Derivatives	3,704,444	3,998,256	(7.3)
Undrawn bank overdrafts	14,558	14,004	4.0
Undrawn credit line	17,307	21,139	(18.1)
Investments	12,005	1,567	666.1
Others	12,295	11,203	9.7
Total	3,761,545	4,047,873	(7.1)

Liquidity

Cash and cash equivalent items, as indicated in the cash flow statement of CIMB Thai Group as at 31 December 2019, amounted to THB 1.4 billion, a net decrease of THB 397.5 million YoY. Details of the changes are as follows:

Net cash flows used in operating activities in 2019 were THB 8.0 billion. Losses from operations before changes in operating assets and liabilities were THB 7.2 billion, including THB 1.9 billion in pre-tax net profit for the year, and adjustments of non-cash items to net profit, stemming largely from interest income, gains on sale of investments and unrealised gains on revaluation of investments, partially offset with interest expenses, losses on financial liabilities designated at fair value through profit or loss and bad debts and doubtful accounts and losses on impairment. Operating assets for the year went up by THB 30.6 billion mainly from an increase in loans and credit support assets on derivatives. In addition, operating liabilities moved up by THB 22.1 billion, resulting from deposits and credit support liabilities on derivatives.

Net cash flows provided by investing activities were THB 17.1 billion, mostly coming from net cash received for available-for-sale securities.

Net cash flows used in financing activities were THB 9.4 billion, comprising proceeds from cash paid for redemption of borrowings.

Relationship between sources and applications of funds

Two major sources of funds for the Bank were deposits and borrowings, while the applications of funds covered the extension of loans. As at 31 December 2019, the Bank had deposits, borrowings and loans classified by maturity as follows:

(Unit: THB billion)

Maturities	Loans*		Deposits*		Borrowings*	
		%		%		%
Payable on demand	17.6	7.5	72.3	34.6	0.1	0.1
Up to one year	45.7	19.5	127.2	60.8	37.9	49.4
Over one year	171.0	73.0	9.7	4.6	38.7	50.5
Total	234.3	100.0	209.2	100.0	76.7	100.0

*Including interbank and money market items.

The Bank derived its funds from customer deposits which can be categorised as follows:

(Unit: THB billion)

Deposit categories	2019*		2018*		2017*	
	Amount	%	Amount	%	Amount	%
Current deposits	3.9	1.9	2.9	1.5	3.4	1.8
Savings deposits	68.3	32.6	59.0	30.2	67.6	35.6
Fixed deposits	137.0	65.5	133.4	68.3	118.8	62.6
Total	209.2	100.0	195.3	100.0	189.8	100.0

*Including interbank and money market items.

Credit Rating

The Bank's credit rating by Fitch Ratings, Moody's Investors Service and RAM Ratings are shown below:

Fitch Ratings

September 2019

National long-term rating	AA-(tha)
National short-term rating	F1+(tha)
Outlook	Stable
National long-term rating on subordinated debt	AA-(tha)
National short-term rating on short-term debt instruments	F1+(tha)

May 2019

Moody's Investors Service

Outlook	Stable
Bank deposits	Baa2/P-2
Baseline credit assessment	ba2
Adjusted baseline credit assessment	baa2
Counterparty risk assessment	Baa1(cr)/P-2(cr)
Issuer rating	Baa2
ST issuer rating	P-2

August 2019

RAM Ratings

Financial institution ratings	AA2/Stable/P1
Tier-2 subordinated debt	AA3/Stable

Financial Ratios

Capital funds and capital adequacy ratio

As at 31 December 2019, CIMB Thai Group's assets were THB 38.5 billion higher than its liabilities, hence positive shareholders' equity. Its total consolidated capital funds amounted to THB 47.6 billion with capital adequacy ratio (BIS ratio) of 18.0%, exceeding the Bank of Thailand's regulatory requirement. Meanwhile, the Bank's capital funds amounted to THB 45.9 billion with BIS ratio of 17.4%.

Liquidity and loan to deposit ratio

The Bank has maintained the average cash reserve ratio at 1% of the total deposits and borrowings in accordance with the Bank of Thailand's regulations. As at 31 December 2019, the Bank's cash in hand, cash at the cash centre and cash at the Bank of Thailand totaled THB 2.2 billion. Its modified LDR was 96.7%, compared with 94.0% a year earlier, which was in line with its business plan.

Appointment of external auditor and consideration of audit fees

The Audit Committee considers the qualifications and performance of external candidates and recommends the appointment thereof as the external auditor as well as proposes audit fees to the Board of Directors annually. The Board then proposes the external auditor appointment and audit fees for the consideration and approval of the annual general meeting of shareholders. The external auditor to be proposed must also be endorsed by the Bank of Thailand.

Remuneration for external auditor

For the year ended 31 December 2019, fees paid to the external auditor were as follows:

(1) Audit fee

CIMB Thai Group paid the auditor audit fee of THB 11.9 million. Other incidental expenses included transport and photocopying expenses.

(2) Non-audit fee

For non-audit in the previous fiscal year, CIMB Thai Group obtained other services from the audit firm for which the auditors were working amounting to THB 6.6 million.

REVENUE STRUCTURE**1. CIMB THAI BANK PUBLIC COMPANY LIMITED****1.1 Operating income**

(Unit: THB million)

For the years ended 31 December

	2019	%	2018	%	2017	%
Interest income						
1. Interest on loans	10,617.8	117.2	10,435.6	110.0	10,558.0	104.9
2. Interest on interbank and money market items	87.4	1.0	127.4	1.3	165.0	1.6
3. Investments	2,070.2	22.8	1,664.3	17.5	1,144.4	11.4
4. Others	203.1	2.2	114.3	1.2	45.8	0.5
Total interest income	12,978.5	143.2	12,341.6	130.0	11,913.2	118.4
Interest expenses						
1. Deposits	2,851.4	31.5	2,342.4	24.6	2,387.7	23.7
2. Interest on interbank and money market items	719.1	7.9	351.3	3.7	218.7	2.2
3. Contribution fee to The Deposit Protection Agency and FIDF	1,062.6	11.7	1,007.8	10.6	962.2	9.6
4. Debt securities issued and borrowings	669.6	7.4	712.4	7.5	711.6	7.1
5. Others	162.8	1.8	101.4	1.1	45.0	0.4
Total interest expenses	5,465.5	60.3	4,515.3	47.5	4,325.2	43.0
Net interest income	7,513.0	82.9	7,826.3	82.5	7,588.0	75.4
Operating income	1,550.1	17.1	1,662.4	17.5	2,475.9	24.6
Total income	9,063.1	100.0	9,488.7	100.0	10,063.9	100.0

1.2 Non-interest income and expenses

(Unit: THB million)

For the years ended 31 December

	2019	%	2018	%	2017	%
Fee and service income	1,615.8	104.2	1,376.6	82.8	1,471.4	59.4
Fee and service expenses	370.3	23.9	289.5	17.4	223.8	9.0
Net fee and service income	1,245.5	80.3	1,087.1	65.4	1,247.6	50.4
Gains on trading and foreign exchange transactions, net	2,625.9	169.4	1,054.2	63.4	2,238.2	90.4
Losses on financial liabilities at fair value through profit or loss, net	(2,802.9)	(180.8)	(759.7)	(45.7)	(1,733.9)	(70.0)
Gains on investments, net	344.0	22.2	19.5	1.2	490.7	19.8
Other operating income	137.6	8.9	261.3	15.7	233.3	9.4
Non-interest income	1,550.1	100.0	1,662.4	100.0	2,475.9	100.0

2. CIMB THAI'S SUBSIDIARIES

(Unit: THB million)

For the years ended 31 December

	2019	%	2018	%	2017	%
1. CIMB Thai Auto Co., Ltd.						
Interest income	3,106.1	88.5	2,519.3	94.4	2,289.0	95.4
Interest expense	956.7	27.3	698.5	26.2	617.7	25.8
Net interest income	2,149.4	61.2	1,820.8	68.2	1,671.3	69.6
Operating income	1,360.7	38.8	848.4	31.8	727.5	30.4
Total income	3,510.1	100.0	2,669.2	100.0	2,398.8	100.0
2. WorldLease Co., Ltd.						
Interest income	1,332.6	83.2	1,182.2	73.7	1,038.6	88.9
Interest expense	109.4	6.8	104.4	6.5	109.9	9.4
Net interest income	1,223.2	76.4	1,077.8	67.2	928.7	79.5
Operating income	379.2	23.6	525.2	32.8	240.2	20.5
Total income	1,602.4	100.0	1,603.0	100.0	1,168.9	100.0
3. CT Coll Co., Ltd.						
Interest income	0.4	444.2	0.4	10.1	0.6	1.6
Interest expense	0.0	0.0	0.0	0.0	0.2	0.5
Net interest income	0.4	444.2	0.4	10.1	0.4	1.1
Operating income	(0.3)	(344.2)	3.5	89.9	37.3	98.9
Total income	0.1	100.0	3.9	100.0	37.7	100.0

Business Assets

(1) Premises and equipment

As at 31 December 2019, CIMB Thai Group had land valued at THB 2,002 million, buildings THB 2,928 million, equipment THB 2,592 million, assets under construction THB 6 million and exchange differences THB -3 million. Net of accumulated depreciation of THB 4,096 million, the net book value of the premises and equipment was THB 3,429 million. Such land, buildings and condominiums accommodate the Bank's headquarters, business centres, branches and sub-branches, as well as subsidiaries' offices.

(2) Commitments under long-term leases

As at 31 December 2019 and 2018, CIMB Thai Group had entered into a number of agreements to rent land, buildings and vehicles for contractual periods of six months or more. Rental fees to be paid as specified in the agreements can be summarised as follows:

	Consolidated		Separate	
	2019 THB million	2018 THB million	2019 THB million	2018 THB million
Lease periods				
Not over 3 years	275	261	166	197
3 – 5 years	3	25	2	4
5 – 10 years	2	3	2	3
Total	280	289	170	204

(3) Other commitments

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

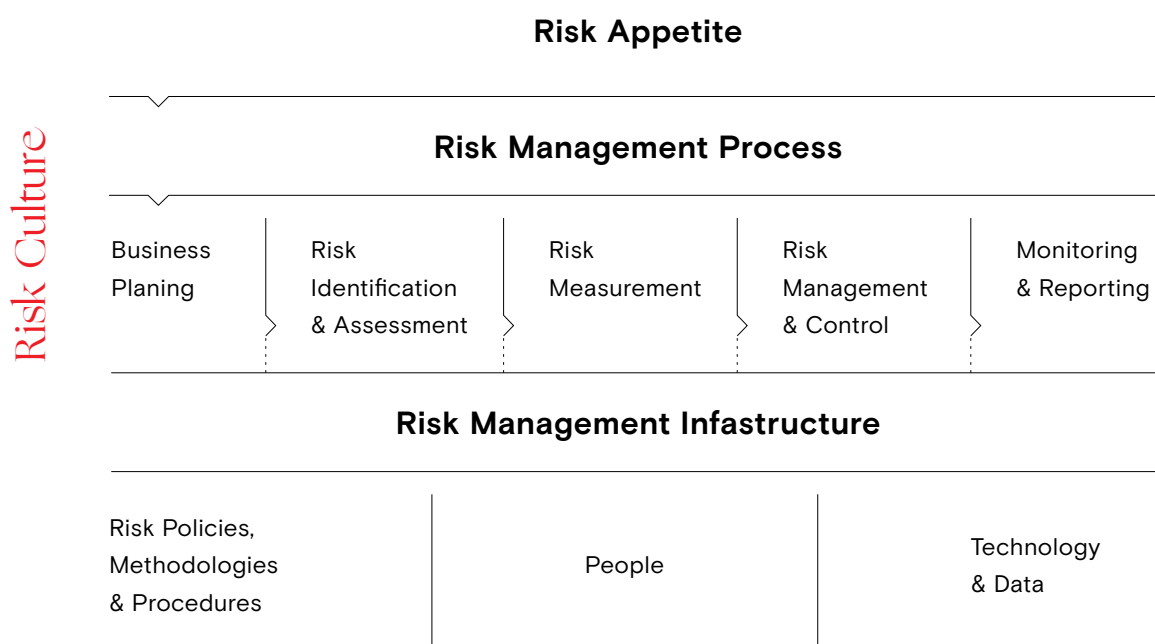
	Consolidated and Separate	
	2019 THB million	2018 THB million
Currency		
THB	112	146
MYR	9	128
USD	3	153
Total	124	427

Risk Management Overview

CIMB Thai employs the Enterprise-Wide Risk Management (EWRM) framework as the standardised approach to effectively manage its risks and opportunities. The framework provides the Board of Directors (BOD) and the management with a tool to anticipate and manage both the existing and potential risks, taking into consideration the changing risk profiles as dictated by changes in business strategies, external environments and/or regulatory criteria.

Key components of the EWRM framework are presented below:

Governance & Organization



Risk Culture: The Bank embraces risk management as an integral part of its culture and decision-making processes. The Bank's risk management philosophy is embodied in the Three Lines of Defense approach, whereby risks are managed at the point of risk-taking activity. There is clear accountability of risk ownership across the Bank.

Governance & Organisation: A strong governance structure is important to ensure an effective and consistent implementation of the Bank's EWRM framework. The BOD is ultimately responsible for the Bank's strategic direction, which is supported by the risk appetite and relevant risk management frameworks, policies and procedures. The BOD is assisted by various risk committees and control functions in ensuring that the Bank's risk management framework is effectively maintained.

Risk Appetite: It is defined as the amount and type of risks that the Bank is able and willing to accept in pursuit of its strategic and business objectives. Risk appetite is set in conjunction with the annual strategy and business planning process to ensure appropriate alignment between strategy, growth aspirations, operating plans, capital and business associated risks.

RISK MANAGEMENT PROCESS

- **Business Planning:** Risk management is central to the business planning process, including setting frameworks for risk appetite, risk posture and new product/new business activities.
- **Risk Identification & Assessment:** Risks are systematically identified and assessed through the robust application of the Bank's risk policies, methodologies/standards, procedures/process guidelines.
- **Risk Measurement:** Risks are measured and aggregated using Bank-wide methodologies across each of the risk types, including stress testing.
- **Risk Management and Control:** Risk management limits and controls are used to manage risk exposures within the risk appetite approved by the BOD. Risk management limits and controls are regularly monitored and reviewed in the face of evolving business needs, market conditions and regulatory changes. Corrective actions are taken to mitigate risks.
- **Risk Monitoring and Reporting:** Risks on an individual as well as a portfolio basis are regularly monitored and reported to ensure they remain within the Bank's risk appetite.

RISK MANAGEMENT INFRASTRUCTURE

- **Risk Policies, Methodologies/Standards and Procedures/Process Guidelines:** Well-defined risk policies by risk type provide the principles by which the Bank manages its risks. Methodologies/Standards provide specific directions that help support and enforce policies. Procedures/Process Guidelines provide more detailed guidance to assist the implementation of policies.
- **People:** Attracting the right talents and skills are key to ensuring a well-functioning EWRM framework. The organisation continuously evolves and proactively responds to the increasing complexity of the Bank's operations, as well as the economic and regulatory environments.
- **Technology and Data:** Appropriate technology and sound data management support risk management activities.

CIMB Thai focuses on sound and effective risk management principles to ensure not only the financial soundness and integrity but also sustainability of the organisation and that returns must be commensurate with risks taken. The risks to which a bank is particularly exposed in the conduct of businesses are credit risk, market risk, liquidity risk, operational risk and strategic risk.

With regard to the risk management governance and oversight, the Board Risk Committee (BRC) was appointed by the BOD in 2014 to ensure independent and greater risk governance and accountability for all types of risks. Due to the close interrelation between Compliance and Risk Management, the BOD decided to expand roles and responsibilities of BRC to also have oversight on the Compliance function (in place of the Audit Committee (AC)) and changed the name of the committee to the Board Risk and Compliance Committee (BRCC) reporting directly to the BOD taking effect from September 2019. BRCC is composed of five members who are all BOD members.

In addition, the BOD has appointed the Risk Management Committee (RMC), reporting to BRCC, to oversee various risk areas and any related matters, such as credit risk, operational risk, reputation risk, capital risk (to comply with Basel regulatory requirements), etc. RMC is composed of members with relevant and seasoned experience and expertise. Its key responsibilities are to review and recommend to BRCC and BOD risk management policies and frameworks as well as to establish a corresponding governance structure which would ensure that not only risks are managed efficiently and effectively, but also decisions are made in a transparent manner. The Asset Quality Committee (AQC) has been appointed by BRCC with responsibilities to review and/or recommend for approval to the BOD/relevant committee (where necessary) and to approve and concur proposals, account plan and provision of accounts with problems or potential problems from non-retail business units within the Bank.

Risk Management has been established to act as a catalyst for the development and maintenance of sound risk management policies, strategies and procedures within the Bank. It provides functional support to BRCC, RMC, Credit Committee, Risk Management sub-committees and assists the management in managing risks inherent to the Bank and its businesses. Risk Management is independent from other business units involved in risk taking transactions or activities. In addition, Special Assets Management has been established under Risk Management to take charge of managing credit quality concerned assets as well as providing advice to early manage clients with signs of credit quality deterioration.

STRATEGIC RISK

Strategic risk is the risk of losses as a result of insufficient consideration of possible threats to the Bank's activities, insufficiently substantiated prospective business where the Bank could gain advantage over its competitors, or lacking or incomplete provision of necessary resources and organisational measures that are required to achieve strategic objectives.

The major goal of strategic risk management is to maintain the risks taken by the Bank at the levels determined in accordance with its strategic tasks and to ensure safety of assets and capital by minimisation of possible losses. The Bank defines risk appetite subject to approval by the BOD. It uses the following strategic risk management methods, i.e. business planning, financial planning, monitoring of approved plan implementation, market analysis, SWOT analysis and readjustment of plans where necessary. Senior management and the BOD are closely involved and engaged throughout the formulation process. Subsequent to the implementation stage, the BOD and designated Management Committee regularly monitor and review actual results against the targets and plans.

CREDIT RISK

Credit risk arises from clients or counterparties who are not able to or are not willing to fulfill their contractual obligations under loan agreements or other credit facility agreements. Credit risk results in the deterioration of credit quality and affects the Bank's profitability and capital fund. The underlying objective of credit risk management at the Bank is to create value for shareholders by ensuring that the revenue is generated in balance with the acceptable credit risk appetite. Under the credit risk management policy, the Bank has put in place credit risk management process, techniques and controls to maintain a check and balance system with clearly defined responsibilities for relationship managers, credit analysts, credit evaluators, credit approvers and risk management officers. The risk management framework for the Bank and its subsidiaries has continued to be enhanced to support our business and to ensure the overall adherence to the risk management policy of the Bank and CIMB Group.

The Bank has continuously reviewed and improved risk assessment tools for different types of clients and in line with the growth of portfolios. The tools include Corporate Rating Model

developed and implemented for corporate clients, SME Rating Model for SME clients, Life Insurance Model and General Insurance Model for life & non-life bancassurance customers, specialised lending rating models such as Project Finance (PF) Model, Income Producing Real Estate (IPRE) for specialised customer groups, a new credit underwriting tool for small SME clients implemented in the year, and credit scoring tools and system for retail, secured and unsecured loans as well as hire purchase. Credit rating and credit scoring tools are implemented in work systems to ensure efficiency of rating/scoring and model performance monitoring. Moreover, the Bank has also put in place Acquisition Quality Trigger (AQT) to closely monitor the quality of new acquisition of retail customers more effectively.

Non-performing loan (NPL) is one of the key risks affecting profitability and capital adequacy of the Bank. As such, we closely and prudently monitor and manage NPL, thus allowing for maintaining of adequate provisions for bad debts. In addition, as a pre-emptive measure, problem accounts are proactively monitored and managed before they turn into NPL. For portfolio risk management, particular attention is given to credit concentration risks by imposing appropriate risk limits, i.e. country risk limits, internal lending limits and business sector limits with RAG (Red, Amber & Green) indicators used to monitor concentration risk as well as to provide a better visual guidance to credit granting decision, i.e. Red – “Restricted,” Amber – “Selective,” and Green – “Grow.” The Bank also performs stress tests on credit risk to evaluate the impact on the Bank in the event of unfavorable economic and financial conditions, in both plausible scenario and extreme scenario.

The Bank determines and reviews risk appetite or acceptable risk level considering the forecasted economy in each year in order to be the guideline of business expansion and management. Risk appetite has been monitored on a monthly basis and reported to RMC, BRCC, and the BOD.

MARKET RISK

Market risk is defined as any fluctuation in the market value of the trading transaction or investment exposure. Therefore, market risk occurs when the Bank undertakes transactions which are exposed to fluctuation in market parameters such as interest rates, foreign exchange rates, securities prices in capital and commodity markets, and may negatively affect both the revenue and capital position of the Bank. The Bank employs the market risk policy to ensure that the rules and procedures are in compliance with both the regulatory requirements and the Bank’s policy. The Bank has a work unit, independent from risk originating units, to monitor and control market risk. It also regularly assesses and determines the capital reserves to buffer against market risk, which is compliant with the Bank of Thailand’s regulations.

Market risks include the following:

1. Interest rate risk

Interest rate risks of transactions in the trading book are under the supervision of RMC under the framework prescribed by the BOD. The calculation of fair value for trading transactions is performed on a daily basis in order to monitor the mark-to-market profits and losses. Daily risk status reports are also independently produced by Risk Management work unit. The one basis point shift (PVO1) limit, Greek Limit, Value-at-Risk (VaR) limit and stop loss limit are set to control the risks associated with movements in interest rates which might affect the revenue and capital reserves of the Bank.

2. Foreign exchange risk

In managing risk from changes in foreign exchange and maintaining risk at the level prescribed by the Bank’s policy, the Bank tries to match the currency of the funding source with that of loans, or to employ derivative instruments for foreign exchange risk hedging. Risk limits are

determined by product and risk type using approaches such as FX net open position limit, Greek Limit, Value-at-Risk (VaR) limit and stop loss limit. Daily mark-to-market on the foreign exchange is also conducted. Furthermore, stress testing is periodically conducted the results of which are thoroughly analysed.

3. Market risk of equity securities and commodity related transactions

The Bank does not invest in trading equity securities other than investments in subsidiaries or affiliated companies, common shares as resulted from loan restructuring, and certain property funds which have high potential return and sound management. For commodity derivatives, the Bank fully hedges against the commodity risk on a back-to-back basis, thereby market risk exposure on trading equity securities or commodities has never been materialised.

4. Market risk of other market risk underlyings

The Bank offers structured products to be alternative investments for clients. However, if the market risk underlyings are not interest rate risk or foreign exchange risk, the Bank will fully hedge against such market risk underlyings. Therefore, the market risk exposure from other market risk underlying has never been materialised.

LIQUIDITY RISK

Liquidity risk is defined as the risk of the Bank's inability to meet the required payments or obligations when they are due, which may be a result of the inability to convert assets into cash or the failure to obtain adequate funding in time. It may adversely affect the daily operations and incur unacceptable losses.

The objective of the Bank's liquidity risk management is to ensure that the Bank can meet the cash obligation in a timely and cost-effective manner both at present and in future. To this end, its liquidity risk management is to maintain high quality liquid assets and well diversified portfolios as well as sources of funds under both business-as-usual and stress conditions. Due to the Bank's business framework to strive for a broader delivery network and markets, the Bank has maintained a diversified core deposit base comprising savings, current, and term deposits, thus providing a large, stable funding base. The Bank has also maintained certain liquidity buffers throughout the year to ensure its stable business operation in strategic, structural and tactical perspectives.

Liquidity risk factors mainly comprise the structure of the sources and use of funds, the shift in deposit mobilisation of commercial banks towards a larger share in low-cost deposits amidst a low interest rate environment, and the influence of liquidity coverage ratio (LCR) guidelines, which focus on growing transactional current and savings accounts and net stable funding ratio (NSFR), which focus on the liquidity adequacy over the time horizon of one year. Additionally, the monetary policies adopted by the Bank of Thailand and central banks of major countries may directly affect the movement of international capital flows and result in money market fluctuations, which may subsequently affect liquidity and increase funding costs.

The responsibility for liquidity risk management and control is delegated to the Asset and Liability Management Committee (ALCO) which meets at least once a month to discuss the liquidity risk and funding profile/plan of the Bank. ALCO is responsible for the overall management and oversight of liquidity and review/recommendation of liquidity risk management policy before seeking approval from the BOD. ALCO is also in charge of approving liquidity risk tolerance. Asset and Liability Management (ALM), which is responsible for monitoring of the liquidity risk profile, works closely with Treasury & Markets in the surveillance of market conditions. Business units are responsible for establishing and maintaining strong business relationship with their respective depositors and key funding sources. Treasury & Markets performs global fund dealing on a necessity

or contingency basis. The Bank has to prudently manage the liquidity position to meet daily operation needs. It regularly measures and forecasts the respective cash flows arising from the maturity profiles of assets, liabilities, off balance sheet commitments and derivatives over a variety of time horizons under business-as-usual and stress conditions. As regards companies in the Bank's financial business group, liquidity risk management will be centralised. To support their liquidity, the Bank may consider and approve liquidity lines to them within the respective credit lines approved by the BOD.

Liquidity risk undertaken by the Bank is governed by a set of established liquidity risk limits and Management Action Triggers (MATs). The limits and MATs are set to alert the management to potential and emerging liquidity pressures. The Bank's liquidity risk management policy together with assumptions and thresholds levels are reviewed on an annual basis, or when there is any significant change in response to regulatory changes, and changing business needs and market conditions. Liquidity positions are monitored on a daily basis to comply with internal risk thresholds and regulatory requirements for liquidity risk.

The Bank's contingency funding plan is in place to alert and to enable the management to act effectively during a liquidity crisis and under adverse market conditions. The plan consists of two key components: an Early Warning System (EWS) and a Funding Crisis Management (FCM). EWS is designed to alert the Bank's management whenever the liquidity position may be at risk. It provides the Bank with the analytical framework to detect a likely liquidity problem and to evaluate the funding needs and strategies in advance of a liquidity crisis. EWS is made up of a set of indicators (monitored against pre-determined thresholds) that can reliably signal the financial strength and stability of the Bank. Consolidated stress test, including liquidity stress test, is performed on a semi-annual basis to identify vulnerable areas in the portfolio, gauge the finance impact and enable the management to take pre-emptive actions. Three scenarios, namely Bank Idiosyncratic Crisis (BISC), Market Wide Crisis (MWC) and Combined Crisis (CC), are modeled. The assumptions used, including run-off rates on deposits, drawdown rates on undrawn commitments, and haircuts for marketable securities are documented and the test results are submitted to ALCO and BOD. The test results to date have indicated that the Bank possesses sufficient liquidity capacity to meet the liquidity requirements under various stress test conditions.

INTEREST RATE RISK IN BANKING BOOK

Interest Rate Risk in Banking Book (IRRBB) normally arises when the repricing and/or maturity schedule of assets, liabilities and off balance sheet positions are not matched, or when the movements of reference interest rates on assets and liabilities are not correlated, negatively affecting net interest income (NII) and/or economic value of equity (EVE).

Primary factors affecting the trend and the level of interest rates include macroeconomic conditions and inflation rates, as well as the monetary policies adopted by the Bank of Thailand and central banks of major countries that may directly affect the trend and level of interest rates or affect the movement of international capital flows and subsequently affect interest rates. Moreover, competition among banks to increase or maintain market share on deposits and loans may also narrow the Bank's Net Interest Income (NII).

The Bank manages the exposure of fluctuations in interest rates through policies established by ALCO. IRRBB undertaken by the Bank is governed by an established risk appetite that defines the acceptable level of risk to be assumed by the Bank. The risk appetite is established by the BOD. ALCO is the BOD's delegated committee which reports to BRCC. With the support from ALM under Risk Management and Capital and Balance Sheet Management (CBSM) under Finance, ALCO is responsible for the review and monitoring of the balance sheet, business and hedging

strategies, the overall interest rate risk profile and ensuring that such risk profile is within the established risk appetite. Treasury & Markets is responsible for day-to-day management of exposure and gapping activities, including execution of hedging strategies.

IRRBB is measured by Economic Value of Equity (EVE) sensitivity which measures the long-term impact of sudden interest rate movement across the full maturity spectrum of the Bank's assets and liabilities. It defines and quantifies interest rate risk as the charge on the economic value of equity (e.g. present value of potential future earnings and capital) as asset portfolio and liability portfolio values would rise and fall with changes in interest rates. This measure helps the Bank to quantify the risk and impact on capital with the focus on current banking book positions. The Bank's EVE sensitivity is computed using the re-pricing gap analysis method to analyse the interest rate movement of assets and liabilities in different time periods.

The Management Action Triggers (MATs) are set as a pre-emptive measure to control risk arising from the effect on NII effect as well as EVE sensitivity. The analytical results of NII and EVE are reported to ALCO, RMC, BRCC and BOD on a monthly basis.

The Bank manages interest rate risk by adjusting the assets and liabilities structure to be in line with forecast interest rate trends, taking into consideration the changes in NII and EVE. Results of the stress testing are used to determine alternative balance sheet strategies to be more suited to the business environment in order to achieve the business return target under acceptable level of risk.

OPERATIONAL RISK

Operational risk is the risk of direct or indirect loss resulting from inadequate or failed internal processes, people, and systems, or from external events. Other risk factors include the lack of good corporate governance and management incompetence. All these factors can negatively affect the Bank's financial performance and capital fund.

In order to effectively manage operational risks, the Bank has instituted appropriate policies and guidelines that not only bring the Bank in line with international standards, but also contribute to enhancing transparency and good governance. In this respect, RMC has been given the authority to establish policies and guidelines which correspond with international best practice and to make recommendations to the BOD or the BRCC as delegated for approval and deployment of the Bank's policies and guidelines. To increase effectiveness, the Bank has also appointed the Operational Risk Committee (ORC) to discuss, deliberate, assess and give advice on all issues relating to operational risks including fraud and covering key cause factors, such as human resource, process, system and external factors.

CIMB Thai's fundamental principle on operational risk is that the responsibility to manage operational risks associated with business ventures, products, services, and systems lines with line management and all staff performing the operations. Their responsibility includes compliance with all internal and external laws, regulations, policies and standards. In so doing, Risk and Control Officer (RCO)/Designated Compliance & Operational Risk Officer (DCORO) are appointed within each business unit to coordinate and assist in building the risk culture in own area and to ensure that operational risk management policies and procedures are well implemented and complied with.

Operational Risk Management is responsible for developing tools, system and process for identifying, assessing, controlling, reporting, and monitoring operational risks in compliance with the bank-wide operational risk policies, and international standards.

Business units in the Bank and its subsidiaries are required to manage their operational risks along the following tools:

1. Risk Control Self-Assessment

Each business unit is required to conduct risk control self-assessment and report the results of which regularly to Risk Management. These reports will be used in assessment and analysis of the overall operational risk exposure and providing a basis for determining corrective actions and follow-up. This makes it incumbent upon individual business units to conduct a review regularly to ensure that their work processes are structured and managed properly, thereby mitigating operational mishaps and enhancing their ability to redress the problems in a coherent and timely manner. In this context, continuous attention has been given to providing effective and efficient oversight across the organisation, including defining a clear scope of responsibilities and approval authority, establishing checks and balances, and securing data and information. Particular attention has also been given to ensure the continuity of business activities in accordance with international standards while enhancing sound corporate governance.

2. Loss Event Data Reports

The Bank requires every business unit to submit loss event report through designated channels. The information captured by each unit is for the determination of the real cause(s) of the event and where necessary to recommend enhancement to the existing operational controls or workflow to ensure the lessons are learnt and such event will not recur in the future. These reports also facilitate statistical analysis of developing models for calculation of operational risk capital requirements.

3. Key Risk Indicators (KRI)

KRI is a tool to monitor and manage key operational risk exposures over time to predict upcoming changes in operational risk profiles. KRI provides early warning signals to the management on changes to the risk environment and the effectiveness of control. This is a forward looking tool to facilitate monitoring and management of key risks before operational losses are incurred. Hence, the management will be able to take appropriate actions to mitigate the risks beforehand.

4. Control Issue Management (CIM)

Control issues are defined as gaps in the Bank's control environment. Inadequately-designed controls or controls that are not operating effectively may result in a residual risk beyond risk appetite. To manage control issues, the Bank has developed the CIM guideline which provides an approach to systematically capture control issues and provides rules around the robust management or mitigation. The purpose of the guideline is to ensure that control issues are captured and classified consistently, and there is robust governance over their closure or acceptance to enable senior management to understand and assess the risk the Bank faces.

5. New Product Approval Process

The Bank has emphasised on developing new products or improving the operation process. For such purpose, it enforces a stricter approval process with the identification, assessment and control of all relevant risks, i.e. credit risks, market risks and operational risks. All products are subject to a suitable review process before they can be signed off by the working groups and relevant business units and further submission for approval, and subsequent market launch, as well as the annual review of the approved products.

6. Complaint Management Process

The Bank is aware of reputation risk and importance of customer satisfaction. It has set up Customer Experience Management (CX) to work closely with CIMB Thai Care Center and other

customers' contact points to efficiently govern handling of customers' complaints and queries. The Customer Complaint Handling Policy has been established to set out the standard framework and mechanism for dealing with customers' complaints in accordance with local regulatory requirements and CIMB Group standards. Under the policy, CX is also designated to act as an independent centralised complaint management unit to ensure that all complaints are handled objectively by relevant subject matter experts in a fair and timely manner.

Furthermore, CX will provide customer knowledge based on surveys and voices of customers gathered from various touchpoints. This is to drive for improvement in all angles of customer experience with an aim to uplift customer engagement. The knowledge and improvement initiatives are prepared and proposed by CX to Thailand Customer Experience Committee, and other respective committees.

7. Business Continuity Plan

The Bank has developed and implemented business continuity management. All work units bank-wide and in subsidiaries are required to analyse business impact of critical business functions and document a business continuity plan based on the analysis result as well as exercises of the business continuity plan/disaster recovery plan at least once a year. This is to ensure that critical business functions can be recovered within a specified time in the event of a crisis, disaster or calamity disrupting the critical business functions. Having business continuity management in place will help protect the Bank's reputation and maintain customer confidence in the Bank's services.

8. Internal Audit and Compliance

The Bank has established Corporate Assurance and Compliance as independent units to assist AC and BRCC in auditing and monitoring the business operation. Corporate Assurance, which reports directly to AC, is in charge of examining and providing reasonable assurance that all the Bank activities are effectively and efficiently managed and operated in line with risk management and internal control principles. Compliance unit, which reports directly to BRCC, is tasked with overseeing and monitoring the Bank's business operation to ensure compliance with all relevant laws and regulatory requirements.

RISK RELATED TO FOREIGN INVESTMENT

In 2019, the Bank's exposure of foreign equity investment was still in an insignificant amount, and the Bank has no policy in place to increase any exposure in the foreign equity investment.

Corporate Governance Report

CIMB Thai firmly believes that its ongoing commitment and efforts in ensuring a strong corporate governance structure and culture across the organisation will help it add value to all its stakeholders. Hence, the Bank has strived to have good corporate governance practices put in place and the highest standards of business integrity applied to all its activities.

CORPORATE GOVERNANCE PRINCIPLES

The Bank has developed processes for identifying, assessing and managing risks and uncertainties facing the Bank. Internal control processes are established to ensure that the business operations and controls in all areas including finance and operations, as well as compliance, comply with relevant laws and regulations. Corporate Assurance and Compliance have been tasked to provide oversight and support to ensure that individual business units conduct their business and affairs in a manner that drives forward the Bank's strategic objectives, while complying with applicable laws and regulatory requirements. A strong focus is placed on educating and increasing awareness among directors, executives and employees on the Bank's codes of conduct, the relevant laws and regulatory requirements as well as disciplinary procedures.

The Bank's Corporate Governance Policy, which contains guidelines for directors, executives, and employees, was formulated. With adherence to this policy in its operations, the Bank aims to build trust and confidence among investors and stakeholders, hence improving its competitiveness, enhancing value and promoting stability in the long run.

The Board of Directors understands the roles, duties, benefits, and principles of Corporate Governance Code for Listed Company 2017 (CG Code) issued by the Securities and Exchange Commission (SEC) which provide sustainable values to the Bank's business. Therefore, the Board of Directors' meeting no. 2/2019 held on 22 February 2019 approved the Bank to revise its Corporate Governance Policy to bring it in line with the Office of the SEC's CG Code for the Bank to apply the principles of the CG Code into its business context and enable the policy's coverage and relevance to the fast-changing development of corporate governance principles.

CORPORATE GOVERNANCE

1. Rights of Shareholders

The Bank recognises the rights of all shareholders and encouraged them to exercise their basic rights on an equitable basis, as well as proactively communicated with them regularly. Such rights include the rights to sell, purchase or transfer shares, access the Bank information, ensure fair distribution of profit, attend meetings to exercise voting rights, express opinions and comments,

and decide on important matters, such as appointment of director and auditor, allocation of profit, dividend payment, capital increase or decrease, and approval of any extra items, etc.

The Bank holds its annual general meeting of shareholders (AGM) within four months from the fiscal year end. Meetings of shareholders other than general meetings are called extraordinary meetings, which can be convened by the Board at any time it deems fit. The 2019 AGM was held on 18 April 2019.

Before the AGM, from 1 October 2018 to 31 December 2018, shareholders were invited to propose matters for inclusion in the meeting agenda and propose names of qualified candidates for consideration and election as directors of the Bank in accordance with the Bank's rules and criteria. For the 2019 AGM, no agenda items and no director nominations were proposed by the shareholders.

To convene the 2019 AGM, the Bank sent an invitation letter in which each agenda item was clearly identified whether it was for acknowledgement or consideration, together with background, rationale, and recommendations of the Board, as well as supporting documents which comprised criteria of meeting attendance and voting, proxy grants by shareholders, and the 2018 annual report in hard copy. The Bank assigned Thailand Securities Depository Co., Ltd., the Bank's share registrar, to send the invitation letter to the shareholders for consideration 14 days before the meeting, and also published the invitation letter and other supporting documents on its website at least 14 days before the meeting. This allowed shareholders to have time to study information beforehand. Besides, the invitation letter was also made available to public via the disclosure channel of the Stock Exchange of Thailand (SET), and in accordance with regulatory requirements, the letter was published in newspapers for three consecutive days at least three days before the meeting. On the AGM date, the Bank has taken various measures to facilitate participation by the shareholders or proxy holders, including assigning staff to process the shareholders' or proxy holders' meeting attendance registration and verify their related credentials to preserve their rights and ensure equitable treatment is offered to all shareholders. Registration of attendees was conducted through a bar code system with separate voting slips provided for each agenda item. The shareholders and proxy holders had the opportunity to register at least two hours before the meeting began. In addition, during the meeting, the shareholders could register their attendance to exercise their voting rights for any agenda item for which resolutions had not yet been passed. The Bank prepared proxy forms and details on proxy granting for shareholders who would like to appoint proxies to attend the meeting on their behalf. The proxy form and details on proxy granting were submitted together with the invitation letter to all shareholders. The Bank also provided an additional option to shareholders by providing the names and profiles of independent directors whom shareholders could consider for their proxy appointment. At the 2019 AGM, seven shareholders appointed the Bank's independent directors to attend the AGM and vote on the shareholders' behalf.

At the 2019 AGM, 90% of the Board members and 400 shareholders and proxies attended the meeting, with total shares held of 33,090,829,117 shares representing 95.0278% of the total issued shares. Before the meeting began, the Chairman of the Board had assigned the Company Secretary to give an explanation regarding voting rights and procedures to the attendees. The Chairman of the Board who then acted as the Chairman of the Meeting assured the shareholders that they would have equal opportunity to ask questions, express opinions and make recommendations. Relevant information was made available through multimedia presentation and without language restriction as simultaneous English translation was also provided for foreign shareholders. At the meeting, members of the Board and relevant executives answered and clarified related issues clearly and comprehensively. Voting was conducted in an open and transparent manner whereby vote casting for each agenda item followed the order specified in

the invitation letter, without modifications to the original agenda. Voting results on each agenda item were tallied through the bar code system and ballots of shareholders who disagreed and abstained from voting were kept. After the meeting, the minutes of the meeting were prepared in an accurate and comprehensive manner, such as a summary of questions, clarifications and views provided as well as detailed votes for each agenda item which showed the number of votes cast for and against the motion as well as abstention votes, etc. The draft minutes of the 2019 AGM were submitted to the relevant supervisory authorities within 14 days from the meeting date as prescribed by law, and posted on the Bank's website, www.cimbthai.com, for shareholders' reference.

2. Equitable Treatment of Shareholders

The Bank recognises the importance of fair treatment of all shareholders including its duty on protection of shareholders' interests. Hence, measures are put in place to prevent the use of internal information for personal gains by the Board members, executives and employees. The Board has set criteria to prohibit its Board members, executives and employees, including spouses and underage children thereof, from using material internal information with impact on the Bank's securities which is privately known to them for purchase, sale, transfer or receipt of transfer of securities of the Bank during a one-month period before such information goes to public. Moreover, members of the Board and executives from the levels of Senior Executive Vice President or the equivalents upward, and those holding executive positions or heads of work units or the equivalents upward in the Accounting or Finance function line, including persons having relationship with the foregoing, i.e. spouse or person cohabiting as husband and wife (without registration of marriage), underage children and any juristic person in which Board members or executives, or spouse or person cohabiting as husband and wife or underage children of Board members or executives, have a combined shareholding exceeding 30% of the total voting rights and representing the largest shareholding proportion in such juristic person, are duty-bound to report their securities and derivatives holding as well as any change in the securities and derivatives holding, to the Office of the Securities and Exchange Commission (Office of the SEC), and send copies of such report to the Office of the President within the above specified timeframe. For the information of the Bank, a policy is laid down for the Bank's directors to report their sale and purchase as well as holding of the Bank's shares and/or securities to its Board. In addition, the Bank has formulated the Code of Ethics and Conduct for the Board, executives and employees, which cover topics on the use of internal information and operation guidelines with avoidance of conflicts of interest to ensure efficient, effective and transparent business management.

3. Role of Stakeholders

The Bank places great importance to the rights of all its stakeholders whether they are directors, executives, employees, shareholders, clients, business partners, creditors or relevant government authorities.

CIMB Thai Code of Conduct

1. Clients

The Bank takes its commitment seriously to provide clients with high-quality products and services while safeguarding their interests and treating them fairly in all aspects of their dealings with the Bank. To pursue with this objective, the Bank has set up Customer Experience Management (CX) as a work unit to work closely with CIMB Thai Care Center and other units to efficiently handle client complaints and queries. The Customer Complaint Handling Policy has been established to set out the standard framework and mechanism when dealing with customers' complaints in accordance with local regulatory requirements and CIMB Group standards. The Policy enables CX to act as an independent centralised complaint management unit to ensure

that all customer complaints are handled objectively by relevant subject matter experts in a fair and timely manner. This is to ensure prompt and constructive responses are given to customers, which will in turn build customers' loyalty and trust in CIMB Thai. In addition, customers' confidentiality is strictly observed at all times unless the disclosure is required by law or authorised in writing by the customers.

2. Shareholders

The Bank recognises the critical importance of ensuring work systems and processes are in place to provide assurance of effective and efficient operations, internal controls and compliance with laws and regulations, as well as adherence to the code of conduct by all employees. The Bank focuses on creating and delivering sustainable shareholder value, protection of assets and providing all shareholders with fair treatment whilst allowing them to exercise their rights fully and fairly in an informed manner unless they have material interests in the matter considered at the shareholders' meeting, and in such case, the shareholders with interest are required to abstain from voting thereon. However, they are eligible to participate in the election of directors.

3. Employees

The Bank believes in fair treatment accorded to all employees, and is fully committed to uplifting the quality of its human capital. In this context, it has consistently provided them with training so that they have an opportunity to improve their performance with more career development options. Such efforts will enhance the Bank's sustainable growth and serve its business expansion plans in the increasingly competitive markets.

4. Creditors and Business Partners

The Bank is committed to maintaining high standards of business conduct in compliance with all applicable laws and regulations. Its business dealings with creditors and business partners are in a fair manner pursuant to the relevant laws and regulations.

5. Competitors

The Bank recognises the importance of a fair and competitive business environment. It has treated its competitors with fairness and without breaching the confidentiality of their information nor tarnishing their reputation. Legal and ethical best practices have been put in place as guidelines for the employees.

6. Community and Society

The Bank recognises its ability to make positive impacts on the community and the environment. It has actively been involved in a range of charitable activities, including Kathin robe offerings, blood donation drives and fund-raising to help monks, underprivileged children and local community at large. Details of the Bank's activities are available in Corporate Social Responsibility section.

4. Disclosure and transparency

The Bank places great importance to ensuring that accurate, timely and clear information, both in Thai and English, is disseminated to investors and parties concerned across a variety of media channels, including those provided by the SET and the Bank's website. In addition, as required by regulatory criteria, the Bank discloses relevant information in the annual registration statement (Form 56-1) and the annual report (Form 56-2). Various projects have been launched and activities held to boost investor confidence in Thai capital market. Clear and accurate information on the Bank's activities has also been provided to regulatory bodies, investors, shareholders, analysts and the general public. These initiatives include:

- Investor Relations (IR) and Office of the President taking charge of disseminating the Bank's information and representing the Bank in communicating with investors, securities analysts,

media and other interested persons, as well as reporting operating results and material transactions in accurate, fair, and transparent manner and in compliance with the applicable laws and regulatory requirements.

In 2019, the Bank organised IR activities to provide information both directly and indirectly as follows:

1. Welcome of four investors and analysts to meet with the management team for inquiry about the Bank's operating results, altogether five meetings.
 2. Press release issued when the Bank had significant investment or business activities.
 3. Availability of channels for provision of information and dealing with inquiries of investors and media via email: ir@cimbthai.com, or Tel. +66-2626-7820, or website: http://www.cimbthai.com/CIMB/investor_relations/.
- Holding press conference to disseminate information to the general public via the media on financial results and business directions of the Bank for the information of interested parties and allowing local and foreign investors and analysts to keep abreast of the Bank's performance and growth.

5. Responsibilities of the Board of Directors

A. Board Structure

The Board of Directors is composed of eleven members who are professionals with diversified backgrounds in finance, banking, business administration, marketing, legal, auditing, accounting and experience in government affairs. This has enabled the Board of Directors to possess the competencies in accordance with the Board Skill Matrix of the Bank and the director nomination to fit the Bank's business direction. Election of Board members follows the resolution of the shareholders' meetings and as set out in the Bank's Articles of Association thereby the number of directors on the Board shall not be fewer than five and not more than twelve. The structure and composition of the Board of Directors and the setup of Board Committees are as prescribed by the Bank of Thailand (BOT)'s Notification regarding corporate governance of financial institutions and the Capital Market Supervisory Board's Notification regarding application and permission for initial public offering, and further amendments thereof. The Board composition is as follows:

3 executive directors

2 non-executive directors

6 independent directors (accounting for 54.54% of the entire Board)

Four of the independent directors concurrently serve on the Audit Committee and have the qualifications that satisfy the criteria based on the good corporate governance principles.

The Board appoints one of its directors to be the Chairman. The President and CEO is not eligible to be appointed as the Chairman. In the interest of good governance, the roles of the Chairman and the President and CEO stay separate, with each of them having clearly defined responsibilities. A clear segregation of responsibilities helps ensure that no single individual has unfettered decision-making power and enables the Chairman to be independent in giving objective views on the business administration by the management.

Each director's term of office is prescribed in the Articles of Association of the Bank. At every annual general meeting, one-third of the directors shall retire. In any subsequent years, the directors who have been in office the longest shall retire. The retiring director may be re-elected.

The Bank has incorporated a policy on directors holding positions in other companies into its corporate governance principles in line with the corporate governance guidelines of relevant regulators, i.e. the BOT and the SET, details of which are as follows:

- Director, manager, person with managing power, and advisor of the Bank may assume either chairmanship or executive directorship or both in other companies of no more than three business groups, excluding directorship in the Bank.
- Director, manager, person with managing power, and advisor of the Bank may hold directorship in no more than five listed companies, both domestic and overseas (with directorship at the Bank counted as one of the five), excluding the listed companies the Bank has acquired from debt restructuring.

The Bank has appointed Mrs. Patima Jumpasut as Company Secretary and Secretary to the Board of Directors to assist the Board in fulfilling its tasks. Her duties include providing legal advice and ensuring Board activities comply with applicable laws and regulations and in line with corporate governance principles, as follows:

- Give preliminary advice and suggestions to Board members on legal issues, and rules, regulations and practices of the Bank to ensure performance under good corporate governance principles.
- Make arrangements for holding of Board meeting and shareholders' meeting in line with the law and Articles of Association of the Bank, and take minutes of such meetings, as well as follow up the execution in accordance with the resolutions passed at such meetings.
- Prepare and maintain directors' register, invitation letters and minutes of Board meetings, invitation letters and minutes of shareholders' meetings, and annual reports.
- Prepare documents and information that will benefit performance of duties of new directors, and brief them about the Bank's nature of business and business framework.
- Make available training courses and seminars to enhance directors' knowledge and develop their skills and experience that will benefit the directors' performance of duties.
- Ensure the disclosure of information and information memorandum on the part under responsibility to the supervisory bodies under the relevant rules and regulations.
- Contact and communicate with shareholders in general to ensure they are aware of their rights and have access to the news and information of the Bank.
- Undertake other tasks as announced/prescribed by the Capital Market Supervisory Board.
- Undergo ongoing knowledge and skills training and development in the areas of law, accounting, or performance of duties of company secretary.

B. Board Committees

The Board has established Board committees comprising Audit Committee, Nomination, Remuneration and Corporate Governance Committee, Management Committee, Board Risk and Compliance Committee and others, to assist in screening and scrutinising specific operations and support the performance of duties of the Board to ensure efficiency and effectiveness and maintain a good corporate governance system.

C. Roles, Duties and Responsibilities of the Board

1. Leadership and Vision

The Board is composed of individuals with vision and leadership abilities, business knowledge and ethics, and with awareness of impact on the society and the environment, as well as possessing diverse professional skills and specific competencies that will benefit the Bank's business operation. The Board has developed the Bank's vision and mission for the management to apply in mapping out the Bank's long-term strategies and targets. In addition, the Board will consider reviewing the vision and mission, and oversee to ensure the Bank's implementation and translation

of the strategies into action. Policies and procedures for the Bank's business operation are put in place with review of which conducted on a regular basis to ensure that the Bank can carry on its business operation in line with the changing situations.

The roles and responsibilities of the Board, including the nomination, appointment and removal of directors, are set out in the Bank's corporate governance guidelines and Articles of Association. The Board has authority and is committed to performing duties under the corporate governance principles and has good understanding of the Bank's overall business. It is responsible for ensuring that the oversight of internal controls and risk management is effective and provides an objective assessment of the management's execution of the Bank's policies and strategies.

2. Ethics and Conflict of Interests

The Bank has formulated Code of Ethics and Conduct which the Board, executives, and all employees must comply with when dealing with the customers, shareholders, employees, business partners or creditors. Emphasis is also placed on responsibilities for the environment, society and competitors, protection of client confidentiality, honesty, fairness, professional integrity, business capacities, strict compliance with laws and regulations, and cooperation with regulatory agencies. All employees are required to keep uppermost in their mind, understand and act in compliance with the principles of good corporate governance. Any employee with alleged breach of the good corporate governance principles will be investigated in accordance with the procedures in place, and disciplinary penalty will be imposed if he/she is found guilty. (Details of the Bank's Code of Ethics and Conduct are available on www.cimbthai.com.) The Bank has communicated to all staff the guidelines for their compliance with the Code of Ethics and Conduct by making such information available online through Lotus Note.

The Bank has policies in place to prevent conflicts of interest, and inappropriate connected transactions or related-party transactions. These include:

- Policy for consideration of the granting of credits and investments to, and undertaking contingent liabilities or other credit-like transactions with the Bank's major shareholders and related persons thereof or businesses with beneficial interest to the Bank, or the directors or persons with managing authority of the Bank, which must adhere to the ratios stipulated by the BOT. Any such grant must be approved unanimously by the Board, and no director or person with managing authority who benefits from the granting of credits and investments, and the undertaking of contingent liabilities or other credit-like transactions can take part in the decision-making process. In addition, the Bank has in place the policy relating to prohibition of and criteria for granting of credits and undertaking contingent liabilities or other credit-like transactions with the Bank's directors or persons with managing authority of the Bank and/or companies in the financial business group of the Bank, including the related persons thereof. Such transactions and undertakings are monitored to ensure compliance with the relevant laws and regulatory requirements.
- Conflict Management, Chinese Wall and Personal Account Dealing Policies which set ethical principles, prohibitions, criteria and practice guidelines for employees to prevent access to or use of internal information on the customers that has not yet been disclosed publicly for personal benefits or benefits of any persons in relation to employees' performance of duties assigned by the Bank.
- Policy for undertaking major transactions as proved in the corporate governance principles, comprising entering into connected transactions and/or making transactions to acquire or dispose of the Bank's core assets and/or rights to acquire or dispose of the Bank's core assets. The Bank must comply with requirements of regulatory agencies.

When considering a connected transaction, if the transaction is connected to a major shareholder, director, senior executive vice president or that holding the equivalent position thereto, and

an executive in the Finance function line, and any other party concerned pursuant to the SEC criteria, the Board and management members must:

- 1) ensure that the transaction is legitimate, that is, it is reasonable and is in the best interest of the Bank, and that the terms and conditions are not different from those of a similar transaction made with an unrelated party; and
- 2) ascertain that the procedures for considering and approving any such transaction are fair, transparent, and verifiable, and that sufficient information on such transaction is disclosed to investors.

Connected transactions are subject to approval by the Board. Approver must have no interests therein. Directors with material interests therein are also not allowed to attend the meeting or cast vote thereon. The Bank may seek additional opinion from an independent financial advisor if the transaction has to go to the shareholders' meeting.

3. Related Party Transactions

As of 31 December 2019, the Bank recorded significant business transactions with its subsidiary and affiliated companies (having common shareholders) as well as related persons (directors or executives from the level of heads of work units upwards). These transactions were concluded on commercial terms and based on mutually agreed criteria in the ordinary course of business between the Bank and such persons or entities. Details are as disclosed in the notes to financial statements no. 43 of the financial statements for the year ended 31 December 2019.

- Connected transactions with persons who may have conflicts of interest as follows:

Name and Relationship	Transaction Characteristics and Value	Necessity and Reasonableness with Audit Committee's Opinion	
CIMB Bank Berhad (CIMB Bank), the major shareholder of the Bank holding 94.83% of the Bank's total issued and paid-up shares	The Bank has outsourced the validation of IFRS9 models to CIMB Bank. The charge-out rate is based mainly on average salary rate, time spent and indirect cost, together with 10% markup. The total cost per model is MYR 22,563, with details as tabulated below.	The Board of Directors' meeting no. 2/2019, held on 22 February 2019 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter), deemed it proper to approve the transaction since it was the Bank's normal business support.	

Name and Relationship	Transaction Characteristics and Value	Necessity and Reasonableness with Audit Committee's Opinion																														
Sathorn Asset Management Co., Ltd. (STAMC), a subsidiary of CIMB Group which is the indirect major shareholder of the Bank	<p>The Bank has renewed the service agreement for its insourcing service to STAMC for another year, effective from 1 January 2019 to 31 December 2019. The service fee remains unchanged from 2018, with details as follows:</p> <table border="1"> <thead> <tr> <th data-bbox="411 577 635 606">Service to STAMC</th><th data-bbox="676 526 778 606">Monthly charge rate (THB)</th><th data-bbox="794 577 858 606">Remark</th></tr> </thead> <tbody> <tr> <td data-bbox="411 621 635 650">1. Email service</td><td data-bbox="708 621 778 650">325.00</td><td data-bbox="794 621 938 672">Charge per user per month</td></tr> <tr> <td data-bbox="411 681 635 710">2. Internet service</td><td data-bbox="708 681 778 710">192.00</td><td data-bbox="794 681 938 732">Charge per user per month</td></tr> <tr> <td data-bbox="411 741 635 798">3. CCDS + Doc image, CUS</td><td data-bbox="708 741 778 769">648.00</td><td data-bbox="794 741 938 791">Charge per user per month</td></tr> <tr> <td data-bbox="411 807 635 836">4. 1Platform system</td><td></td><td></td></tr> <tr> <td data-bbox="437 842 635 871">4.1 User fee</td><td data-bbox="692 842 778 871">2,852.00</td><td data-bbox="794 842 938 893">Charge per user per month</td></tr> <tr> <td data-bbox="437 902 635 931">4.2 Account fee</td><td data-bbox="724 902 778 931">1.58</td><td data-bbox="794 902 970 953">Charge per account per month</td></tr> <tr> <td data-bbox="437 962 635 1041">4.3 New account opening charging by CIMB Group</td><td data-bbox="651 962 778 1013">Pay as actually incurred</td><td></td></tr> <tr> <td data-bbox="411 1050 635 1079">5. Report on demand</td><td data-bbox="708 1050 778 1079">446.00</td><td data-bbox="794 1050 970 1101">Charge per account per month</td></tr> <tr> <td data-bbox="411 1110 635 1139">6. GSAM system</td><td data-bbox="692 1110 778 1139">9,255.00</td><td data-bbox="794 1110 938 1139">Charge per month</td></tr> </tbody> </table> <p>This transaction is considered the Bank's normal business support.</p>	Service to STAMC	Monthly charge rate (THB)	Remark	1. Email service	325.00	Charge per user per month	2. Internet service	192.00	Charge per user per month	3. CCDS + Doc image, CUS	648.00	Charge per user per month	4. 1Platform system			4.1 User fee	2,852.00	Charge per user per month	4.2 Account fee	1.58	Charge per account per month	4.3 New account opening charging by CIMB Group	Pay as actually incurred		5. Report on demand	446.00	Charge per account per month	6. GSAM system	9,255.00	Charge per month	<p>The Board of Directors' meeting no. 3/2019, held on 22 March 2019 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter), deemed it proper to approve the transaction since it was the Bank's normal business support.</p>
Service to STAMC	Monthly charge rate (THB)	Remark																														
1. Email service	325.00	Charge per user per month																														
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6. GSAM system	9,255.00	Charge per month																														
Sathorn Asset Management Co., Ltd. (STAMC), a subsidiary of CIMB Group which is the indirect major shareholder of the Bank	<p>The Bank has amended the 5th Addendum of the Master Servicing Agreement, under which the Bank engaged STAMC to provide legal services, with details as follows:</p> <ul style="list-style-type: none"> • Increase in the professional and lump sum service fees on six existing legal services. The new fees are in line with the market rates. • Addition of 15 legal services. • Having withholding tax absorbed by STAMC, effective from 1 January 2019 onwards. <p>This transaction is considered the Bank's normal business support.</p>	<p>The Board of Directors' meeting no. 3/2019, held on 22 March 2019 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter), deemed it proper to approve the transaction since it was the Bank's normal business support and brought benefits to the Bank.</p>																														
CIMB Group, the indirect major shareholder of the Bank	<p>The Bank has implemented the wealth management system for its Private Banking operation under the FF10830 ENABLER project.</p> <p>CIMB Group has entered into a contract with the vendors and will pay for software and annual fees to the vendors. The system will be implemented in CIMB Malaysia and the Bank will then be charged back by CIMB Group.</p> <p>The Bank's Private Banking has to enhance its system to support AVALOQ. Details of the service charge will further be discussed between the Bank's Private Banking and CIMB Group.</p> <p>This transaction is considered the Bank's normal business support.</p>	<p>The Board of Directors' meeting no. 4/2019, held on 18 April 2019 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter), deemed it proper to approve the transaction since it was the Bank's normal business support and brought benefits to the Bank.</p>																														

Name and Relationship	Transaction Characteristics and Value	Necessity and Reasonableness with Audit Committee's Opinion																													
iCIMB (MSC) Sendirian Berhad, a subsidiary having CIMB Group as the major shareholder	<p>The Bank has outsourced the chats surveillance process to iCIMB (MSC) Sendirian Berhad. The estimated charge per year is as follows:</p> <table><tr><th rowspan="2">Staff level</th><th colspan="4">Estimated charge out (MYR per year)</th></tr><tr><th>Junior</th><th>Middle</th><th>Senior</th><th>Total</th></tr><tr><td>Number of staff</td><td>1</td><td>1</td><td>1</td><td></td></tr><tr><td>Estimated time spent</td><td>25%</td><td>10%</td><td>10%</td><td></td></tr><tr><td>Cost per man-day (MYR) as provided by Group Finance</td><td>511</td><td>965</td><td>2,114</td><td></td></tr><tr><td>Cost per year (MYR) (22 man-days per month x 12 months)</td><td>33,726</td><td>25,476</td><td>55,810</td><td>115,012</td></tr></table> <p>This transaction is considered the Bank's normal business support.</p>	Staff level	Estimated charge out (MYR per year)				Junior	Middle	Senior	Total	Number of staff	1	1	1		Estimated time spent	25%	10%	10%		Cost per man-day (MYR) as provided by Group Finance	511	965	2,114		Cost per year (MYR) (22 man-days per month x 12 months)	33,726	25,476	55,810	115,012	<p>The Board of Directors' meeting no. 5/2019, held on 23 May 2019 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter), deemed it proper to approve the transaction since it was the Bank's normal business support and brought benefits to the Bank.</p>
Staff level	Estimated charge out (MYR per year)																														
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Number of staff	1	1	1																												
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Cost per year (MYR) (22 man-days per month x 12 months)	33,726	25,476	55,810	115,012																											
CGS-CIMB Securities (Thailand) Co., Ltd. (CGSCT), a subsidiary having CIMB Group as the major shareholder	<p>The Bank has amended the service agreement between the Bank and CGSCT by changing the base fee calculation to be based on product type:</p> <p><u>from:</u> 0.25% of the notional amount of products (for all product types)</p> <p><u>to:</u> 0.05% of the notional amount of Bull ELN and Bull-P ELN</p> <p>0.25% of the notional amount of other types of products, effective from 1 April 2019.</p> <p>There is no change in the calculation of advisory fee. As long as equity derivative business (EDB) has grown cumulative profit before tax (PBT), the Bank would receive the advisory fee of 50% of cumulative PBT. If loss is incurred, which would lead to lower cumulative PBT, the Bank would receive fee in a lower amount.</p> <p>This transaction is considered the Bank's normal business support.</p>	<p>The Board of Directors' meeting no. 6/2019, held on 28 June 2019 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter), deemed it proper to approve the transaction since it was the Bank's normal business support and brought benefits to the Bank.</p>																													
CIMB Group, the indirect major shareholder of the Bank	<p>The Bank has revised the payback for Murex system outsourcing to CIMB Group, by increasing the daily IT support and service maintenance (ITO) charges due to the increasing cost and headcount to support the system.</p> <p>As a result, the relevant fees have been changed as follows:</p> <ul style="list-style-type: none">- Increase in ITO charges by MYR 47,194 from MYR 406,020 to MYR 453,214.- CIMB Malaysia would charge MYR 125,660 for sharing the MUREX core license.- CIMB Malaysia would no longer charge MYR 100,598 for the Oracle database usage. <p>This transaction is considered the Bank's normal business support</p>	<p>The Board of Directors' meeting no. 8/2019, held on 28 August 2019 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter), deemed it proper to approve the transaction since it was the Bank's normal business support and brought benefits to the Bank.</p>																													

Name and Relationship	Transaction Characteristics and Value	Necessity and Reasonableness with Audit Committee's Opinion
CGS-CIMB Securities (Thailand) Co., Ltd. (CGSCT), a subsidiary having CIMB Group as the major shareholder	<p>The Bank has allowed CGSCT to appoint a third party distributor, namely Philips Securities (Thailand) Plc., to sell CGSCT's equity-linked notes (ELN) under the service agreement executed by the Bank and CGSCT on 7 June 2018.</p> <p>Under the agreement, the Bank will provide advice and support for CGSCT on matters relating to issuance, sales, marketing, trading and risk management of derivative warrants (DW), equity-linked notes (ELN) and equity swaps. Such product management advisory activities will cover product documentation and submission, issuance and distribution of subordinated debentures. Meanwhile, CGSCT will assist the Bank as regards the EDB from a business management perspective with necessary support for operation, legal, compliance, risk monitoring, IT and funding requirements.</p> <p>Such third-party appointment allowed by the Bank was believed to be beneficial to the Bank's business as a part of a strategy to grow revenue with higher fee to be received from CGSCT's EDB according to the service agreement.</p> <p>This transaction is considered the Bank's normal business support.</p>	<p>The Board of Directors' meeting no. 8/2019, held on 28 August 2019 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter), deemed it proper to approve the transaction since it was the Bank's normal business support and brought benefits to the Bank.</p>
CIMB Bank Berhad (CIMB Bank), the major shareholder of the Bank holding 94.83% of the Bank's total issued and paid-up shares	<p>The Bank has outsourced the IFRS9 model development of the Bank and subsidiaries to CIMB Bank, covering new model development, remediation for models failing annual validation or change request on existing models configuration in model implementation platform, as well as ongoing support or fixing of existing models.</p> <p>The charge out rate is mainly based on average salary rate, time spent and indirect cost, together with 10% markup (on an arm's length basis). The 10% markup is calculated from a median rate of 5-year historical data of consultancy service industry surveyed by CIMB Group and discussed with PwC Malaysia. Total estimated cost of new model development is THB 340,000 per model.</p> <p>This transaction is considered the Bank's normal business support.</p>	<p>The Board of Directors' meeting no. 8/2019, held on 28 August 2019 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter), deemed it proper to approve the transaction since it was the Bank's normal business support and brought benefits to the Bank.</p>
Mr. Kittiphun Anutarasoti, former President and CEO, as the Bank's senior executive	<p>The Bank has sold the position car (BMW730 LD M Sport, car plate no. 2 KorNor-9100) of Mr. Kittiphun Anutarasoti, the Bank's former President and CEO, as requested by him, at THB 3,000,000 (VAT included). This car's net book value as of 30 September 2019 was THB 2,447,166.59.</p>	<p>The Board of Directors' meeting no. 10/2019, held on 31 October 2019 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter), deemed it proper to approve the sale of Mr. Kittiphun's position car to him at THB 3,000,000 (VAT included), which is the average of prices quoted by five buyers in the range of THB 2,850,000 and THB 3,150,000 (VAT included). The price is deemed reasonable by the Bank's Procurement Administration and Property Management (PAM) as it exceeds the net book value of the car as of 30 September 2019 of THB 2,447,166.59.</p>

Name and Relationship	Transaction Characteristics and Value	Necessity and Reasonableness with Audit Committee's Opinion																												
CIMB Group, the indirect major shareholder of the Bank	<p>The Bank has used an IT outsourcing service from CIMB Group for intranet system, i.e. Sync-Up, with payment to CIMB Group as follows:</p> <table><tr><th>MYR</th><th>Year 1</th><th>Year 2</th><th>Year 3</th><th>Year 4</th><th>Year 5</th><th>Total</th></tr><tr><td>ITO fee</td><td>188,860.70</td><td>188,860.70</td><td>188,860.70</td><td>188,860.70</td><td>188,860.70</td><td>944,303.50</td></tr><tr><td>Utilisation fee</td><td>10,265.04</td><td>10,265.04</td><td>10,265.04</td><td>10,265.04</td><td>10,265.04</td><td>51,325.20</td></tr><tr><td>Total payable</td><td>199,125.74</td><td>199,125.74</td><td>199,125.74</td><td>199,125.74</td><td>199,125.74</td><td>995,628.70</td></tr></table> <p>*The chargeback for ITO support cost shall start after Sync-Up goes live.</p> <ul style="list-style-type: none">- The total project cost for CIMB Group's implementation for five years is MYR 7,158,169.03 (hardware, software and application support).- The cost allocated to the Bank is based on the percentage of number of employees. As recorded in October 2018, the Bank had 3,410 staff members, which is 12.38% of all Group employees. All costs incurred by CIMB Bank shall be shared out to CIMB Thai at 14.18%. If there is any specific requirement by the Bank, the charge shall be 100% of the relevant cost.- The utilisation fee is calculated based on the monthly rate charge and subject to a yearly review with any change as mutually agreed upon.- No interest charge or placement of any collateral involved in this project.- The chargeback cost is exclusive of taxes (withholding tax and VAT).- Arm's length transfer pricing markup of 8% is included in the ITO fee. <p>This transaction is considered the Bank's normal business support.</p>	MYR	Year 1	Year 2	Year 3	Year 4	Year 5	Total	ITO fee	188,860.70	188,860.70	188,860.70	188,860.70	188,860.70	944,303.50	Utilisation fee	10,265.04	10,265.04	10,265.04	10,265.04	10,265.04	51,325.20	Total payable	199,125.74	199,125.74	199,125.74	199,125.74	199,125.74	995,628.70	<p>The Board of Directors' meeting no. 11/2019, held on 21 November 2019 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter), deemed it proper to approve the transaction since it is considered as a normal business support transaction which brings benefit to the Bank.</p>
MYR	Year 1	Year 2	Year 3	Year 4	Year 5	Total																								
ITO fee	188,860.70	188,860.70	188,860.70	188,860.70	188,860.70	944,303.50																								
Utilisation fee	10,265.04	10,265.04	10,265.04	10,265.04	10,265.04	51,325.20																								
Total payable	199,125.74	199,125.74	199,125.74	199,125.74	199,125.74	995,628.70																								
CIMB Group, the indirect major shareholder of the Bank	<p>The Bank has outsourced IT system development for IFRS9 implementation to CIMB Group. Payment to CIMB Group for the outsourced service is based on the system development cost and other supporting service charges allocated to CIMB Thai and subsidiaries at 8.19%. The allocation was calculated based on an average number of loan accounts from January to September 2019, i.e. 526,111 accounts. This allocation is subject to a yearly review.</p> <p>The proposed payment is as scheduled below:</p> <table><tr><th>MYR</th><th>Y2020</th><th>Y2021</th><th>Y2022</th><th>Y2023</th><th>Y2024</th><th>Total</th></tr><tr><td>ITO fee*</td><td>1,710,705</td><td>1,710,705</td><td>1,710,705</td><td>1,710,705</td><td>1,710,705</td><td>8,553,524</td></tr></table> <p>Note: *ITO fees already include 8% arm's length markup but do not include 7% VAT and 15% withholding tax.</p> <p>This transaction is considered the Bank's normal business support.</p>	MYR	Y2020	Y2021	Y2022	Y2023	Y2024	Total	ITO fee*	1,710,705	1,710,705	1,710,705	1,710,705	1,710,705	8,553,524	<p>The Board of Directors' meeting no. 12/2019, held on 18 December 2019 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter), deemed it proper to approve the transaction since it is considered as a normal business support transaction which brings benefit to the Bank.</p>														
MYR	Y2020	Y2021	Y2022	Y2023	Y2024	Total																								
ITO fee*	1,710,705	1,710,705	1,710,705	1,710,705	1,710,705	8,553,524																								

- Loans, Deposits and Contingent Liabilities

a. Loans, contingent liabilities and deposits associated with businesses in which the Bank and its subsidiary companies, or directors or executives from the level of executive vice president upwards, hold 10% or more of their paid-up capital were as follows:

(Unit: THB million)

Company name	As at 31 December 2019								Shareholding (%)	Common management
	Obligations	Outstanding loans	Interbank and money market items (assets)	Other assets	Deposits	Interbank and money market items (liabilities)	Borrowings	Other liabilities		
Parent company										
CIMB Bank Berhad	-	-	461	7	-	212	9,037	68	94.83	Ms. Serena Tan Mei Shwen
Interest rate swap contracts										
- Fixed rate	33,865	-	-	-	-	-	-	-		
- Floating rate	44,295	-	-	-	-	-	-	-		
Forward and spot contracts										
- Bought	14,661	-	-	-	-	-	-	-		
- Sold	95	-	-	-	-	-	-	-		
Cross currency and interest rate swap contracts										
- Bought	11,694	-	-	-	-	-	-	-		
- Sold	437	-	-	-	-	-	-	-		
Commodity										
- Bought	45	-	-	-	-	-	-	-		
- Sold	41	-	-	-	-	-	-	-		
Fund option										
- Bought	53	-	-	-	-	-	-	-		
Credit derivatives										
- Sold	6,293	-	-	-	-	-	-	-		
Subsidiary companies										
CIMB Thai Auto Co., Ltd.	2,150	30,291	-	1	24	-	-	8	99.99	Mr. Tan Keat Jin Ms. Sasima Thongsamak Mr. Goh Therd Seng Ms. Piyawan Thianpharanon
CT Coll Co., Ltd.	-	-	-	-	63	-	-	-	99.99	Mr. Adisorn Sermchaiwong Ms. Sasima Thongsamak Ms. Onanong Udomkantong Mr. Goh Therd Seng

(Unit: THB million)

Company name	As at 31 December 2019								Shareholding (%)	Common management
	Obligations	Outstanding loans	Interbank and money market items (assets)	Other assets	Deposits	Interbank and money market items (liabilities)	Borrowings	Other liabilities		
WorldLease Co., Ltd.	-	3,775	-	1	10	-	-	-	99.99	Ms. Onanong Udomkantong Ms. Penporn Kumpusiri Mr. Natthavud Vajeenuraksakulchai Mr. Montri Puangpool
Companies under common control										
CIMB Bank Plc., Cambodia	141	-	-	-	-	52	-	-		
CIMB ISLAMIC Bank Berhad	-	-	-	-	-	94	-	-		
PT Bank CIMB Niaga TBK	-	-	-	1	-	4	-	-		
CGS-CIMB Securities (Thailand) Co., Ltd.	-	-	-	-	1,271	-	-	-		Mr. Sutee Losoponkul
Forward and spot contracts										
- Bought	3	-	-	-	-	-	-	-		
- Sold	10	-	-	-	-	-	-	-		
ICIMB (MSC) Sdn Bhd Computer system and software development agreement	1	-	-	-	-	-	-	-		
Principal Asset Management Co., Ltd.	-	-	-	27	639	-	-	-		Mr. Jason Leong Kok Yew
Sathorn Asset Management Co., Ltd.	-	-	-	1	159	-	-	10		Mr. Goh Therd Seng
Other related parties	876*	216*	-	-	538*	-	-	1*		

*In September 2019, an independent director of the Bank was engaged as Management of a related company.

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

b. The Bank has no such person who may have potential conflicts of interest and holding more than 5% of voting shares in any of the Bank's subsidiaries or associated companies.

- Justification of related party transactions

Loans and contingent liabilities associated with directors or executives from the level of executive vice president or the equivalent upwards are subject to interest charges under the Bank's employee benefits scheme. Loans, contingent liabilities and deposits associated with businesses in which the Bank or its subsidiary companies, or directors or executive officers from the level of executive vice president or the equivalent upwards, hold 10% or more of their paid-up capital were partially those transferred to the Bank under the merger process or those having undergone debt restructuring. These loans which also include some new loans have been concluded on commercial terms agreed upon in the ordinary course of business between the Bank and the parties concerned, and are subject to market interest rates.

- Procedures for approving related party transactions and safeguarding shareholders' interests

According to the Bank's Articles of Association, all related party transactions are subject to a formal approval process in accordance with the relevant policies and procedures of the Bank including the analysis and approval of the relevant committees, Audit Committee and Board of Directors. Executives or directors with beneficial interests in any transaction are not allowed to take part in the decision-making process for such transaction.

- Related party transaction trends

Related party transactions are those relating to the Bank's general business functions. All related party transactions have undergone the formal approval process and practice in place, and are in compliance with the criteria of the relevant regulatory bodies. There is a probability that related party transactions will continue to be part of the Bank's business operation, and will be governed by the clearly defined review and approval procedure and practice of the Bank.

4. Internal Control

The Bank has established the organisational structure, policies and work procedures to ensure that effective risk management and internal control systems are put in place, enabling sustainable business growth and compliance with good corporate governance principles. In addition, it has mechanisms in place to consistently monitor, assess and audit its internal control system to ensure adequacy, appropriateness, and effectiveness.

• Organisation and environment

The Bank has structured its organisation taking into account proper segregation of duties that will contribute to effective risk management and internal control as well as monitoring and auditing systems (Three Lines of Defense). It has also consistently monitored the operations of its staff to be in line with the Code of Ethics and Conduct with fair treatment of its stakeholders. Short- and medium-term business plans have been worked out to determine business strategy and framework, which are communicated to the staff at managerial levels bank-wide for their awareness and implementation to achieve the plans and targets set forth.

• Risk management

The Bank has realised the significance of risk management covering both internal and external risk factors. Board Risk and Compliance Committee and the Risk Management Committee have been appointed by the Board of Directors with relevant roles, duties and responsibilities defined and operations of which assessed to ensure conformity with the risk governance framework in place. The Board Risk and Compliance Committee and Risk Management unit are in charge of formulating the Bank's comprehensive risk management policy and procedures and setting up the risk control and monitoring mechanisms, as well as continuously fostering its risk culture.

- **Oversight of executive management**

The Bank has clearly defined, and regularly reviewed the scope of authority and responsibilities conferred on or delegated to executive officers at different levels. A clear division of responsibility between various management positions provides a mechanism for checks and balances between senior executives. This has been incorporated in the standard operating procedures and reviewed regularly.

Executive management is required to bring to the attention and consideration of the Board any transactions to provide loans or make investment in businesses in which the Bank's major shareholders, directors or senior executives as well as parties related to them have beneficial interests. In addition, any sales, giving, lease, purchase or rent of assets concerning the Bank's major shareholders, directors or senior executives as well as parties related to them have to comply with the policies and procedures in place.

In addition, the Bank has established Compliance unit to provide oversight and support to ensure that the Bank conducts its businesses in compliance with all applicable laws and regulatory requirements. Corporate Assurance has also been established as an independent unit to examine and ensure all Bank activities are effectively and efficiently managed and operated in line with the good risk management and internal control principles.

- **Information and communication infrastructure**

The Bank has established its accounting policies and procedures in line with generally accepted accounting principles that support the Bank's business requirements. It has developed and managed its information and database systems consistently so that significant information is accessible on an adequate and timely basis. The document management system provides an effective tool for retrieving and storing important electronic documents appropriately and safely. The policies and procedures have been communicated to relevant staff at all levels.

- **Follow-up and monitoring system**

The Bank has put in place processes for monitoring and reviewing the implementation of activities against its strategic objectives, policies, procedures, relevant laws, regulations, and internal control systems. An annual business plan is prepared and periodically reviewed to ensure its effectiveness in a rapidly changing environment. The Audit Committee is committed to ensuring that concrete actions are taken to execute recommendations and regularly monitoring resolutions to ensure that any identified issues are brought to satisfactory conclusion.

D. Board Meetings

Board meetings are scheduled in advance for the entire year, with at least one held every quarter and with clear agenda items submitted for information and consideration. In addition to the scheduled Board meetings, special Board meetings can also be held as and when they are required. The Board Secretary is responsible for providing all directors with the invitation letters including the agenda at least seven days before the meeting, sending supporting documents and relevant information for each meeting to the directors and the management in advance so that they can study the matters in the agenda before the meeting, and ensuring that time will be spent efficiently during the meeting. The Board Secretary is also responsible for taking the minutes of each meeting and have them well-documented. The minutes adopted by the Board will be filed and kept for examination by the Board and relevant agencies. In 2019, the Bank held 12 Board meetings, details of which are as disclosed in "Meeting Attendance of Directors" section.

To ensure the Board's efficient performance of duties with balance of power, the Board may arrange for the holding of meeting among non-executive directors to discuss the Bank's affairs

without participation of the management. In 2019, a meeting among non-executive directors was held on 17 December 2019.

E. Evaluation of the Board/Board Committees' Performance

The Bank has conducted annual evaluation of the Board and Board committee performance to allow Board and Board committee members to jointly review their performance, raise problems and obstacles concerned, and give observations and recommendations for improvement of operational efficiency. The evaluation form of the Board is divided into evaluation as a whole in terms of both (1) self-evaluation and (2) cross-evaluation, comprising six sections: 1) structure and qualifications of the Board, 2) roles, duties and responsibilities of the Board, 3) Board meetings, 4) Board members' performance of duties, 5) relationship with the management, and 6) self-development of the Board members and executive officers; and evaluation on an individual basis, comprising three sections: 1) structure and qualifications of the Board members, 2) Board meetings, and 3) roles, duties and responsibilities of the Board members. The evaluation result with score ranging from 0 (strongly disagree or no action taken) to 4 (strongly agree or action taken satisfactorily) will be compiled and concluded by the Board Secretary before presenting to the Chairman of the Board.

The evaluation result of the Board's performance in 2019 was as follows: 1) self-evaluation of the Board as a whole, with the average score of 3.52 from all categories, 2) self-evaluation of the Board on an individual basis, with the average score of 3.47 from all categories, 3) cross-evaluation of the Board on an individual basis, with the average score of 3.71 from all categories.

As for Board committees, namely Audit Committee, Nomination, Remuneration and Corporate Governance Committee, and Board Risk and Compliance Committee, their performance is evaluated on a yearly basis so that each Board committee can review its performance in the past year relative to the duties and responsibilities assigned by the Board and use the evaluation result for improvement of its performance of duties. The evaluation is by way of self-assessment of the committee as a whole and on an individual basis. The Board Secretary will send the evaluation form to each committee member for conduct of self-assessment and later compile and conclude the result of which together with recommendations from each Board committee for submission to the Board for consideration and further use for performance improvement.

Moreover, the Bank will conduct annual evaluation of President and Chief Executive Officer's performance, taking into consideration the key performance indicators determined based on the Bank's strategies and targets each year. The evaluation result will be compiled and concluded by the Board Secretary before presenting to the Chairman of the Board.

F. Remuneration of Directors and Senior Executives

The Board has a policy to disclose information on the remuneration of its directors and senior executives in compliance with the Public Limited Companies Act and the requirements of the supervisory and regulatory bodies. Such remuneration is on a par with that of peer financial institutions in accordance with the following guidelines:

- **Remuneration of Directors**

The Bank's Articles of Association set out broad criteria to allow flexibility in determining and adjusting directors' remuneration to be in line with the Bank's operating results and suit circumstances. According to its Articles of Association, the Bank may consider providing remuneration to directors in forms of meeting allowance, pension, bonus and benefits of other forms, as approved by the meeting of shareholders. In this respect, the shareholders' meetings may have the remuneration

determined either in a specific definite amount or as general guidelines, and either from time to time or to take effect until any change thereafter. However, there will be no impact on the rights of staff or employees who also serve on the Board to receipt of remuneration and benefits in their capacity as staff or employees of the Bank.

The Board is responsible for proposing the remuneration packages for directors at the meeting of shareholders for approval. Such remuneration packages shall be worked out taking into account various factors such as conformity with the remuneration in the same industry and others.

The 2019 annual general meeting of shareholders no. 25 held on 18 April 2019 passed a resolution approving the remuneration for the Board and Board Committee members for 2019, as detailed below:

1. Meeting and entertainment allowances for Board members

Remuneration by position	Year 2019		
	Entertainment (Monthly)	Meeting allowance (Monthly)	Attendance allowance
• Chairman	THB 70,000	THB 71,500	THB 58,500
• Vice Chairman	-	THB 48,400	THB 39,600
• Director	-	THB 24,000	THB 20,000

Remarks: 1. Director are responsible for paying their own income tax.
2. Attendance allowance will be paid once regardless of meeting frequency per month.

2. Remuneration for Board Committee members

Directors appointed by the Board to serve on Board Committees are entitled to receive additional monthly allowance and meeting allowance per attendance as below:

Remuneration (Position)	Year 2019	
	Meeting allowance (Monthly)	Attendance allowance
1. Audit Committee		
• Chairman	THB 39,600	THB 32,400
• Committee member	THB 22,000	THB 18,000
2. Other Committees		
• Chairman	THB 28,600	THB 23,400
• Committee member	THB 22,000	THB 18,000

Remarks: 1. Director are responsible for paying their own income tax.
2. Attendance allowance will be paid on a per meeting basis.

- Directors who are required to serve on Board committees are entitled to receive additional remuneration based on the increase in responsibilities as the Board may deem fit.
- The Board may appoint an independent expert to serve as an advisor to assist in giving opinions relating to the Bank's business with remuneration to be determined as considered appropriate.
- The Board is duty-bound to disclose information on remuneration packages for directors and senior executives in compliance with the Public Limited Companies Act and relevant regulatory requirements.

G. Director and Executive Development

The Bank encourages all directors to participate regularly in the training programmes, including relevant study tours, relating to their roles and responsibilities as Board members to provide them with, and assisting them in developing visionary thinking. So far, most of the directors have participated in the programmes organised by the Thai Institute of Directors (IOD), such as the Director Certification Programme (DCP) and Director Accreditation Programme (DAP), etc. Details on trainings of each director are presented in the Directors' Profiles section.

In 2019, the Bank's directors attended directorship-related training courses and seminars for performance enhancement as follows:

Director Name	Training Course/Seminar
1. Dato' Robert Cheim Dau Meng	<ul style="list-style-type: none"> - Global Board Leadership Summit, Singapore - Audit 101 Session - Friends of Thailand Circle Talk Series: Navigating ASEAN in a Turbulent World - Bank Negara Malaysia Annual Report 2018 / Financial Stability and Payment Systems Report 2018 Briefing Session - Tech Risk Workshop - The Future of Fintech in ASEAN - Risk Posture Workshop - 3rd Regional Directors' Sharing Session - 2020 Budget Focus Group Meeting Improving Access to Financing (Through Financial Innovation) - Sustainable Finance Conference by CIMB - Khazanah Megatrend Forum 2019 - SC Industry Dialogue 2019 (Corporate Finance) - FIDE Forum-Leadership In A Disruptive World – The Changing Role of Boards by Graham Poston - Enhancing Corporate Governance by Understanding Legal Liabilities "Act or Resign" by Malaysian Anti-Corruption Commission - The Challenge of Building Cyber Resilience by CIMB Thai
2. Mrs. Watanan Petersik	<ul style="list-style-type: none"> - The Challenge of Building Cyber Resilience by CIMB Thai
3. Mrs. Oranuch Apisaksirikul	<ul style="list-style-type: none"> - The Challenge of Building Cyber Resilience by CIMB Thai
4. Mr. Chanmanu Sumawong	<ul style="list-style-type: none"> - The Challenge of Building Cyber Resilience by CIMB Thai
5. Dr. Rom Hiranpruk	<ul style="list-style-type: none"> - The Challenge of Building Cyber Resilience by CIMB Thai
6. Mr. Niti Jungnitnirundr	<ul style="list-style-type: none"> - The Challenge of Building Cyber Resilience by CIMB Thai
7. Mr. Natasak Rodjanapiches	<ul style="list-style-type: none"> - The Challenge of Building Cyber Resilience by CIMB Thai
8. Ms. Serena Tan Mei Shwen	<ul style="list-style-type: none"> - The Challenge of Building Cyber Resilience by CIMB Thai
9. Encik Omar Siddiq Bin Amin Noer Rashid	<ul style="list-style-type: none"> - The Challenge of Building Cyber Resilience by CIMB Thai
10. Encik Shahnaz Farouque Bin Jammal Ahmad	<ul style="list-style-type: none"> - The Challenge of Building Cyber Resilience by CIMB Thai

In 2019, five new directors were appointed by the shareholders' meeting and Board meeting. The new directors have undergone an in-house induction programme that gives them an overview of the Bank as well as its annual business and operational plans. A director's manual assembling applicable laws and regulations each director needs to know was also given to a new director for compliance with the good corporate governance practices.

H. Succession Plan

The Bank is fully aware of the importance of operating business efficiently and continuously. Human Resources has thus been tasked with formulating a succession plan to ensure that the Bank has identified executives or talents as successors to various key positions. An appropriate training and development plan has been put in place to upskill each individual so that he/she is ready to be replacement with immediate effect or within the specified timeframe. The significant process is in place for proposal for approval by the Nomination, Remuneration and Corporate Governance Committee and the Board of Directors.

I. Organisation and Personnel

As of 31 December 2019, the Bank had a total of 2,959 employees, of whom 704 work at branches and 2,255 at the head office, as below:

	No. of employees
1. President and Chief Executive Officer	1
2. Wholesale Banking	
2.1 Corporate Banking and Investment Banking	111
2.2 Treasury & Markets	87
2.3 Private Banking	34
3. Consumer Banking	1,441
4. Commercial Banking	182
5. Transaction Banking	44
6. Risk Management	88
7. Finance	143
8. Technology and Operations	581
9. Legal	15
10. Strategy	18
11. Human Resources	62
12. Office of the President	
(including Secretary to President and Chief Executive Officer)	12
13. Research	9
14. Corporate Communications	23
15. Corporate Assurance	53
16. Compliance	45
17. Customer Experience Management	10
Total	2,959

Staff Development Policy and Human Resource Management Plan

The Bank is committed to consistently developing people capabilities at all levels and other levels with focus on intensive career development and succession planning to enhance staff's knowledge, skills and competencies. The training roadmap has consistently been designed and developed, identifying the required skill set for each job role to support staff's career advancement. With realisation of the rapid business changes in the digital disruption environment, 3D Academy (Digital, Data, Design) has been launched to equip staff with new skill sets. This will enable the Bank to align people development with future business strategies and goals. In addition, the Bank has continued to develop integrated learning approaches through various programmes which include mentoring and coaching, peer to peer learning and learning on mobile (e-learning modules), etc. to promote learning anytime and anywhere outside the classroom.

Employee Benefits

The Bank has provided employee benefits such as provident fund, social security fund, life insurance, medical treatment, annual health check-up, staff clinic, housing loan, car/motorcycle loan, staff education loan and general purpose loan, that are competitive against other leading banks to attract and retain talented and competent staff. The total fixed salary paid to Bank employees in the fiscal year was THB 2,643.77 million. To be an employer of choice, the Bank will continue to improve its employee benefits to attract and retain quality staff.

Training Courses and Human Resources Development

In 2019, the Bank organised a total of 479 training courses for employees, consisting of 270 in-house training courses and 209 external training courses. These courses were participated by a total of 2,905 employees, or 98% of the total workforce, equivalent to an average training of 5 days per person per year. The total cost of employee development was THB 21.4 million (data as of 31 December 2019). The Bank has focused on providing its staff with necessary digital knowledge and skill sets through the 3D Academy (Digital, Data, Design) with such courses as Future Data Scientist Programme, Design Thinking Experience Workshop, etc. In addition, an internal training course like CIMB BEATS has been developed to boost staff's capabilities in enhancing customer experience. The Bank has also encouraged staff to consistently develop professional skills and competencies by attending such courses as Professional Investment Planner, Life and Non-Life Insurance License, etc.

Staff Health and Safety Information

	2019	2018
Leave of staff classified by type	%	%
Sick leave	24.60	18.50
Work related injury and sickness	0.0	0.0
Others	75.40	81.50
No. of average sick leave days (days/person)	2.80	2.93
Work related accident death (persons)	0	0

Work Environment

The Bank is concerned about the quality of life and health of its staff. It has accordingly instituted the Occupational Safety, Health, and Working Environment Policy and Procedure in compliance with the law, and an Occupational Safety, Health and Working Environment Committee has been established with the following objectives:

1. To carry out tasks relating to occupational safety, health and working environment of the Bank staff in an efficient and consistent manner and in accordance with the standards of the occupational safety, health and working environment management systems in place.
2. To comply with Labour Ministerial Regulation on Prescribing Standard for Administration and Management of Occupational Safety, Health and Environment in the Workplace (No. 2), B.E. 2553 (2010) published in the Royal Gazette dated 9 July 2010.
3. To serve as guidelines for preparation and maintenance of occupational safety, health and working environment management systems, as well as minimisation of potential risks of hazards and accidents to staff and parties concerned.

Maintaining occupational safety and hygiene in the workplace

The Bank has regularly and efficiently followed up, improved and taken care of work environment covering building premises and the surroundings to ensure workplace safety and hygiene for staff and parties concerned as follows:

- Measure quality of air circulating in buildings: At least once a year to ensure the work environment and the air circulating in the buildings is non-polluted and appropriate in line with the standards set by law.
- Measure quality of drinking water in buildings: At least four times a year so that staff and customers have confidence in the cleanliness and safety of the drinking water in line with the standards of the Department of Health.
- Inspect fire prevention and extinguishing systems in buildings: To ensure the Bank's fire prevention and extinguishing systems are ready-for-use at all times and meet the standards set by law, the Bank has had the fire prevention and extinguishing systems and devices inspected regularly and a rescue practice carried out on a monthly basis to get prepared for dealing with a fire outbreak in the buildings, as well as a fire evacuation drill conducted annually as prescribed by law.
- Allocate space in head office building for parking of bicycles: To promote staff's awareness of good health and energy saving with less use of fuel oil, the Bank has arranged space for parking of bicycles to provide convenience for staff, customers and outside parties contacting the Bank.
- Hold a training course on "Basic Fire Extinguishing Practice for Staff": To enable staff to learn how to put out fire, in both theory and practice, so that they get used to using the fire fighting equipment and evacuation of people from buildings in the right way.
- Hold a training course on "Basic First Aid": To enable staff to learn the basic first-aid skills.

Environmental and Energy Management

The Bank has instituted and adopted the Energy Conservation Policy to be compliant with the Energy Ministerial Regulation on the Standards, Criteria and Procedures regarding energy management pursuant to the Energy Conservation Promotion Act. It has installed energy saving devices in parallel to application of energy management measures. All employees are also duty-bound to give cooperation in energy conservation on a consistent and sustainable basis. Initiatives and activities undertaken comprised:

- Installation of solar cell panels on the roof-deck of the head office building, electricity generated from which is used for lighting in the Bank's office building and parking premises.
- Replacement of T5 light tubes with LED tubes in the office buildings to reduce energy consumption.
- Installation of air-conditioning wind speed control equipment to control the air speed to be fit for the temperature in each section of the office buildings with a view to enhancing functioning efficiency of the air-conditioning system and lowering energy consumption.
- Replacement of the existing chiller system which was old and high energy-consuming with the new one.
- Management of electricity consumption by period with avoidance of electricity use during the on-peak period of 09.00-22.00 hrs., and use of electricity during the off-peak period of 22.01-08.59 hrs., for the water pumps in the head office building.
- Launch of CIMBTHAI GO GREEN programme to reduce, reuse and recycle plastic bags, disposable plastic containers, and foam food containers, with an activity held to lend cloth bags and ceramic mugs for mutual use by employees and employees encouraged to buy foods and drinks using their own containers and getting special prices. This aims to raise their awareness of impacts from plastic wastes.
- Change of type of fuel oil for company cars from gasohol 91 to gasohol E20 and E85 as a way to promote use of domestic agricultural produce as an alternative energy resource and also help reduce air pollution.

Policy on Remuneration for Directors, Executives and Staff

The Board has assigned the Nomination, Remuneration and Corporate Governance Committee to consider and determine the criteria for payment of remuneration and other benefits to the directors at appropriate rates commensurate with the scope of duties and responsibilities assigned and in line with or on a par with those paid by other banks of similar ranks. The remuneration shall also be in line with the Bank's long-term strategy and target, experience, duties, accountability and responsibility and benefits the Bank expects to receive from each director. Any director with additional assignment of duties and responsibilities, i.e. having been appointed as a member of a Board committee, should receive an appropriate rate of increase in the remuneration. The shareholders are to approve remuneration structure and rate for Board and Board Committee members, in both monetary and non-monetary forms. The Nomination, Remuneration and Corporate Governance Committee is in charge of determining payment of remuneration of each form as deemed appropriate.

Remuneration Policy for the Bank's Executives and Staff

The Remuneration Policy is applicable to all employees. It is formulated to ensure the Bank will be able to attract talents as well as retain and motivate high-performers to work for the Bank for sustainable success of the organisation under transparent principles and based on scopes of responsibilities of the job positions and competitive edge of the Bank relative to other financial institutions and leading companies in Thailand.

Composition of Remuneration

The Bank has defined remuneration for all employees, comprising monetary remuneration, such as monthly salary, living allowance, overtime pay and holiday pay, and other remuneration in terms of benefits regarding medical treatment, health check-up, life insurance and accident insurance, provident fund, and welfare loans that are applicable at present and to be amended and announced afterward.

Remuneration for Executives

The Nomination, Remuneration and Corporate Governance Committee is responsible for establishing the Remuneration Policy regarding payment and amount of remuneration and other benefits for executives from the corporate title of Executive Vice President (U2) and above, including the President and Chief Executive Officer, before proposal for the Board of Directors' approval. The said payment will be linked to short- and long-term operational performance of the Bank and the work performance of the respective executives against financial, customer, work process improvement and personnel development indicators. The Bank's executives will receive remuneration in monetary form and otherwise as determined by the Bank.

Remuneration for Staff

Human Resources work unit will determine the remuneration rates in monetary form and otherwise for employees from the corporate title of Senior Vice President (U3) and below as deemed appropriate in line with the nature of work, function, qualifications, professional experience and responsibilities before proposing to the executives with approval authority for consideration and approval.

Annual Merit Increase

The Bank's staff and their supervisors will evaluate staff's performance in the previous year and set the target for the following year. The annual merit increase will be considered based mainly on individual staff's performance and overall performance of the Bank, subject to the Nomination, Remuneration and Corporate Governance Committee's concurrence and the Board of Directors' approval. The Bank reserves the right to change the remuneration rates as deemed proper and necessary.

Bonus Payment

The Bank will consider the bonus payment annually and announce its bonus payment criteria to all staff every year for staff with evaluated score not below the set criteria approved by the Board of Directors and no prohibited characteristics under the Bank's criteria. The bonus payment shall be concurred by the Nomination, Remuneration and Corporate Governance Committee and approved by the Board of Directors.

Policy on Nomination and Appointment of Directors and Executives

The Bank has put in place director nomination procedures that are transparent and open for inspection. The Board has accordingly established the Nomination, Remuneration and Corporate Governance Committee to take charge of selecting and nominating qualified persons who have no disqualifications according to the law for appointment as directors by recommending them for the Board's approval or through the Board before submitting to the meeting of the shareholders for approval (as the case may be). This process shall comply with the rules and procedures on appointment and removal of directors as specified in the Bank's Articles of Association and relevant laws and regulations.

The Nomination, Remuneration, and Corporate Governance Committee is responsible for reviewing and screening qualifications of candidates for executive positions before proposal to the Board of Directors for approval prior to submission for the Bank of Thailand's approval. The Bank has put in place the nomination process in order to ensure that all senior appointments are compliant with the regulations the BOT and other regulatory bodies.

Human Rights Policy

The Bank has established Human Rights Policy and Procedures to ensure its directors, executives and employees comply with and respect human rights as prescribed in the Thai Constitution. This includes the right to equal treatment irrespective of differences in homeland, race, gender, age, personal status, economic or social status, religious beliefs, education, or political viewpoints, which are not against the provisions of the Constitution. The Bank is also determined not to get involved, associated with or support individuals or organisations having acted in breach of human rights.

Policy of Non-violation of Intellectual Property Rights or Copyright

The Bank does not support its directors, executives and employees operating in violation of intellectual property rights or copyright. As such, the Bank established a policy prohibiting the Bank's directors, executives and employees from violating intellectual property rights or copyright e.g. duplicating, modifying or disseminating creative works with copyrights, to the public without permission from the copyright owners.

Policy for Reporting of Beneficial Interests of Directors and Executives

In order to control and monitor transactions made between the Bank and its directors, executives and related persons, the Bank has formulated a policy for reporting the beneficial interests of directors and executives (reports of beneficial interests). Directors and executives shall submit their reports and those of related persons within seven business days from the end of the semi-annual period as well as when there are changes (if any). The Company Secretary will submit copies of such reports to the Chairman of the Board and Chairman of the Audit Committee for acknowledgement within seven business days from the date the reports are received by the Company Secretary.

Anti-Corruption Policy and Procedures

The Bank has declared its intention to fight corruption by participating in the Private Sector Collective Action Coalition against Corruption (CAC) and prepared the Anti-Corruption Policy and Procedures to be strictly complied with by the directors, executives, employees and subsidiaries in order to ensure that the Bank has appropriate practice and regulation in place to prevent corruption.

Focus on Long-term Shareholder Value

The Bank continues to build long-term value for its shareholders through building sustainable earnings growth and maintaining a solid capital base to cope with risks associated with its diverse businesses.

List of Shareholders

Top ten shareholders of the Bank as of 11 March 2019:

No.	Shareholder Name	Number of shares	In percentage (%)
1	CIMB Bank Berhad	33,021,971,285	94.83
2	Bank Julius Baer & Co., Ltd., Singapore	760,756,147	2.18
3	Thai NVDR Co., Ltd.	144,908,008	0.42
4	Mr. Pisit Prukpaiboon	43,026,382	0.12
5	SCB SET Banking Sector Index	40,258,608	0.12
6	Mr. Prawit Phansaichue	13,997,591	0.04
7	Mr. Somchart Namsricharoensuk	13,684,881	0.04
8	Mr. Pracha Chaisuwan	13,181,733	0.04
9	Mrs. Jaroonluk Panichsheewa	11,761,750	0.03
10	Mr. Anan Rungwittayakom	7,654,500	0.02
	Other shareholders	751,060,863	2.16
	Total 8,057 shareholders holding	34,822,261,748	100.00
	Thai shareholders 7,989	1,011,221,732	2.90
	Foreign shareholders 68	33,811,040,016	97.10
	Total 8,057 shareholders	34,822,261,748	100.00

Major shareholder with significant influence over the Bank's business planning and direction is CIMB Bank Berhad with 94.83% holding of the Bank's total issued and paid-up shares.

Dividend Policy of CIMB Thai

The Bank's policy is to allocate dividend to shareholders at not over 40% of its net profit (after corporate income tax) of each year of business operation. The dividend payment shall be made pursuant to Article 43 of the Bank's Articles of Association which states: "No dividend shall be paid otherwise than out of profits. If the Company has incurred accumulated losses, no dividend may be paid. The remaining profit from paying the dividend can be allocated as the reserve funds as the Board of Directors may think fit. The Board of Directors may pay interim dividend to shareholders from time to time as it deems that the Company has enough profit to do so, and the payment of such dividend shall be reported to the shareholders at the next meeting. The payment of dividend shall be made within the time prescribed by law and the written notice of such payment of dividend shall be sent to the shareholders and also published in a newspaper." With respect to the Bank's subsidiary companies, the decision to declare a dividend payment is at the discretion of the respective subsidiaries' Boards of Directors and subject to the subsidiaries' net earnings.

Details of fine payment of the Bank and companies in its financial business group as of 31 December 2019:

Details of fines imposed by regulators						
Regulators	Year 2019				Three most frequent non-compliance cases in past five years	
	Total amount (THB)	First three highest fine amounts			Section	Relevant laws
		Amount (THB)	Section	Relevant laws		
1. Bank of Thailand	-	-	-	-	Sections 66 and 71	Financial Institution Act B.E. 2551 (2008) as amended
2. Office of the Securities and Exchange Commission	-	-	-	-	Section 113	Securities and Exchange Act B.E. 2535 (1992) as amended
3. Office of Insurance Commission	-	-	-	-	-	-
Conclusion	In 2019, the Bank recorded no fine payment case.				For past five years, the Bank recorded a total of two cases of fine payment.	

CIMB Thai Management Structure

A. BOARD OF DIRECTORS

1. Non-executive director

Means a director who does not hold any position in the Bank other than a member of the Board and does not act as an executive of the Bank. A non-executive director may or may not be an independent director.

2. Executive director

Means a director who holds an executive position, or a director who is in charge of any action deemed to be taken by an executive, and shall include a director who is authorised to sign binding the Bank.

3. Director who is authorised signatory

Means one or several director(s) authorised by the Board to sign binding the Bank with the third parties.

4. Independent director

Each independent director of the Bank must have qualifications as follows:

- (a) Hold shares not exceeding 0.5% of the total number of shares with voting rights of the Bank, its parent company, subsidiary company, associated company, major shareholder or controlling person of the Bank, including shares held by related persons of such independent director;
- (b) Neither be nor have been an executive director, employee, staff, advisor who receives a salary, or controlling person of the Bank, its parent company, subsidiary company, associated company, same-level subsidiary company, major shareholder or controlling person, unless the foregoing status has ended not less than two years prior to the date of filing the application with the Office of the Securities and Exchange Commission (Office of the SEC). Such prohibited characteristic shall not include the case where the independent director used to be a government official or advisor of a government agency which is a major shareholder or controlling person of the Bank;
- (c) Not be a person related by blood or legal registration as father, mother, spouse, sibling, and child, including spouse of a child, of executive, major shareholder, controlling person, or a person nominated as an executive or controlling person of the Bank or its subsidiary company;
- (d) Neither have nor have had a business relationship with the Bank, its parent company, subsidiary company, associated company, major shareholder or controlling person of the Bank, in the manner which may interfere with his/her independent judgment, and neither be nor have been a significant shareholder or controlling person of any person having a business relationship with the Bank, its parent company, subsidiary company, associated company, major shareholder or controlling person of the Bank, unless the foregoing relationship has ended not less than two years prior to the date of filing the application with the Office of the SEC.

The term 'business relationship' shall include any normal business transaction for business operation, rent or lease of immovable property, transaction relating to assets or services, or granting or receipt of financial assistance through receiving or extending loans, guarantees, providing assets as collateral, and any other similar actions, which result in the Bank or the counterparty being subject to indebtedness to the other party in the amount of 3% or more of the net tangible assets of the Bank or THB 20 million or more, whichever is lower. The amount of such indebtedness shall be calculated by the valuation method applicable to related party transactions pursuant to the Capital Market Supervisory Board Notification regarding criteria on related party transactions *mutatis mutandis*. The consideration of such indebtedness shall include indebtedness incurred during the period of one year prior to the date on which the business relationship with the related person commences;

- (e) Neither be nor have been an auditor of the Bank, its parent company, subsidiary company, associated company, major shareholder or controlling person of the Bank, and not be a significant shareholder, controlling person, or partner of an audit firm which employs the auditor of the Bank, its parent company, subsidiary company, associated company, major shareholder or controlling person of the Bank, unless the foregoing relationship has ended not less than two years prior to the date of filing the application with the Office of the SEC;
- (f) Neither be nor have been a provider of any professional services including those as legal advisor or financial advisor who receives service fee exceeding THB 2 million per year from the Bank, its parent company, subsidiary company, associated company, major shareholder or controlling person of the Bank, and not be a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relationship has ended not less than two years prior to the date of filing the application with the Office of the SEC;
- (g) Not be a director appointed as representative of directors of the Bank, major shareholder or shareholder who is related to the major shareholder;
- (h) Not undertake any business in the same nature as and in material competition with the business of the Bank or its subsidiary company, or not be a significant partner in a partnership, or not be a director involved in management, employee, staff, advisor who receives regular salary or holds shares exceeding 1% of the total number of shares with voting rights of another company which undertakes business in the same nature as and in material competition with the business of the Bank or its subsidiary company;
- (i) Have no other characteristics which disable expression of independent opinions on the Bank's business operations. Upon appointment as independent director with qualifications as stated from (a) to (i) in the first paragraph, the independent director may be assigned by the Board to take part in the business decisions of the Bank, its parent company, subsidiary company, associated company, same-level subsidiary company, major shareholder or controlling person of the Bank, on a collective decision basis;
- (j) Have no business, participation in the business of, or benefit in relation to the Bank, or have any other features that cause inability to independently opine, decide, or vote on matters regarding business operation of the Bank;
- (k) Neither be nor have been a non-independent director, manager, person with management power, advisor or employee of the Bank and any company in its financial business group, unless the foregoing position or status has ended not less than two years prior to the date of filing the application with the Bank of Thailand (BOT);

- (1) Be eligible to hold the independent director position for more than nine consecutive years, in which case such period shall include the period during which he/she holds the independent director position of the companies in the financial business group of the Bank.

In case any independent director has already been in the independent director position for nine years and wishes to be re-appointed as an independent director, his/her status of director, manager, controlling person, advisor or employee of the Bank and companies in its financial business group must have ended not less than two years prior to the date of filing the application with the BOT.

For any independent director who has held the position for less than nine years, if such person's status of an independent director of the Bank and companies in its financial business group has ended less than two years, and during such period the person has not assumed any position of director, manager, controlling person, advisor or employee of the Bank and companies in its financial business group, the person may be re-appointed as an independent director, but the period during which he/she serves as an independent director must be all counted.

As of 31 December 2019, the Board of Directors was composed of the following 11 directors:

Name	Positions
1. Dato' Robert Cheim Dau Meng	Chairman Member and Alternate Chairman of Nomination, Remuneration and Corporate Governance Committee
2. Mrs. Watanan Petersik	Independent Director Chairperson of Nomination, Remuneration and Corporate Governance Committee
3. Ms. Serena Tan Mei Shwen	Director Chairperson of Board Risk and Compliance Committee
4. Mr. Chanmanu Sumawong	Independent Director Member of Audit Committee Member of Nomination, Remuneration and Corporate Governance Committee
5. Dr. Rom Hiranpruk	Independent Director Member of Audit Committee Member and Alternate Chairman of Board Risk and Compliance Committee
6. Encik Omar Siddiq Bin Amin Noer Rashid ^{1/}	Director Member of Board Risk and Compliance Committee
7. Encik Shahnaz Farouque Bin Jammal Ahmad ^{2/}	Director Member of Board Risk and Compliance Committee
8. Mr. Natasak Rodjanapiches ^{3/}	Independent Director Member of Board Risk and Compliance Committee
9. Mr. Niti Jungnitnirundr ^{4/}	Independent Director Member of Audit Committee
10. Mrs. Oranuch Apisaksirikul ^{5/}	Independent Director Chairperson of Audit Committee
11. Mr. Adisorn Sermchaiwong ^{6/}	Director President and Chief Executive Officer

Remarks

- 1/ The Board of Directors' meeting (special) no. 2/2019, held on 16 January 2019, resolved to appoint Encik Omar Siddiq Bin Amin Noer Rashid as Director replacing Datuk Joseph Dominic Silva who resigned, and as Acting President and CEO, effective on 30 January 2019.
- 2/ The Board of Directors' meeting no. 1/2019, held on 16 January 2019, resolved to appoint Encik Shahnaz Farouque Bin Jammal Ahmad as Director replacing Dato' Lee Kok Kwan who resigned, effective on 21 February 2019.
- 3/ The Annual General Meeting of Shareholders no. 25, held on 18 April 2019, resolved to appoint Mr. Natasak Rodjanapichas as Independent Director replacing Mr. Maris Samaram who retired by rotation, effective on 18 April 2019.
- 4/ The Annual General Meeting of Shareholders no. 25, held on 18 April 2019, resolved to appoint Mr. Niti Jungnitnirundr as Independent Director replacing Mr. Chitrapongse Kwangsukstith who resigned, effective on 18 April 2019.
- 5/ The Board of Directors' meeting no. 5/2019, held on 23 May 2019, resolved to appoint Mrs. Oranuch Apisaksirikul as Independent Director replacing Mr. Chakramon Phasukavanich who resigned, effective on 26 June 2019.
- 6/ The Board of Directors' meeting no. 4/2019, held on 18 April 2019, resolved to appoint Mr. Adisorn Sermchaiwong, Senior Executive Vice President and Head of Consumer Banking in charge of Fast Forward programme, as Acting President and CEO (excluding directorship) replacing Encik Omar Siddiq Bin Amin Noer Rashid, effective on 1 May 2019.

The Board of Directors' meeting no. 5/2019, held on 23 May 2019, resolved to extend the term of Mr. Adisorn Sermchaiwong as Acting President and CEO (excluding directorship), effective on 1 June 2019.

The Board of Directors' meeting no. 8/2019, held on 28 August 2019, resolved to appoint Mr. Adisorn Sermchaiwong as President and CEO (excluding directorship) replacing Mr. Kittiphun Anutarasoti who completed term of office as President and CEO, effective on 19 October 2019.

The Board of Directors' meeting no. 10/2019, held on 10 October 2019, resolved to appoint Mr. Adisorn Sermchaiwong as Director replacing Mr. Kittiphun Anutarasoti who resigned as a Director, effective on 4 December 2019.

Directors Nominated by Major Shareholder

CIMB Bank Berhad (CIMB Bank) has appointed three representatives to the Board of the Bank, namely Ms. Serena Tan Mei Shwen, Encik Omar Siddiq Bin Amin Noer Rashid and Encik Shahnaz Farouque Bin Jammal Ahmad.

Authorised Signatories

The directors who are authorised signatories of the Bank are Encik Omar Siddiq Bin Amin Noer Rashid, Encik Shahnaz Farouque Bin Jammal Ahmad and Mr. Adisorn Sermchaiwong, any two of whom are to jointly sign with the Bank seal affixed.

Powers of the Board of Directors

1. Appoint and remove regular and temporary employees, determine bonus payment, gratuity and severance pay to regular or temporary employees or any person doing business for the Bank, and declare dividend payment to shareholders.
2. Establish Board committees as deemed necessary and appropriate to assist the Board in overseeing the Bank's business affairs, and determine remuneration for committee members as appropriate.
3. Appoint any person as an advisor to the Board to give advice and opinion on the Bank's business affairs, and determine remuneration as appropriate.
4. Delegate authority to any one or more director(s) or other person(s) to perform any duty on behalf of the Board.
5. At the Board meeting, each director shall have one vote. Director with beneficial interests in any matter shall not be entitled to vote on that matter. In the event of a vote tie, the Chairman of the meeting shall have the casting vote.

Duties and Responsibilities of Board of Directors

Basic responsibility of the Board is to exercise judgment on the business operations in a manner that is reasonably believed to be in the best interests of the Bank and in compliance with the applicable laws and regulatory rules, the Bank's Articles of Association, and resolutions of the shareholders' meetings, as detailed below:

1. Ensure that all directors and executives perform their duties responsibly and cautiously (duty of care) with loyalty to the Bank (duty of loyalty), and oversee that the Bank's business is operated as prescribed by laws and in accordance with the objectives and Articles of Association of the Bank as well as the resolutions of the shareholders' meeting.
2. Ensure that the Bank has put in place its policies and procedures as well as approval processes for important operations (e.g. investment, transactions with material impact on business, related party transactions, acquisition/disposal of assets, dividend payment, etc.) as prescribed by law.
3. Determine the Bank's business operation policies, strategies and objectives, consider and approve its business policies and direction, as well as controlling and monitoring the management's discharge of functions to ensure that it is in line with the policies set forth and in an efficient and effective manner in order to enhance financial value to the Bank, customers, stakeholders, and the society as a whole, with sustainable business operation taken into account.
4. Nominate qualified individuals for the shareholders' consideration and election as directors, and support the shareholders' exercise of rights with channels available for them to nominate candidates to stand for election as directors.
5. Nominate qualified individuals with professional expertise and experience for appointment as senior executives.
6. Approve business budgets based on joint consideration with the management.
7. Delegate authority to executives to carry out tasks to meet the targets, except for the case of significant issues with drastic impacts and those not in normal course of business of the Bank, such as investment in other businesses, making sizable transactions, etc., or the issues with conflict of interests of the executives, where the Board shall handle in order to relieve managerial risks, or make recommendation to the shareholders' meeting if shareholders' approval is required pursuant to the regulatory criteria.
8. Determine the issues to be brought by the management to the attention of the Board.
9. Establish measures for the management to take in order to meet the targets and plans set out, and ensure that the management communicates the policies, targets and plans to staff at all levels across the organisation.
10. Supervise and monitor the management's business administration to ensure the Bank's operations comply with the laws and provisions in the relevant agreements.
11. Supervise to ensure that the Bank and its subsidiaries in the financial business group have in place risk factors determination, risk assessment, risk management measures, risk monitoring and examination, and review of risk management system on a regular basis, including the building of risk culture within the organisation as well as having the remuneration structure that is effective and promotes risk culture.
Duties and responsibilities of Board of Directors relating to the risk governance framework:
12. Formulate or approve the overall risk management policies and strategies, transaction making or new product launch policy, and risk appetite that is in line with risk profile and business models of the Bank and its subsidiaries in financial business group.
13. Oversee to ensure that the Bank and its subsidiaries have in place risk taking policies and processes, including internal pricing process (if any) that is in accordance with the overall risk management policies and strategies as well as risk appetite.
14. Assign and oversee to ensure that senior executives set the risk limits in accordance with the risk appetite, and communicate with persons concerned to ensure their acknowledgment and understanding on a regular basis.
15. Assign and oversee to ensure that senior executives formulate detailed policies, processes, and systems for managing overall risks and each type of risks, as well as frameworks or procedures for identifying, assessing, monitoring, controlling and reporting risks.
16. Approve an organisational structure that facilitates the monitoring, oversight, control and examination to ensure that the Bank's operations comply with the risk management policies, strategies, processes and procedures in place.

17. Oversee to ensure that there is development of risk culture.
18. Review and verify the adequacy and effectiveness of the policies and strategies on overall risk management and risk appetite at least once a year or promptly upon any significant changes.
19. Monitor the overall risk exposure and that of each type of risks.
20. Oversee to ensure that the Bank and its subsidiaries hold stable and sufficient capital and liquidity to support both current and future business operations.
21. Ensure the Bank has in place and maintains adequate, appropriate and effective internal control and audit system for the benefits of the Bank, determine clear guidelines to prevent and eliminate conflict of interests, formulate policy and procedure to control and prevent abuse of the Bank's inside information for own benefits, and assess as well as review adequacy of internal control system at every year-end.
22. Oversee that the Bank discloses important good governance data at the shareholders' meeting and to the public to promote and demonstrate the Bank's commitment to good governance.
23. Coordinate and maintain good balance among the diverse groups of stakeholders and the Bank through fair treatment of all parties.
24. Be accountable for the Bank's financial statements and disclosure thereof, and ensure there is monitoring of the management's operations by the Board and that of the Bank in overall by the shareholders.
25. Ensure there is operational reporting system to track whether the actual operations are on track compared with the targets and identify problems and obstacles so that the Board can monitor and improve or revise the action plans and strategies as deemed appropriate.
26. Prepare report of the responsibility of the Board of Directors for disclosure in the annual report alongside the auditor's report, covering important points as per the code of conduct for Board members to ensure that the Bank's financial report is accurate, complete, and reliable.
27. Oversee to ensure that senior executives of the Bank and the subsidiaries in its financial business group implement the targets, policies and strategies organisation-wide, as well as set out processes and operating systems, and make the relevant arrangements so that the Bank and the companies in its financial business group reach the targets according to the policies and strategies specified or approved by its Board of Directors.
28. Oversee to ensure that the Bank and the subsidiaries in its financial business group prepare the complete minutes of the respective Boards of Directors' meetings, where the contents are complete with recording of individual directors' comments on important agenda/issues for consideration.
29. Oversee to ensure that senior executives have skills needed for performing functions of the Bank and the subsidiaries in its financial business group, including the appointment of qualified persons as authorised managerial personnel, and that there is a succession plan for senior executives to ensure that the Bank and the subsidiaries in its financial business group can operate their business on an ongoing basis.
30. Set guidelines for evaluation of executives' performance to support annual consideration and adjustment of wages and annual bonuses taking into account duties and responsibilities and associated risks, as well as enhancement of shareholder value in the long run.
31. Consider structure and criteria of bonus, gratuity and severance pay to employees, contract employees or any person doing business for the Bank, whether regularly or temporarily, as proposed by the management.
32. Appoint any person as advisor to the Board or request any professional opinion from an external advisor to assist in and advise on the Bank's operations at the Bank's own expense, and determine remuneration and bonuses as deemed appropriate.
33. Appoint a number of Board members to sit on other committees or subcommittees to take charge of any one or several activities, determine remuneration and bonuses for them

- as deemed appropriate, and render support to them with delegation of authority so that they can fully function and engage consultants/advisors with specialised expertise to give additional opinions at the Bank's own expense, as well as make available full-time staff to follow up, seek information and coordinate in support of the operations of the committees/subcommittees.
34. Oversee to ensure that there is the appropriate balance of power among the Bank's Board members by placing importance on the component or number of independent directors and the effective balance of power among the Board members.
 35. Ensure the Bank's complete, adequate, reliable and timely disclosure of information.
 36. Revise the segregation of duties among the Board of Directors, President and Chief Executive Officer, and the management on a regular basis to be consistent with the organisation's direction.
 37. Take into consideration the business operation impact on the society and the environment besides financial profits.
 38. Put in place policies as written operation principles and guidelines for directors, executives and staff members, i.e. Corporate Governance Policy and Code of Ethics and Conduct, which define roles and responsibilities of the Board of Directors so that they can use as reference, ensure that there is enough communication for directors, executives and employees' understanding, with enough mechanism that enables their compliance with such policies, and monitor compliance results as well as review the policies and actual operation on a regular basis.
 39. Supervise and monitor objective, target and strategy of each business function to be in line with main targets and objectives of the business, with adoption of new innovations and technologies to enhance the Bank's competitiveness and respond to the needs of stakeholders in a safe and appropriate manner and with social and environmental responsibility.
 40. Ensure that there is data security system, and put in place policies and procedures regarding confidentiality, integrity and availability of information, and management of market sensitive information.
 41. Ensure that management has efficiently and effectively managed and allocated resources, taking into consideration impacts and development of resources to enable the Bank to achieve its main targets and objectives.
 42. Establish an IT governance and management framework at organisational level that is aligned with the business needs and priorities, and ensure use of IT to maximise business opportunities, develop operational performance, and strengthen risk management in support of the business objectives.
 43. Oversee to ensure that the Bank and the subsidiaries in its financial business group have in place the market conduct practice according to the BOT's Notification Re: Market Conduct Guidelines.
 44. Oversee to ensure that the Bank and the subsidiaries in its financial business group have in place the efficient Whistleblowing Policy and Procedure.
 45. Oversee to ensure that there is annual assessment of the performance of the Bank's Board of Directors and individual directors in the forms of (1) self-evaluation and (2) cross-evaluation or third party evaluation and assessment of the performance of the Bank's senior executives, and that the directors have continuously undergone skill enhancement and training courses needed for their performance of duties.

The Board shall, under no undue influence, make independent decisions or objections in case of disagreement or conflict of interests, give approval of business matters, or put forward recommendations to the shareholders' meeting for approval as appropriate, based on the following principles:

Sufficiency:

1. To act in the best interests of the Bank;
2. To exercise sound and prudent judgment; and
3. To decide dispassionately without consideration of personal gains.

Prudence:

1. To act with due care taking all steps in the manner a director should take under similar circumstance;
2. To make informed decisions; and
3. To act with reasonable grounds that information is reliable and correct.

Integrity:

1. To act in good faith;
2. To make decisions free of possible or appearance of conflict of interest; and
3. To make no use of the Bank's information and opportunities for personal or other persons' gains.

Selection, Appointment and Removal of Directors

The Board of Directors shall be elected by the shareholders. The Bank has put in place director nomination procedures that are transparent and open for inspection. The Board shall accordingly appoint Nomination, Remuneration and Corporate Governance Committee to take charge of selecting and nominating qualified candidates who have no prohibited characteristics according to the law for appointment as directors by recommending them through the Board before submitting to the meeting of the shareholders for approval and appointment. This process shall comply with the rules and procedures on appointment and removal of directors as specified in the Bank's Articles of Association as follows:

1. According to the shareholders' resolution, the Board of Directors shall comprise no fewer than five and no more than twelve members, with at least half the board members having domicile in Thailand.
2. Article 16 of the Bank's Articles of Association provides for the following voting procedure:
 - (1) Each shareholder shall have the number of votes equal to the number of shares held. One share is entitled to one vote;
 - (2) Votes shall be cast for either an individual or several directors in the number required to be elected at the respective meeting and as deemed appropriate by the meeting. In the election of either an individual or several directors, each elected person shall receive votes from each shareholder in the full amount of shares held by that shareholder pursuant to (1). The shareholder shall not allot his/her votes to any person in any number; and
 - (3) After the voting, the candidates shall be ranked in order descending from the highest number of votes received to the lowest, and shall be appointed as directors in that order in the number required in the election. Where the votes cast for candidates in the descending order are tied, and would otherwise cause the number of directors to exceed the number required to be elected at the respective meeting, the remaining appointments shall be made by drawing lots in the procedure to be determined by the Chairman of the meeting.
3. At every annual general meeting, one-third of the directors shall retire. In any subsequent years, the directors who have been in office the longest shall retire. The retiring directors may be re-elected for another term.

4. Whenever any person vacates his/her seat as a Board member for any reason other than expiry of term of office, the remaining members shall at the next Board meeting appoint another qualified and suitable director to fill that position for the remainder of the term of office of his/her predecessor except in the event that the vacant position has fewer than two months left in the term. The motion shall require the majority consent of at least three-fourths of the remaining members of the Board.

In addition, pursuant to the Financial Institution Business Act B.E. 2551 (2008), the Bank of Thailand (BOT) is empowered to issue an order requiring a commercial bank to remove from office any director or any person in charge of business operation that has caused serious harm to the society at large, or has failed to comply with the directives prescribed by the BOT. In this respect, the Bank is obliged to select a suitable replacement subject to approval by the BOT. The decision taken by the BOT to appoint or remove any director is conclusive.

B. BOARD COMMITTEES

Board Committees comprise:

1. Audit Committee
2. Nomination, Remuneration and Corporate Governance Committee
3. Board Risk and Compliance Committee
4. Shariah Sub-Committee

1. Audit Committee

The Audit Committee (AC) is composed of:

1.	Mrs. Oranuch Apisaksirikul	Independent Director	Chairperson
2.	Mr. Chanmanu Sumawong	Independent Director	Member
3.	Dr. Rom Hiranpruk	Independent Director	Member
4.	Mr. Niti Jungnitnirundr	Independent Director	Member
5.	Ms. Siriporn Sanunpairaue	Head of Corporate Assurance	Secretary for Corporate Assurance function

Powers, Duties and Responsibilities:

1. Assist the Board in discharging its statutory duties and responsibilities relating to accounting, reporting practices and good corporate governance.
The AC shall review the effectiveness of internal controls, risk management processes and governance practices, taking into account the requirements of relevant BOT guidelines, the listing requirements of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), as well as other relevant guidelines issued by the regulators.
2. Review the effectiveness of Corporate Assurance function.
3. Recommend to the Board and shareholders the appointment of external auditors, including the appropriate remuneration as well as review the effectiveness of external auditors.
4. Review the findings of major investigations, routine audit findings, internal controls and compliance issues identified by internal, external and regulators and to ensure that appropriate and prompt remedial actions are taken by management.
5. Review the correctness and adequacy of financial statements for submission to the Board of the relevant entities within the CIMB Thai Group and the SET.

6. Review all related party transactions submitted by management that may arise within the CIMB Thai Group and keep the Board informed of such transactions.
7. Report to the Board any corrective action or improvement required should the AC has concerns over conflict of interest activities, fraud, irregularities, significant internal control weakness, or violation to the relevant regulations. If the Board or management does not take appropriate action within the timeframe determined by the AC, any member of the AC has to report such activity to the SEC or SET.
8. Prepare a report on all activities of the AC for disclosure in the Bank's annual report, and have the report signed by the AC chairperson. The report must contain minimum information as stipulated in the SET regulations.
9. Clearly document the scope, roles and responsibilities of the advisory service from external expert to the AC or appointment of management to perform duty on behalf of the AC, if any.
10. Endorse Corporate Assurance Policy prior to submission for the Board's approval.
11. Approve Corporate Assurance Charter.
12. Perform any other duties as specified in Audit Committee Charter.
13. Perform any other assignments delegated to it by the Board.

Coverage: CIMB Thai Group

2. Nomination, Remuneration and Corporate Governance Committee

The Nomination, Remuneration and Corporate Governance Committee (NRCC) is composed of:

1. Mrs. Watanan Petersik	Independent Director	Chairperson
2. Dato' Robert Cheim Dau Meng	Non-Executive Director	Member and Alternate Chairman
3. Mr. Chanmanu Sumawong	Independent Director	Member
4. Mrs. Kanokpai Vongsatitporn	Head of Human Resources	Secretary

Powers, Duties and Responsibilities:

1. Nomination:
 - Formulate policies, criteria and methods of nominating candidates as the Bank's directors or persons with management power (Executive Vice President upwards) for further proposal to the Board for consideration and approval, and submit such policies, criteria and methods to the BOT upon its request.
 - Select and nominate names of qualified candidates for the following positions to the Board of Directors for approval:
 - a) Member of the Board of Directors,
 - b) Member of the Board of Directors appointed to sit on any Board committee, and
 - c) Executive Vice President upwards
 - Ensure that the size and composition of the Board of Directors is appropriate for the organisation and the dynamic business environment. Board members shall possess appropriate expertise and experience.
 - Disclose the nomination policy and process in the Bank's annual report.
 - Consider the appointment and appropriate remuneration of the Bank subsidiaries' directors and recommend to the Boards of subsidiaries for approval.
2. Remuneration:
 - Develop the policies on remuneration and other benefits payment, as well as remunerations and benefits for directors and persons with management power (Executive Vice President upwards) under clear, transparent criteria for proposal to the Board of Directors for consideration

and approval, and submit such policies to the Bank of Thailand (BOT) upon its request. (Policies on remunerations, benefits and welfares shall cover every aspect of remunerations, including director fees, salaries, allowances, bonuses, as well as relevant options and benefits.)

- Ensure that directors and persons with management power (Executive Vice President upwards)'s remunerations are commensurate with their duties and responsibilities. Board members who take extra assignments should receive remunerations commensurate with their designated duties and responsibilities.
 - Determine performance assessment criteria for Board members and persons with management power (Executive Vice President upwards) for use in annual remuneration review, taking into account their responsibilities and relevant risks, as well as giving importance to the increase of shareholders' equity in a long run in assessing the performance.
 - Disclose the policy on remuneration determination and remunerations in various forms, and prepare a report on remuneration determination that at least covers the objectives, activities and opinions of the NRCC in the Bank's annual report.
 - Review the remuneration and compensation schemes for CIMB Thai employees in line with the industry practices and remuneration framework of the CIMB Group.
 - Recommend the annual salary adjustments and bonus framework for CIMB Thai Group to the Board of Directors for approval.
 - Approve any matter relating to staff remuneration and benefits involving an amount up to THB 50 million.
3. Corporate governance:
- Review the Corporate Governance Policy and Code of Conduct for directors and employees of the Bank to ensure consistency with the corporate governance criteria of relevant regulatory authorities, and submit to the Board of Directors for approval.
 - Approve corporate governance guidelines for relevant work units to follow and report corporate governance operation to the Board of Directors for acknowledgement on a yearly basis so as to enhance good corporate governance of the Bank.
4. Consider such matters as assigned by the Board.

3. Board Risk and Compliance Committee

The Board Risk and Compliance Committee (BRCC) is composed of:

1.	Ms. Serena Tan Mei Shwen	Non-Executive Director	Chairperson
2.	Dr. Rom Hiranpruk	Independent Director	Member and Alternate Chairman
3.	Encik Omar Siddiq Bin Amin Noer Rashid	Executive Director	Member
4.	Encik Shahnaz Farouque Bin Jammal Ahmad	Executive Director	Member
5.	Mr. Natasak Rodjanapiches	Independent Director	Member
6.	Mr. Arthit Masathirakul	Head of Risk Management	Secretary for Risk Management function
7.	Mr. Zethjak Leeyakars	Head of Compliance	Secretary for Compliance function

Powers, Duties and Responsibilities:

1. Oversight on risk management
- 1.1 Approve the establishment of risk committees and the appointment of new members and changes of members as well as determination of powers, duties and responsibilities of the following risk committees:
 - (1) Risk Management Committee (RMC)
 - (2) Assets and Liabilities Management Committee (ALCO)
 - (3) Thailand Underwriting Committee (TUC)
 - (4) Credit Committee (CC)
 - (5) Asset Quality Committee (AQC)
 - (6) Any other risk committees appointed to report directly to BRCC
- 1.2 Concur or approve risk frameworks, policies, limits and Management Action Triggers (MATs), e.g. market risk, credit risk, operational risk, strategic risk, etc., of the Bank and the companies in its financial business group as follows:

Frameworks/Policies/Limits and MATs of the Bank

- (1) Approve new or changes that might result in material increase in risk to the existing risk frameworks/policies permitted by regulator(s) to be approved by the committees delegated by the Board of Directors; and
- (2) Approve all risk limits and MATs permitted by regulator(s) to be approved by the committees delegated by the Board of Directors.

Frameworks/Policies/Limits and MATs of the companies in financial business group

- (1) Concur on new (only required for the financial business group) or changes that might result in material increase in risk to the existing risk frameworks/policies prior to submission to the respective Boards of Directors of the companies in the financial business group for approval.
- (2) Concur on all risk limits and MATs prior to submission to the respective Boards of Directors of the companies in the financial business group for approval.
- 1.3 Oversee the entire risk and capital management functions of the Bank and the companies in its financial business group as follows:
 - (1) Ensure that capital management frameworks, policies and strategies and other relevant frameworks, policies and strategies operate efficiently and in compliance with the requirements in place.
 - (2) Review and approve the stress testing scenario and risk posture.
- 1.4 Review and concur or approve proposals recommended by risk committees, including:
 - (1) New third party of the Bank and the companies in its financial business group
Approving the new third party(ies) of the Bank (excluding CIMB Principal and the companies in the financial business group) before selling their products, or concurring on the new third party(ies) of the companies in the financial business group prior to submission to the respective Boards of the companies in the financial business group for approval.
 - (2) Financial Reporting Standards regarding financial tools (TFRS9/IFRS9)
Approving TFRS9/IFRS9 expected credit loss models, validation results and related framework(s)/policy(ies)/methodology(ies).
- 1.5 Provide strategic guidance and review decisions made by the various risk committees.
- 1.6 Ensure that infrastructure, resources, systems including risk measurement tools and other capabilities of the Bank and the companies in its financial business group are in place for risk management in order to maintain an acceptable level of risk, as well as building risk awareness culture and risk management discipline across the organisation.

- 1.7 Appoint external consultant(s) to review and give advice to BRCC on risk management matters, as it deems necessary.
- 1.8 Approve and ensure the following are in line with regulatory requirements:
 - (1) Risk-related disclosures; and
 - (2) Internal control over process of risk-related disclosures.
2. Oversight on compliance risks:
 - 2.1 Provide oversight and advice to the Board of Directors and the management in respect of the management of compliance risk.
 - 2.2 Review and assess compliance and anti-money laundering and counter financing terrorism (AML/CFT) risk issues and ensure such issues are resolved effectively and expeditiously.
 - 2.3 Review the major findings of investigations and routine audit findings as well as the internal control and compliance issues identified by internal and external auditors and regulators, and ensure that appropriate and prompt remedial actions are taken by the management.
 - 2.4 Approve the following:
 - (1) Compliance and AML/CFT framework/policies/procedures manual/code of conduct, including the review of such compliance and AML/CFT framework/policies/procedures manual/code of conduct
 - (2) Annual compliance report for submission to relevant regulators
 - (3) Compliance Unit Charter
 - (4) Compliance Strategy Plan
 - 2.5 Evaluate the effectiveness of the Bank's overall management of compliance and AML/CFT risks, paying high attention to the enhancement of compliance roles, resources and structure.
 - 2.6 Review compliance and AML/CFT strategy.
 - 2.7 Consider AML/CFT risk level, including sanction measures, to define conditions and risks appetite. The AML/CFT risk appetite should be developed by considering the risks concerning customers, products, channels and geographies, as well as types of businesses.
3. Appraise Head of Risk Management and Head of Compliance who report directly to BRCC.
Coverage: Companies in the Bank's financial business group (where appropriate)

4. Shariah Sub-Committee

The Shariah Sub-Committee comprises Islamic specialists who are not the Bank's employees and/or do not take positions in any other banks, as follows:

1. Assoc. Prof. Dr. Ismaae Alee
2. Asst. Prof. Dr. Maroning Salaming

Powers, Duties and Responsibilities

1. Explore all possibilities in conducting Shariah financial service business through the Bank and its subsidiaries.
2. Give opinions and propose relevant issues of Shariah business to the Board of Directors and/or other committees involved.

Meeting Attendance of Directors

In 2019, meeting attendance of Board members and Board committee members was as follows:

				Unit: Attendance	
No	Director Name (number of meetings attended/total meetings)	(1)	(2)	(3)	(4)
		Board of Directors	Audit Committee	Nomination, Remuneration and Corporate Governance Committee	Board Risk and Compliance Committee
1.	Dato' Robert Cheim Dau Meng	12/12	-	12/12	-
	Mr. Chakramon Phasukavanich (resigned, effective on 23 May 2019)	4/4	-	-	-
2.	Mrs. Watanan Petersik	11/12	-	12/12	-
3.	Ms. Serena Tan Mei Shwen	12/12	-	-	10/12
4.	Dr. Rom Hiranpruk	11/12	12/12	-	9/10
5.	Mr. Niti Jungnitnirundr	8/8	9/9	-	-
	Mr. Chitrapongse Kwangsukstith (resigned, effective on 22 February 2019)	1/1	-	-	1/1
6.	Mr. Natasak Rodjanapiches	7/8	-	-	3/4
	Mr. Maris Samaram (declared intention not to be re-elected as the director effective on 18 April 2019)	4/4	4/4	-	-
7.	Mr. Chanmanu Sumawong	10/12	11/12	12/12	-
8.	Encik Omar Siddiq Bin Amin Noer Rashid	11/12	-	-	8/10
	Datuk Joseph Dominic Silva (resigned, effective on 16 January 2019)	1/1	-	1/1	-
9.	Encik Shahnaz Farouque Bin Jammal Ahmad	9/12	-	-	8/10
	Dato' Lee Kok Kwan (resigned, effective on 15 January 2019)	-	-	-	1/1
10.	Mrs. Oranuch Apisaksirikul	7/7	5/5	-	-
11.	Mr. Adisorn Sermchaiwong	1/1	-	-	7/8
	Mr. Kittiphun Anutarasoti (resigned, effective on 18 October 2019)	1/1	-	-	1/1

C. MANAGEMENT COMMITTEE

The Management Committee is composed of:

1. President and Chief Executive Officer	Chairman
2. Co-Head of Wholesale Banking and Head of Treasury & Markets	Vice Chairman
3. Head of Risk Management	Member
4. Co-Head of Wholesale Banking and Head of Corporate Banking and Investment Banking	Member
5. Head of Technology and Operations	Member
6. Head of Commercial Banking	Member
7. Head of Consumer Banking	Member
8. Head of Human Resources	Member
9. Head of Finance	Member
10. Deputy Head of Consumer Banking	Member
11. Head of Corporate Communications	Member
12. Head of Compliance	Member
13. Head of Strategy	Member
14. Head of Transaction Banking	Member
15. Head of Private Banking	Member
16. Head of Customer Experience Management	Member
17. Head of Corporate Legal	Member
18. Company Secretary	Secretary

By invitation
Head of Corporate Assurance

Powers, Duties and Responsibilities:

1. Advise the President and Chief Executive Officer.
2. Monitor and evaluate performance of each business division.
3. Review financial and other management reports of the Bank.
4. Devise strategy, business and capital management plans and budgets for the Bank.
5. Identify cross-divisional and cross-border synergies.
6. Deliberate key regulatory issues.
7. Approve delegated authorities on internal operations of non-risk related business unit.
8. Approve, revise and conduct annual reviews of the Bank's internal policies related to administration/operation/others, which are not required by regulatory bodies to obtain the Board of Directors' approval.
9. Approve the revision of delegation of authority and policies which are affected by the Bank's reorganisation.
10. Approve the appointment and revision of members, duties and responsibilities of Marketing and Communications Committee and Retail Business Committee.
11. Consider and decide on non-financial issues under 1Platform Project.
12. Review, give opinions, consider and approve the proposed legal provision set aside for the cases the Bank/executives are sued as recommended by Corporate Legal work unit.

13. Approve fee sharing scheme for investment product selling and/or referring customers through Consumer Banking only in case of third party products which are not related party transaction or do not have material change from the existing ones already approved by Risk Management Committee.
 14. Approve third party products with non-material change to the existing third party products which have already been approved by Risk Management Committee.
 15. Appoint insurance broker for the Bank.
 16. Other matters as directed by the Board/President and Chief Executive Officer.
- Coverage: CIMB Thai Group

Executive Management

As of 31 December 2019, the Bank's executive management is composed of:

1. Mr. Adisorn Sermchaiwong	President and Chief Executive Officer
2. Mr. Sutee Losoponkul	Co-Head of Wholesale Banking and Head of Treasury & Markets
3. Mr. Arthit Masathirakul	Head of Risk Management
4. Mr. Pornchai Padmindra	Co-Head of Wholesale Banking and Head of Corporate Banking and Investment Banking
5. Mrs. Bussakorn Puttinan	Head of Technology and Operations
6. Ms. Siriporn Sanunpairaue	Head of Corporate Assurance
7. Mrs. Kanokpai Vongsatitporn	Head of Human Resources
8. Mr. Jason Leong Kok Yew	Head of Finance
9. Mr. Prapas Thongsuk	Head of Corporate Communications
10. Mr. Zethjak Leeyakars	Head of Compliance
11. Mr. Tan Keat Jin	Deputy Head of Consumer Banking
12. Mr. Yeong Thian Lim	Head of Strategy
13. Mr. Paisan Thumpothong	Head of Transaction Banking
14. Mr. Jittiwat Kantamala	Head of Private Banking
15. Ms. Uthaiwan Sukphanpim	Head of Customer Experience Management
16. Ms. Pajaree Thongvanit	Head of Corporate Legal

As of 31 December 2019, CIMB Thai had 14 executives from Senior Executive Vice President upward and executives in Accounting and Finance in accordance with the definition of the term 'executives' of the Office of the Securities and Exchange Commission (Office of the SEC) as below:

1. Mr. Adisorn Sermchaiwong	President and Chief Executive Officer
2. Mr. Sutee Losoponkul	Co-Head of Wholesale Banking and Head of Treasury & Markets
3. Mr. Arthit Masathirakul	Head of Risk Management
4. Mr. Pornchai Padmindra	Co-Head of Wholesale Banking and Head of Corporate Banking and Investment Banking
5. Mrs. Bussakorn Puttinan	Head of Technology and Operations
6. Ms. Siriporn Sanunpairaue	Head of Corporate Assurance

7.	Mrs. Kanokpai Vongsatitporn	Head of Human Resources
8.	Mr. Jason Leong Kok Yew	Head of Finance
9.	Mr. Prapas Thongsuk	Head of Corporate Communications
10.	Mr. Zethjak Leeyakars	Head of Compliance
11.	Mr. Tan Keat Jin	Deputy Head of Consumer Banking
12.	Mr. Pao Chatakanonta	Deputy Head of Treasurer
13.	Mr. Lim Yeong Thian	Head of Strategy
14.	Ms. Waewalai Wattana	Head of Financial Control

President and Chief Executive Officer is an ex officio executive director who has powers and duties as deemed appropriate by the Board of Directors, which include:

1. Ensure that the Bank's business operation is in line with its strategies, policies, Articles of Association, and targets as assigned by the Board of Directors.
2. Manage the Bank's operation in accordance with the action plan or budget approved by the Board of Directors.
3. Ensure that staff and employees at all levels perform their duties in accordance with the policies approved by the Board of Directors.
4. Contact, build relationship, and coordinate with other banks and organisations, both domestically and internationally.
5. Represent the Bank or perform as the Bank's authorised person in dealing with external agencies or supervisory bodies, or perform any legally binding acts as assigned by the Board of Directors and within the scope of the Bank's objectives and Articles of Association.
6. Consider other matters as assigned by the Board of Directors.

Director and Management Remuneration as of 31 December 2019

(1) Monetary remuneration

a. Remuneration for Board members

This report describes the current components of the Bank's remuneration policy and details of the remuneration for each director and executive. In 2019, the aggregate remuneration comprising meeting and entertainment allowances for Board members and remuneration for Board committee members amounted to THB 11,267,000 (compared with THB 12,891,200 in 2018), as described below:

1. Board of Directors	THB	6,364,000	(2018: THB 8,012,200)
2. Audit Committee	THB	2,104,400	(2018: THB 1,884,800)
3. Nomination, Remuneration and Corporate Governance Committee	THB	1,602,000	(2018: THB 1,494,400)
4. Board Risk and Compliance Committee	THB	1,196,600	(2018: THB 1,499,800)

Unit: THB

Name	Positions	Monetary Remuneration			
		Board of Directors	Audit Committee	Nomination, Remuneration and Corporate Governance Committee	Board Risk and Compliance Committee
1. Dato' Robert Cheim Dau Meng	Chairman	1,952,000	-	480,000	-
2. Mr. Chakramon Phasukavanich (resigned, effective on 23 May 2019)	-	800,000	-	-	-
3. Mrs. Watanan Petersik	Independent Director	508,000	-	624,000	-
4. Ms. Serena Tan Mei Shwen	Director	508,000	-	-	558,600
5. Dr. Rom Hiranpruk	Independent Director	508,000	480,000	-	382,000
6. Mr. Niti Jungnitnirundr	Independent Director	352,000	338,000	-	-
7. Mr. Chitrapongse Kwangsukstith (resigned, effective on 22 February 2019)	Director	68,000	-	-	62,000
8. Mr. Natasak Rodjanapiches	Independent Director	332,000	-	-	142,000
9. Mr. Maris Samaram (declared intention not to be re-elected as the director, effective on 18 April 2019)	-	176,000	288,000	-	-
10. Mr. Chanmanu Sumawong	Independent Director	528,000	462,000	458,000	-
11. Encik Omar Siddiq Bin Amin Noer Rashid	Director	-	-	-	-
12. Datuk Joseph Dominic Silva (resigned, effective on 16 January 2019)	-	44,000	-	40,000	-
13. Encik Shahnaz Farouque Bin Jammal Ahmad	Director	-	-	-	-
14. Mr. Lee Kok Kwan (resigned, effective on 15 January 2019)	Director	44,000	-	-	52,000
15. Mrs. Oranuch Apisaksirikul	Independent Director	308,000	536,400	-	-
16. Mr. Adisorn Sermchaiwong	Director	-	-	-	-
17. Mr. Kittiphun Anutarasoti (resigned, effective on 18 October 2019)	-	236,000	-	-	-
Total		6,364,000	2,104,400	1,602,000	1,196,600

b. Remuneration for senior executives

The Board is responsible for determining the procedures for evaluating the performance of senior executives for adjustment of salaries and bonuses based on their responsibilities and associated risks, and how their personal contributions help deliver sustainable shareholder value. The Board is also responsible for determining the appropriate remuneration packages for the Bank's staff and employee or any other person having done business for the Bank, in which case the management will consider an appropriate payment structure and criteria. The payments may be made to those who work either regularly or non-regularly, as recommended by the management. In 2019, the aggregate remuneration for 14 Senior Executive Vice Presidents and above and the executives in the Finance and Accounting function in accordance with the definition of the term 'executives' of the Office of the SEC was THB 111.37 million. In addition, the aggregate remuneration for 50 Executive Vice Presidents and above in accordance with the BOT's definition of the term 'executives' was THB 298.10 million.

(2) Other benefits

In 2019, the Bank's contribution towards the provident fund for 14 Senior Executive Vice Presidents and above and the executives in the Finance and Accounting function in accordance with the definition of the term 'executives' of the Office of the SEC was THB 4.40 million. Meanwhile, its contribution towards the provident fund for 50 Executive Vice Presidents and above in accordance with the BOT's definition of the term 'executives' was THB 13.10 million.

Board of Directors' Profile as of 31 December 2019

1

Dato' Robert Cheim Dau Meng

Age 68 years

Name of director/

Position/

Date of appointment

Total shares held in Bank

Chairman of the Board of Directors

Member and Alternate Chairman
of Nomination, Remuneration,
and Corporate Governance
Committee

No. of shares held as of year-end 2019

- By himself: None
- By his spouse and minor children: None

Date of appointment:
5 November 2008

Education

- Fellow of the Institute of Chartered Accountants in England and Wales
- Member of the Malaysian Institute of Accountants

Training

- Global Board Leadership Summit, Singapore
- Audit 101 Session
- Friends of Thailand Circle Talk Series: Navigating ASEAN in a Turbulent World
- Bank Negara Malaysia Annual Report 2018/Financial Stability and Payment Systems Report 2018 Briefing Session
- Tech Risk Workshop
- The Future of Fintech in ASEAN
- Risk Posture Workshop
- 3rd Regional Directors' Sharing Session
- 2020 Budget Focus Group Meeting Improving Access to Financing (Through Financial Innovation)
- Sustainable Finance Conference by CIMB
- Khazanah Megatrend Forum 2019
- SC Industry Dialogue 2019 (Corporate Finance)
- FIDE Forum-Leadership In A Disruptive World - The Changing Role of Boards by Graham Poston
- Enhancing Corporate Governance by Understanding Legal Liabilities "Act or Resign" by Malaysian Anti Corruption Commission
- The Challenge of Building Cyber Resilience

**Directorship and positions held in other companies/
Organisations and work experience within last 5 years**

Listed companies

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
Nov 2019 - Present	Director	Pure Circle Limited

Non-listed companies and other companies and organisations

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
Mar 2019 - Present	Chairman	Malaysian Investment Banking Association
May 2019 - Present	Director	Asian Banking School Sdn Bhd
2012 - Present	Trustee	Yu Cai Foundation
Jul 2015 - Present	Chairman	CIMB Investment Bank Bhd

Work experience within last 5 years

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
Nov 2015 - May 2018	Chairman	CIMB - Principal Asset Management Bhd
Aug 2015 - Dec 2018	Trustee	CIMB Foundation
2006 - Feb 2015	Non-Executive Director	CIMB Group Holdings Bhd
2006 - Feb 2015	Advisor	CIMB Investment Bank Bhd
2005 - 2016	Chairman	Tanjong PCL
2005 - 2014	Director	CIMB Securities International Pte Ltd.
1999 - 2006	Executive Director	CIMB Investment Bank Bhd
1993 - 1999	Chief Executive Officer	CIMB Investment Bank Bhd

2

Mrs. Watanan Petersik
Age 58 years

Name of director/

Position/

Date of appointment

Independent Director
Chairperson of Nomination,
Remuneration, and Corporate
Governance Committee

Date of appointment:
25 April 2007

Total shares held in Bank

No. of shares held as of year-end 2019

- By herself: None
- By her spouse and minor children: None

Education

- AB Bryn Mawr College, PA, U.S.A.

Training

- Bursatra Sdn Bhd: Mandatory Accreditation Programme (MAP) for Directors of Public Listed Companies
- Director Accreditation Programme(DAP), Class 83/2010, English Programme, Thai Institute of Directors (IOD)
- Certificate, Singapore Institute of Directors Course: Role of Directors
- The Challenge of Building Cyber Resilience

Directorship and positions held in other companies/

Organisations and work experience within last 5 years

Listed companies

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
2014 – Present	Independent Director	PTT Global Chemical PCL

Non-listed companies and other companies and organisations

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
Present	Non-Executive Director	Jetanin Institute for Assisted Reproduction

Work experience within last 5 years

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
2011 – 2018	Director	Lien Centre for Social Innovation, Singapore Management University
2010 – 2018	Independent Director Non-Executive Director	CIMB Group Holdings Bhd
2010 – 2018	Independent Director Non-Executive Director	CIMB Group Sdn Bhd
2008 – 2018	Director	Asia Capital Advisory Pte Ltd.
Jan 2016 – Nov 2017	Director	TPG Star SF Pte Ltd.
Jan 2016 – Nov 2017	Director	TPG Growth SF Pte Ltd.
Jan 2016 – Nov 2017	Director	TPG Growth III Asia Internet Holdings Pte Ltd.
Feb 2015 – Nov 2017	Director	TE Asia Healthcare Advisory Pte Ltd.
Sep 2014 – Nov 2017	Director	TE Asia Healthcare Partners Pte Ltd.
2007 – Nov 2017	Senior Advisor/Consultant	TPG Capital Asia

3

Mrs. Oranuch Apisaksirikul

Age 61 years

Name of director/**Position/****Date of appointment****Total shares held in Bank**

Independent Director

No. of shares held as of year-end 2019

Chairperson of Audit Committee

- By herself: None
- By her spouse and minor children: None

Date of appointment:

26 June 2019

Education

- Honorary of Doctor of Philosophy (Business Administration), Western University
- Master of Business Administration (Finance), Thammasat University
- Bachelor of Laws, Thammasat University
- Bachelor of Accountancy (Accounting & Commerce), Thammasat University

Training

- Advanced Audit Committee Programme (AAPC), Class 31/2018, Thai Institute of Directors
- Thai-Chinese Leadership Course, Class 1, Huachiew Chalermprakiet University in association with Beijing University
- TLCA Leadership Development Program (LDP), Class 5, Thai Listed Companies Association in association with IMD Institute, Switzerland
- Intermediate Certificate Course - Good Governance for Medical Executives (Class 5), King Prajadhipok's Institute and The Medical Council of Thailand
- Certificate of Thailand Energy Academy (TEA 8), Thailand Energy Academy
- Bhumipalung Phandin for Top Executives Program (Class 2), Chulalongkorn University
- Thammasat Leadership Program (TLP 2), Thammasat University
- Advanced Security Management Program (ASMP 4), Thailand National Defense College Association
- Thailand Insurance Leadership Program (Class 2), OIC Advanced Insurance Institute
- Top Executive Program in Commerce and Trade (TEPCOT 5), Commerce Academy, University of the Thai Chamber of Commerce
- IOD Anti-Corruption Training Program for Corporate and Executives, Class 2/2012, Thai Institute of Directors
- Certificate of Capital Market Academy Leadership Program (Class 12), Capital Market Academy
- Director Certification Program (DCP 16/2002), Thai Institute of Directors
- Correspondent Banking Seminar DB (Asia Pacific) Training Centre Pte Ltd.
- The Challenge of Building Cyber Resilience

Directorship and positions held in other companies/**Organisations and work experience within last 5 years****Listed companies**

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
2018 - Present	Independent Director/ Chairperson of the Audit Committee	Amata VN PCL.

Non-listed companies and other companies and organisations

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
2018 - Present	Independent Director	Amata City Bien Hoa, Vietnam
2018 - Present	Non-Executive Director/Director	Chinese Study Strengthening Committee, Huachiew Chalermprakiet University
2018 - Present	Independent Director	Ratchakarn Asset Management Co., Ltd.
2017 - Present	President	Thai Listed Companies Association (TLCA)
2017 - Present	Non-Executive Director/ Vice Chairperson	Federation of Thai Capital Market Organisations (FETCO)
2017 - Present	Director	Center for Building Competitive Enterprises (CBCE)
2017 - Present	Director	Collective Action Coalition against Corruption (CAC)
2015 - Present	Honorable Chairperson of SHIFT Challenge Fund Investment Committee	The United Nations Capital Development Fund (UNCDF)
2011 - Present	Director	TISCO Foundation for Charity

Work experience within last 5 years

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
2018 - Aug 2019	Non-Executive Director/ Chairperson of the Audit Sub-Committee/Member of Audit Sub-Committee/Member of Corporate Governance and Thai Social Responsibility Sub-Committee	The Stock Exchange of Thailand
2015 - 2017	Director	Thai Listed Companies Association (TLCA)
2010 - Apr 2019	Executive Director/Member and Chairperson of the Executive Board	TISCO Financial Group PCL
2010 - 2016	Executive Director/ Group Chief Executive	TISCO Financial Group PCL
2009 - 2010	Executive Director/Member of the Executive Board/President and Chief Operating Officer	TISCO Financial Group PCL
2010 - Apr 2019	Executive Director/Member and Chairperson of the Executive Board	TISCO Bank PCL
2014 - 2018	Non-Executive Director/ Chairperson and Member of Audit Committee	TISCO Securities Co., Ltd.
2014 - 2017	Independent Director/ Chairperson of the Board of Directors/Member of the Audit Committee	TISCO Asset Management Co., Ltd.
2011 - 2017	Director	TISCO Learning Centre Co., Ltd.

4

Mr. Chanmanu Sumawong

Age 63 years

Name of director/**Position/****Date of appointment****Total shares held in Bank**

Independent Director

Member of Audit Committee

Member of Nomination,
Remuneration, and Corporate
Governance CommitteeDate of appointment:
20 April 2018

No. of shares held as of year-end 2019

- By himself: None
- By his spouse and minor children: None

Education

- Master of Comparative Law (A.P.), George Washington University, U.S.A.
- Master of Law, George Washington University, U.S.A.
- Thai Barrister of Law
- Bachelor of Law (2nd Class Honours), Thammasat University

Training

- Director Accreditation Programme (DAP), Class 104/2013, Thai Institute of Directors (IOD)
- The Challenge of Building Cyber Resilience

Directorship and positions held in other companies/**Organisations and work experience within last 5 years****Listed companies**

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
Present	Legal Head	Pruksa Real Estate PCL
May 2017 - Present	Independent Director/ Member of Audit Committee/ Member of Nomination and Remuneration Committee	Finansa PCL

Non-listed companies and other companies and organisations

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
May 2017 - Present	Independent Director/ Member of Audit Committee	Finansa Securities Ltd.

Work experience within last 5 years

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
Mar 2017 - Aug 2019	Chief Legal Officer	Thonburi Healthcare Group PCL
Nov 2011 - Dec 2016	Executive Vice President	Siam Commercial Bank PCL
Nov 2011 - Dec 2016	Director of Subsidiary	Siam Commercial Bank PCL
Apr 1996 - Nov 2011	Counsellor	Hunton & Williams (Thailand) Ltd.
Apr 1996 - Nov 2011	Partner	Hunton & Williams (Thailand) Ltd.
Apr 1989 - Apr 1996	Senior Associate	International Legal Counsellors Thailand Ltd.
Apr 1989 - Apr 1996	Partner	International Legal Counsellors Thailand Ltd.
Jun 1987 - Apr 1989	Secretary	The Central Labour Court
Oct 1986 - June 1987	Judge	Nakhonratchasima Provincial Court
Oct 1985 - Oct 1986	Judge	Nakhonratchasima Juvenile Court
Oct 1984 - Oct 1985	Judge	Surin District Court
Oct 1982 - Oct 1984	Judge Trainee	Surin District Court

5

Dr. Rom Hiranpruk

Age 65 years

Name of director/

Position/

Date of appointment

Total shares held in Bank

Independent Director

Member of Audit Committee

Member and Alternate Chairman
of Board Risk and Compliance
Committee

Date of appointment:
13 December 2018

No. of shares held as of year-end 2019

- By himself: None
- By his spouse and minor children: None

Education

- Ph.D. (Computer Science), University of Kansas, U.S.A.
- M.S. (Computer Science), University of Kansas, U.S.A.
- B.A. (Statistics), Macquarie University, Australia (Colombo Plan Scholarship)

Training

- IT Governance (ITG) invited as observer for Class 1/2016, Thai Institute of Directors (IOD)
- Corporate Governance for Capital Market Intermediaries (CGI), Class 1/2015, Thai Institute of Directors (IOD)
- Advanced Audit Committee Programme (AACP), Class 14/2014, Thai Institute of Directors (IOD)
- Financial Institutions Governance Programme (FIGP), Class 6/2013, Thai Institute of Directors (IOD)
- Director Certification Programme (DCP), Class 172/2013, (sponsored by Bank of Thailand), Thai Institute of Directors (IOD)
- Risk Management Committee Programme (RCP), Class 1/2013

Training

- Executive Grid Seminar (invitation only)
- The Four Roles of Leadership Programme, sponsored by National Science and Technology Development Agency (NSTDA)
- Capital Market Course, Class I, Capital Market Academy, The Stock Exchange of Thailand
- Visiting Scholar to Computing Laboratories of the University of North Carolina, Microelectronics Corporation of North Carolina (MCNC), and North Carolina Supercomputer Center (NCSC)
- The Challenge of Building Cyber Resilience

Directorship and positions held in other companies/ Organisations and work experience within last 5 years

Listed companies

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
2009 - Present	Independent Director	TSFC Securities PCL

Non-listed companies and other companies and organisations

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
2017 - Present	Director (Qualified)	The Electronic Transactions Commission
2016 - Present	Independent Director/ Audit Committee Member	Chic Republic Co., Ltd.
2015 - Present	Advisor to Foundation Chairman	Mae Fah Luang Foundation under Royal Patronage
2008 - Present	Co-Manager	Wor Tor Tor for Sangkom Co., Ltd.

Work experience within last 5 years

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
2015 - 2018	Director (Qualified)	Office of Knowledge Management and Development (Public Organisation)
2012 - 2018	Director (IT expert)	Payment Systems Committee, Bank of Thailand
2015 - 2017	Director (Qualified)	Software Industry Promotion Agency (Public Organisation)
2014 - 2017	Director (Qualified)	Broadcasting and Telecommunications Research and Development Fund for the Public Interest
2010 - 2012	Director (Qualified)	Board of Special Case, Department of Special Investigation, Ministry of Justice

6

Mr. Niti Jungnitnirundr

Age 61 years

Name of director/Position/Date of appointmentTotal shares held in Bank

Independent Director

Member of Audit Committee

Date of appointment:
18 April 2019

No. of shares held as of year-end 2019

- By himself: None
- By his spouse and minor children: None

Education

- Master Degree in Accountancy, Chulalongkorn University
- Bachelor Degree in Accountancy, Chulalongkorn University
- Post-Graduate Diploma in Auditing, Chulalongkorn University
- Certified Public Accountant (Thailand)
- Auditor approved by the Office of the Securities and Exchange Commission, Thailand (SEC)
- Auditor approved by the Office of Insurance Commission (OIC), Ministry of Commerce

Training

- The Challenge of Building Cyber Resilience

Directorship and positions held in other companies/Organisations and work experience within last 5 years**Listed companies**

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
-	-	-

Non-listed companies and other companies and organisations

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
2019 - Present	Member of the Board of University Affairs of Navamindradhiraj University	Navamindradhiraj University
2017 - Present	Member of the Dignitary Sub-Committee on Audit Test Performance	Federation of Accounting Professions of Thailand
2017 - Present	Member of Sub-Committee of Thailand CPA Examination	Federation of Accounting Professions of Thailand

Work experience within last 5 years

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
2006 – 2018	Director of Auditing Office	Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd
1996 – 2018	Audit Partner	Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd
1998 – 2017	Member of Sub-Committee of Thailand CPA Examination	Board of Supervision of Auditing Practices (BSAP), Federation of Accounting Profession
2008 – 2011	Auditing Standard Advisor	The Office of the Securities and Exchange Commission Thailand
2005 – 2011	Member of Auditing Standard Committee	Federation of Accounting Professions of Thailand
2001 – 2004	Member of Committee of Career Development and Continuous Study	The Institute of Certified Accountants and Auditors of Thailand
2001 – 2003	Member of Committee Considering Auditors' Performance	The Office of the Securities and Exchange Commission Thailand
2000 – 2001	Member of Committee of Education	The Office of the Securities and Exchange Commission Thailand

7

Mr. Natasak Rodjanapiches

Age 57 years

Name of director/**Position/****Date of appointment****Total shares held in Bank**

Independent Director

Member of Board Risk and Compliance Committee

Date of appointment:
18 April 2019

No. of shares held as of year-end 2019

- By himself: None
- By his spouse and minor children: None

Education

- Master of Applied Science, University of Waterloo
- Bachelor of Science, McGill University

Training

- Director Certification Programme (DCP), Thai Institute of Directors (IOD)
- The Challenge of Building Cyber Resilience

**Directorship and positions held in other companies/
Organisations and work experience within last 5 years**

Listed companies

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
-	-	-

Non-listed companies and other companies and organisations

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
Nov 2019 - Present	Director	Things On Net Co., Ltd.
Present	Director	Urovo South East Asia Co.,Ltd.
Present	Director	Digiwealth Co., Ltd.
2018 - Present	Advisor to Board of Directors	Elernity (Thailand) Co., Ltd.

Work experience within last 5 years

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
2019 - Sep 2019	Director	KPMG Phoomchai Business Advisory Ltd.
1997 - 2018	Managing Director	Oracle Corporation (Thailand) Co., Ltd.
1992 - 1997	Managing Director	Tendem Computer Incorporated (Thailand) Co., Ltd.
1990 - 1997	Managing Consultant	Price Waterhouse Co., Ltd.
1988 - 1990	Manager	Bell Canada Enterprises

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Ms. Serena Tan Mei Shwen

Age 41 years

Name of director/

Position/

Date of appointment

Total shares held in Bank

Director

Chairperson of Board Risk and
Compliance Committee

Date of Appointment:
6 May 2014

No. of shares held as of year-end 2019

- By herself: None
- By her spouse and minor children: None

Education

- Aspen Fellowship for Finance Leaders
- Master of Business Administration, Massachusetts Institute of Technology, U.S.A.
- Bachelor of Commerce, Accounting & Finance, Macquarie University, Sydney, Australia
- 7th Form Bursary Certificate (Economics, Statistics, English, History), Aranui High School, Christchurch, New Zealand

Training

- The Challenge of Building Cyber Resilience

Directorship and positions held in other companies/ Organisations and work experience within last 5 years

Listed companies

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
-	-	-

Non-listed companies and other companies and organisations

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
Nov 2019 - Present	Alternate Director	Asia Capital Reinsurance Group (ACRG)
Apr 2019 - Present	Director	Cenviro Sdn Bhd
Jan 2019 - Present	Alternate Director	Agrifood Resources Holdings Sdn Bhd
Jan 2019 - Present	Alternate Director to John Kelly Thompson	ACR Capital Holdings Pte Ltd.
Dec 2017 - Present	Director	CIMB Bank Bhd
2005 - Present	Executive Director	Investments, Khazanah Nasional Bhd, Kuala Lumpur, Malaysia

Work experience within last 5 years

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
Apr 2018 - Jun 2018	Director	ACR Capital Holdings Pte Ltd.
Nov 2013 - Sep 2017	Director	Acibadem Saglik ve Hayat Sigorta
Apr 2008 - Oct 2009	Principal	Olivant Advisors (Seconded from Khazanah), Singapore
Mar 2006 - Apr 2008	Senior Vice President, Office of the Chairman/ Chief Executive Officer	Lippo Bank Tbk (Seconded from Khazanah), Jakarta, Indonesia
Oct 2005 - Mar 2006	Vice President	Credit Cards Group Head
Dec 2003 - Feb 2005	Associate	Boston Consulting Group, Kuala Lumpur, Malaysia
Apr 2001 - Dec 2003	Senior Analyst	FIG Specialist, McKinsey & Company, Kuala Lumpur, Malaysia

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Encik Omar Siddiq Bin Amin Noer Rashid

Age 46 years

Name of director/

Position/

Date of appointment

Total shares held in Bank

Director (Authorised Signatory)

Member of Board Risk and
Compliance Committee

Date of appointment :
30 January 2019

No. of shares held as of year-end 2019

- By himself: None
- By his spouse and minor children: None

Education

- Bachelor of Science (Economics), London School of Economics
- Fellow member of the Institute of Chartered Accountants in England and Wales

Training

- CFA charterholder as awarded by the CFA Institute
- The Challenge of Building Cyber Resilience

Directorship and positions held in other companies/

Organisations and work experience within last 5 years

Listed companies

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
2018 - Present	Group Chief Operating Officer	CIMB Group Holding Bhd

Non-listed companies and other companies and organisations

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
-	-	-

Work experience within last 5 years

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
2018 - 2018	Head of Group Wholesale Banking	RHB Group
2016 - 2018	Executive Director/ Chief Financial Officer	Malaysia Airlines
2015 - 2015	Executive Director	Khazanah Nasional
2005 - 2015	Managing Director	CIMB Investment Bank

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Encik Shahnaz Farouque Bin Jammal Ahmad

Age 45 years

Name of director/Position/Date of appointmentTotal shares held in Bank

Director (Authorised Signatory)

No. of shares held as of year-end 2019

Member of Board Risk and
Compliance Committee

- By himself: None
- By his spouse and minor children: None

Date of appointment:
21 February 2019**Education**

- Master's Degree, MPhil Economics, Wolfson College, University of Oxford
- Bachelor's Degree, B.A. Economics, 1st Class Honours (Double First), Sidney Sussex College, University of Cambridge

Training

- The Challenge of Building Cyber Resilience

Directorship and positions held in other companies/Organisations and work experience within last 5 years**Listed companies**

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
2019 - Present	Chief Executive Officer, Group Wholesale Banking	CIMB Group Holdings Bhd

Non-listed companies and other companies and organisations

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
-	-	-

Work experience within last 5 years

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
2014 - 2018	Group Chief Financial Officer	CIMB Group Holdings Bhd
2004 - 2009	European Head of Market Risk	Goldman Sachs, London
2002 - 2004	Market Risk Management	Dresdner Kleinwort Wasserstein, London
1999 - 2000	Financial Markets Group	ABN Amro Bank, Malaysia

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Mr. Adisorn Sermchaiwong

Age 53 years

Name of director/**Position/****Date of appointment****Total shares held in Bank**

Director (Authorised Signatory)

No. of shares held as of year-end 2019

Date of appointment:

- By himself: None

4 December 2019

- By his spouse and minor children: None

President and Chief Executive Officer

Date of appointment:

19 October 2019

Head of Consumer Banking

and Acting Head of Commercial Banking

Education

- Master of Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Bachelor of Engineering, Chulalongkorn University

Training

- Director Certification Programme (DCP), Thai Institute of Directors (IOD)
- Advanced Management Programme, Oxford University
- Capital Market Academy Leadership Programme, Capital Market Academy (CMA), Class 1
- CIMB-INSEAD Leadership Programme (CLP), In House International Course (CIMB Group)
- Corporate Governance for Capital Market Intermediaries (CGI), Class 17/2016, Thai Institute of Directors (IOD)

Directorship and positions held in other companies/**Organisations and work experience within last 5 years****Listed companies**

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
-	-	-

Non-listed companies and other companies and organisations

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
2015 – Present	Chairman/Authorised Director	CT Coll Co., Ltd.

Work experience within last 5 years

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
Aug 2019 - Oct 2019	Acting President and Chief Executive Officer/Head of Consumer Banking/Acting Head of Commercial Banking	CIMB Thai Bank PCL
May 2019 - Jul 2019	Acting President and Chief Executive Officer/Head of Consumer Banking	CIMB Thai Bank PCL
Mar 2019 - Apr 2019	Senior Executive Vice President/Head of Consumer Banking and Fast Forward Project	CIMB Thai Bank PCL
2016 - Dec 2019	Chairman/Authorised Director	CIMB Thai Auto Co., Ltd.
2015 - Dec 2019	Chairman/Authorised Director	WorldLease Co., Ltd.
2015 - Apr 2019	Authorised Director	Finansa Asset Management Ltd.
2012 - Jul 2019	Authorised Director	CIMB-Principal Asset Management Co., Ltd.
2012 - Mar 2019	Senior Executive Vice President/Head of Consumer Banking	CIMB Thai Bank PCL
Jun 2010 - 2012	Executive Director, Country Head of Channels	United Overseas Bank (Thai) PCL
2008 - 2010	Executive Vice President, Saving & Investment Products	Siam Commercial Bank PCL
2002 - 2007	President	SCB Asset Management Co., Ltd.

Advisors' Profile as of 31 December 2019

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Assoc.Prof. Dr. Ismaae Alee

Age 69 years

Name of director/

Position/

Date of appointment

Total shares held in Bank

Shariah Advisor

Date of appointment:
1 August 2011

No. of shares held as of year-end 2019

- By himself: None
- By his spouse and minor children: None

Education

- Higher Certificate in Promotion of Peaceful Society, King Prajadhipok's Institute
- Ph.D., Al-Fiqh (First Class Hons), Islamic University of Madinah, Saudi Arabia
- Master of Arts, Al-Fiqh (Excellence), Islamic University of Madinah, Saudi Arabia
- Bachelor of Arts, Sharia (Hons), Islamic University of Madinah, Saudi Arabia
- Bachelor of Arts, Dawah and Usul al-din, Islamic University of Madinah, Saudi Arabia

Directorship and positions held in other companies/

Organisations and work experience within last 5 years

Listed companies

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
-	-	-

Non-listed companies and other companies and organisations

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
2014 - Present	Chairman	Orphans Foundation
2007 - Present	Member/Chairman of Halal Affairs	Central Islamic Council of Thailand (CICOT)

Work experience within last 5 years

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
2010 - 2011	Head of Delegation	Thai Haj Delegation
2008 - 2010	Member	Shariah Advisory Council, Securities Commission, Malaysia
2007 - 2010	Associate Professor of Islamic Law	Advisory Council for Peace Building in Southern Border Provinces of Thailand
2006 - 2010	Head	College of Islamic Studies (CIS), Prince of Songkla University (PSU)
2002 - 2010	Director	Doctoral Degree in Islamic Studies of CISPSU College of Islamic Studies (CIS-PSU)

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Asst. Prof. Dr. Maroning Salaming

Age 54 years

Name of director/Position/Date of appointmentTotal shares held in Bank

Shariah Advisor

No. of shares held as of year-end 2019

Date of appointment:

- By himself: None

1 August 2011

- By his spouse and minor children: None

Education

- Ph.D., Principles of Islamic Jurisprudence, Islamic University of Madinah, Saudi Arabia
- Master of Arts, Principles of Islamic Jurisprudence, Islamic University of Madinah, Saudi Arabia
- Bachelor of Arts, Islamic Law, Islamic University of Madinah, Saudi Arabia

Directorship and positions held in other companies/Organisations and work experience within last 5 years**Listed companies**

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
-	-	-

Non-listed companies and other companies and organisations

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
2016 - Present	Haj Affairs Committee B.E. 2559	Central Islamic Council of Thailand
2016 - Present	President, Shariah Transactions	Dhipaya Takaful
2016 - Present	President, Office AmirunHajj	Sheikhul Islam
2015 - Present	Advisor of Director, College of Islamic Studies	College of Islamic Studies, Prince of Songkla University, Pattani Campus
2013 - Present	Expert Sheikhul Islam	Sheikhul Islam
2011 - Present	Member of Shariah Advisory Council	Bina Islamic Cooperative
2010 - Present	Consultant/Working Committee Member	Sheikhul Islam
2008 - Present	Advisor on Ph.D. Thesis	College of Islamic Studies, Prince of Songkla University, Pattani Campus
2006 - Present	Advisor on Master's Degree Thesis	College of Islamic Studies, Prince of Songkla University, Pattani Campus
2005 - Present	Professor of Islamic Law Department	College of Islamic Studies, Prince of Songkla University, Pattani Campus

Work experience within last 5 years

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
2013 - 2014	Deputy Secretary-General	Southern Border Provinces Administration Centre
2012 - 2014	Specialised Committee Member	Hajj Promotion Committee of Southern Border Provinces of Thailand, pursuant to the appointment order of Southern Border Provinces Administration Centre
2011 - 2013	Specialised Council Member	Council for Yala Primary Educational Service Area 1
2009 - 2015	Member of Management Committee of Ph.D Programme	College of Islamic Studies, Prince of Songkla University, Pattani Campus
2008 - 2010	Adoption of Islamic Laws in Southern Border Provinces	Pursuant to the order of Sub Committee on Policy and Coordination of Judicial Process in Southern Border Provinces

Management Committee's Profile as of 31 December 2019

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Mr. Adisorn Sermchaiwong

Age 53 years

Name of executive

Position/

Date of appointment

Total shares held in Bank

Director (Authorised Signatory)

No. of shares held as of year-end 2019

Date of appointment:
4 December 2019

- By himself: None
- By his spouse and minor children: None

President and Chief Executive Officer

Date of appointment:
19 October 2019

Head of Consumer Banking
and Acting Head of Commercial Banking

Education

- Master of Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Bachelor of Engineering, Chulalongkorn University

Training

- Director Certification Programme (DCP), Thai Institute of Directors (IOD)
- Advanced Management Programme, Oxford University
- Capital Market Academy Leadership Programme, Capital Market Academy (CMA), Class 1
- CIMB-INSEAD Leadership Programme (CLP), In House International Course (CIMB Group)
- Corporate Governance for Capital Market Intermediaries (CGI), Class 17/2016, Thai Institute of Directors (IOD)

Directorship and positions held in other companies/ Organisations and work experience within last 5 years

Listed companies

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
-	-	-

Non-listed companies and other companies and organisations

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
2015 - Present	Chairman/Authorised Director	CT Coll Co., Ltd.

Work experience within last 5 years

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
Aug 2019 - Oct 2019	Acting President and Chief Executive Officer/Head of Consumer Banking/Acting Head of Commercial Banking	CIMB Thai Bank PCL
May 2019 - Jul 2019	Acting President and Chief Executive Officer/Head of Consumer Banking	CIMB Thai Bank PCL
Mar 2019 - Apr 2019	Senior Executive Vice President/Head of Consumer Banking and Fast Forward Project	CIMB Thai Bank PCL
2016 - Dec 2019	Chairman/Authorised Director	CIMB Thai Auto Co., Ltd.
2015 - Dec 2019	Chairman/Authorised Director	WorldLease Co., Ltd.
2015 - Apr 2019	Authorised Director	Finansa Asset Management Ltd.
2012 - Jul 2019	Authorised Director	CIMB-Principal Asset Management Co., Ltd.
2012 - Mar 2019	Senior Executive Vice President/Head of Consumer Banking	CIMB Thai Bank PCL
Jun 2010 - 2012	Executive Director, Country Head of Channels	United Overseas Bank (Thai) PCL
2008 - 2010	Executive Vice President, Saving & Investment Products	Siam Commercial Bank PCL
2002 - 2007	President	SCB Asset Management Co., Ltd.

2

Mr. Sutee Losoponkul

Age 59 years

Name of executive

Position/

Date of appointment

Total shares held in Bank

Co-Head of Wholesale Banking

Head of Treasury & Markets

Date of appointment:

1 April 2011

No. of shares held as of year-end 2019

- By himself: None
- By his spouse and minor children: None

Education

- MBA, National Institute of Development Administration (NIDA)
- B.Sc. (Industrial Engineering), Prince of Songkla University

Training

- The National Defence College of Thailand
- Market Risk for Treasury Products, New York Institute of Finance (Financial Times)
- Asset and Liability Management, Chase Manhattan Bank, Singapore

Training

- Treasury Training Scheme, Institute of Banking and Finance (IBF), Singapore
 - Offshore Deposit Market
 - Foreign Exchange Arithmetic
 - Financial Future
 - Options
 - Citibank Bourse Game

Directorship and positions held in other companies/ Organisations and work experience within last 5 years

Listed companies

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
-	-	-

Non-listed companies and other companies and organisations

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
Mar 2011 - Present	Director	CGS-CIMB Securities (Thailand) Co., Ltd.

Work experience within last 5 years

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
Apr 2013 - Oct 2019	Director	The Thai Bond Market Association

3

Mr. Arthit Masathirakul

Age 53 years

Name of executive

Position/

Date of appointment

Head of Risk Management

Date of appointment:
1 January 2017

Total shares held in Bank

No. of shares held as of year-end 2019

- By himself: None
- By his spouse and minor children: None

Education

- Master of Business Administration, University of Colorado at Boulder, U.S.A.

Training

- Senior Credit Officer Workshop, Standard Chartered Bank, Thailand
- Assets Valuation, Standard Chartered Bank, Hong Kong
- Executive Programme, INSEAD, Fontainebleau, France
- Engaging & Managing People, Standard Chartered Bank, London
- Market Risks, Standard Chartered Bank, Hong Kong

Training

- Credit Skills Assessment (OMEGA), Standard Chartered Bank
- Corporate Finance, Deutsche Bank AG, Singapore
- Senior Credit Workshop (OMEGA), CIMB Thai Bank Public Company Limited
- Data Governance, CIMB Thai Bank Public Company Limited
- Leading into the Future CIMB Thai Bank Public Company Limited
- Onboarding Session for CIMB Leader CIMB Thai Bank Public Company Limited

Directorship and positions held in other companies/ Organisations and work experience within last 5 years

Listed companies

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
-	-	-

Non-listed companies and other companies and organisations

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
2005 - Present	Authorised Director	Advance Business Management Corporation Co., Ltd

Work experience within last 5 years

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
Feb 2014 - Jul 2016	Head of Risk	Deutsche Bank AG, Bangkok Branch
Apr 2010 - Jan 2014	Head of Loan Management	The Hongkong and Shanghai Banking Corporation Ltd., Bangkok, Thailand
2005 - 2008	Advisor, Alternate Investment Group	Standard Chartered Bank, Hong Kong
Jul 1994 - May 2005	Executive Vice President, Group Special Assets Management	Standard Chartered Bank, Bangkok Branch

4

Mr. Pornchai Padmindra
Age 47 years

Name of executive

Position/

Date of appointment

Co-Head of Wholesale Banking
Head of Corporate Banking
and Investment Banking

Date of appointment:
1 September 2013

Total shares held in Bank

- No. of shares held as of year-end 2019
- By himself: None
 - By his spouse and minor children: None

Education

- Bachelor of Accounting, Kasetsart University
- AFS Scholarship Student Exchange Programme

Training

- 2008: Director Accreditation Programme (DAP), Class 73/2008, Thai Institute of Directors (IOD)
- 2016: Capital Market Academy - Greater Mekong Sub-region 2 (CMA-GMS2), Stock Exchange of Thailand

**Directorship and positions held in other companies/
Organisations and work experience within last 5 years**

Listed companies

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
-	-	-

Non-listed companies and other companies and organisations

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
-	-	-

Work experience within last 5 years

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
Sep 2011 - Aug 2013	Executive Vice President, Corporate Banking Team 2	Thanachart Bank PCL
Oct 2008 - Aug 2011	Executive Vice President, Origination & Client Coverage	Standard Chartered Bank (Thai)
Mar 2007 - Sep 2008	Managing Director	Citicorp Securities (Thailand) Ltd.

5

Mrs. Bussakorn Puttinan

Age 63 years

Name of executive**Position/****Date of appointment**Head of Technology
and OperationsDate of appointment:
4 January 2017**Total shares held in Bank**

No. of shares held as of year-end 2019

- By herself: None
- By her spouse and minor children: None

Education

- Bachelor of Science (Agriculture Economics), Chiang Mai University

Training

- Core Operations, Managing People, Citibank, Singapore
- Custody Services, E-Business, Citibank, Singapore and Hong Kong
- Process Management, Quality ISO, Citibank, Singapore
- Risk in Financial Market, Citibank, Philippines
- Executive Programme, Columbia Business School, Columbia University

Directorship and positions held in other companies/ Organisations and work experience within last 5 years

Listed companies

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
-	-	-

Non-listed companies and other companies and organisations

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
-	-	-

Work experience within last 5 years

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
Nov 2015 - Feb 2016	Advisor to President	Krungthai Bank PCL
2015	Senior Executive Vice President	Siam Commercial Bank PCL
2008 - 2014	First Executive Vice President	Siam Commercial Bank PCL

6

Ms. Siriporn Sanunpairaue
Age 55 years

Name of executive

Position/

Date of appointment

Total shares held in Bank

Head of Corporate Assurance

Date of appointment:
22 February 2010

No. of shares held as of year-end 2019

- By herself: None
- By her spouse and minor children: None

Education

- Master of Business Administration, Thammasat University
- Bachelor of Accounting, Thammasat University

Training

- CIMB-INSEAD Leadership Programme
- CIA Preparation, Institute of Internal Auditors of Thailand
- Certified Professional Internal Auditor (CPIA), Institute of Internal Auditors of Thailand
- Chief Audit Executive (CAE) Forum 2019, Bank & Financial Institution Internal Audit Club

**Directorship and positions held in other companies/
Organisations and work experience within last 5 years**

Listed companies

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
-	-	-

Non-listed companies and other companies and organisations

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
-	-	-

Work experience within last 5 years

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
2007 - 2008	Senior Vice President, Head of Internal Audit Department	Standard Chartered Bank (Thai)
2006 - 2007	Senior Audit Manager, Group Internal Audit	Standard Chartered Bank
2006	Head of Compliance	Calyon Bank, Bangkok Branch
2003 - 2005	Head of ASEAN Hub Audit (Excl. Indonesia and Singapore)	Deutsche Bank, Bangkok Branch
1992 - 2005	Country Head of Audit - Thailand	Deutsche Bank, Bangkok Branch
1986 - 1992	Bank Examiner, Bank Supervision and Examination Department	Bank of Thailand

7

Mrs. Kanokpai Vongsatitporn
Age 46 years

Name of executive**Position/****Date of appointment**

Head of Human Resources

Date of appointment:
30 December 2016

Total shares held in Bank

No. of shares held as of year-end 2019

- By herself: None
- By her spouse and minor children: None

Education

- Master of Business Administration, Kasetsart University
- Bachelor of Business Administration (MIS/Finance), Thammasat University

Training

- 2013: CPP/Potentia, MBTI Certification Programme
- 2013: CPP/Potentia, MBTI Type and Coaching

Directorship and positions held in other companies/ Organisations and work experience within last 5 years

Listed companies

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
-	-	-

Non-listed companies and other companies and organisations

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
-	-	-

Work experience within last 5 years

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
2012 - 2014	Chief Human Resources Officer	FWD Life Insurance PCL
2011	Acting Head of Human Resources	Hongkong and Shanghai Banking Corporation
2005 - 2011	Vice President, Human Resources	Hongkong and Shanghai Banking Corporation

8

Mr. Jason Leong Kok Yew
Age 48 years

Name of executive

Position/

Date of appointment

Total shares held in Bank

Head of Finance

Date of appointment:
30 December 2016

No. of shares held as of year-end 2019

- By himself: None
- By his spouse and minor children: None

Education

- Bachelor of Economics, Macquarie University, Australia

Training

- CIMB-INSEAD Leadership Programme, Cohort 8
- Strategic Financial Leadership Programme (SFLP) 2019, Thai Listed Companies Association

**Directorship and positions held in other companies/
Organisations and work experience within last 5 years**

Listed companies

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
-	-	-

Non-listed companies and other companies and organisations

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
2019 - Present	Director	Principal Asset Management Co., Ltd.

Work experience within last 5 years

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
2008 - 2016	Director, Group Finance	CIMB Bank
2005 - 2008	Accounting Department	Bangkok Bank PCL
2000 - 2005	Manager	PricewaterhouseCoopers/IBM

9

Mr. Tan Keat Jin

Age 45 years

Name of executive

Position/

Date of appointment

Total shares held in Bank

Deputy Head of Consumer Banking

Date of appointment:
1 August 2019

No. of shares held as of year-end 2019

- By himself: None
- By his spouse and minor children: None

Education

- Master of Business Administration (Merit), University of Bath, United Kingdom
- Bachelor of Engineering (1st Class Honours), University College London, United Kingdom

Training

- CIMB-INSEAD Executive Development Programme, Cohort 4

**Directorship and positions held in other companies/
Organisations and work experience within last 5 years**

Listed companies

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
-	-	-

Non-listed companies and other companies and organisations

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
Present	Director	WorldLease Co., Ltd.
Present	Director	CIMB Thai Auto Co., Ltd.
Present	Director	Sathorn Asset Management Co., Ltd.

Work experience within last 5 years

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
2016 – 2019	Head of Strategy	CIMB Thai Bank PCL
2013 – 2015	General Manager	CIMB Bank, London Branch
2011 – 2013	Portfolio Management Lead	Private Equity – Portfolio Management, CIMB Group
2006 – 2011	Programme Lead with specialisation in areas of Corporate Banking, SME Banking, Treasury, Finance, Risk Management, IT and Operations	CASA Enhancement Programme (CIMB Niaga) Regional CASA Taskforce (CIMB Group) Bank-wide Business Turnaround (CIMB Thai) Single Largest Big-Bang Bank Merger in ASEAN (Bank Niaga – Bank Lippo Merger) Cross-border Synergy Programme (CIMB Group – Bank of Yingkou, China) Cross-border Synergy Programme (CIMB Group – Bank Niaga)

10

Mr. Prapas Thongsuk

Age 56 years

Name of executive

Position/

Date of appointment

Head of Corporate Communications

Date of appointment:
1 April 2010

Total shares held in Bank

No. of shares held as of year-end 2019

- By himself: None
- By his spouse and minor children: None

Education

- Master of Business Administration, National Institute of Development Administration (NIDA)
- Bachelor of Education, Chulalongkorn University

Training

- A Business Creativity (ABC), Class 8 (2018), Sripatum University
- National Defence College, Class 59 (2016 – 2017)
- CIMB-INSEAD Leadership Programme, Cohort 3

**Directorship and positions held in other companies/
Organisations and work experience within last 5 years**

Listed companies

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
-	-	-

Non-listed companies and other companies and organisations

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
-	-	-

Work experience within last 5 years

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
2004 - 2010	Senior Vice President, Corporate Marketing	Krungthai Card PCL

11

Mr. Zethjak Leeyakars
Age 50 years

Name of executive

Position/

Date of appointment

Total shares held in Bank

Head of Compliance

Date of appointment:
24 February 2017

No. of shares held as of year-end 2019

- By himself: None
- By his spouse and minor children: None

Education

- Master of Arts in Economic Development and Policy Analysis, University of Nottingham, U.K.
- Master of Business Administration in Finance, University of Texas at San Antonio, U.S.A.
- Bachelor of Business Administration in General Management, Chulalongkorn University

Training

- Central Bank Course
- Bourse Game, Citibank
- Commercial Banking Course
- Risk Management in Financial Institutions
- Macroeconomic Management, SEACEN, Malaysia
- Anti-Corruption: The Practical Guide 25/2016 (ACPG) (IOD)
- Company Secretary Program, Class 70/2016 (IOD)
- Director Certification Programme (DCP), Class 276/2019 (IOD)

**Directorship and positions held in other companies/
Organisations and work experience within last 5 years**

Listed companies

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
-	-	-

Non-listed companies and other companies and organisations

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
-	-	-

Work experience within last 5 years

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
Jul 2016 – Feb 2017	Executive Vice President, Compliance	Bangkok Bank PCL
Mar 2015 – Jun 2016	Executive Vice President, Compliance & Procedure Sector	Krungthai Bank PCL
Nov 2005 – Feb 2015	Executive Director, Head of Compliance	JP Morgan Chase Bank
Oct 2003 – Oct 2005	Assistant Vice President, Compliance	Deutsche Bank

12

Mr. Lim Yeong Thian

Age 38 years

Name of executive

Position/

Date of appointment

Total shares held in Bank

Head of Strategy

Date of appointment:
1 August 2019

No. of shares held as of year-end 2019

- By himself: None
- By his spouse and minor children: None

Education

- Bachelor of Arts in Computer Science and Economics, Cornell University, Ithaca, New York, U.S.A.

Training

- CIMB-INSEAD Leadership Programme, Cohort 7

**Directorship and positions held in other companies/
Organisations and work experience within last 5 years**

Listed companies

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
-	-	-

Non-listed companies and other companies and organisations

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
-	-	-

Work experience within last 5 years

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
2008 - July 2019	Director, Corporate Strategy and Planning	CIMB Bank Berhad

13

Mr. Jittiwat Kantamala
Age 58 years

Name of executive

Position/

Date of appointment

Total shares held in Bank

Head of Private Banking

Date of appointment:
12 June 2017

No. of shares held as of year-end 2019

- By himself: None
- By his spouse and minor children: None

Education

- Master of Business Administration (Finance & Marketing), University of Illinois at Urbana-Champaign, U.S.A.
- Master of Economics (Pure Theory), Graduate School, Chulalongkorn University
- Bachelor of Economics, Chulalongkorn University

Training

- Annual Investment Suitability Training, Credit Suisse AG, Singapore
- Advanced Alternative Investments, Credit Suisse AG, Singapore
- Advanced Portfolio Management, Credit Suisse AG, Singapore
- OTC Bond Options, Credit Suisse AG, Singapore
- FATCA Orientation (e-learning), Standard Chartered, Singapore
- Reputational Risk (e-learning), Standard Chartered, Singapore
- Anti-Money Laundering, Counterterrorist Financing and Sanctions, Standard Chartered, Singapore
- Operational Risk (e-learning), Standard Chartered, Singapore

Directorship and positions held in other companies/
Organisations and work experience within last 5 years

Listed companies

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
-	-	-

Non-listed companies and other companies and organisations

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
-	-	-

Work experience within last 5 years

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
Aug 2015 - Dec 2016	Director, Private Bank	Credit Suisse AG, Singapore
May 2014 - Aug 2015	Director, Private Bank	Standard Chartered Private Bank, Singapore
Jun 2013 - Apr 2014	Director, Head of Private Wealth Department	UOB Asset Management (Thailand) Co., Ltd.
May 2012 - May 2013	First Vice President, Private Bank	United Overseas Bank (UOB)
Sep 2010 - Mar 2012	Private Wealth Manager, Global Wealth Management	Bank of America Merrill Lynch (BofAML)

14

Mr. Paisan Thumpothong
Age 54 years

Name of executive

Position/

Date of appointment

Total shares held in Bank

Head of Transaction Banking

Date of appointment:
1 May 2019

No. of shares held as of year-end 2019

- By himself: None
- By his spouse and minor children: None

Education

- Master of Science (M.Sc.), Computer Science, Chulalongkorn University
- Bachelor of Science (B.Sc.), Chemical Engineering, Chulalongkorn University

Training

- Leader as A Coach
- Marketing in Action
- Practical Trade Finance
- Working Capital Solution
- Blue Ocean

**Directorship and positions held in other companies/
Organisations and work experience within last 5 years**

Listed companies

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
-	-	-

Non-listed companies and other companies and organisations

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
-	-	-

Work experience within last 5 years

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
2014 - 2018	Head of Transaction Banking	Thanachart Bank PCL
2014 - 2014	Head of TB Product and Channel Management	Siam Commercial Bank PCL
2012 - 2013	Head of GTS Channel Management	Siam Commercial Bank PCL
2009 - 2012	Head of Business Channel and Network Management	TMB Bank PCL
1999 - 2009	Head of Solution Delivery	Standard Chartered Bank

15

Ms. Uthaiwan Sukphanpim
Age 51 years

Name of executive

Position/

Date of appointment

Head of Customer Experience Management

Date of appointment:
1 August 2018

Total shares held in Bank

No. of shares held as of year-end 2019

- By herself: None
- By her spouse and minor children: None

Education

- Master of Business Administration (Finance & International Business), Saint Louis University, Missouri, U.S.A.
- Bachelor of Business Administration (Accounting), Thammasat University

Training

- Situational Leadership Programme
- Coaching for Trusted Leader
- Crisis Communication Framework
- Kindness Service Recovery Programme
- 9 Gears Business Performance
- One-Minute Manager

Directorship and positions held in other companies/ Organisations and work experience within last 5 years

Listed companies

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
-	-	-

Non-listed companies and other companies and organisations

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
-	-	-

Work experience within last 5 years

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
2013 - 2018	Senior Vice President, Customer Advocacy & Service Quality	United Overseas Bank Thai PCL
2002 - 2008	Deputy Director, Operations Support, Customer Management	True Corporation PCL
2000 - 2002	Manager, Risk Management, Personal Financial Services	HSBC Thailand
1998 - 1999	Manager, Personal Telephone Banking	HSBC Thailand
1993 - 1995	Assistant Manager, Credit	Siam Sanwa Credit PCL

16

Ms. Pajaree Thongvanit
Age 39 years

Name of executive

Position/

Date of appointment

Head of Legal

Date of appointment:
1 May 2018

Total shares held in Bank

No. of shares held as of year-end 2019

- By herself: None
- By her spouse and minor children: None

Education

- Master of Law (Merit), University of Warwick, United Kingdom
- Bachelor of Law (Honors), Chulalongkorn University

Training

- Women Leadership Course, Standard Chartered Bank (Jakarta), Indonesia
- Effective Coaching, Standard Chartered Bank
- Senior Lawyer Development Course, Clifford Chance (Thailand) Limited

Directorship and positions held in other companies/ Organisations and work experience within last 5 years

Listed companies

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
-	-	-

Non-listed companies and other companies and organisations

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
-	-	-

Work experience within last 5 years

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
2016 – 2018	Senior Vice President, Legal	CIMB Thai Bank PCL
2014 – 2016	Senior Vice President, Head of Legal, Wholesale Banking Legal	Standard Chartered Bank (Thai)
2012 – 2014	Senior Vice President, Wholesale Banking Legal	Standard Chartered Bank (Thai)
2009 – 2012	Vice President, Wholesale Banking Legal	Standard Chartered Bank (Thai)
2007 – 2009	Senior Associate	Clifford Chance (Thailand) Limited

Nomination, Remuneration, and Corporate Governance Committee Report

In line with the roles and responsibilities of the Nomination, Remuneration, and Corporate Governance Committee, in 2019, the Committee continued to ensure that the Bank considered and nominated names of qualified candidates for positions of directors and senior executives of the Bank, and with appropriate remuneration and benefits according to their duties and responsibilities. In addition, the Committee also reviewed the Bank's Corporate Governance Policy in 2019.

In summary, the main roles and responsibilities of the Nomination, Remuneration, and Corporate Governance Committee are as follows:

1. To nominate qualified directors and senior executives and recommend remuneration and benefits commensurate with their duties and responsibilities to the Board for approval.
2. To consider the appointment of the Bank subsidiaries' directors and senior executives to the Board for concurrence.
3. To assess the performance of the Bank's senior executives against targets and performance criteria and submit the results to the Board with recommendations regarding the appropriate remuneration and benefits.
4. To review and consider the overall annual salary adjustment and bonuses for the Bank employees and propose the salary and bonus package to the Board for approval.
5. To review the Corporate Governance Policy and Codes of Conduct for directors and employees of the Bank in compliance with the corporate governance criteria of relevant regulatory authorities, and submit them to the Board for approval.
6. To review corporate governance guidelines for relevant units and present them to the Board for approval with a view to enhancing good corporate governance of the Bank.
7. To review the Bank's staff benefits.

The Committee is of the opinion that the remuneration for directors and senior executives in 2019 was in line with their duties and responsibilities, the individuals' performance, the overall economic situation, and the operational performance of the Bank.



(Mrs. Watanan Petersik)
Chairwoman of the Nomination, Remuneration,
and Corporate Governance Committee

Audit Committee Report

The Audit Committee of CIMB Thai Bank Public Company Limited (the Bank) is composed of four independent directors. The members of the Audit Committee are:

- | | |
|-------------------------------|---|
| 1. Mrs. Oranuch Apisaksirikul | Chairperson
(Appointed on 26 June 2019 in replacement of Mr. Maris Samaram who retired by rotation with effect from 18 April 2019) |
| 2. Mr. Chanmanu Sumawong | Member |
| 3. Dr. Rom Hiranpruk | Member |
| 4. Mr. Niti Jungnitnirundr | Member (Appointed on 18 April 2019) |

The Audit Committee has performed duties in accordance with the scope of responsibilities defined in the Audit Committee Charter and specific responsibilities delegated by the Board of Directors. The Audit Committee has supported the Bank's good corporate governance in respect of accountability, transparency, fairness, integrity and check and balance, in the best interests of the Bank's stakeholders. In 2019, the Audit Committee held a total of 13 meetings with senior management, heads of concerned business units, internal auditors and the external auditor. The result of each meeting has been reported to the Board of Directors. Significant actions taken by the Audit Committee can be summarised as follows:

Financial Statements

Reviewed quarterly, semi-annual and annual financial statements of the Bank as well as consolidated financial statements of the Bank and its subsidiaries by holding meetings with the external auditor and Head of Finance to consider the completeness and accuracy of the financial statements and disclosure of information in the notes to financial statements in compliance with financial reporting standards and generally accepted accounting principles as well as the requirements of laws and regulations relevant to the Bank and its subsidiaries.

Internal Control System

Reviewed the adequacy of the internal control system including control over information technology (IT) system and cyber resilience based on the internal audit reports of Corporate Assurance, the external auditor's report, IT external expert reports, and the result of examination of the regulators who oversee the Bank and its subsidiaries to ensure the internal control system and financial reporting are effective. The Audit Committee reviewed and monitored the Bank's rectification of the audit issues to ensure appropriate corrective actions had been taken in a timely manner. In addition, the Audit Committee also recommended the Bank's establishment and/or improvement of certain policies and procedures to strengthen the internal control system.

Risk Management System

Reviewed the effectiveness of the enterprise wide risk management process and system in collaboration with Head of Risk Management based on risk management reports and guidelines for managing respective types of risks and incidents to ensure the appropriateness of the risk management system.

Regulatory Compliance

Reviewed the effectiveness of compliance with applicable laws and regulations, as well as monitored to ensure the necessary remedial actions of regulatory audit issues had timely been taken by senior management.

External Auditor

Reviewed and assessed the independence, professional qualification and performance of the external auditor as well as the overall scope of the audit of semi-annual and annual financial statements and the review of interim financial statements. The Audit Committee also considered the selection of the external auditor and determination of the audit fee for proposal to the Board of Directors for further recommendation to the shareholders' meeting for approval.

Related Party and Other Related Company Transactions

Reviewed and assessed the Bank's related party transactions or transactions that may cause conflict of interest prior to submission for the Board of Directors' approval.

Overseeing Internal Audit Operation

Reviewed and approved the Internal Audit Charter, audit risk assessment framework for annual audit planning, annual audit plan and credit review plan. On a monthly basis, the Audit Committee reviewed the internal audit result, provided recommendations and followed up the corrective actions of audit issues.

In view of the roles and responsibilities above, the Audit Committee is of the opinion that the financial statements and disclosure of information of the Bank and its subsidiaries are presented fairly in all material aspects and in accordance with the financial reporting standards and the generally accepted accounting principles. The overall internal control systems, risk management, procedures to ensure compliance with applicable laws and regulations, and independent internal audit systems conducted in accordance with the internal audit standards are adequate to support the Bank's current business operation.



(Mrs. Oranuch Apisaksirikul)
Audit Committee Chairperson

Report of Responsibility of the Board of Directors for Financial Statements

The Board of Directors is responsible for the financial statements of CIMB Thai Bank Public Company Limited and its subsidiaries as well as the financial information presented in this annual report. The aforementioned financial statements have been prepared in accordance with Thailand's generally accepted accounting standards and international accounting standards, applying appropriate and consistent accounting policies and with careful judgment and best estimates. Important information is adequately disclosed in the notes to financial statements to ensure compliance with the notifications of the Bank of Thailand and the rules and regulations of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.

The Board of Directors has established and maintained appropriate and effective internal control system in order to rationally assure that the accounting information is correctly and completely recorded and adequate to sustain the Bank's assets and enable the Bank to be aware of any weaknesses so as to prevent fraud or irregular operations.

The Board of Directors has appointed an Audit Committee comprising Independent Directors to be responsible for the quality of the Bank's financial statements and the effectiveness of its internal control system. The Audit Committee's comments on these issues are included in the Audit Committee's report presented in this annual report.

The Board of Directors is of the opinion that the Bank's overall internal control is at a satisfactory level and reasonably provides reliability of the Bank's and its subsidiaries' financial statements for the year ended 31 December 2019.



(Mr. Omar Siddiq Bin Amin Noer Rashid)
Director



(Mr. Adisorn Sermchaiwong)
President and Chief Executive Officer

Independent Auditor's Report

To the shareholders of CIMB Thai Bank Public Company Limited

MY OPINION

In my opinion, the consolidated financial statements of CIMB Thai Bank Public Company Limited (the Bank) and its subsidiaries (the Group) and the separate financial statements of the Bank present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Bank as at 31 December 2019, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

WHAT I HAVE AUDITED

The consolidated and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2019;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

Key audit matter

How my audit addressed the key audit matter

Allowance for doubtful accounts on loans to customers

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

Loans to customers are a significant item constituting 58.66% of total assets. As at 31 December 2019 the total loans portfolio of the Group comprises of loans of commercial banking business which constitutes 82.07%, and hire-purchase receivables generated from the operations of the Group's subsidiaries 17.93%. The Management made complex estimate over the allowance for doubtful accounts on certain loans and portfolio of loans to customers by applied both quantitative approach and qualitative factors thus I focused on this area.

Management set up allowances on loans to customer of the Group by consider individual customers outstanding balance, principally based on the Bank of Thailand's guidelines as well as management's assessment of the repayment capacity and the financial status of individual customers and may hold additional allowance for doubtful accounts wherever required. This included considering, in addition to objective criteria, other qualitative factors that include but aren't limited to payment history, financial position and the performance of the customer, key financial ratios, industry trends etc. For non-performing loans, management considered expected future cash flows from debt collection which required appropriate assumptions in accordance about economic conditions and from disposing of collateral which has been appraised by the professional valuers.

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

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

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

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

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

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

Key audit matter

How my audit addressed the key audit matter

I critically assessed allowance for doubtful accounts which had been identified by management. I found no material exceptions.

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

- I challenged the basic of cash flow projections prepared by management and assessed the appropriateness of projections by examining them against the relevant supporting evidence and had a detailed discussion with management on the future cash flows expected from customer. I also used professional judgement and external evidence, if any, to assess those projections.
- For collateral valuations performed by the professional valuers, I checked their qualifications. Then, I sampled those valuations to check that the management used the latest valuations in the computation of allowance for doubtful accounts. I assessed the appropriateness of the valuation methodologies by considering that the valuers used the methodology allowed by the regulators. I also checked the accuracy of the collateral value deducted from loan outstanding.

I tested the management's review and approval process for general provision. I assessed the appropriateness of general provision by using my industry experience and knowledge, in the light of current economic conditions. I also performed an assessment for the appropriateness of general provisions by comparing the proportion of the allowance to the loan of the Bank with other banks in Thailand.

Based on the work I performed, I didn't find any material differences from allowance for doubtful accounts which had been identified by management.

OTHER INFORMATION

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

Responsibilities of the directors for the consolidated and separate financial statements

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Bank's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

PricewaterhouseCoopers ABAS Ltd.



(Boonlert Kamolchanokkul)
Certified Public Accountant (Thailand) No. 5339
Bangkok
20 February 2020

CIMB THAI Bank
Public Company Limited
Consolidated
And Separate Financial
Statements
31 December 2019



Director

Statements of Financial Position

As at 31 December 2019

	Notes	Consolidated		Separate	
		31 December 2019 Baht	31 December 2018 Baht	31 December 2019 Baht	31 December 2018 Baht
Assets					
Cash		1,351,567,764	1,749,088,327	1,350,614,011	1,745,984,495
Interbank and money market items, net	6	6,421,713,044	6,790,160,122	6,205,670,653	6,684,224,569
Derivative assets	7	43,459,245,755	23,395,513,202	43,459,245,755	23,395,513,202
Investments, net	8	86,798,230,526	92,172,323,107	86,796,230,526	92,172,323,107
Investments in subsidiaries, net	9	-	-	2,208,315,115	2,208,315,115
Loans and accrued interest receivables	10				
Loans		250,896,619,641	234,554,591,139	231,456,772,155	218,848,912,358
Accrued interest receivables		463,517,744	492,689,784	469,496,006	502,263,091
Total loans and accrued interest receivables		251,360,137,385	235,047,280,923	231,926,268,161	219,351,175,449
Less Deferred revenue		(10,816,864,418)	(8,254,467,999)	(165,515)	(486,300)
Less Allowance for doubtful debts	11	(10,600,132,295)	(10,539,026,105)	(9,471,971,773)	(9,702,022,606)
Less Revaluation allowance					
Less s for debt restructuring	12	(32,188,376)	(52,332,096)	(32,188,376)	(52,332,096)
Loans and accrued interest receivables, net		229,910,952,296	216,201,454,723	222,421,942,497	209,596,334,447
Customers' liability under acceptance		83,360,105	77,698,965	83,360,105	77,698,965
Properties for sale, net	13	1,123,900,062	1,016,509,206	894,230,172	831,149,160
Premises and equipment, net	14	3,428,635,255	3,536,093,184	3,339,032,032	3,471,101,060
Intangible assets, net	15	1,061,691,787	488,639,652	1,015,531,376	480,958,226
Deferred tax assets	16	1,171,542,192	1,392,797,611	694,257,493	938,209,202
Credit support assets on derivatives		14,967,549,671	6,052,943,866	14,967,549,671	6,052,943,866
Other assets, net	17	2,128,743,263	2,975,302,956	1,713,201,274	2,722,733,218
Total assets		391,907,131,720	355,848,524,921	385,149,180,680	350,377,488,632

The accompanying notes to the consolidated and bank financial statements from page 169 to 289 are an integral part of these financial statements.

Statements of Financial Position (Cont'd)

As at 31 December 2019

		Consolidated		Separate	
		31 December 2019 Baht	31 December 2018 Baht	31 December 2019 Baht	31 December 2018 Baht
Liabilities and equity	Notes				
Liabilities					
Deposits	18	199,034,749,069	185,100,505,109	199,132,082,337	185,215,037,339
Interbank and money market items	19	43,393,672,214	44,533,942,327	43,393,672,214	44,533,942,327
Liability payable on demand		268,816,305	378,991,448	268,816,305	378,991,448
Financial liabilities designated at fair value through profit or loss	20	24,422,519,906	35,512,717,532	24,422,519,906	35,512,717,532
Derivative liabilities	7	44,659,756,168	24,318,002,735	44,659,756,168	24,318,002,735
Debt issued and borrowings	21	25,818,667,017	18,968,347,710	23,818,667,017	16,968,347,710
Bank's liability under acceptance		83,360,105	77,698,965	83,360,105	77,698,965
Provisions	22	2,298,834,097	1,987,605,895	2,140,697,917	1,892,940,783
Credit support liabilities on derivatives		9,158,264,057	3,910,494,022	9,158,264,057	3,910,494,022
Other liabilities	23	4,247,833,989	4,138,393,277	3,146,840,215	3,188,938,089
Total liabilities		353,386,472,927	318,926,699,020	350,224,676,241	315,997,110,950
Equity					
Share capital	24				
Registered					
34,822,261,748 ordinary shares of Baht 0.50 each		17,411,130,874	17,411,130,874	17,411,130,874	17,411,130,874
Issued and paid-up share capital					
34,822,261,748 ordinary shares of Baht 0.50 each		17,411,130,874	17,411,130,874	17,411,130,874	17,411,130,874
Premium on share capital		10,145,965,854	10,145,965,854	10,145,965,854	10,145,965,854
Other reserves	25	1,468,042,132	1,400,797,437	1,512,574,667	1,422,487,528
Accretion of equity interests in subsidiary		(42,753,751)	(42,753,751)	-	-
Retained earnings					
Appropriated - statutory reserve	26	403,980,000	403,600,000	403,980,000	403,600,000
Unappropriated		9,134,293,684	7,603,085,487	5,450,853,044	4,997,193,426
Total equity		38,520,658,793	36,921,825,901	34,924,504,439	34,380,377,682
Total liabilities and equity		391,907,131,720	355,848,524,921	385,149,180,680	350,377,488,632

The accompanying notes to the consolidated and bank financial statements from page 169 to 289 are an integral part of these financial statements.

Statements of Comprehensive Income

For the year ended 31 December 2019

	Notes	Consolidated		Separate	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
Interest income	30	16,420,740,139	15,309,544,755	12,978,453,585	12,341,600,425
Interest expenses	31	(5,513,358,198)	(4,562,807,958)	(5,465,461,170)	(4,515,325,072)
Net interest income		10,907,381,941	10,746,736,797	7,512,992,415	7,826,275,353
Fees and service income		2,556,132,793	2,109,980,514	1,615,797,349	1,376,649,113
Fees and service expenses		(385,927,966)	(302,056,447)	(370,326,208)	(289,520,012)
Net fees and services income	32	2,170,204,827	1,807,924,067	1,245,471,141	1,087,129,101
Gains on tradings and					
foreign exchange transactions	33	2,625,945,047	1,054,168,202	2,625,945,047	1,054,168,202
Losses on financial instrument designated					
at fair value through profit or loss	34	(2,802,923,204)	(759,750,530)	(2,802,923,204)	(759,750,530)
Gains on investments	35	343,978,417	19,508,137	343,978,417	19,508,137
Gains on sale of non-performing loans	10	398,585,923	226,351,923	-	-
Other operating income	36	511,589,578	587,350,824	137,640,997	261,325,479
Total operating income		14,154,762,529	13,682,289,420	9,063,104,813	9,488,655,742
Other operating expenses					
Employee expenses		5,063,133,513	4,533,126,703	4,385,558,354	3,892,655,897
Directors' remuneration		11,811,200	13,467,200	11,507,000	13,131,200
Premises and equipment expenses		1,213,316,406	1,155,447,852	1,050,453,383	1,017,873,890
Taxes and duties		433,029,282	413,013,666	397,538,486	386,886,044
Others		2,918,494,105	2,376,645,066	1,417,671,159	1,229,294,759
Total other operating expenses		9,639,784,506	8,491,700,487	7,262,728,382	6,539,841,790
Bad and doubtful debts and impairment losses	37	2,571,584,293	4,919,382,923	1,184,566,454	3,686,327,220
Profit (loss) before income tax expenses		1,943,393,730	271,206,010	615,809,977	(737,513,268)
Income tax expenses	38	(441,797,741)	(264,304,590)	(191,762,567)	(66,769,073)
Net profit (loss) for the year		1,501,595,989	6,901,420	424,047,410	(804,282,341)

Statements of Comprehensive Income (Cont'd)

For the year ended 31 December 2019

	Notes	Consolidated		Separate	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
Other comprehensive income (expenses)					
Items that will be reclassified subsequently to profit or loss					
Gains (losses) on remeasuring available-for-sale investments		472,498,608	(274,248,938)	472,498,608	(274,248,938)
Losses arising from translating the financial statement of a foreign operation		(16,238,529)	(4,697,307)	(16,238,529)	(4,697,307)
(Losses) gains on cash flow hedges		(54,736,432)	136,503,546	(54,736,432)	136,503,546
Income tax relating to items that will be reclassified subsequently to profit or loss		(52,189,142)	(4,364,720)	(52,189,142)	(4,364,720)
Total items that will be reclassified subsequently to profit or loss		349,334,505	(146,807,419)	349,334,505	(146,807,419)
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of post-employment benefit obligations		(257,808,214)	72,891,871	(229,255,158)	70,013,711
Income tax relating to items that will not be reclassified subsequently to profit or loss		5,710,612	(14,578,374)	-	(14,002,741)
Total items that will not be reclassified subsequently to profit or loss		(252,097,602)	58,313,497	(229,255,158)	56,010,970
Total other comprehensive income (expenses)		97,236,903	(88,493,922)	120,079,347	(90,796,449)
Total comprehensive income (expenses) for the year		1,598,832,892	(81,592,502)	544,126,757	(895,078,790)

The accompanying notes to the consolidated and bank financial statements from page 169 to 289 are an integral part of these financial statements.

Statements of Comprehensive Income (Cont'd)

For the year ended 31 December 2019

	Notes	Consolidated		Separate	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
Net profit (loss) attributable to:					
Equity holders of the Bank		1,501,595,989	6,901,420	424,047,410	(804,282,341)
Non-controlling interests		-	-	-	-
		1,501,595,989	6,901,420	424,047,410	(804,282,341)
Total comprehensive income (expenses) attributable to:					
Equity holders of the Bank		1,598,832,892	(81,592,502)	544,126,757	(895,078,790)
Non-controlling interests		-	-	-	-
		1,598,832,892	(81,592,502)	544,126,757	(895,078,790)
Earnings per share for profit (loss) attributable to the equity holders of the Bank	40				
Basic earnings (loss) per share (Baht per share)		0.04	0.00	0.01	(0.03)
Weighted average number of ordinary shares (shares)		34,822,261,748	31,188,634,435	34,822,261,748	31,188,634,435

Statements of Changes in Equity

For the year ended 31 December 2019

Consolidated														
Attributable to owners of the Bank														
		Other reserves												
		Issued and paid-up share capital	Share premium	Revaluation surplus on assets	Gains (losses) on re-measuring available-for-sale investments	Gains (losses) arising from translating the financial statement of a foreign operation	Gains (losses) on cash flow hedges	Remeasure-ments of post-employment benefit obligations	Income tax relating to components of other comprehensive expense	Total other reserves	Accretion of equity interests in subsidiary	Legal reserve	Retained earnings	Total equity
	Notes	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Balance as at 1 January 2019														
Total comprehensive income														
(expenses) for the year		-	-	-	472,498,608	(16,238,529)	(54,736,432)	(257,808,214)	(46,478,530)	97,236,903	-	-	1,501,595,989	1,598,832,892
Appropriated – statutory reserve		26	-	-	-	-	-	-	-	-	-	380,000	(380,000)	-
Transfer to retained earnings			-	(37,490,260)	-	-	-	-	7,498,052	(29,992,208)	-	-	29,992,208	-
Balance as at 31 December 2019														
		17,411,130,874	10,145,965,854	1,934,638,711	312,929,615	(16,536,925)	27,321,227	(361,163,810)	(429,146,686)	1,468,042,132	(42,753,751)	403,980,000	9,134,293,684	38,520,658,793
Balance as at 1 January 2018														
Increase in ordinary shares		24	2,271,017,070	1,680,552,632	114,679,945	4,398,911	(54,445,887)	(176,247,467)	(382,612,349)	1,534,848,299	(42,753,751)	398,680,000	7,555,547,127	33,051,848,701
Total comprehensive (expenses) income for the year			-	-	(274,248,938)	(4,697,307)	136,503,546	72,891,871	(18,943,094)	(88,493,922)	-	-	6,901,420	(81,592,502)
Appropriated – statutory reserve		26	-	-	-	-	-	-	-	-	-	4920,000	(4,920,000)	-
Transfer to retained earnings			-	(56,946,175)	-	-	-	-	11,389,235	(45,556,940)	-	-	45,556,940	-
Balance as at 31 December 2018														
		17,411,130,874	10,145,965,854	1,972,128,971	(159,568,993)	(298,396)	82,057,659	(103,355,596)	(390,166,208)	1,400,797,437	(42,753,751)	403,600,000	7,603,085,487	36,921,825,901

The accompanying notes to the consolidated and bank financial statements from page 169 to 289 are an integral part of these financial statements.

Statements of Changes in Equity (Cont'd)

For the year ended 31 December 2019

Notes	Issued and paid-up share capital	Share premium	Revaluation surplus on assets	Separate									
				Other reserves									
	Baht	Baht	Baht	Gains (losses) arising from the financial statement of a foreign operation	Gains (losses) on remeasuring available-for-sale investments	Gains (losses) on translating the financial statement of a foreign operation	Gains (losses) on cash flow hedges	Remeasurements of post-employment benefit obligations	Income tax relating to components of other comprehensive income	Total other reserves	Legal reserve	Retained earnings	Total equity
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Balance as at 1 January 2019	17,411,130,874	10,145,965,854	1,972,128,971	(298,396)	(159,568,993)	82,057,659	(76,242,983)	(395,588,730)	403,600,000	4,997,193,426	34,380,377,682		
Total comprehensive income													
(expenses) for the year	-	-	-	(472,498,608)	(16,238,529)	(54,736,432)	(229,255,158)	(52,189,142)	120,079,347	424,047,410	544,126,757		
Appropriated – statutory reserve	26	-	-	-	-	-	-	-	380,000	(380,000)	-		
Transfer to retained earnings	-	-	(37,490,260)	-	-	-	-	7,498,052	(29,992,208)	29,992,208	-		
Balance as at 31 December 2019	17,411,130,874	10,145,965,854	1,934,638,711	(298,396)	(159,568,993)	27,321,227	(305,498,141)	(440,279,820)	403,980,000	5,450,853,044	34,924,504,439		
Balance as at 1 January 2018	15,140,113,804	8,465,413,222	2,029,075,146	4,398,911	114,679,945	(54,445,887)	(146,256,694)	(388,610,504)	398,680,000	5,760,838,827	31,323,886,770		
Increase in ordinary shares	24	2,271,017,070	1,680,562,632	-	-	-	-	-	-	-	3,951,569,702		
Total comprehensive (expenses) income for the year													
(expenses) for the year	-	-	-	(4,697,307)	(274,248,938)	136,503,546	70,013,711	(18,367,461)	(90,796,449)	(804,282,341)	(895,078,790)		
Appropriated – statutory reserve	26	-	-	-	-	-	-	-	4,920,000	(4,920,000)	-		
Transfer to retained earnings	-	-	(56,946,175)	-	-	-	-	11,389,235	(45,556,940)	45,556,940	-		
Balance as at 31 December 2018	17,411,130,874	10,145,965,854	1,972,128,971	(298,396)	(159,568,993)	82,057,659	(76,242,983)	(395,588,730)	403,600,000	4,997,193,426	34,380,377,682		

The accompanying notes to the consolidated and bank financial statements from page 169 to 289 are an integral part of these financial statements.

Statements of Cash Flows

For the year ended 31 December 2019

	Notes	Consolidated		Separate	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
Cash flows from operating activities					
Profit (loss) before corporate income tax		1,943,393,730	271,206,010	615,809,977	(737,513,268)
Adjustments to reconcile net income before income tax to cash in (out) flows from operating activities:					
Depreciation and amortisation		433,202,518	373,493,966	409,743,630	352,142,154
Bad debts and doubtful accounts and losses on impairment	37	2,571,584,293	4,919,382,923	1,184,566,454	3,686,327,220
(Reversal) provision for off-balance sheet items		(125,654,610)	72,742,078	(125,654,610)	72,742,078
Share-based payment	28	41,716,546	38,448,440	41,716,546	38,448,440
Provision for liabilities		322,056,650	85,994,884	287,138,637	79,376,548
Losses (reversal) on impairment of properties for sale		1,015,432,235	709,467,315	(1,689,129)	1,487,569
Losses on impairment of investments		-	1,067,203	-	1,067,203
Unrealised (gains) losses on exchange and derivatives		(230,267,801)	1,075,237,437	(230,267,801)	1,075,237,437
Realised gains on exchange rate of debt issued and borrowings		(696,020,500)	-	(696,020,500)	-
Gains on properties for sale	36	(28,247,855)	(69,008,068)	(24,352,727)	(139,608,478)
Unrealised gains on revaluation of investments		(2,128,477,621)	(315,036,490)	(2,128,477,621)	(315,036,490)
(Gains) losses on sale of investments		(2,186,608,362)	113,050,652	(2,186,608,362)	113,050,652
Gains on disposal of premises and equipment	36	(11,871,882)	(20,391,900)	(10,105,201)	(10,877,744)
Losses from write off premises and equipment		18,608,346	1,318,506	18,608,346	1,169,021
Losses from write off intangible assets		872,836	8,845,503	872,836	8,845,503
Losses on sale of non-performing loan		9,118,106	4,731,329	9,118,106	4,731,329
Losses on financial liabilities designated at fair value through profit or loss	34	2,802,923,204	759,750,530	2,802,923,204	759,750,530
Interest income	30	(16,420,740,139)	(15,309,544,755)	(12,978,453,585)	(12,341,600,425)
Dividend income	36	(8,427,415)	(10,508,869)	(8,427,415)	(10,508,869)
Interest expenses	31	5,513,358,198	4,562,807,958	5,465,461,170	4,515,325,072

The accompanying notes to the consolidated and bank financial statements from page 169 to 289 are an integral part of these financial statements.

Statements of Cash Flows (Cont'd)

For the year ended 31 December 2019

Notes	Consolidated		Separate	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Losses from operations				
before changes in operating assets and liabilities	(7,164,049,523)	(2,726,945,348)	(7,554,098,045)	(2,845,444,518)
Decrease (increase) in operating assets				
Interbank and money market items	364,870,026	11,389,079,000	474,976,864	11,426,897,185
Investments held for trading	(5,757,584,312)	(13,414,065,599)	(5,757,584,312)	(13,414,065,599)
Loans	(19,083,939,652)	(20,557,198,292)	(13,672,717,001)	(15,914,378,341)
Properties for sale	2,157,885,423	1,374,412,019	71,511,170	222,507,346
Credit support assets on derivatives	(8,914,605,805)	(1,914,790,812)	(8,914,605,805)	(1,914,790,812)
Other assets	636,102,941	(27,293,323)	761,704,836	56,482,867
Increase (decrease) in operating liabilities				
Deposits	13,934,243,960	7,699,827,123	13,917,044,998	7,512,530,728
Interbank and money market items	(1,140,270,113)	28,885,836,529	(1,140,270,113)	28,885,836,529
Liability payable on demand	(110,175,143)	124,328,187	(110,175,143)	124,328,187
Short-term borrowings	4,168,522,046	(4,202,663,803)	4,168,522,046	(4,202,663,803)
Provisions	(143,437,882)	(68,700,452)	(143,437,882)	(68,700,452)
Credit support liabilities on derivatives	5,247,770,035	(916,101,834)	5,247,770,035	(916,101,834)
Other liabilities	124,116,296	206,940,065	(8,849,396)	(50,517,476)
Cash flows (used in) provided by operating activities	(15,680,551,703)	5,852,663,460	(12,660,207,748)	8,901,920,007
Cash received from interest income	14,377,949,429	13,653,855,758	10,939,287,458	10,682,135,864
Cash paid for interest expenses	(6,578,613,485)	(5,144,814,563)	(6,579,515,960)	(5,146,131,186)
Cash paid (received) for income tax	(164,761,796)	(424,746,068)	121,054,277	(71,039,791)
Net cash flows (used in) provided by operating activities	(8,045,977,555)	13,936,958,587	(8,179,381,973)	14,366,884,894

Statements of Cash Flows (Cont'd)

For the year ended 31 December 2019

	Notes	Consolidated		Separate	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
Cash flows from investing activities					
Cash paid for purchases of available-for-sale securities		(27,549,333,482)	(32,583,604,603)	(27,549,333,482)	(32,583,604,603)
Proceeds from disposals of available-for-sale securities		35,167,757,786	4,208,825,541	35,167,757,786	4,208,825,541
Proceeds from maturity of available-for-sale securities		7,627,300,000	51,200,000	7,627,300,000	51,200,000
Cash paid for purchases of held to maturity securities		(4,194,283,404)	(12,462,512,179)	(4,192,283,404)	(12,462,512,179)
Proceeds from maturity of held to maturity securities		4,731,280,000	5,905,850,000	4,731,280,000	5,905,850,000
Proceeds from repayment of investment in receivable		788,253	795,015	788,253	795,015
Cash paid for purchases of investment in subsidiary	9	-	-	-	(500,000,000)
Cash paid for purchases of general investments		-	(726,500)	-	(726,500)
Proceeds from disposals of general investments		2,564,090	6,752,752	2,564,090	6,752,752
Proceeds from decrease in capital of general investments		-	14,990,000	-	14,990,000
Cash paid for purchases of premises and equipment		(295,357,042)	(161,435,893)	(250,101,510)	(134,988,728)
Proceeds from disposals of premises and equipment		9,342,879	16,085,199	7,577,958	6,268,162
Cash paid for purchases of intangible assets		(708,309,652)	(280,289,448)	(667,017,974)	(276,548,473)
Dividend received		8,427,415	10,508,869	8,427,415	10,508,869
Interest received		2,287,289,337	1,689,255,397	2,287,261,545	1,689,255,397

The accompanying notes to the consolidated and bank financial statements from page 169 to 289 are an integral part of these financial statements.

Statements of Cash Flows (Cont'd)

For the year ended 31 December 2019

Notes	Consolidated		Separate	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Net cash flows provided by (used in) investing activities	17,087,466,180	(33,584,305,850)	17,174,220,677	(34,063,934,747)
Cash flows from financing activities				
Cash paid for interest expenses	(48,800,000)	(48,800,000)	-	-
Cash received from capital increase	-	3,951,569,703	-	3,951,569,703
Proceeds from issuance of borrowings	8,534,832,747	16,273,471,128	8,534,832,747	16,273,471,128
Cash paid for redemption of borrowings	(17,909,088,000)	(366,500,000)	(17,909,088,000)	(366,500,000)
Net cash flows (used in) provided by financing activities	(9,423,055,253)	19,809,740,831	(9,374,255,253)	19,858,540,831
Gains on foreign currency translation differences	(15,953,935)	(4,493,892)	(15,953,935)	(4,493,892)
Net (decrease) increase in cash and cash equivalents	(397,520,563)	157,899,676	(395,370,484)	156,997,086
Cash and cash equivalents at beginning of the year	1,749,088,327	1,591,188,651	1,745,984,495	1,588,987,409
Cash and cash equivalents at the end of the year	1,351,567,764	1,749,088,327	1,350,614,011	1,745,984,495
Supplemental disclosure of cash flows information				
Non-cash transaction:				
Payable from purchase premises and equipment	1,597,778	294,250	1,597,778	294,250
Properties for sale received from premises and equipment	89,686,806	22,455,456	89,686,806	22,455,456
Change in revaluation surplus in available-for-sale	472,498,608	(274,248,938)	472,498,608	(274,248,938)
Interest amortisation from premium or discount	124,753,905	111,472,079	124,753,905	111,472,079

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2019

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Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2019

1 GENERAL INFORMATION

CIMB Thai Bank Public Company Limited (the “Bank”) is a public limited company which is listed on the Stock Exchange of Thailand and is incorporated and domiciled in Thailand. The Bank has operated as a commercial bank in Thailand since 8 March 1949. The address of the Company’s registered office is 44 Langsuan Road, Lumpini, Patumwan, Bangkok.

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

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

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

The consolidated and separate financial statements were authorised by the Board of Directors on 20 February 2020.

2 ACCOUNTING POLICIES

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

2.1 Basis of preparation of consolidated and separate financial statements

The consolidated and separate financial statements (“the financial statements”) have been prepared in accordance with Thai Generally Accepted Accounting Principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act. The presentation of financial statements and disclosures in the notes to financial statements have been prepared in the format as required by the Notification of the Bank of Thailand (BOT) no. SorNorSor 21/2558 Re: The Preparation and Format of the Financial Statements of Commercial Bank and Holding Parent Company of Financial Group dated 4 December 2015.

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

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

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

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

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

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

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

TFRS 2 clarifies:

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

TFRS 15 Revenue from Contracts with Customers replaces TAS18 (revised 2017) Revenue.

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

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

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

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

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

The above revised standards do not have significant impact on the Group.

2.2.2 New and amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2020 which are relevant to the Group. The Group has not yet adopted these revised standards.

a) Financial instruments

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

The above new standards will supersede the following standards:

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

These new standards address the classification, measurement and derecognition of financial assets and financial liabilities, impairment of financial assets, hedge accounting, and presentation and disclosure of financial instruments.

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

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

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

Classification and measurement:

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

The combined application of the entity's business model and the cash flow characteristics of the financial assets do not result in the significant change in the classification of financial asset when compared to the existing classification of financial assets in the statement of financial position as at 31 December 2019. However, the Group has identified certain instruments that will change the classification from existing classification. The major changes in classification and measurement on 1 January 2020 will consist of the following instrument:

- General investment which is currently stated at cost less allowance for impairment in value will be measured at fair value elected at inception to be fair valued in other comprehensive income.
- Investment in receivables which currently holds as a held-to-maturity instrument will be reclassified as a purchased or originated credit-impaired asset (POCI).

The concept of interest recognition will be changed to recognise at effective interest rate in which there will be no longer reversal concept for accrued interest income on loan when its principal or interest payment has become over three months past due which recognise interest income on cash basis. The recognition interest income on loan when its principal or interest payment has become over three months past due or stage 3 loan account following the definition of TFRS 9 will be recognised at effective interest rate of the carrying amount after impairment.

Impairment of financial assets

The impairment requirements relating to the accounting for an entity's expected credit losses on its financial assets measured at amortised cost, investments in debt instruments measured at fair value through other comprehensive income, loan commitments and financial guarantee contracts. The expected credit loss model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised. The entity always accounts for expected credit losses which involves a three-stage expected credit loss impairment model. The stage dictates how the entity measures impairment

losses and applies the effective interest rate method in which the a three-stage expected credit loss impairment will be as the following stages:

- Stage 1 - From initial recognition of financial assets to the date on which the credit risk of the asset has increased significantly relative to its initial recognition, a loss allowance is recognised equal to the credit losses expected to result from defaults occurring over the next 12 months.
- Stage 2 - Following a significant increase in credit risk relative to the initial recognition of the financial assets, a loss allowance is recognised equal to the credit losses expected over the remaining life of the asset.
- Stage 3 - When a financial asset is considered to be credit-impaired, a loss allowance equal to full lifetime expected credit losses is to be recognised.

Under the three-stage expected credit loss impairment model except for significant exposures in loans to customer, the impairment will be assessed by using collective approach model with forward looking information adjustment. The impairment of some significant exposures in loans to customer will be assessed by using individual assessment approach.

For trade receivables and contractual assets which apply in TFRS 15 and are no significant financial components, they are permitted to measure by simplified approach for credit impaired consideration.

As a consequence, the method of impairment loss calculation will be changed from calculation in accordance with the existing BOT's guideline to calculation by the Group's impairment model with taking effect of forward looking adjustment.

Hedge accounting

The objective of hedge accounting is to represent, in the financial statements, the effect of an entity's risk management activities that use financial instruments to manage exposures arising from particular risks that could affect profit or loss (or other comprehensive income, in the case of investments in equity instruments for which an entity has elected to present changes in fair value in other comprehensive income). This approach aims to convey the context of hedging instruments for which hedge accounting is applied in order to allow insight into their purpose and effect.

The impact from hedge accounting is immaterial to the financial statement.

Transitional impact

On 1 January 2020, the Group will apply the financial reporting standards in its financial statements by applying full retrospective approach for changing interest recognition to effective interest rate from beginning of the contract. For other items, the group will apply modified retrospective approach. The Group's management is currently assessing the impact on the opening retained earnings which will be affected by the following items:

- Change in balance of general investment, which is currently stated at cost less allowance for impairment, will be measured at fair value. The change in fair value and gains (losses) from sale will be recognised to other comprehensive income.

- Change in calculation of allowance for impairment of financial assets under the new standard requirement.

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

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

b) TFRS 16 Leases

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

On 1 January 2020, the Group would apply TFRS 16 Leases and recognise liabilities under lease agreements in accordance with the obligations and discounting to present values with incremental borrowing rates of the lessees and right-of-use assets are recognised equal to the present value of liabilities under the lease agreements on the first time adoption.

The Group's management assessed the impact of TFRS 16 is immaterial to the Group's total assets and total liabilities.

2.3 Revenue recognition

(a) Interest and discount on loans

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

The Group recognises interest income on restructured loans on the same accrual basis as used for loans discussed above, with the exception of loans that are subject to monitoring for compliance with restructuring conditions, on which the Bank recognises interest income on a cash basis until the borrower has been able to comply with the restructuring

conditions for a period of not less than three consecutive months or three consecutive installments, whichever is longer.

(b) Interest and dividends on investments

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

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

(c) Fees and services income

The Group recognises fees and services income when a diverse range of services has been rendered to its customers.

Fee and services income is generally recognised on the completion of a transaction. Such fees include insurance brokerage income, underwriting fees, collection fees, and other fees related to the completion of corporate finance transactions.

For a service that is provided over a period of time, fee and services income is recognised over the period during which the related service is provided or credit risk is undertaken. Such fees include the income from issuance of acceptances, avals and guarantees and management fees.

(d) Gains (losses) on sale of investments

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

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

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

(f) Income from hire-purchase contracts

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

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

(g) Other income

Other income is recognised as income on an accrual basis.

2.4 Expense recognition

(a) Interest expenses

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

(b) Commission fee under hire-purchase agreements

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

(c) Fees and service expenses and other expenses

Fee and service expenses and other expenses are recognised as expense on an accrual basis.

2.5 Investments

The Group classifies investments, other than investments in subsidiaries, associates and joint ventures, into 5 categories: 1. Trading investments; 2. Investments designated at fair value through profit or loss (Fair Value Option) 3. Available-for-sale investments; 4. Held-to-maturity investments; and 5. General investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

- (1) Trading investments are investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price not more than 3 months. Trading investments are traded in active markets and included in short-term investment.
- (2) Investments designated at fair value through profit or loss (Fair Value Option) are investments which have specific intention to manage the risk in trading derivatives portfolio in order to help the Bank reduces the accounting mismatch on measurement or recognition between investments and trading derivatives transactions.
- (3) Available-for-sale investments are investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, and are included in long-term investment unless management has expressed the intention of holding the investment for less than 12 months from the statements of financial position date, in which case they are included in short-term investment.
- (4) Held-to-maturity investments are investments with fixed maturity that the management has the intent and ability to hold to maturity, and are classified as held-to-maturity and included in long-term investment, except for maturities within 12 months from the statements of financial position date which are classified as short-term investment.
- (5) General investments are investments in non-marketable equity securities.

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

Trading investments and investments designated at fair value through profit or loss (Fair Value Option) are presented in the statements of financial position at fair value less allowance for impairment, if any. Unrealised gains and losses of trading investments are recognised in the gains (losses) on investment.

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

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

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

General investments are carried at cost less impairment.

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

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

2.6 Investments in receivables

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

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

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

2.7 Investments in subsidiaries

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

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

Acquisition-related costs are expensed as incurred.

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

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

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

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

2.8 Cash

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

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

(a) For loans of commercial banking business

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

(b) For hire-purchase receivables

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

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

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

2.10 Troubled debt restructuring and associated losses

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

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

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

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

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

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

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

2.11 Properties for sale

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

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

2.12 Premises, equipment and depreciation

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

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

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

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

Buildings	20 years and 40 years
Equipment	5 years and 10 years

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

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

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

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

2.13 Intangible assets

(a) Computer software

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

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

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

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

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

(b) Other intangible assets

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

2.14 Impairment of assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that

the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.15 Leasehold rights

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

2.16 Leases

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

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

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

2.17 Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

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

2.18 Financial derivatives

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

(a) Trading transactions

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

(b) Hedging transactions

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

(1) Fair value hedge

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

(2) Cash flow hedge

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

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

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

(3) Net investment in foreign operations hedge

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

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

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

2.19 Embedded derivatives

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

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

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

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

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

2.21 Borrowings

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

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

2.22 Employee benefits and pension fund

Defined contribution plan

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

Defined benefit plan

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

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

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

2.23 Provisions

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

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

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

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

2.24 Share capital

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

2.25 Current and deferred income taxes

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

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

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

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

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

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

2.26 Share-based payment

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

related company in Malaysia which will purchase, own the shares until the transfer date on behalf of the Bank and other companies in the Group.

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

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

2.27 Dividend distribution

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

2.28 Segment reporting

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

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

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

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

3.1.1 Market risk

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

The Group has a Market Risk Management Unit, which is responsible for assessment of market risk, and uses tools and systems that are widely accepted as efficient to help measure, monitor and manage market risk. This supports the Bank in ensuring that market

risk is monitored and managed effectively, preventing the occurrence of unacceptable levels of market risk, and enabling the Group to take action to adjust market risk to appropriate levels in a timely manner.

3.1.1.1 Foreign exchange risk

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

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

3.1.1.2 Interest rate risk

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

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

3.1.1.3 Equity position risk

Equity position risk is the risk that changes in the market prices of equity securities may result in changes in the value of investments, and fluctuations in revenues and the value of financial assets. Equity position risk is not material to the Group.

3.1.2 Credit risk

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

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

In respect of the credit review and approval process, the Group has appointed a Credit Committee to consider the granting of credit facilities at different levels, based on the credit limit, focusing on borrowers' ability to make repayment, the type of credit, the

financial status of the borrower, the economic situation and the status of the borrowers' industry. Furthermore, the Group has established an independent Credit Review Unit to ensure that the credit approval process is transparent and effective.

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

3.1.3 Liquidity risk

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

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

4 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

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

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

(a) Allowance for doubtful accounts for loans

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

(b) Fair value of financial derivative instruments

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

(c) Impairment of investments

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

(d) Allowance for impairment of property for sale

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

(e) Building, equipment and intangible assets

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

(f) Provision for post retirement benefits and pension fund

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

5 CAPITAL RISK MANAGEMENT

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

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

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

6 INTERBANK AND MONEY MARKET ITEMS, NET (ASSETS)

	2019			Consolidated 2018		
	At call Million Baht	Term Million Baht	Total Million Baht	At call Million Baht	Term Million Baht	Total Million Baht
Domestic:						
Bank of Thailand and the Financial Institutions Development Fund	1,645	-	1,645	2,869	-	2,869
Commercial banks	485	-	485	375	1,000	1,375
Specialised Financial Institutions	11	-	11	8	-	8
Other financial institutions	-	2,860	2,860	-	1,426	1,426
Total domestic items	2,141	2,860	5,001	3,252	2,426	5,678
<u>Add</u> Accrued interest receivables	-	5	5	-	7	7
<u>Less</u> Allowance for doubtful debts	-	(1)	(1)	-	-	-
Domestic items, net	2,141	2,864	5,005	3,252	2,433	5,685
Foreign:						
US dollar	565	-	565	357	-	357
Yen	81	-	81	6	-	6
Euro	30	-	30	1	-	1
Other currencies	741	-	741	691	50	741
Foreign items	1,417	-	1,417	1,055	50	1,105
Domestic and foreign items, net	3,558	2,864	6,422	4,307	2,483	6,790

	2019			Separate 2018		
	At call Million Baht	Term Million Baht	Total Million Baht	At call Million Baht	Term Million Baht	Total Million Baht
Domestic:						
Bank of Thailand and the Financial Institutions Development Fund	1,645	-	1,645	2,869	-	2,869
Commercial banks	280	-	280	277	1,000	1,277
Other financial institutions	-	2,860	2,860	-	1,426	1,426
Total domestic items	1,925	2,860	4,785	3,146	2,426	5,572
<u>Add</u> Accrued interest receivables	-	5	5	-	7	7
<u>Less</u> Allowance for doubtful debts	-	(1)	(1)	-	-	-
Domestic items, net	1,925	2,864	4,789	3,146	2,433	5,579
Foreign:						
US dollar	565	-	565	357	-	357
Yen	81	-	81	6	-	6
Euro	30	-	30	1	-	1
Other currencies	741	-	741	691	50	741
Foreign items	1,417	-	1,417	1,055	50	1,105
Domestic and foreign items, net	3,342	2,864	6,206	4,201	2,483	6,684

7 DERIVATIVES

7.1 Trading derivatives

Fair value and notional amount classified by type of risk

	2019			Consolidated and Separate 2018		
	Fair value			Fair value		
	Asset Million Baht	Liability Million Baht	Notional amount Million Baht	Asset Million Baht	Liability Million Baht	Notional amount Million Baht
Exchange rate	22,439	22,751	1,451,120	14,783	15,756	1,671,140
Interest rate	20,357	16,164	2,151,761	8,291	6,242	2,229,489
Others	301	4,012	48,998	182	529	33,405
Total	43,097	42,927	3,651,879	23,256	22,527	3,934,034

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

	Consolidated and Separate	
	2019 Proportion	2018 Proportion
Financial institutions	93	94
Companies under common control	3	3
External parties	4	3
Total	100	100

7.2 Derivative for hedging

7.2.1 Cash flow hedge

	2019			2018		
	Fair value			Fair value		
	Asset Million Baht	Liability Million Baht	Notional amount Million Baht	Asset Million Baht	Liability Million Baht	Notional amount Million Baht
Exchange rate	321	1,733	30,287	140	1,767	28,752
Interest rate	41	-	2,450	-	24	2,450
Total	362	1,733	32,737	140	1,791	31,202

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

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

	2019			
	3 months or less Million Baht	More than 3 months to 1 year Million Baht	More than 1 year to 5 years Million Baht	More than 5 years Million Baht
Cash inflow	38	407	5,584	310
Cash outflow	(292)	(399)	(14,008)	(3,620)
Net cashflow	(254)	8	(8,424)	(3,310)

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

8 INVESTMENTS, NET

8.1 Classified by type of investment

Consolidated		
	2019 Fair value Million Baht	2018 Fair value Million Baht
Securities held for trading		
Government and state enterprises securities	17,491	14,543
Private sector debt securities	3,859	3,221
Total securities held for trading	21,350	17,764
Securities designated at fair value through profit or loss		
Government and state enterprises securities	11,418	5,399
Total securities designated at fair value through profit or loss	11,418	5,399
Available-for-sale securities		
Government and state enterprises securities	29,926	42,871
Private sector debt securities	4,456	5,943
Domestic marketable equity securities	64	60
Total available-for-sales securities	34,446	48,874
	Cost/ Amortised Cost Million Baht	Cost/ Amortised Cost Million Baht
Held-to-maturity debt securities		
Government and state enterprises securities	19,422	19,933
Private sector debt securities	95	133
Investments in receivables (Note 8.6)	58	59
Total	19,575	20,125
Less Allowance for impairment (Note 8.6)	(20)	(20)
Total held-to-maturity debt securities	19,555	20,105

	Cost Million Baht	Cost Million Baht
General investments		
Domestic non-marketable equity securities	255	255
Overseas non-marketable equity securities	-	1
Total	255	256
Less Allowance for impairment	(226)	(226)
Total general investments	29	30
Investments, net	86,798	92,172

	2019 Fair value Million Baht	Separate 2018 Fair value Million Baht
Securities held for trading		
Government and state enterprises securities	17,491	14,543
Private sector debt securities	3,859	3,221
Total securities held for trading	21,350	17,764
Securities designated at fair value through profit or loss		
Government and state enterprises securities	11,418	5,399
Total securities designated at fair value through profit or loss	11,418	5,399
Available-for-sale securities		
Government and state enterprises securities	29,926	42,871
Private sector debt securities	4,456	5,943
Domestic marketable equity securities	64	60
Total available-for-sales securities	34,446	48,874

	Cost/ Amortised Cost Million Baht	Cost/ Amortised Cost Million Baht
Held-to-maturity debt securities		
Government and state enterprises securities	19,420	19,933
Private sector debt securities	95	133
Investments in receivables (Note 8.6)	58	59
Total	19,573	20,125
<u>Less</u> Allowance for impairment (Note 8.6)	(20)	(20)
Total held-to-maturity debt securities	19,553	20,105
	Cost Million Baht	Cost Million Baht
General investments		
Domestic non-marketable equity securities	255	255
Overseas non-marketable equity securities	-	1
Total	255	256
<u>Less</u> Allowance for impairment	(226)	(226)
Total general investments	29	30
Investments, net	86,796	92,172

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

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

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

	2019				2018			
	Periods remaining				Periods remaining			
	1 year	1 - 5	Over	Total	1 year	1 - 5	Over	Total
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Securities designated at fair value through profit or loss								
Government and state enterprises securities	-	-	9,006	9,006	-	-	5,312	5,312
Add Allowance for revaluation	-	-	2,412	2,412	-	-	87	87
Securities designated at fair value through profit or loss, net	-	-	11,418	11,418	-	-	5,399	5,399
Available-for-sale securities								
Government and state enterprises securities	6,196	20,000	3,472	29,668	11,156	24,191	7,635	42,982
Private sector debt securities	401	3,729	270	4,400	512	5,172	303	5,987
Total	6,597	23,729	3,742	34,068	11,668	29,363	7,938	48,969
Add (Less) Allowance for revaluation	24	258	33	315	(4)	(39)	(111)	(154)
Less Allowance for impairment	(1)	-	-	(1)	(1)	-	-	(1)
Available-for-sale securities, net	6,620	23,987	3,775	34,382	11,663	29,324	7,827	48,814
Held-to-maturity securities								
Government and state enterprises securities	365	9,813	9,244	19,422	4,699	8,571	6,663	19,933
Private sector debt securities	90	5	-	95	38	95	-	133
Held-to-maturity securities	455	9,818	9,244	19,517	4,737	8,666	6,663	20,066
Total debt securities	7,075	33,805	24,437	65,317	16,400	37,990	19,889	74,279

	2019				Separate 2018			
	Periods remaining				Periods remaining			
	1 year Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	Total Million Baht	1 year Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	Total Million Baht
Securities designated at fair value through profit or loss								
Government and state enterprises securities	-	-	9,006	9,006	-	-	5,312	5,312
Add Allowance for revaluation	-	-	2,412	2,412	-	-	87	87
Securities designated at fair value through profit or loss, net	-	-	11,418	11,418	-	-	5,399	5,399
Available-for-sale securities								
Government and state enterprises securities	6,196	20,000	3,472	29,668	11,156	24,191	7,635	42,982
Private sector debt securities	401	3,729	270	4,400	512	5,172	303	5,987
Total	6,597	23,729	3,742	34,068	11,668	29,363	7,938	48,969
Add (Less) Allowance for revaluation	24	258	33	315	(4)	(39)	(111)	(154)
Less Allowance for impairment	(1)	-	-	(1)	(1)	-	-	(1)
Available-for-sale securities, net	6,620	23,987	3,775	34,382	11,663	29,324	7,827	48,814
Held-to-maturity securities								
Government and state enterprises securities	365	9,813	9,242	19,420	4,699	8,571	6,663	19,933
Private sector debt securities	90	5	-	95	38	95	-	133
Held-to-maturity securities	455	9,818	9,242	19,515	4,737	8,666	6,663	20,066
Total debt securities	7,075	33,805	24,435	65,315	16,400	37,990	19,889	74,279

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

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

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

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

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

	Consolidated and Separate	
	2019 Cost Million Baht	2018 Cost Million Baht
General investments		
Investment in property funds	66	66
Less Allowance for revaluation	(17)	(24)
General investments, net	49	42

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

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

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

8.6 Investments in receivables

	2019 Million Baht	2018 Million Baht
Investments in receivables	58	59
<u>Less</u> Allowance for impairment	(20)	(20)
Investments in receivables, net	38	39

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

	2019				2018			
	Number of debtors	Principal Million Baht	Purchase price Million Baht	Estimated rate of return (yield) %	Number of debtors	Principal Million Baht	Purchase price Million Baht	Estimated rate of return (yield) %
Total accumulated investments in receivables	5,857	22,948	6,996	19.0	5,857	22,948	6,996	19.0
Outstanding investments in receivables as at the statements of financial position date	33	964	58	1.29	37	965	59	1.34

9 INVESTMENTS IN SUBSIDIARIES, NET

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

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held. There are no other type of shares issued by subsidiaries other than ordinary shares.

10 LOANS AND ACCRUED INTEREST RECEIVABLES, NET

10.1 Classified by loan type

	Consolidated		Separate	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
Bank overdrafts	6,048	5,699	6,115	5,809
Loans	168,847	159,647	172,575	165,702
Bills	22,295	27,669	52,560	47,310
Hire-purchase receivables	53,482	41,498	-	-
Others	225	42	207	28
Total loans	250,897	234,555	231,457	218,849
<u>Less</u> Deferred revenue	(10,817)	(8,255)	-	(1)
Total loans net of deferred revenue	240,080	226,300	231,457	218,848
<u>Add</u> Accrued interest receivables	463	492	469	502
Total loans net of deferred revenue and accrued interest receivables	240,543	226,792	231,926	219,350
<u>Less</u> Allowance for doubtful debts (Note 11)				
Minimum allowance for doubtful accounts required based on BOT's guidelines – Individual approach	(5,638)	(5,534)	(5,418)	(5,407)
General provision for further losses	(4,962)	(5,005)	(4,054)	(4,295)
<u>Less</u> Revaluation allowance for debt restructuring (Note 12)	(32)	(52)	(32)	(52)
Loans and accrued interest receivables, net	229,911	216,201	222,422	209,596

10.2 Classified by currency and residency of debtors

	2019			2018		
	Domestic	Foreign	Total	Domestic	Foreign	Total
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Baht	224,502	591	225,093	210,620	627	211,247
US dollar	13,783	-	13,783	12,618	989	13,607
Other currencies	101	1,103	1,204	240	1,206	1,446
Total loans net of deferred revenue	238,386	1,694	240,080	223,478	2,822	226,300

	2019			2018		
	Domestic	Foreign	Total	Domestic	Foreign	Total
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Baht	215,879	591	216,470	203,168	627	203,795
US dollar	13,783	-	13,783	12,618	989	13,607
Other currencies	101	1,103	1,204	240	1,206	1,446
Total loans net of deferred revenue	229,763	1,694	231,457	216,026	2,822	218,848

10.3 Classified by types of business and loan classification

	2019					
	Pass	Special	Sub-	Doubtful	Doubtful	Total
	Million Baht	mention	standard	Million Baht	of loss	Million Baht
Agricultural and mining	8,082	266	-	-	1	8,349
Manufacturing and commerce	33,872	2,908	509	908	3,249	41,446
Real estate and construction	14,916	388	843	9	208	16,364
Public utilities and services	22,249	1,356	688	10	618	24,921
Personal cash	9,982	322	136	-	89	10,529
Housing loans	73,983	1,575	627	565	1,948	78,698
Hire-purchase receivable and financial lease receivable	36,853	5,263	541	3	5	42,665
Others	16,559	210	70	79	190	17,108
Total loans net of deferred revenue	216,496	12,288	3,414	1,574	6,308	240,080

Consolidated

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

Separate

	2019					
	Pass Million Baht	Special mention Million Baht	Sub- standard Million Baht	Doubtful Million Baht	Doubtful of loss Million Baht	Total Million Baht
Agricultural and mining	8,082	266	-	-	1	8,349
Manufacturing and commerce	33,872	2,908	509	908	3,249	41,446
Real estate and construction	14,916	388	843	9	208	16,364
Public utilities and services	22,249	1,356	688	10	618	24,921
Personal cash	9,982	322	136	-	89	10,529
Housing loans	73,983	1,575	627	565	1,948	78,698
Others	50,601	210	70	80	189	51,150
Total loans net of deferred revenue	213,685	7,025	2,873	1,572	6,302	231,457

Separate

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

10.4 Classification of loans

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

(a) Loans of the Group

Consolidated

	2019				2018			
	Net amount Loans and used for set accrued allowance interest for doubtful receivables account ⁽¹⁾ Million Baht	Minimum percentage %	Allowance provided in the accounts Million Baht		Net amount Loans and used for set accrued allowance interest for doubtful receivables account ⁽¹⁾ Million Baht	Minimum percentage %	Allowance provided in the accounts Million Baht	
Minimum allowance for doubtful account based on BOT's guidelines								
- Pass	216,918	75,733	1	751	204,271	77,281	1	769
- Special mention	12,324	2,428	2	46	12,614	2,896	2	57
- Sub-standard	3,418	1,210	100	1,258	2,693	1,102	100	1,098
- Doubtful	1,575	638	100	638	2,305	1,109	100	1,108
- Doubtful of loss	6,308	2,683	100	2,945	4,909	2,249	100	2,502
Surplus allowance								
- General provision				4,962				5,005
Total	240,543	82,692		10,600	226,792	84,637		10,539

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

	2019				Separate 2018			
	Net amount Loans and used for set accrued allowance interest for doubtful receivables account ⁽¹⁾		Minimum percentage	Allowance provided in the accounts	Net amount Loans and used for set accrued allowance interest for doubtful receivables account ⁽¹⁾		Minimum percentage	Allowance provided in the accounts
	Million Baht	Million Baht	%	Million Baht	Million Baht	Million Baht	%	Million Baht
Minimum allowance for doubtful account based on BOT's guidelines								
- Pass	214,114	102,837	1	1,027	201,236	97,628	1	975
- Special mention	7,061	1,375	2	26	8,578	2,012	2	39
- Sub-standard	2,877	737	100	788	2,327	788	100	787
- Doubtful	1,572	635	100	635	2,302	1,106	100	1,106
- Doubtful of loss	6,302	2,678	100	2,942	4,907	2,247	100	2,500
Surplus allowance								
- General provision				4,054				4,295
Total	231,926	108,262		9,472	219,350	103,781		9,702

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

As at 31 December 2019, the Group and the Bank had defaulted loans amounting to Baht 10,732 million and Baht 10,183 million, respectively (31 December 2018: Baht 9,175 million and Baht 8,803 million, respectively), were ceased recognition of interest income.

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

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

	Debt balance - net unearned income		Allowance for doubtful accounts	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
Current or overdue less than 1 installment	36,853	28,836	65	52
Overdue 1 installment but less than 3 installments	5,263	4,036	20	17
Overdue 3 installments but less than 6 installments	541	367	469	311
Overdue 6 installments but less than 12 installments	3	3	3	3
Overdue 12 installments and more	5	2	4	2
Total	42,665	33,244	561	385
General provision	-	-	908	710
Total	42,665	33,244	1,469	1,095

10.5 Non-performing loans

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

	Consolidated		Separate	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
Non-performing loans (principal only)				
- Banking business	10,747	9,529	10,747	9,529
- Other businesses	549	372	-	-

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

During the year 2019, two subsidiaries have sold non-performing loans for hire-purchase vehicles and motorcycles. These non-performing loans have been written-off according to the Group's policy. The subsidiaries realised gains on sale of non-performing loans totalling Baht 407.7 million (2018: Baht 231 million).

10.6 Hire-purchase and finance lease receivables

As at 31 December 2019, subsidiaries had receivables under hire-purchase agreements and financial leases totalling Baht 41,196 million (31 December 2018: Baht 32,149 million) mostly comprising hire-purchase agreements and financial leases for cars and motorcycles. The term of the agreements are generally between three and six years and interest is mostly charged at a fixed rate.

	Consolidated				
	2019				
	Amounts due under lease agreement				
	Less than 1 year Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	Non - performing loans Million Baht	Total Million Baht
Gross investment in the lease	15,792	34,541	2,423	726	53,482
<u>Less</u> Unearned finance income	(4,435)	(6,081)	(124)	(177)	(10,817)
Present value of minimum lease payments receivable	11,357	28,460	2,299	549	42,665
<u>Less</u> Allowance for doubtful accounts					(1,469)
Net receivables under hire-purchase agreements and financial leases					41,196

Consolidated

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

10.7 Troubled debt restructuring

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

Consolidated and Separate

	2019	
	Number of loans	Outstanding balance before restructuring Million Baht
Outstanding receivables restructured before 2019	2,964	2,702
Outstanding receivables restructured during the year ended 31 December 2019	303	614

Consolidated and Separate

	2018	
	Number of loans	Outstanding balance before restructuring Million Baht
Outstanding receivables restructured before 2018	4,148	3,404
Outstanding receivables restructured during the year ended 31 December 2018	220	69

Details of customers whose debts have been restructured during the year ended 31 December 2019 and 2018 compared with total loan customers, both in the consolidated financial statements and separate financial statements, are as follows:

	Consolidated		Separate	
	2019		2019	
	Number of loans	Outstanding balance before restructuring Million Baht	Number of loans	Outstanding balance before restructuring Million Baht
Restructured debts	339	828	339	828
Total loan customers	444,589	240,080	142,969	231,457

	Consolidated		Separate	
	2018		2018	
	Number of loans	Outstanding balance before restructuring Million Baht	Number of loans	Outstanding balance before restructuring Million Baht
Restructured debts	247	82	247	82
Total loan customers	411,545	226,300	160,153	218,848

Details of the restructured debts during the years ended 31 December 2019 and 2018, classified into the restructuring methods are as follows:

	Consolidated and Separate			
	2019			
Restructuring method	Number of loans	Before restructuring Million Baht	Fair value of assets Million Baht	After restructuring Million Baht
Modifications of terms of payments	339	828	-	828
Total	339	828	-	828

	Consolidated and Separate			
	2018			
Restructuring method	Number of loans	Before restructuring Million Baht	Fair value of assets Million Baht	After restructuring Million Baht
Modifications of terms of payments	247	82	-	82
Total	247	82	-	82

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

Period of debts restructuring contracts	2019			2018		
	Debt balances			Debt balances		
	Number of debtors	Before	After	Number of debtors	Before	After
		restructuring Million Baht	restructuring Million Baht		restructuring Million Baht	restructuring Million Baht
Not more than 5 years	223	322	322	90	12	12
5 - 10 years	103	474	474	142	40	40
10 - 15 years	2	2	2	3	6	6
More than 15 years	11	30	30	12	24	24
Total	339	828	828	247	82	82

Supplemental information relating to the restructured debts for the years ended ended 31 December 2019 and 2018 are as follows:

	Consolidated and Separate	
	2019 Million Baht	2018 Million Baht
Interest income	218	317

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

	Consolidated and Separate	
	2019	2018
Number of debtors	3,267	4,368
Debt balances after restructuring (Million Baht)	2,374	2,679

In cases where the troubled debt restructuring involves modifications of the terms and the repayment conditions, the fair value of the loans after restructuring is determined based on the net present value of expected future cashflows, discounted by the market interest rate. As at 31 December 2019, the Bank had losses from the revaluation of restructured debts (PV Loss) of Baht 32 million (31 December 2018: Baht 52 million) for which the it provided an allowance for revaluation as a result of debt restructuring.

11 ALLOWANCE FOR DOUBTFUL DEBTS

Consolidated

	2019						
	Pass Million Baht	Special mention Million Baht	Sub- standard Million Baht	Doubtful Million Baht	Doubtful of loss Million Baht	General provision Million Baht	Total Million Baht
Balance as at 1 January 2019	769	57	1,098	1,108	2,502	5,005	10,539
<u>Add</u> (Deduction) addition during the year	(18)	(11)	1,254	(466)	2,591	(780)	2,570
Transfer from revaluations allowance for debt restructuring	-	-	-	-	-	25	25
Bad debt recoveries	-	-	-	-	-	722	722
<u>Less</u> Bad debts written off	-	-	(1,094)	(4)	(1,416)	(5)	(2,519)
Reduction from sale of NPL	-	-	-	-	(732)	-	(732)
Transfer to revaluations allowance for debt restructuring	-	-	-	-	-	(5)	(5)
Balance as at 31 December 2019	751	46	1,258	638	2,945	4,962	10,600

Consolidated

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

Separate

		2019						
		Pass Million Baht	Special mention Million Baht	Sub- standard Million Baht	Doubtful Million Baht	Doubtful of loss Million Baht	General provision Million Baht	Total Million Baht
Balance as at 1 January 2019		975	39	787	1,106	2,500	4,295	9,702
<u>Add</u>	Addition (deduction) during the year	52	(13)	2	(469)	2,589	(977)	1,184
	Transfer from revaluations allowance for debt restructuring	-	-	-	-	-	25	25
	Bad debt recoveries	-	-	-	-	-	722	722
<u>Less</u>	Bad debts written off	-	-	(1)	(2)	(1,415)	(6)	(1,424)
	Reduction from sale of NPL	-	-	-	-	(732)	-	(732)
	Transfer to revaluations allowance for debt restructuring	-	-	-	-	-	(5)	(5)
Balance as at 31 December 2019		1,027	26	788	635	2,942	4,054	9,472

Separate

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

12 REVALUATION ALLOWANCE FOR DEBT RESTRUCTURING

Consolidated and Separate

	2019 Million Baht	2018 Million Baht
Balance - beginning of the year	52	106
<u>Add</u> Revaluation allowance transferred from allowance for doubtful debts	5	18
<u>Less</u> Revaluation allowance transferred to allowance for doubtful debts	(25)	(72)
Balance - end of the year	32	52

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

13 PROPERTIES FOR SALE, NET

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

Consolidated				
	As at 1 January 2019 Million Baht	Additions Million Baht	Disposals Million Baht	As at 31 December 2019 Million Baht
Asset from debt repayment				
Immovable – Assessed by external appraiser	771	25	(29)	767
Movable	315	2,474	(2,404)	385
Total	1,086	2,499	(2,433)	1,152
Others	129	90	(23)	196
Total properties for sale	1,215	2,589	(2,456)	1,348
<u>Less</u> Allowance for impairment	(198)	(1,018)	992	(224)
Properties for sale, net	1,017	1,571	(1,464)	1,124

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

Separate

	As at 1 January 2019 Million Baht	Additions Million Baht	Disposals Million Baht	As at 31 December 2019 Million Baht
Asset from debt repayment				
Immovable – Assessed by external appraiser	771	25	(29)	767
Total	771	25	(29)	767
Others	129	90	(23)	196
Total properties for sale	900	115	(52)	963
<u>Less</u> Allowance for impairment	(69)	-	-	(69)
Properties for sale, net	831	115	(52)	894

Separate

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

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

Consolidated

	Cost/appraisal value						Accumulated depreciation				Net book value Million Baht	
	As at 1 January 2019 Million Baht	Additions Million Baht	Transfer In/(out) Million Baht	Transfer to properties for sale Million Baht	Disposals/ written off Million Baht	As at 31 December 2019 Million Baht	As at 1 January 2019 Million Baht	Additions Million Baht	Transfer to properties for sale Million Baht	Disposals/ written off Million Baht		As at 31 December 2019 Million Baht
Land												
Cost	444	-	-	(27)	-	417	-	-	-	-	-	417
Revaluation surplus (revaluation in 2016)	1,660	-	-	(57)	-	1,603	-	-	-	-	-	1,603
Devaluation of asset (revaluation in 2016)	(18)	-	-	-	-	(18)	-	-	-	-	-	(18)
Buildings												
Cost	1,857	4	19	(43)	-	1,837	(1,197)	(59)	40	-	(1,216)	621
Revaluation surplus (revaluation in 2016)	1,130	-	-	(21)	-	1,109	(918)	(18)	16	-	(920)	189
Devaluation of asset (revaluation in 2016)	(22)	-	-	4	-	(18)	12	1	(2)	-	11	(7)
Equipment	2,605	260	15	-	(288)	2,592	(2,020)	(222)	-	268	(1,974)	618
Assets under installation and/or construction	8	32	(34)	-	-	6	-	-	-	-	-	6
Exchange differences	-	(3)	-	-	-	(3)	-	3	-	-	3	-
Total	7,664	293	-	(144)	(288)	7,525	(4,123)	(295)	54	268	(4,096)	3,429

14 PREMISES AND EQUIPMENT, NET (CONT'D)

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

Consolidated

14 PREMISES AND EQUIPMENT, NET (CONT'D)

	Cost/appraisal value						Accumulated depreciation						Net book value Million Baht
	As at 1 January 2019 Million Baht	Additions Million Baht	Transfer In/(out) Million Baht	Transfer to properties for sale Million Baht	Disposals/ written off Million Baht	As at 31 December 2019 Million Baht	As at 1 January 2019 Million Baht	Additions Million Baht	Transfer to properties for sale Million Baht	Disposals/ written off Million Baht	As at 31 December 2019 Million Baht		
Land													
Cost	444	-	-	(27)	-	417	-	-	-	-	-	417	
Revaluation surplus (revaluation in 2016)	1,660	-	-	(57)	-	1,603	-	-	-	-	-	1,603	
Devaluation of asset (revaluation in 2016)	(18)	-	-	-	-	(18)	-	-	-	-	-	(18)	
Buildings													
Cost	1,857	4	19	(43)	-	1,837	(1,197)	(59)	40	-	(1,216)	621	
Revaluation surplus (revaluation in 2016)	1,130	-	-	(21)	-	1,109	(918)	(18)	16	-	(920)	189	
Devaluation of asset (revaluation in 2016)	(22)	-	-	4	-	(18)	12	1	(2)	-	11	(7)	
Equipment	2,388	215	15	-	(278)	2,340	(1,868)	(201)	-	257	(1,812)	528	
Assets under installation and/or construction	8	32	(34)	-	-	6	-	-	-	-	-	6	
Exchange differences	-	(3)	-	-	-	(3)	-	3	-	-	3	-	
Total	7,447	248	-	(144)	(278)	7,273	(3,971)	(274)	54	257	(3,934)	3,339	

Separate

14 PREMISES AND EQUIPMENT, NET (CONT'D)

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

Separate

15 INTANGIBLE ASSETS, NET

Consolidated

	Amortising period	As at 1 January 2019 Million Baht	Increase Million Baht	Transfer in/(out) Million Baht	Write off Million Baht	Amortisation Million Baht	As at 31 December 2019 Million Baht
Expenditures in connection with development and improvement of computer systems							
- under development	-	160	291	(266)	-	-	185
Expenditures in connection with development and improvement of process							
- under development	-	-	311	-	-	-	311
Computer software	5 - 10 years	329	105	266	-	(134)	566
Net intangible assets		489	707	-	-	(134)	1,062

Consolidated

	Amortising period	As at 1 January 2018 Million Baht	Increase Million Baht	Transfer in/(out) Million Baht	Write off Million Baht	Amortisation Million Baht	As at 31 December 2018 Million Baht
Expenditures in connection with development and improvement of computer systems							
- under development	-	155	257	(245)	(7)	-	160
Computer software	5 - 10 years	215	26	177	(2)	(87)	329
Net intangible assets		370	283	(68)	(9)	(87)	489

Separate

	Amortising period	As at 1 January 2019 Million Baht	Increase Million Baht	Transfer in/(out) Million Baht	Write off Million Baht	Amortisation Million Baht	As at 31 December 2019 Million Baht
Expenditures in connection with development and improvement of computer systems							
- under development	-	159	273	(266)	-	-	166
Expenditures in connection with development and improvement of process							
- under development	-	-	300	-	-	-	300
Computer software	5 - 10 years	322	93	266	-	(131)	550
Net intangible assets		481	666	-	-	(131)	1,016

Separate

	Amortising period	As at 1 January 2018 Million Baht	Increase Million Baht	Transfer in/(out) Million Baht	Write off Million Baht	Amortisation Million Baht	As at 31 December 2018 Million Baht
Expenditures in connection with development and improvement of computer systems							
- under development	-	155	256	(245)	(7)	-	159
Computer software	5 - 10 years	210	22	176	(2)	(84)	322
Net intangible assets		365	278	(69)	(9)	(84)	481

16 DEFERRED INCOME TAXES

The movement of deferred income tax account is as follows:

	Consolidated		Separate	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
Beginning of the year	1,393	1,373	938	1,023
(Credited) charged to profit or loss	(175)	39	(192)	(67)
Tax credited relation to components of the comprehensive income	(46)	(19)	(52)	(18)
End of the year	1,172	1,393	694	938

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

							Consolidated		
	Provision Million Baht	Tax losses Million Baht	Interest in suspense account Million Baht	Allowance for impairment of properties foreclosed Million Baht	Allowance for doubtful accounts Million Baht	Deferred income front-end fee and entry fee insurance Million Baht	Deferred income premium Million Baht	Others Million Baht	Total Million Baht
Deferred tax assets									
At 1 January 2019	376	135	148	40	887	45	70	187	1,888
(Credited) charged to profit or loss	(5)	274	2	5	98	(16)	(11)	(71)	276
Tax charged relation to components of the comprehensive income	6	-	-	-	-	-	-	-	6
At 31 December 2019	377	409	150	45	985	29	59	116	2,170
At 1 January 2018	390	135	146	31	824	48	70	174	1,818
Charged (credited) to profit or loss	1	-	2	9	63	(3)	-	24	96
Tax credited relation to components of the comprehensive income	(15)	-	-	-	-	-	-	(11)	(26)
At 31 December 2018	376	135	148	40	887	45	70	187	1,888

					Consolidated	
		Gain from fair value of investment Million Baht	Gain from revaluation of assets Million Baht		Others Million Baht	Total Million Baht
Deferred tax liabilities						
At 1 January 2019		79	395		21	495
Charged (credited) to profit or loss		427	(7)		31	451
Tax charged (credited) relation to components of the comprehensive income		63	-		(11)	52
At 31 December 2019		569	388		41	998
Deferred tax liabilities						
At 1 January 2018		34	406		5	445
Charged (credited) to profit or loss		68	(11)		-	57
Tax charged relation to components of the comprehensive income		(23)	-		16	(7)
At 31 December 2018		79	395		21	495

Separate

	Provision Million Baht	Tax losses Million Baht	Interest in suspense account Million Baht	Allowance for impairment of properties foreclosed Million Baht	Allowance for doubtful accounts Million Baht	Deferred income front-end fee and entry fee insurance Million Baht	Deferred income premium Million Baht	Others Million Baht	Total Million Baht
Deferred tax assets									
At 1 January 2019	357	135	137	14	656	45	70	19	1,433
(Credited) charged to profit or loss	(12)	274	-	-	-	(16)	(11)	(2)	233
At 31 December 2019	345	409	137	14	656	29	59	17	1,666
At 1 January 2018	371	135	138	14	656	48	70	36	1,468
Credited to profit or loss	-	-	(1)	-	-	(3)	-	(6)	(10)
Tax credited relation to components of the comprehensive income	(14)	-	-	-	-	-	-	(11)	(25)
At 31 December 2018	357	135	137	14	656	45	70	19	1,433

Separate

	Gain from fair value of investment Million Baht	Gain from revaluation of assets Million Baht	Others Million Baht	Total Million Baht
Deferred tax liabilities				
At 1 January 2019	79	395	21	495
Charged (credited) to profit or loss	427	(7)	5	425
Tax charged (credited) relation to components of the comprehensive income	63	-	(11)	52
At 31 December 2019	569	388	15	972
Deferred tax liabilities				
At 1 January 2018	34	406	5	445
Charged (credited) to profit or loss	68	(11)	-	57
Tax charged relation to components of the comprehensive income	(23)	-	16	(7)
At 31 December 2018	79	395	21	495

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

	Consolidated and Separate	
	2019 Million baht	2018 Million baht
Provision	445	81
Tax loss carry forward	722	722
Allowance for doubtful accounts	302	244
Fair value loss from investment	3	160
Interest in suspense	176	-
Others	82	86
Total	1,730	1,293

17 OTHER ASSETS, NET

	Consolidated		Separate	
	2019 Million baht	2018 Million baht	2019 Million baht	2018 Million baht
Accrued interest and dividend receivables	295	382	294	382
Advances	33	29	33	29
Others assets awaiting account transfer	79	281	79	107
Commission receivables	201	47	161	47
Withholding tax	198	229	198	227
Marginal deposits	107	89	94	78
Prepaid expenses	538	903	531	897
Accounts receivable from sale of non-performing loans – promissory note	438	906	282	906
Others	268	138	69	79
Total	2,157	3,004	1,741	2,752
Less Allowance for impairment	(28)	(29)	(28)	(29)
Other assets, net	2,129	2,975	1,713	2,723

18 DEPOSITS

18.1 Classified by type of deposits

	Consolidated		Separate	
	2019 Million baht	2018 Million baht	2019 Million baht	2018 Million baht
At call	2,912	2,168	2,912	2,168
Savings	60,450	52,810	60,531	52,908
Fixed	134,829	127,269	134,845	127,286
Negotiable certificate of deposit	844	2,854	844	2,853
Total deposits	199,035	185,101	199,132	185,215

18.2 Classified by currency and residency of depositors

	Consolidated			2018		
	2019			2018		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Baht	194,043	1,697	195,740	180,934	1,599	182,533
US dollar	2,351	309	2,660	1,906	230	2,136
Other currencies	574	61	635	369	63	432
Total	196,968	2,067	199,035	183,209	1,892	185,101

	Consolidated			2018		
	2019			2018		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Baht	194,140	1,697	195,837	181,048	1,599	182,647
US dollar	2,351	309	2,660	1,906	230	2,136
Other currencies	574	61	635	369	63	432
Total	197,065	2,067	199,132	183,323	1,892	185,215

19 INTERBANK AND MONEY MARKET ITEMS (LIABILITIES)

	2019			2018		
	At call Million Baht	Term Million Baht	Total Million Baht	At call Million Baht	Term Million Baht	Total Million Baht
Domestic:						
Commercial banks	242	30,580	30,822	177	27,600	27,777
Specialised Financial Institutions	3	2,537	2,540	8	6,546	6,554
Finance, finance and securities, securities, and credit foncier companies	4,611	433	5,044	4,988	1,950	6,938
Other financial institutions	2,858	276	3,134	824	304	1,128
Total domestic items	7,714	33,826	41,540	5,997	36,400	42,397
Foreign:						
US dollar	64	1	65	267	659	926
Other currencies	1,228	561	1,789	848	363	1,211
Total foreign items	1,292	562	1,854	1,115	1,022	2,137
Total domestic and foreign items	9,006	34,388	43,394	7,112	37,422	44,534

20 FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

	2019 Million Baht	2018 Million Baht
Debentures	11	14,703
Bills of Exchange	24,412	20,810
Total	24,423	35,513

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

	2019 Proportion	2018 Proportion
Financial institutions	100	54
External parties	-	46
Total	100	100

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

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

21 DEBT ISSUED AND BORROWINGS

	2019			2018		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Debentures						
Debentures maturing in 2020, coupon rate of 2.44% per annum	2,000	-	2,000	2,000	-	2,000
Subordinated debentures						
Subordinated debentures of RM 400 million, maturing in 2024, coupon rate of 5.60% per annum	-	-	-	-	3,122	3,122
Subordinated debentures of RM 570 million, maturing in 2026, coupon rate of 5.35% per annum	-	4,174	4,174	-	4,449	4,449
Subordinated debentures of RM 390 million, maturing in 2028, coupon rate of 5.20% per annum	-	2,856	2,856	-	3,044	3,044
Subordinated debentures of RM 550 million, maturing in 2029, coupon rate of 4.15% per annum	-	4,027	4,027	-	-	-
Structured debentures						
Structured debentures	6,112	1,563	7,675	1,016	-	1,016
	8,112	12,620	20,732	3,016	10,615	13,631
Structured bills of exchange						
Structured bills of exchange	1,800	3,287	5,087	1,800	3,537	5,337
	1,800	3,287	5,087	1,800	3,537	5,337
Total	9,912	15,907	25,819	4,816	14,152	18,968

	2019			2018		
	Domestic	Foreign	Total	Domestic	Foreign	Total
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Subordinated debentures						
Subordinated debentures of RM 400 million, maturing in 2024, coupon rate of 5.60% per annum	-	-	-	-	3,122	3,122
Subordinated debentures of RM 570 million, maturing in 2026, coupon rate of 5.35% per annum	-	4,174	4,174	-	4,449	4,449
Subordinated debentures of RM 390 million, maturing in 2028, coupon rate of 5.20% per annum	-	2,856	2,856	-	3,044	3,044
Subordinated debentures of RM 550 million, maturing in 2029, coupon rate of 4.15% per annum	-	4,027	4,027	-	-	-
Structured debentures						
Structured debentures	6,112	1,563	7,675	1,016	-	1,016
	6,112	12,620	18,732	1,016	10,615	11,631
Structured bills of exchange						
Structured bills of exchange	1,800	3,287	5,087	1,800	3,537	5,337
	1,800	3,287	5,087	1,800	3,537	5,337
Total	7,912	15,907	23,819	2,816	14,152	16,968

(a) On 8 May 2017, CIMB Thai Auto Co., Ltd which is the Bank's subsidiary, issued debentures. The subscription unit is at 2,000,000 units at Baht 1,000 each and issued price of Baht 1,000 each for an aggregate amount of Baht 2,000 million carrying constant interest rate of 2.44% per annum with a payment of interest every six months. The debenture has a tenor of 3 years and is due on 8 May 2020.

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

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

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

(c) On 11 July 2016, the Bank issued MYR 570 million of subordinated debentures pursuant to tier II subordinated debenture programme to overseas investors, 5,700,000 units of MYR 100 each, interest

rate of 5.35% per annum with a payment of interest every six months. The debenture has a tenor of 10 years and is due in 2026. The Bank may exercise its right to early redeem the debenture after 5 years subject to approval by the Bank of Thailand.

The Bank has an approval from the Bank of Thailand to count the subordinated debenture as tier II capital according to the correspondence For Kor Kor. (O2) 414/2559.

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

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

- (e) As at 31 December 2019, the Bank has structured debentures of Baht 7,675 million (31 December 2018: Baht 1,016 million) as follows:

- The Bank issued structured debentures (Maxi X-Change Single Barrier Bullish) of Baht 59 million (31 December 2018: Baht 60 million) with 6 months from respective issuance dates. The Bank will pay interest at maturity date according to the movement of the underlying.
- The Bank issued structured debentures (Fund Link Note) in foreign currency of USD 12 million which equivalent to Baht 357 million and in Baht 6,053 million (31 December 2018: Baht 956 million), the return is based on movement of the price of mutual fund.
- The Bank issued credit linked notes (CLN) of USD 40 million which equivalent to Baht 1,206 million which will mature in 3 years. The holder will receive all coupon amounts and the redemption amount on the maturity date according to the conditions of agreement, subject to no credit event determination occurring with respect to the reference entity.

- (f) As at 31 December 2019, the Bank had credit linked bill of exchange (CLN) of Baht 5,087 million (31 December 2018: Baht 5,337 million) as follows:

- The Bank issued CLN of Baht 1,800 million (31 December 2018: Baht 1,800 million) which will mature in 10 years. The holder will receive all coupon amounts on respective coupon payment date and the redemption amount on the maturity date, subject to no credit event determination occurring with respect to the reference entity. The credit linked bills of exchange bear interest rate at 3.75% – 4.01% per annum (31 December 2018: 3.75% – 4.01% per annum) with a payment of interest every six months.
- The Bank issued CLN of USD 109 million or equivalence Baht 3,287 million (31 December 2018: USD 109 million or equivalence Baht 3,537 million) which will mature in 8 – 15 years (31 December 2018: 8 – 15 years). The holder will receive all coupon amounts and the redemption amount on the maturity date according to the conditions of agreement, subject to no credit event determination occurring with respect to the reference entity. The credit linked note bills of exchange bear interest rate at 6M LIBOR + 1.6597% to 6M LIBOR + 2.3925% per annum (31 December 2018: 6M LIBOR + 1.6597% to 6M LIBOR + 2.3925% per annum) with a payment of interest every six-months.

22 PROVISIONS

	Consolidated		Separate	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
Provision for contingent loss from legal cases	73	58	73	58
Reserve for off-statements of financial position items	351	476	351	476
Provision for employee benefits	1,852	1,427	1,694	1,332
Provision for assets restoration	23	27	23	27
Total provisions	2,299	1,988	2,141	1,893

Provision for employee benefits

	Consolidated		Separate	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
Present value of post-employment benefit obligations	1,852	1,427	1,694	1,332
Provision for employee benefits	1,852	1,427	1,694	1,332

Movements of provision for pension funds are as follows:

	Consolidated		Separate	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
Beginning balance	1,427	1,413	1,332	1,322
Current service costs	141	121	128	114
Past service costs	139	-	117	-
Gains on settlement	(8)	-	(8)	-
Interest costs	39	37	36	35
Remeasurements:				
(Gains) losses from changes of;				
Demographic assumptions	(66)	-	(55)	-
Financial assumptions	324	-	289	-
Experience gains	(1)	(70)	(5)	(70)
Less Pension benefits paid for the year	(143)	(74)	(140)	(69)
Ending balance	1,852	1,427	1,694	1,332

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

	Consolidated		Separate	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
Current service costs	141	121	128	114
Past service costs	139	-	117	-
Gains on settlement	(8)	-	(8)	-
Interest costs	39	37	36	35
Total	311	158	273	149

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

	2019	2018
Discount rate	1.50%	2.75%
Salary increase rate	6.00%	5.00%
Pre-retirement mortality rate	75.00% of Thai Mortality Ordinary Table 2017	75.00% of Thai Mortality Ordinary Table 2017
Disability rate	10.00% of pre-retirement mortality rate	10.00% of pre-retirement mortality rate
Pre-retirement withdrawal rate	Employees who are eligible for pension benefit: Flat 2.865% of Thai Withdrawal Table, Other employees: 75% of Thai Withdrawal Table	Employees who are eligible for pension benefit: Flat 1.910% of Thai Withdrawal Table, Other employees: 75% of Thai Withdrawal Table
Retirement age	60 years old	60 years old

Sensitivity analysis for each significant assumptions:

		Consolidated				
	Change in assumption		Impact on defined benefit obligation			
			Increase in assumption		Decrease in assumption	
	2019	2018	2019	2018	2019	2018
Weighted average discount rate	0.5%	0.5%	Decrease by 3.86%	Decrease by 3.24%	Increase by 4.91%	Increase by 4.87%
Weighted average rate of salary increase	1.0%	1.0%	Increase by 10.23%	Increase by 10.02%	Decrease by 8.35%	Decrease by 7.64%

	Change in assumption		Impact on defined benefit obligation			
			Increase in assumption		Decrease in assumption	
	2019	2018	2019	2018	2019	2018
Weighted average discount rate	0.5%	0.5%	Decrease by 3.70%	Decrease by 3.10%	Increase by 4.79%	Increase by 4.81%
Weighted average rate of salary increase	1.0%	1.0%	Increase by 9.96%	Increase by 9.85%	Decrease by 8.09%	Decrease by 7.42%

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

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

As at 31 December 2019, the weighted average duration of the defined benefit obligation is 8.3 years (31 December 2018: 8 years).

Expected maturity analysis of undiscounted benefits:

	Consolidated			
	2019			
	Less than a year Million Baht	Between 1 - 5 years Million Baht	Over 5 years Million Baht	Total Million Baht
Retirement benefits	181	350	1,600	2,131

	Consolidated			
	2018			
	Less than a year Million Baht	Between 1 - 5 years Million Baht	Over 5 years Million Baht	Total Million Baht
Retirement benefits	137	336	1,350	1,823

	Separate			
	2019			
	Less than a year Million Baht	Between 1 - 5 years Million Baht	Over 5 years Million Baht	Total Million Baht
Retirement benefits	163	338	1,440	1,941

Separate

	2018			
	Less than a year Million Baht	Between 1 - 5 years Million Baht	Over 5 years Million Baht	Total Million Baht
Retirement benefits	125	324	1,242	1,691

23 OTHER LIABILITIES

Consolidated

Separate

	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
Amount due to Department of Alternative Energy Development and Efficiency	18	29	18	29
Other liabilities awaiting accounts transfer	640	423	558	423
Accrued interest	680	753	673	746
Deferred commission	161	237	169	244
Accrued expense	2,094	2,047	1,533	1,489
Corporate income tax payable	108	141	-	-
Others	547	508	196	258
Total	4,248	4,138	3,147	3,189

24 SHARE CAPITAL

Consolidated and Separate

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

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

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

25 OTHER RESERVES

		Consolidated
	2019 Million Baht	2018 Million Baht
Revaluation surplus on assets	1,935	1,972
Revaluation surplus (deficit) on change in value of investments	313	(160)
Losses arising from translating the financial statement of a Foreign operation	(17)	-
Gains on cash flow hedges	27	82
Remeasurements of post - employment benefit obligations	(361)	(103)
Income tax relating to components of other comprehensive expense	(429)	(390)
Total	1,468	1,401

		Separate
	2019 Million Baht	2018 Million Baht
Revaluation surplus on assets	1,935	1,972
Revaluation surplus (deficit) on change in value of investments	313	(160)
Losses arising from translating the financial statement of a Foreign operation	(17)	-
Gains on cash flow hedges	27	82
Remeasurements of post - employment benefit obligations	(305)	(76)
Income tax relating to components of other comprehensive expense	(440)	(396)
Total	1,513	1,422

(a) Revaluation surplus on assets

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

Consolidated and Separate		
	2019 Million Baht	2018 Million Baht
Balance – beginning of the year	1,972	2,029
Less Amortisation	(37)	(57)
Balance – end of the year	1,935	1,972

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

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

Consolidated and Separate		
	2019 Million Baht	2018 Million Baht
Revaluation surplus on investments:		
Debt securities	316	88
Equity securities	14	18
Total	330	106
Revaluation deficit on investments:		
Debt securities	-	(242)
Equity securities	(17)	(24)
Total	(17)	(266)
Revaluation surplus (deficit) on change in value of investments, net	313	(160)

26 STATUTORY RESERVE

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

As at 31 December 2019, the Bank had total statutory reserve of Baht 403.98 million (31 December 2018: Baht 403.60 million).

27 CAPITAL FUNDS

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

Capital fund (Full consolidate supervision)	Total capital		Total capital	
	2019 Million Baht	to risk assets %	2018 Million Baht	to risk assets %
Tier I				
Issued and paid up share capital	17,411		17,411	
Share premium	10,146		10,146	
Statutory reserve	404		404	
Unappropriated surplus	7,618		7,619	
Other reserves	1,646		1,361	
Deduction on Tier I capital fund	(2,590)		(2,065)	
Total Tier I capital fund	34,635	13.05	34,876	14.09
Tier II				
Long-term subordinated debentures	12,262		12,244	
Reserve for loan classified as pass	748		766	
Total Tier II capital fund	13,010	4.90	13,010	5.25
Total capital funds	47,645	17.95	47,886	19.34

Capital funds (Separate)	Total capital		Total capital	
	2019 Million Baht	to risk assets %	2018 Million Baht	to risk assets %
Tier I				
Issued and paid up share capital	17,411		17,411	
Share premium	10,146		10,146	
Statutory reserve	404		404	
Unappropriated surplus	5,012		5,825	
Other reserves	1,689		1,404	
Deduction on Tier I capital fund	(2,022)		(2,393)	
Total Tier I capital fund	32,640	12.38	32,797	13.32
Tier II				
Long-term subordinated debentures	12,262		12,244	
Reserve for loan classified as pass	1,027		975	
Total Tier II capital fund	13,289	5.04	13,219	5.37
Total capital funds	45,929	17.42	46,016	18.69

As at 31 December 2019, the Bank's regulatory capital after deducting capital add-on arising from single lending was Baht 45,929 million (31 December 2018: Baht 46,016 million).

The Bank has maintained capital fund and liquidity coverage ratio under BOT notification of international capital requirement standards under the Basel III regulatory framework and will disclose capital maintenance information as at 31 December 2019 in accordance with the Notification of the Bank of Thailand Re: Public Disclosure of Capital Maintenance Information for Commercial Banks and Consolidated Supervision and Liquidity coverage ratio disclosure standards on its website at www.cimbthai.com within four months after the statements of financial position date.

28 SHARE-BASED PAYMENTS

Equity Ownership Plan (EOP)

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

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

Upon termination of employment other than retirement, disability or death, any unreleased shares will be disposed at market price, and the proceeds from disposal will be returned to the Bank. In the event of retirement, disability or death of the eligible employee, the shares will be assigned to the employee or designated beneficiary on the date of retirement, disability or death.

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

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

	Number of ordinary shares under the EOP as at	
	2019 units '000	2018 units '000
Beginning of financial year	1,241	1,418
Awarded during financial year	1,095	762
Released during financial year	(1,087)	(939)
End of financial year	1,249	1,241

For the year ended 31 December 2019, the Bank has expenses for share-based payments amounting to Baht 42 million (2018 : Baht 38 million) and the Bank has share-based payment reserves amounting to Baht 35 million (31 December 2018 : Baht 34 million).

29 IMPORTANT POSITIONS AND PERFORMANCE CLASSIFIED BY TYPE OF DOMESTIC OR FOREIGN TRANSACTIONS

29.1 Position classified by type of transaction

	2019			2018		
	Domestic	Foreign	Total	Domestic	Foreign	Total
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Total assets	391,515	392	391,907	355,446	403	355,849
Interbank and money market items, net (assets)	6,195	227	6,422	6,451	339	6,790
Derivative assets	43,459	-	43,459	23,396	-	23,396
Investments, net	86,696	102	86,798	92,172	-	92,172
Loans to customers and accrued interest receivables, net	229,860	51	229,911	216,137	64	216,201
Deposits	199,024	11	199,035	185,092	9	185,101
Interbank and money market items (liabilities)	43,394	-	43,394	44,534	-	44,534
Financial liabilities designated at fair value through profit or loss	24,423	-	24,423	35,513	-	35,513
Derivative liabilities	44,660	-	44,660	24,318	-	24,318
Debt issued and borrowings	25,819	-	25,819	18,968	-	18,968

	2019			2018		
	Domestic	Foreign	Total	Domestic	Foreign	Total
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Total assets	384,757	392	385,149	349,974	403	350,377
Interbank and money market items, net (assets)	5,979	227	6,206	6,345	339	6,684
Derivative assets	43,459	-	43,459	23,396	-	23,396
Investments, net	86,694	102	86,796	92,172	-	92,172
Investments in subsidiaries, net	2,208	-	2,208	2,208	-	2,208
Loans to customers and accrued interest receivables, net	222,371	51	222,422	209,532	64	209,596
Deposits	199,121	11	199,132	185,206	9	185,215
Interbank and money market items (liabilities)	43,394	-	43,394	44,534	-	44,534
Financial liabilities designated at fair value through profit or loss	24,423	-	24,423	35,513	-	35,513
Derivative liabilities	44,660	-	44,660	24,318	-	24,318
Debt issued and borrowings	23,819	-	23,819	16,968	-	16,968

29.2 Performance classified by type of transaction

	Consolidated		
	2019		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Interest income	16,413	8	16,421
Interest expenses	(5,513)	-	(5,513)
Net interest income	10,900	8	10,908
Net fee and services income	2,170	-	2,170
Other operating income	1,077	-	1,077
Other operating expenses	(9,624)	(16)	(9,640)
Bad and doubtful debts and impairment losses	(2,572)	-	(2,572)
Profit (losses) before income tax expenses	1,951	(8)	1,943

	Consolidated		
	2018		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Interest income	15,302	8	15,310
Interest expenses	(4,563)	-	(4,563)
Net interest income	10,739	8	10,747
Net fee and services income	1,808	-	1,808
Other operating income	1,127	-	1,127
Other operating expenses	(8,475)	(17)	(8,492)
Bad and doubtful debts and impairment losses	(4,919)	-	(4,919)
Profit (losses) before income tax expenses	280	(9)	271

	Separate		
	2019		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Interest income	12,970	8	12,978
Interest expenses	(5,465)	-	(5,465)
Net interest income	7,505	8	7,513
Net fee and services income	1,245	-	1,245
Other operating income	305	-	305
Other operating expenses	(7,246)	(16)	(7,262)
Bad and doubtful debts and impairment losses	(1,185)	-	(1,185)
Profit (losses) before income tax expenses	624	(8)	616

	Separate		
	2018		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Interest income	12,334	8	12,342
Interest expenses	(4,515)	-	(4,515)
Net interest income	7,819	8	7,827
Net fee and services income	1,087	-	1,087
Other operating income	574	-	574
Other operating expenses	(6,523)	(17)	(6,540)
Bad and doubtful debts and impairment losses	(3,686)	-	(3,686)
Profit (losses) before income tax expenses	(729)	(9)	(738)

30 INTEREST INCOME

	Consolidated		Separate	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
Interbank and money market items	88	128	87	127
Investments and trading transactions	773	560	773	560
Investments in debt securities	1,297	1,104	1,297	1,104
Loans	9,623	9,704	10,618	10,436
Hire purchase and financial lease income	4,437	3,699	-	-
Others	203	115	203	115
Interest income	16,421	15,310	12,978	12,342

31 INTEREST EXPENSES

	Consolidated		Separate	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
Deposits	2,850	2,341	2,851	2,342
Interbank and money market items	719	351	719	351
Contribution fee to the Deposit Protection Agency	20	18	20	18
Contribution fee to FIDF	1,043	990	1,043	990
Debt securities issued				
- Subordinated debentures	417	568	417	568
- Others	253	144	253	144
Borrowings	49	49	-	-
Others	162	102	162	102
Interest expenses	5,513	4,563	5,465	4,515

32 NET FEES AND SERVICES INCOME

	Consolidated		Separate	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
Fees and services income				
Acceptances, aval and guarantees	87	82	109	103
ATM, debit card and credit card fees	34	43	34	43
Insurance brokerage income	873	742	873	742
Management fees	107	102	107	102
Underwriting fees	260	135	260	135
Collection fees	198	193	-	-
Goods and services payment fees	768	577	1	2
Others	229	236	231	250
Fees and services income	2,556	2,110	1,615	1,377
Fees and services expenses				
Collection fees	(211)	(152)	(211)	(155)
ATM fees	(24)	(30)	(24)	(30)
Brokerage fees	(97)	(88)	(97)	(88)
Others	(54)	(32)	(38)	(17)
Fees and services expenses	(386)	(302)	(370)	(290)
Net fees and services income	2,170	1,808	1,245	1,087

33 GAINS ON TRADINGS AND FOREIGN EXCHANGE TRANSACTIONS, NET

	Consolidated and Separate	
	2019 Million Baht	2018 Million Baht
Gains (losses) on tradings and foreign exchange transactions		
Foreign currency and foreign exchange rate derivatives	(572)	337
Interest rate derivatives	2,530	777
Debt securities	634	(58)
Equity securities	47	7
Others	(8)	5
Total	2,631	1,068
Losses on hedging transactions	(5)	(14)
Gains on tradings and foreign exchange transactions, net	2,626	1,054

34 LOSSES ON FINANCIAL INSTRUMENT DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS, NET

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

	Consolidated and Separate	
	2019 Million Baht	2018 Million Baht
Net change in fair value		
Bills of exchange	(1,708)	(183)
Debentures	(245)	99
Interest expenses	(850)	(676)
Total	(2,803)	(760)

35 GAINS ON INVESTMENTS, NET

	Consolidated and Separate	
	2019 Million Baht	2018 Million Baht
Gains on sales		
Available-for-sale	342	17
General investments	2	4
Gains on sales, net	344	21
Impairment loss		
General investments	-	(1)
Impairment loss, net	-	(1)
Gains on investments, net	344	20

36 OTHER OPERATING INCOME

	Consolidated		Separate	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
Gains on sales of premises and equipment	12	20	10	11
Gains on sales of properties for sales	28	69	25	140
Bad debts recovery	375	384	-	-
Dividend income	8	11	8	11
Entry fee insurance income	48	48	48	48
Other income	41	55	47	51
Other operating income	512	587	138	261

37 BAD AND DOUBTFUL DEBTS AND IMPAIRMENT LOSSES

	Consolidated		Separate	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
Interbank and money market items	1	(11)	1	(11)
Held-to-maturity debt securities	-	(25)	-	(25)
Loans	2,571	4,955	1,184	3,722
Total	2,572	4,919	1,185	3,686

38 CORPORATE INCOME TAX

	Consolidated		Separate	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
Current tax:				
Current tax on profits for the year	267	303	-	-
Total current tax	267	303	-	-
Deferred tax:				
(Increase) decrease in deferred tax assets	(276)	(96)	(233)	10
Increase in deferred tax liabilities	451	57	425	57
Total deferred tax	175	(39)	192	67
Total tax charge	442	264	192	67

The tax on the Group's profit (loss) before tax differs from the theoretical amount as follows:

	Consolidated		Separate	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
Profit (loss) before tax	1,943	271	616	(738)
Tax calculated at a tax rate of 20%	389	54	123	(148)
Tax effect of:				
Income not subject to tax	(22)	(30)	(22)	(30)
Expenses not deductible for tax purpose	6	13	6	12
Other adjustments	3	6	2	6
Tax losses for which no deferred income tax asset was recognised	-	144	-	144
Unrecognised deferred tax assets	83	83	83	83
Allowance for doubtful debt from subsidiaries	(17)	(6)	-	-
Total tax charge	442	264	192	67
The weighted average applicable tax rate (%)	23	97	31	9

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

	Consolidated			2018		
	2019			2018		
	Before tax Million Baht	Tax (charge) credit Million Baht	After tax Million Baht	Before tax Million Baht	Tax (charge) credit Million Baht	After tax Million Baht
Fair value gains (losses):						
Cash flow hedges	(55)	11	(44)	137	(27)	110
Remeasurements of post-employment benefit obligation	(258)	6	(252)	73	(15)	58
Available-for-sale financial asset	472	(63)	409	(274)	23	(251)
Other comprehensive income (expenses)	159	(46)	113	(64)	(19)	(83)
Current tax		267			303	
Deferred tax		175			(39)	
		442			264	

Separate

	2019			2018		
	Tax (charge)			Tax (charge)		
	Before tax	credit	After tax	Before tax	credit	After tax
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Fair value gains (losses):						
Cash flow hedges	(55)	11	(44)	137	(27)	110
Remeasurements of post-employment benefit obligation	(229)	-	(229)	70	(14)	56
Available-for-sale financial asset	472	(63)	409	(274)	23	(251)
Other comprehensive income (expenses)	188	(52)	136	(67)	(18)	(85)
Current tax		-			-	
Deferred tax		192			67	
		192			67	

In addition, deferred income tax of Baht 7.5 million (31 December 2018: Baht 11 million) was transferred from other reserves to retained earnings. This represents deferred tax on the difference between the actual depreciation on buildings and the equivalent depreciation based on the historical cost of buildings and revaluation surplus on land.

39 PROVIDENT FUND

The Group and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The employees contribute to the fund - managed by Principal Asset Management Company Limited - at rate of 3% - 15% of their basic salaries, and the Bank and its subsidiaries contribute at rate of 5%, and disburse to staff when their employment is terminated under the terms and conditions of the fund. For the year ended 31 December 2019, Baht 141 million and Baht 123 million was contributed to the fund by the Group and the Bank (for the year ended 31 December 2018: Baht 125 million and Baht 109 million, respectively).

40 EARNINGS PER SHARE

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

There are no potential dilutive ordinary shares in issue for the years ended 31 December 2019 and 2018.

41 ENCUMBRANCE OF ASSETS

41.1 Assets used as collateral

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

Consolidated		
	2019 Million Baht	2018 Million Baht
Securities sold under repurchase	28,072	33,104
Utilities usage	7	7
Others	2	-
Total	28,081	33,111

Separate		
	2019 Million Baht	2018 Million Baht
Securities sold under repurchase	28,072	33,104
Utilities usage	7	7
Total	28,079	33,111

41.2 Assets subject to obligation

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

As at 31 December 2019 and 2018, the properties for sale subject to such obligations are as follows:

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

42 COMMITMENTS AND CONTINGENT LIABILITIES

42.1 Commitments

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

	2019			Consolidated 2018		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Avals to bills and guarantees of loans:						
Avals to bills	-	-	-	271	-	271
Guarantees of loans	-	-	-	9	-	9
Total avals to bills and guarantees of loans	-	-	-	280	-	280
Liability under unmatured import bills:						
Liability under unmatured import bills	-	331	331	-	239	239
Letters of credit:						
Letters of credit	7	598	605	41	1,144	1,185
Other commitments:						
Forward and spot contracts						
- Bought	-	538,378	538,378	-	702,639	702,639
- Sold	-	503,131	503,131	-	562,050	562,050
Cross currency and interest rate swap contract						
- Bought	-	240,773	240,773	-	179,589	179,589
- Sold	-	196,525	196,525	-	254,306	254,306
Interest rate swap contracts						
- Fixed rate receiver	806,222	184,159	990,381	877,379	129,383	1,006,762
- Floating rate receiver	916,197	267,462	1,183,659	900,499	349,697	1,250,196
Foreign exchange option						
- Call option sales contracts	-	10	10	-	10	10
- Put option sales contracts	-	171	171	-	305	305
- Call option purchase contracts	-	894	894	-	977	977
- Put option purchase contracts	-	1,526	1,526	-	16	16
Commodity						
- Bought	-	87	87	-	20	20
- Sold	-	87	87	-	20	20

	2019			2018		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Credit derivatives						
- Bought	1,800	4,493	6,293	1,800	3,537	5,337
- Sold	1,800	4,493	6,293	1,800	3,537	5,337
Swaption						
- Sold	-	-	-	8,000	-	8,000
Fund Option						
- Bought	-	8,430	8,430	-	2,106	2,106
- Sold	-	8,430	8,430	-	2,106	2,106
Equity option						
- Bought	-	23	23	-	-	-
- Sold	-	23	23	-	-	-
Bond forward						
- Sold	19,330	-	19,330	18,480	-	18,480
Investments						
- Bought	5,601	-	5,601	509	-	509
- Sold	6,404	-	6,404	1,058	-	1,058
Undrawn bank overdrafts	14,558	-	14,558	14,004	-	14,004
Undrawn credit line	17,256	51	17,307	18,387	2,752	21,139
Other guarantees	11,274	1,021	12,295	10,061	1,142	11,203
Other commitments	1,800,442	1,960,167	3,760,609	1,851,977	2,194,192	4,046,169
Total commitments	1,800,449	1,961,096	3,761,545	1,852,298	2,195,575	4,047,873

	2019			2018		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Avals to bills and guarantees of loans:						
Avals to bills	-	-	-	271	-	271
Guarantees of loans	2,150	-	2,150	2,159	-	2,159
Total avals to bills and guarantees of loans	2,150	-	2,150	2,430	-	2,430
Liability under unmatured import bills:						
Liability under unmatured import bills	-	331	331	-	239	239
Letters of credit:						
Letters of credit	7	598	605	41	1,144	1,185
Other commitments:						
Forward and spot contracts						
- Bought	-	538,378	538,378	-	702,639	702,639
- Sold	-	503,131	503,131	-	562,050	562,050
Cross currency and interest rate swap contract						
- Bought	-	240,773	240,773	-	179,589	179,589
- Sold	-	196,525	196,525	-	254,306	254,306
Interest rate swap contracts						
- Fixed rate receiver	806,222	184,159	990,381	877,379	129,383	1,006,762
- Floating rate receiver	916,197	267,462	1,183,659	900,499	349,697	1,250,196
Foreign exchange option						
- Call option sales contracts	-	10	10	-	10	10
- Put option sales contracts	-	171	171	-	305	305
- Call option purchase contracts	-	894	894	-	977	977
- Put option purchase contracts	-	1,526	1,526	-	16	16
Commodity						
- Bought	-	87	87	-	20	20
- Sold	-	87	87	-	20	20
Credit derivatives						
- Bought	1,800	4,493	6,293	1,800	3,537	5,337
- Sold	1,800	4,493	6,293	1,800	3,537	5,337
Swaption						
- Sold	-	-	-	8,000	-	8,000

	2019			Separate 2018		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Fund Option						
- Bought	-	8,430	8,430	-	2,106	2,106
- Sold	-	8,430	8,430	-	2,106	2,106
Equity option						
- Bought	-	23	23	-	-	-
- Sold	-	23	23	-	-	-
Bond forward						
- Sold	19,330	-	19,330	18,480	-	18,480
Investments						
- Bought	5,601	-	5,601	509	-	509
- Sold	6,404	-	6,404	1,058	-	1,058
Undrawn bank overdrafts	14,558	-	14,558	14,004	-	14,004
Undrawn credit line	17,256	51	17,307	18,387	2,752	21,139
Other guarantees	11,274	1,021	12,295	10,061	1,142	11,203
Other commitments	1,800,442	1,960,167	3,760,609	1,851,977	2,194,192	4,046,169
Total commitments	1,802,599	1,961,096	3,763,695	1,854,448	2,195,575	4,050,023

42.2 Contingent liabilities

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

	Consolidated and Separate	
	2019 Million Baht	2018 Million Baht
Sum claimed in cases where the Group is sole defendant	311	191
Sum claimed in cases where the Group is co-defendant		
- Sum of claims that can be specifically attributed to the Group	312	515
- Sum of claims that cannot be specifically attributed to the Group	22	306
Total	645	1,012

As at 31 December 2019, included in the above-mentioned amounts are cases in which the court was judged in favor of the plaintiffs where the Bank is a co-defendant with others with sums claimed totaling Baht 197 million. However, the Bank is in the process of appealing the decisions (31 December 2018: Baht 482 million). The Bank recognised provisions for contingent loss from legal cases of approximately Baht 73 million (31 December 2018: Baht 58 million). The management concluded and believed that such provisions were adequate to cover any possible loss from these legal cases.

In addition, the Bank recognised reserves of Baht 351 million (31 December 2018: Baht 476 million) for off-statement of financial position items related to guarantees for which the Group have been sued as defendants.

42.3 Commitments under long-term leases

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

	Consolidated		Separate	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
Lease periods				
Not over than 3 years	275	261	166	197
3 – 5 years	3	25	2	4
5 – 10 years	2	3	2	3
Total	280	289	170	204

42.4 Other commitments

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

	Consolidated and Separate	
	2019 Million Baht	2018 Million Baht
Currency		
Baht	112	146
MYR	9	128
USD	3	153
Total	124	427

43 RELATED PARTY TRANSACTIONS

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

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

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

	Consolidated		Separate	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
Subsidiaries				
Revenue:				
Interest income	-	-	886	733
Fee income	-	-	31	34
Expenses:				
Interest expenses	-	-	1	1
Fee expenses	-	-	-	3
Premises and equipments expenses	-	-	-	(1)
Ultimate parent company				
Revenue:				
Interest income	13	17	13	17
Expenses:				
Interest expenses	366	293	366	293
Fee expenses	76	74	76	74
Premises and equipment expenses	9	3	9	3
Related companies				
Revenue:				
Fee income	434	383	434	383
Other income	-	1	-	1
Expenses:				
Interest expenses	13	5	13	5
Fee expenses	11	12	11	12
Premises and equipment expenses	(12)	(12)	(12)	(12)

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

Consolidated

	2019								
	Average loans outstanding Million Baht	Outstanding loans Million Baht	Interbank and money market items (asset) Million Baht	Obligations Million Baht	Other assets Million Baht	Deposits Million Baht	Interbank and money market items (liability) Million Baht	Borrowings Million Baht	Other liabilities Million Baht
Parent company									
CIMB Bank Berhad	-	-	461	-	7	-	212	9,037	68
	-	-	461	-	7	-	212	9,037	68
Companies under common control									
CIMB Bank Plc, Cambodia	-	-	-	141	-	-	52	-	-
CIMB ISLAMIC Bank Berhad	-	-	-	-	-	-	94	-	-
PT Bank CIMB Niaga Tbk	-	-	-	-	1	-	4	-	-
CGS-CIMB Securities (Thailand) Co., Ltd.	-	-	-	-	-	1,271	-	-	-
Principal Asset Management Co., Ltd.	-	-	-	-	27	639	-	-	-
Sathorn Asset Management Co., Ltd.	-	-	-	-	1	159	-	-	10
	-	-	-	141	29	2,069	150	-	10
Other related parties	632*	221*	-	876*	-	542*	-	-	1
	632	221	-	876	-	542	-	-	1

* In September 2019, an Audit committee member of the Bank was engaged as Management of a related company.

Consolidated

	2018								
	Average loans outstanding Million Baht	Outstanding loans Million Baht	Interbank and money market items (asset) Million Baht	Obligations Million Baht	Other assets Million Baht	Deposits Million Baht	Interbank and money market items (liability) Million Baht	Borrowings Million Baht	Other liabilities Million Baht
Parent company									
CIMB Bank Berhad	-	-	370	-	1,298	-	217	6,185	-
	-	-	370	-	1,298	-	217	6,185	-
Companies under common control									
CIMB Bank Plc, Cambodia	-	-	-	52	-	-	16	-	-
CIMB ISLAMIC Bank Berhad	-	-	-	-	-	-	95	-	-
PT Bank CIMB Niaga Tbk	-	-	-	-	1	-	6	-	-
CIMB Securities (Singapore)	-	-	-	-	-	4	-	-	-
CGS-CIMB Securities (Thailand) Co., Ltd.	-	-	-	-	-	559	-	-	-
Principal Asset Management Co., Ltd.	-	-	-	-	-	429	-	-	-
Sathorn Asset Management Co., Ltd.	-	-	-	-	3	621	-	-	11
	-	-	-	52	4	1,613	117	-	11
Other related parties	13	14	-	-	-	136	-	-	-
	13	14	-	-	-	136	-	-	-

Separate

	2019								
	Average loans outstanding Million Baht	Outstanding loans Million Baht	Interbank and money market items (asset) Million Baht	Obligations Million Baht	Other assets Million Baht	Deposits Million Baht	Interbank and money market items (liability) Million Baht	Borrowings Million Baht	Other liabilities Million Baht
Subsidiary companies									
CIMB Thai Auto Co., Ltd	26,557	30,291	-	2,150	1	24	-	-	8
World Lease Co., Ltd.	3,394	3,775	-	-	1	10	-	-	-
CT Coll Co., Ltd.	-	-	-	-	-	63	-	-	-
	29,951	34,066	-	2,150	2	97	-	-	8
Parent company									
CIMB Bank Berhad	-	-	461	-	7	-	212	9,037	68
	-	-	461	-	7	-	212	9,037	68
Companies under common control									
CIMB Bank Plc, Cambodia	-	-	-	141	-	-	52	-	-
CIMB ISLAMIC Bank Berhad	-	-	-	-	-	-	94	-	-
PT Bank CIMB Niaga Tbk	-	-	-	-	1	-	4	-	-
CGS-CIMB Securities (Thailand) Co., Ltd.	-	-	-	-	-	1,271	-	-	-
Principal Asset Management Co., Ltd.	-	-	-	-	27	639	-	-	-
Sathorn Asset Management Co., Ltd.	-	-	-	-	1	159	-	-	10
	-	-	-	141	29	2,069	150	-	10
Other related parties	627*	216*	-	876*	-	538*	-	-	1
	627	216	-	876	-	538	-	-	1

* In September 2019, an Audit committee member of the Bank was engaged as Management of a related company.

Separate

	2018								
	Average loans outstanding Million Baht	Outstanding loans Million Baht	Interbank and money market items (asset) Million Baht	Obligations Million Baht	Other assets Million Baht	Deposits Million Baht	Interbank and money market items (liability) Million Baht	Borrowings Million Baht	Other liabilities Million Baht
Subsidiary companies									
CIMB Thai Auto Co., Ltd	20,535	22,893	-	2,150	1	40	-	-	8
World Lease Co., Ltd.	3,142	2,923	-	-	1	12	-	-	-
CT Coll Co., Ltd.	-	-	-	-	-	62	-	-	-
	23,677	25,816	-	2,150	2	114	-	-	8
Parent company									
CIMB Bank Berhad	-	-	370	-	1,298	-	217	6,185	-
	-	-	370	-	1,298	-	217	6,185	-
Companies under common control									
CIMB Bank Plc, Cambodia	-	-	-	52	-	-	16	-	-
CIMB ISLAMIC Bank Berhad	-	-	-	-	-	-	95	-	-
PT Bank CIMB Niaga Tbk	-	-	-	-	1	-	6	-	-
CIMB Securities (Singapore)	-	-	-	-	-	4	-	-	-
CGS-CIMB Securities (Thailand) Co., Ltd.	-	-	-	-	-	559	-	-	-
Principal Asset Management Co., Ltd.	-	-	-	-	-	429	-	-	-
Sathorn Asset Management Co., Ltd.	-	-	-	-	3	621	-	-	11
	-	-	-	52	4	1,613	117	-	11
Other related parties	8	8	-	-	-	133	-	-	-
	8	8	-	-	-	133	-	-	-

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

	2019		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Parent company			
Interest rate swap contracts			
- Fixed rate receiver	28,015	5,850	33,865
- Floating rate receiver	41,210	3,085	44,295
Forward and spot contracts			
- Bought	-	14,661	14,661
- Sold	-	95	95
Cross currency and interest rate swap contracts			
- Bought	-	11,694	11,694
- Sold	-	437	437
Commodity			
- Bought	-	45	45
- Sold	-	41	41
Fund option			
- Bought	-	53	53
Credit derivatives			
- Sold	1,800	4,493	6,293
Companies under common control			
Forward and spot contracts			
- Bought	-	3	3
- Sold	-	10	10
Computer system and software development agreement	-	1	1

2018

	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Parent company			
Interest rate swap contracts			
- Fixed rate receiver	46,911	87	46,998
- Floating rate receiver	52,210	935	53,145
Forward and spot contracts			
- Bought	-	8,111	8,111
- Sold	-	55	55
Cross currency and interest rate swap contracts			
- Bought	-	11,301	11,301
- Sold	-	306	306
Commodity			
- Bought	-	20	20
Foreign exchange option			
- Put option sales contracts	-	111	111
Swaption			
- Sold	7,000	-	7,000
Credit derivatives			
- Sold	1,800	3,537	5,337
Companies under common control			
Forward and spot contracts			
- Bought	-	7	7
- Sold	-	3	3
Computer system and software development agreement	-	1	1

Director and management remuneration

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

	Consolidated		Separate	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
Short-term employee benefits	564	585	518	552
Long-term employee benefits	25	22	23	22
Share-based payments	42	38	42	38
Director and management remuneration	631	645	583	612

The details of share based payment are as follows:

	Consolidated and Separate	
	2019 thousand units	2018 thousand units
Shares of CIMB Group Holdings Berhad	1,095	762

44 FINANCIAL INFORMATION BY SEGMENT

Business segment reporting is consisted of:

Consumer banking

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

Wholesale banking

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

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

Others

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

Financial information presented in the consolidated financial statements as at 31 December 2019 and 2018 are as follows:

Consolidated

					2019
	Consumer banking Million Baht	Wholesale banking Million Baht	Others Million Baht	Eliminations Million Baht	Total Million Baht
Net interest income from external	7,772	2,455	681	-	10,908
Net fees and service income	1,764	382	45	(21)	2,170
Other operating income	1,060	(96)	121	(8)	1,077
Other operating expenses	(7,369)	(1,773)	(505)	8	(9,639)
Bad and doubtful debts and impairment losses	(2,228)	(216)	(211)	83	(2,572)
Income tax expenses	(241)	(171)	(30)	-	(442)
Net profit for the year	758	581	101	62	1,502

Consolidated

					2018
	Consumer banking Million Baht	Wholesale banking Million Baht	Others Million Baht	Eliminations Million Baht	Total Million Baht
Net interest income from external	8,059	2,271	417	-	10,747
Net fees and service income	1,527	276	32	(27)	1,808
Other operating income	875	16	238	(2)	1,127
Other operating expenses	(6,712)	(1,614)	(173)	7	(8,492)
Bad and doubtful debts and impairment losses	(3,549)	(149)	(1,252)	31	(4,919)
Income tax expenses	(206)	(778)	720	-	(264)
Net (losses) profit for the year	(6)	22	(18)	9	7

	Bank business		Hire-purchase business		Other businesses		Eliminations		Consolidated	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Total assets	385,149	350,377	42,734	33,297	63	64	(36,039)	(27,889)	391,907	355,849
Interbank and money market Items, net (assets)	6,206	6,684	250	158	63	62	(97)	(114)	6,422	6,790
Investments, net	86,796	92,172	2	-	-	-	-	-	86,798	92,172
Loans and accrued interest receivables, net	222,422	209,596	41,215	32,162	-	-	(33,726)	(25,557)	229,911	216,201
Deposits	199,132	185,215	-	-	-	-	(97)	(114)	199,035	185,101
Interbank and money market Items (liabilities)	43,394	44,534	34,060	25,806	-	-	(34,060)	(25,806)	43,394	44,534
Financial liabilities designated at fair value through profit or loss	24,423	35,513	-	-	-	-	-	-	24,423	35,513
Debt issued and borrowings	23,819	16,968	2,000	2,000	-	-	-	-	25,819	18,968

45 FINANCIAL INSTRUMENTS

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

45.1 Credit risk

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

	Consolidated		Separate	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
Agricultural and mining	8,349	6,956	8,349	6,956
Manufacturing and commerce	41,446	45,157	41,446	45,157
Real estate and construction	16,364	13,836	16,364	13,836
Public utilities and services	24,921	29,779	24,921	29,778
Personal cash	10,529	11,961	10,529	11,961
Housing loans	78,698	71,916	78,698	71,916
Hire-purchase receivable and financial lease receivable	42,665	33,244	-	-
Others	17,108	13,451	51,150	39,244
Total loans net of deferred revenue	240,080	226,300	231,457	218,848

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

	Consolidated			Consolidated		
	Counting from 2019			Counting from 2018		
	Less than 1 year Million Baht	Over 1 year Million Baht	Total Million Baht	Less than 1 year Million Baht	Over 1 year Million Baht	Total Million Baht
Aval to bills	-	-	-	271	-	271
Guarantees of loans	-	-	-	9	-	9
Liabilities under unmatured import bills	331	-	331	239	-	239
Letters of credit	605	-	605	1,185	-	1,185
Other guarantees	10,464	1,831	12,295	8,281	2,922	11,203

	Counting from 2019			Separate Counting from 2018		
	Less than 1 year Million Baht	Over 1 year Million Baht	Total Million Baht	Less than 1 year Million Baht	Over 1 year Million Baht	Total Million Baht
Aval to bills	-	-	-	271	-	271
Guarantees of loans	2,150	-	2,150	9	2,150	2,159
Liabilities under						
unmatured import bills	331	-	331	239	-	239
Letters of credit	605	-	605	1,185	-	1,185
Other guarantees	10,464	1,831	12,295	8,281	2,922	11,203

45.2 Market risk

(a) Interest rate risk

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

Descriptions	Consolidated 2019			
	Floating interest rate Million Baht	Fixed interest rate Million Baht	Non-interest bearing Million Baht	Total Million Baht
Financial assets				
Cash	-	-	1,352	1,352
Interbank and money market items	680	2,861	2,877	6,418
Derivative assets	32,916	2,953	7,590	43,459
Investments	58	86,667	319	87,044
Loans net of deferred revenue	152,264	87,816	-	240,080
Credit support assets on derivatives	14,968	-	-	14,968
Other assets	-	204	537	741
Total financial assets	200,886	180,501	12,675	394,062
Financial liabilities				
Deposits	56,524	139,599	2,912	199,035
Interbank and money market items	6,959	35,254	1,181	43,394
Liabilities payable on demand	-	-	269	269
Financial liabilities designated at fair value through profit or loss	24,376	-	47	24,423
Derivative liabilities	27,248	6,104	11,308	44,660
Debt issued and borrowings	8,516	17,303	-	25,819
Credit support liabilities on derivatives	9,158	-	-	9,158
Total financial liabilities	132,781	198,260	15,717	346,758

Consolidated

Descriptions	2018			
	Floating interest rate Million Baht	Fixed interest rate Million Baht	Non-interest bearing Million Baht	Total Million Baht
Financial assets				
Cash	-	-	1,749	1,749
Interbank and money market items	482	2,426	3,875	6,783
Derivative assets	13,670	1,014	8,712	23,396
Investments	59	92,043	316	92,418
Loans net of deferred revenue	143,464	82,836	-	226,300
Credit support assets on derivatives	6,053	-	-	6,053
Other assets	-	490	582	1,072
Total financial assets	163,728	178,809	15,234	357,771
Financial liabilities				
Deposits	50,584	132,349	2,168	185,101
Interbank and money market items	4,358	39,089	1,087	44,534
Liabilities payable on demand	-	-	379	379
Financial liabilities designated at fair value through profit or loss	35,413	-	100	35,513
Derivative liabilities	11,552	2,017	10,749	24,318
Debt issued and borrowings	6,293	12,675	-	18,968
Credit support liabilities on derivatives	3,910	-	-	3,910
Total financial liabilities	112,110	186,130	14,483	312,723

Separate

Descriptions

Financial assets

	Floating interest rate Million Baht	Fixed interest rate Million Baht	Non-interest bearing Million Baht	Total Million Baht
Cash	-	-	1,351	1,351
Interbank and money market items	490	2,861	2,851	6,202
Derivative assets	32,916	2,953	7,590	43,459
Investments	58	86,665	319	87,042
Loans net of deferred revenue	152,314	79,143	-	231,457
Credit support assets on derivatives	14,968	-	-	14,968
Other assets	-	204	328	532
Total financial assets	200,746	171,826	12,439	385,011

Financial liabilities

Deposits	56,605	139,615	2,912	199,132
Interbank and money market items	6,959	35,254	1,181	43,394
Liabilities payable on demand	-	-	269	269
Financial liabilities designated at fair value through profit or loss	24,376	-	47	24,423
Derivative liabilities	27,248	6,104	11,308	44,660
Debt issued and borrowings	8,516	15,303	-	23,819
Credit support liabilities on derivatives	9,158	-	-	9,158
Total financial liabilities	132,862	196,276	15,717	344,855

Separate

Descriptions	2018			
	Floating interest rate Million Baht	Fixed interest rate Million Baht	Non-interest bearing Million Baht	Total Million Baht
Financial assets				
Cash	-	-	1,746	1,746
Interbank and money market items	397	2,425	3,855	6,677
Derivative assets	13,670	1,014	8,712	23,396
Investments	59	92,043	316	92,418
Loans net of deferred revenue	143,560	75,288	-	218,848
Credit support assets on derivatives	6,053	-	-	6,053
Other assets	-	490	538	1,028
Total financial assets	163,739	171,260	15,167	350,166
Financial liabilities				
Deposits	50,682	132,365	2,168	185,215
Interbank and money market items	4,358	39,089	1,087	44,534
Liabilities payable on demand	-	-	379	379
Financial liabilities designated at fair value through profit or loss	35,413	-	100	35,513
Derivative liabilities	11,552	2,017	10,749	24,318
Debt issued and borrowings	6,293	10,675	-	16,968
Credit support liabilities on derivatives	3,910	-	-	3,910
Total financial liabilities	112,208	184,146	14,483	310,837

Consolidated

Transactions

Financial assets							
Cash	-	-	-	-	-	1,352	1,352
Interbank and money market items	528	2,213	800	-	-	2,877	6,418
Derivative assets	-	25,028	10,728	92	21	7,590	43,459
Investments	58	1,780	6,101	36,236	42,550	319	87,044
Loans net of deferred revenue	5,531	36,455	51,335	88,626	58,133	-	240,080
Credit support assets on derivatives	14,968	-	-	-	-	-	14,968
Other assets	-	51	153	-	-	537	741
Total financial assets	21,085	65,527	69,117	124,954	100,704	12,675	394,062
Financial liabilities							
Deposits	56,524	72,187	57,703	9,709	-	2,912	199,035
Interbank and money market items	6,959	34,863	290	101	-	1,181	43,394
Liabilities payable on demand	-	-	-	-	-	269	269
Financial liabilities designated at fair value through profit or loss	-	11,320	13,056	-	-	47	24,423
Derivative liabilities	-	18,191	14,779	123	259	11,308	44,660
Debt issued and borrowings	-	4,068	10,694	-	11,057	-	25,819
Credit support liabilities on derivatives	9,158	-	-	-	-	-	9,158
Total financial liabilities	72,641	140,629	96,522	9,933	11,316	15,717	346,758

Consolidated

Transactions

Financial assets

	Repricing or maturity date						2018
	At call Million Baht	0 - 3 months Million Baht	3 - 12 months Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	Non- interest bearing Million Baht	Total Million Baht
Cash	-	-	-	-	-	1,749	1,749
Interbank and money market items	482	1,526	900	-	-	3,875	6,783
Derivative assets	-	8,728	5,708	45	203	8,712	23,396
Investments	59	3,660	12,844	41,184	34,355	316	92,418
Loans net of deferred revenue	3,829	38,090	51,462	76,781	56,138	-	226,300
Credit support assets on derivatives	6,053	-	-	-	-	-	6,053
Other assets	-	72	214	204	-	582	1,072
Total financial assets	10,423	52,076	71,128	118,214	90,696	15,234	357,771

Financial liabilities

Deposits	50,584	66,280	55,881	10,188	-	2,168	185,101
Interbank and money market items	4,359	37,145	1,769	159	15	1,087	44,534
Liabilities payable on demand	-	-	-	-	-	379	379
Financial liabilities designated at fair value through profit or loss	-	16,896	18,517	-	-	100	35,513
Derivative liabilities	-	7,909	5,648	12	-	10,749	24,318
Debt issued and borrowings	-	3,362	2,990	2,000	10,616	-	18,968
Credit support liabilities on derivatives	3,910	-	-	-	-	-	3,910
Total financial liabilities	58,853	131,592	84,805	12,359	10,631	14,483	312,723

Separate

Transactions

Financial assets

	Repricing or maturity date						2019
	At call Million Baht	0 - 3 months Million Baht	3 - 12 months Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	Non- interest bearing Million Baht	Total Million Baht
Cash	-	-	-	-	-	1,351	1,351
Interbank and money market items	490	2,061	800	-	-	2,851	6,202
Derivative assets	-	25,028	10,728	92	21	7,590	43,459
Investments	58	1,780	6,101	36,236	42,548	319	87,042
Loans net of deferred revenue	5,531	42,009	52,752	75,345	55,820	-	231,457
Credit support assets on derivatives	14,968	-	-	-	-	-	14,968
Other assets	-	51	153	-	-	328	532
Total financial assets	21,047	70,929	70,534	111,673	98,389	12,439	385,011

Financial liabilities

Deposits	56,605	72,193	57,713	9,709	-	2,912	199,132
Interbank and money market items	6,959	34,863	290	101	-	1,181	43,394
Liabilities payable on demand	-	-	-	-	-	269	269
Financial liabilities designated at fair value through profit or loss	-	11,320	13,056	-	-	47	24,423
Derivative liabilities	-	18,191	14,779	123	259	11,308	44,660
Debt issued and borrowings	-	4,068	8,694	-	11,057	-	23,819
Credit support liabilities on derivatives	9,158	-	-	-	-	-	9,158
Total financial liabilities	72,722	140,635	94,532	9,933	11,316	15,717	344,855

Separate

Transactions**Financial assets**

	Repricing or maturity date						2018
	At call Million Baht	0 - 3 months Million Baht	3 - 12 months Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	Non- interest bearing Million Baht	Total Million Baht
Cash	-	-	-	-	-	1,746	1,746
Interbank and money market items	397	1,525	900	-	-	3,855	6,677
Derivative assets	-	8,728	5,708	45	203	8,712	23,396
Investments	59	3,660	12,844	41,184	34,355	316	92,418
Loans net of deferred revenue	3,829	39,200	48,547	72,597	54,675	-	218,848
Credit support assets on derivatives	6,053	-	-	-	-	-	6,053
Other assets	-	72	214	204	-	538	1,028
Total financial assets	10,338	53,185	68,213	114,030	89,233	15,167	350,166
Financial liabilities							
Deposits	50,682	66,285	55,892	10,188	-	2,168	185,215
Interbank and money market items	4,359	37,145	1,769	159	15	1,087	44,534
Liabilities payable on demand	-	-	-	-	-	379	379
Financial liabilities designated at fair value through profit or loss	-	16,896	18,517	-	-	100	35,513
Derivative liabilities	-	7,909	5,648	12	-	10,749	24,318
Debt issued and borrowings	-	3,362	2,990	-	10,616	-	16,968
Credit support liabilities on derivatives	3,910	-	-	-	-	-	3,910
Total financial liabilities	58,951	131,597	84,816	10,359	10,631	14,483	310,837

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

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

	Consolidated		
	2019		
	Average balances Million Baht	Interest and dividend Million Baht	Average rate (%)
Performing financial assets			
Interbank and money market items, net	3,389	88	2.59
Investments, net	91,756	2,079	2.27
Loans	234,430	14,060	6.00
Total performing financial assets	329,575	16,227	
Performing financial liabilities			
Deposits	186,321	2,850	1.53
Interbank and money market items	48,323	719	1.49
Financial liabilities designated at fair value through profit or loss	32,075	850	2.65
Debt issued and borrowings	21,174	718	3.39
Total performing financial liabilities	287,893	5,137	

	Separate		
	2019		
	Average balances Million Baht	Interest and dividend Million Baht	Average rate (%)
Performing financial assets			
Interbank and money market items, net	3,262	87	2.69
Investments, net	92,001	2,079	2.26
Loans	226,206	10,618	4.69
Total performing financial assets	321,469	12,784	
Performing financial liabilities			
Deposits	186,429	2,851	1.53
Interbank and money market items	48,323	719	1.49
Financial liabilities designated at fair value through profit or loss	32,075	850	2.65
Debt issued and borrowings	19,174	670	3.49
Total performing financial liabilities	286,001	5,090	

(b) Foreign exchange risk

Consolidated

Transactions							2019
	Currency						Total Million Baht
	THB Million Baht	USD Million Baht	JPY Million Baht	EURO Million Baht	MYR Million Baht	Others Million Baht	
Financial assets							
Cash	1,314	5	2	6	2	23	1,352
Interbank and money market items	5,006	564	82	30	457	284	6,423
Derivative assets	650,728	(626,282)	(3,495)	(1,181)	3,720	19,969	43,459
Investments	86,942	-	-	-	-	102	87,044
Loans net of deferred revenue	225,524	13,813	1	100	-	1,105	240,543
Credit support assets on derivatives	10,863	4,105	-	-	-	-	14,968
Other assets	1,027	5	-	-	-	4	1,036
Total financial assets	981,404	(607,790)	(3,410)	(1,045)	4,179	21,487	394,825
Financial liabilities							
Deposits	195,740	2,660	68	40	325	202	199,035
Interbank and money market items	43,325	65	-	4	-	-	43,394
Liabilities payable on demand	266	2	-	-	-	1	269
Financial liabilities designated at fair value through profit or loss	24,423	-	-	-	-	-	24,423
Derivative liabilities	656,834	(620,402)	(3,513)	(1,033)	(8,130)	20,904	44,660
Debt issued and borrowings	9,912	4,850	-	-	11,057	-	25,819
Credit support liabilities on derivatives	5,330	3,828	-	-	-	-	9,158
Other liabilities	418	36	-	-	225	1	680
Total financial liabilities	936,248	(608,961)	(3,445)	(989)	3,477	21,108	347,438

Consolidated

Transactions**Financial assets**

	2018						
	Currency						
	THB Million Baht	USD Million Baht	JPY Million Baht	EURO Million Baht	MYR Million Baht	Others Million Baht	Total Million Baht
Cash	1,627	45	5	41	2	29	1,749
Interbank and money market items	5,698	556	6	1	367	162	6,790
Derivative assets	436,833	(392,704)	2,326	(19,731)	(993)	(2,335)	23,396
Investments	92,418	-	-	-	-	-	92,418
Loans net of deferred revenue	211,701	13,642	91	136	-	1,222	226,792
Credit support assets on derivatives	2,381	3,672	-	-	-	-	6,053
Other assets	1,446	8	-	-	-	-	1,454
Total financial assets	752,104	(374,781)	2,428	(19,553)	(624)	(922)	358,652

Financial liabilities

Deposits	182,533	2,137	32	51	239	109	185,101
Interbank and money market items	43,481	925	-	4	123	1	44,534
Liabilities payable on demand	377	2	-	-	-	-	379
Financial liabilities designated at fair value through profit or loss	35,513	-	-	-	-	-	35,513
Derivative liabilities	440,909	(385,597)	2,389	(19,742)	(12,337)	(1,304)	24,318
Debt issued and borrowings	4,816	3,537	-	-	10,615	-	18,968
Credit support liabilities on derivatives	2,048	1,862	-	-	-	-	3,910
Other liabilities	472	43	-	-	239	-	754
Total financial liabilities	710,149	(377,091)	2,421	(19,687)	(1,121)	(1,194)	313,477

Separate

Transactions**Financial assets**

Cash

Interbank and money
market items

Derivative assets

Investments

Loans net of
deferred revenueCredit support assets on
derivatives

Other assets

Total financial assets

Financial liabilities

Deposits

Interbank and money
market itemsLiabilities payable
on demandFinancial liabilities
designated at fair value
through profit or loss

Derivative liabilities

Debt issued and
borrowingsCredit support liabilities
on derivatives

Other liabilities

Total financial liabilities

						2019
Currency						
THB Million Baht	USD Million Baht	JPY Million Baht	EURO Million Baht	MYR Million Baht	Others Million Baht	Total Million Baht
1,313	5	2	6	2	23	1,351
4,790	564	82	30	457	284	6,207
650,728	(626,282)	(3,495)	(1,181)	3,720	19,969	43,459
86,940	-	-	-	-	102	87,042
216,907	13,813	1	100	-	1,105	231,926
10,863	4,105	-	-	-	-	14,968
817	5	-	-	-	4	826
972,358	(607,790)	(3,410)	(1,045)	4,179	21,487	385,779
195,837	2,660	68	40	325	202	199,132
43,325	65	-	4	-	-	43,394
266	2	-	-	-	1	269
24,423	-	-	-	-	-	24,423
656,834	(620,402)	(3,513)	(1,033)	(8,130)	20,904	44,660
7,912	4,850	-	-	11,057	-	23,819
5,330	3,828	-	-	-	-	9,158
411	36	-	-	225	1	673
934,338	(608,961)	(3,445)	(989)	3,477	21,108	345,528

Separate

Transactions**Financial assets**

	2018						
	Currency						
	THB Million Baht	USD Million Baht	JPY Million Baht	EURO Million Baht	MYR Million Baht	Others Million Baht	Total Million Baht
Cash	1,623	46	5	41	2	29	1,746
Interbank and money market items	5,592	556	6	1	367	162	6,684
Derivative assets	436,833	(392,704)	2,326	(19,731)	(993)	(2,335)	23,396
Investments	92,418	-	-	-	-	-	92,418
Loans net of deferred revenue	204,259	13,642	91	136	-	1,222	219,350
Credit support assets on derivatives	2,381	3,672	-	-	-	-	6,053
Other assets	1,402	8	-	-	-	-	1,410
Total financial assets	744,508	(374,780)	2,428	(19,553)	(624)	(922)	351,057

Financial liabilities

Deposits	182,647	2,137	32	51	239	109	185,215
Interbank and money market items	43,481	925	-	4	123	1	44,534
Liabilities payable on demand	377	2	-	-	-	-	379
Financial liabilities designated at fair value through profit or loss	35,513	-	-	-	-	-	35,513
Derivative liabilities	440,909	(385,597)	2,389	(19,742)	(12,337)	(1,304)	24,318
Debt issued and borrowings	2,816	3,537	-	-	10,615	-	16,968
Credit support liabilities on derivatives	2,048	1,862	-	-	-	-	3,910
Other liabilities	464	43	-	-	239	-	746
Total financial liabilities	708,255	(377,091)	2,421	(19,687)	(1,121)	(1,194)	311,583

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

(Unit: Equivalent to million USD)

Consolidated and Separate

	2019			2018		
	USD	EURO*	Other currencies*	USD	EURO*	Other currencies*
Spot	237.75	3.11	(343.51)	264.41	3.47	(298.74)
Forward						
- Forward contract	(231.44)	(4.00)	362.92	(253.80)	(3.65)	314.08
Total	6.31	(0.89)	19.41	10.61	(0.18)	15.34

* EURO and other currencies are stated in USD equivalents.

45.3 Liquidity risk

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

Consolidated

Descriptions	2019				
	At call Million Baht	Less than 1 year Million Baht	More than 1 year Million Baht	No maturity Million Baht	Total Million Baht
Financial assets					
Cash	1,352	-	-	-	1,352
Interbank and money market items	3,558	2,865	-	-	6,423
Derivative assets	-	11,642	31,817	-	43,459
Investments	-	7,880	78,787	377	87,044
Loans net of deferred revenue	17,569 ⁽¹⁾	36,391	186,583	-	240,543
Credit support assets on derivatives	14,968	-	-	-	14,968
Other assets	-	853	77	106	1,036
Total financial assets	37,447	59,631	297,264	483	394,825
Financial liabilities					
Deposits	63,362	125,964	9,709	-	199,035
Interbank and money market items	9,006	34,287	101	-	43,394
Liabilities payable on demand	269	-	-	-	269
Financial liabilities designated at fair value through profit or loss	-	-	24,423	-	24,423
Derivative liabilities	-	13,009	31,651	-	44,660
Debt issued and borrowings	-	6,899	18,920	-	25,819
Credit support liabilities on derivatives	9,158	-	-	-	9,158
Other liabilities	-	680	-	-	680
Total financial liabilities	81,795	180,839	84,804	-	347,438

(1) As at 31 December 2019, portions of loans classified as maturity-at-call in the consolidated financial statements, of Baht 11,296 million, are outstanding balances of defaulted loans classified as sub-standard or higher. However, repayment schedules of these loans are dependent upon new restructuring conditions.

Descriptions	Consolidated				
	At call Million Baht	Less than 1 year Million Baht	More than 1 year Million Baht	No maturity Million Baht	Total Million Baht
Financial assets					
Cash	1,749	-	-	-	1,749
Interbank and money market items	4,307	2,433	50	-	6,790
Derivative assets	-	10,720	12,676	-	23,396
Investments	-	16,504	75,539	375	92,418
Loans net of deferred revenue	16,180 ⁽¹⁾	40,124	170,488	-	226,792
Credit support assets on derivatives	6,053	-	-	-	6,053
Other assets	-	1,084	281	89	1,454
Total financial assets	28,289	70,865	259,034	464	358,652
Financial liabilities					
Deposits	54,978	119,935	10,188	-	185,101
Interbank and money market items	7,112	37,248	174	-	44,534
Liabilities payable on demand	379	-	-	-	379
Financial liabilities designated at fair value through profit or loss	-	57	35,456	-	35,513
Derivative liabilities	-	13,241	11,077	-	24,318
Debt issued and borrowings	-	60	18,908	-	18,968
Credit support liabilities on derivatives	3,910	-	-	-	3,910
Other liabilities	-	754	-	-	754
Total financial liabilities	66,379	171,295	75,803	-	313,477

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

Separate

Descriptions

Financial assets

	At call Million Baht	Less than 1 year Million Baht	More than 1 year Million Baht	No maturity Million Baht	2019 Total Million Baht
Cash	1,351	-	-	-	1,351
Interbank and money market items	3,342	2,865	-	-	6,207
Derivative assets	-	11,642	31,817	-	43,459
Investments	-	7,880	78,785	377	87,042
Loans net of deferred revenue	17,637 ⁽¹⁾	43,300	170,989	-	231,926
Credit support assets on derivatives	14,968	-	-	-	14,968
Other assets	-	655	77	94	826
Total financial assets	37,298	66,342	281,668	471	385,779

Financial liabilities

Deposits	63,443	125,981	9,708	-	199,132
Interbank and money market items	9,006	34,287	101	-	43,394
Liabilities payable on demand	269	-	-	-	269
Financial liabilities designated at fair value through profit or loss	-	-	24,423	-	24,423
Derivative liabilities	-	13,009	31,651	-	44,660
Debt issued and borrowings	-	4,899	18,920	-	23,819
Credit support liabilities on derivatives	9,158	-	-	-	9,158
Other liabilities	-	673	-	-	673
Total financial liabilities	81,876	178,849	84,803	-	345,528

(1) As at 31 December 2019, portions of loans classified as maturity-at-call in the separate financial statements, of Baht 10,747 million, are outstanding balances of defaulted loans classified as sub-standard or higher. However, repayment schedules of these loans are dependent upon new restructuring conditions.

Separate

Descriptions	2018				
	At call Million Baht	Less than 1 year Million Baht	More than 1 year Million Baht	No maturity Million Baht	Total Million Baht
Financial assets					
Cash	1,746	-	-	-	1,746
Interbank and money market items	4,201	2,433	50	-	6,684
Derivative assets	-	10,720	12,676	-	23,396
Investments	-	16,504	75,539	375	92,418
Loans net of deferred revenue	16,291 ⁽¹⁾	38,218	164,841	-	219,350
Credit support assets on derivatives	6,053	-	-	-	6,053
Other assets	-	1,051	281	78	1,410
Total financial assets	28,291	68,926	253,387	453	351,057
Financial liabilities					
Deposits	55,076	119,951	10,188	-	185,215
Interbank and money market items	7,112	37,248	174	-	44,534
Liabilities payable on demand	379	-	-	-	379
Financial liabilities designated at fair value through profit or loss	-	57	35,456	-	35,513
Derivative liabilities	-	13,241	11,077	-	24,318
Debt issued and borrowings	-	60	16,908	-	16,968
Credit support liabilities on derivatives	3,910	-	-	-	3,910
Other liabilities	-	746	-	-	746
Total financial liabilities	66,477	171,303	73,803	-	311,583

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

45.4 Fair value

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

Descriptions	2019		2018	
	Book value	Fair value	Book value	Fair value
	Million Baht	Million Baht	Million Baht	Million Baht
Financial assets				
Cash	1,352	1,352	1,749	1,749
Interbank and money market items, net	6,422	6,422	6,790	6,790
Derivatives assets	43,459	43,459	23,396	23,396
Investments, net	86,798	87,788	92,172	92,255
Loans to customers and accrued interest receivables, net	229,911	227,897	216,201	214,247
Credit support assets on derivatives	14,968	14,968	6,053	6,053
Other assets	1,036	1,033	1,454	1,445
Total financial assets	383,946	382,919	347,815	345,935
Financial liabilities				
Deposits	199,035	199,122	185,100	185,190
Interbank and money market items	43,394	43,394	44,534	44,534
Liability payable on demand	269	269	379	379
Financial liabilities designated at fair value through profit or loss	24,423	24,423	35,513	35,513
Derivatives liabilities	44,660	44,660	24,318	24,318
Debt issued and borrowings	25,819	26,069	18,968	19,047
Credit support liabilities on derivatives	9,158	9,158	3,910	3,910
Total financial liabilities	346,758	347,095	312,722	312,891

Descriptions	2019		2018	
	Book value	Fair value	Book value	Fair value
	Million Baht	Million Baht	Million Baht	Million Baht
Financial assets				
Cash	1,351	1,351	1,746	1,746
Interbank and money market items, net	6,206	6,206	6,684	6,684
Derivatives assets	43,459	43,459	23,396	23,396
Investments, net	86,796	87,786	92,172	92,255
Loans to customers and accrued interest receivables, net	222,422	220,714	209,596	207,869
Credit support assets on derivatives	14,968	14,968	6,053	6,053
Other assets	826	823	1,410	1,401
Total financial assets	376,028	375,307	341,057	339,404
Financial liabilities				
Deposits	199,132	199,219	185,215	185,305
Interbank and money market items	43,394	43,394	44,534	44,534
Liability payable on demand	269	269	379	379
Financial liabilities designated at fair value through profit or loss	24,423	24,423	35,513	35,513
Derivatives liabilities	44,660	44,660	24,318	24,318
Debt issued and borrowings	23,819	24,065	16,968	17,047
Credit support liabilities on derivatives	9,158	9,158	3,910	3,910
Total financial liabilities	344,855	345,188	310,837	311,006

Separate

45.5 Financial derivatives

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

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

	2019			Consolidated and Separate 2018		
	Less than 1 year Million Baht	Over 1 year Million Baht	Total Million Baht	Less than 1 year Million Baht	Over 1 year Million Baht	Total Million Baht
Forward and spot contracts						
- Bought	536,799	1,579	538,378	700,469	2,170	702,639
- Sold	490,838	12,293	503,131	552,165	9,885	562,050
Cross-currency and interest rate swap contracts						
- Bought	50,599	190,174	240,773	28,410	151,179	179,589
- Sold	48,818	147,707	196,525	131,324	122,982	254,306
Interest rate swap contracts						
- Fixed-rate receiver	418,509	571,872	990,381	451,163	555,599	1,006,762
- Floating-rate receiver	504,446	679,213	1,183,659	642,021	608,175	1,250,196
Foreign exchange options						
- Call-option sales contract	10	-	10	10	-	10
- Put-option sales contract	171	-	171	305	-	305
- Call-option purchase contract	894	-	894	977	-	977
- Put-option purchase contract	1,526	-	1,526	16	-	16
Commodity						
- Bought	87	-	87	20	-	20
- Sold	87	-	87	20	-	20
Credit derivatives						
- Bought	-	6,293	6,293	-	5,337	5,337
- Sold	-	6,293	6,293	-	5,337	5,337
Swaption						
- Sold	-	-	-	-	8,000	8,000
Fund option						
- Bought	6,494	1,936	8,430	713	1,393	2,106
- Sold	6,494	1,936	8,430	713	1,393	2,106
Equity option						
- Bought	-	23	23	-	-	-
- Sold	-	23	23	-	-	-
Bond forward						
- Sold	5,700	13,630	19,330	4,700	13,780	18,480

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

46 FAIR VALUE

46.1 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

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

Consolidated and Separate

	2019			
	Level 1	Level 2	Level 3	Total
	Million Baht	Million Baht	Million Baht	Million Baht
Assets				
Securities held for trading	-	21,350	-	21,350
Securities designated at fair value through profit or loss	-	11,418	-	11,418
Available-for-sale securities	64	34,382	-	34,446
Derivative assets	-	43,459	-	43,459
Total assets	64	110,609	-	110,673
Liabilities				
Financial liabilities designated at fair value through profit or loss	-	24,423	-	24,423
Derivatives liabilities	-	44,660	-	44,660
Total liabilities	-	69,083	-	69,083

Consolidated and Separate

	2018			
	Level 1 Million Baht	Level 2 Million Baht	Level 3 Million Baht	Total Million Baht
Assets				
Securities held for trading	-	17,764	-	17,764
Securities designated at fair value through profit or loss	-	5,399	-	5,399
Available-for-sale securities	60	48,814	-	48,874
Derivative assets	-	23,396	-	23,396
Total assets	60	95,373	-	95,433
Liabilities				
Financial liabilities designated at fair value through profit or loss	-	35,513	-	35,513
Derivatives liabilities	-	24,318	-	24,318
Total liabilities	-	59,831	-	59,831

The following table presents the Group's financial assets and liabilities that are not measured at fair value which have fair value at 31 December 2019 and 2018:

Consolidated

	2019			
	Level 1 Million Baht	Level 2 Million Baht	Level 3 Million Baht	Total Million Baht
Assets				
Cash	1,352	-	-	1,352
Interbank and money market items, net	3,557	2,865	-	6,422
Held-to-maturity debt securities	-	20,545	-	20,545
General investments	-	-	29	29
Loans and accrued interest receivables, net	-	227,897	-	227,897
Credit support assets on derivatives	-	14,968	-	14,968
Other assets	-	1,033	-	1,033
Total assets	4,909	267,308	29	272,246
Liabilities				
Deposits	-	199,122	-	199,122
Interbank and money market items	-	43,394	-	43,394
Liability payable on demand	-	269	-	269
Debt issued and borrowings	-	26,069	-	26,069
Credit support liabilities on derivatives	-	9,158	-	9,158
Total liabilities	-	278,012	-	278,012

Consolidated

	2018			
	Level 1 Million Baht	Level 2 Million Baht	Level 3 Million Baht	Total Million Baht
Assets				
Cash	1,749	-	-	1,749
Interbank and money market items, net	4,308	2,482	-	6,790
Held-to-maturity debt securities	-	20,188	-	20,188
General investments	-	-	30	30
Loans and accrued interest receivables, net	-	214,247	-	214,247
Credit support assets on derivatives	-	6,053	-	6,053
Other assets	-	1,445	-	1,445
Total assets	6,057	244,415	30	250,502
Liabilities				
Deposits	-	185,190	-	185,190
Interbank and money market items	-	44,534	-	44,534
Liability payable on demand	-	379	-	379
Debt issued and borrowings	-	19,047	-	19,047
Credit support liabilities on derivatives	-	3,910	-	3,910
Total liabilities	-	253,060	-	253,060

Separate

	2019			
	Level 1	Level 2	Level 3	Total
	Million Baht	Million Baht	Million Baht	Million Baht
Assets				
Cash	1,351	-	-	1,351
Interbank and money market items, net	3,341	2,865	-	6,206
Held-to-maturity debt securities	-	20,543	-	20,543
General investments	-	-	29	29
Loans and accrued interest receivables, net	-	220,714	-	220,714
Credit support assets on derivatives	-	14,968	-	14,968
Other assets	-	823	-	823
Total assets	4,692	259,913	29	264,634
Liabilities				
Deposits	-	199,219	-	199,219
Interbank and money market items	-	43,394	-	43,394
Liability payable on demand	-	269	-	269
Debt issued and borrowings	-	24,065	-	24,065
Credit support liabilities on derivatives	-	9,158	-	9,158
Total liabilities	-	276,105	-	276,105

Separate

	2018			
	Level 1 Million Baht	Level 2 Million Baht	Level 3 Million Baht	Total Million Baht
Assets				
Cash	1,746	-	-	1,746
Interbank and money market items, net	4,202	2,482	-	6,684
Held-to-maturity debt securities	-	20,188	-	20,188
General investments	-	-	30	30
Loans and accrued interest receivables, net	-	207,869	-	207,869
Credit support assets on derivatives	-	6,053	-	6,053
Other assets	-	1,401	-	1,401
Total assets	5,948	237,993	30	243,971
Liabilities				
Deposits	-	185,305	-	185,305
Interbank and money market items	-	44,534	-	44,534
Liability payable on demand	-	379	-	379
Debt issued and borrowings	-	17,047	-	17,047
Credit support liabilities on derivatives	-	3,910	-	3,910
Total liabilities	-	251,175	-	251,175

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

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

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

Investments, net

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

Loans and accrued interest receivables, net

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

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

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

Other assets

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

Deposits

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

Interbank and money market items, net (liabilities)

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

Liability payable on demand

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

Debt issued and borrowings

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

Other liabilities

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

46.2 Valuation techniques used to derive Level 2 fair values

Level 2 debt investments (securities held for trading, securities designated at fair value through profit or loss and available-for-sale securities) are fair valued using a discounted cash flow approach, which discounts the contractual cash flows using discount rates derived from observable market prices of other quoted debt instruments of the counterparties.

Level 2 trading and hedging derivatives, and financial liabilities designated at fair value through profit or loss comprise of forward foreign exchange contracts, interest rate swaps, structured debentures, and accreting structured bill of exchanged. These forward foreign exchange contracts have been fair valued using forward exchange rates that are quoted in an active market. Interest rate swaps, structured debentures, and accreting structured bill of exchanged are fair valued using forward interest rates extracted from observable yield curves. The effects of discounting are generally insignificant for Level 2 derivatives.

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

Consolidated and Separate General Investments		
	2019 Million Baht	2018 Million Baht
Opening balance	30	48
Provision	-	(1)
Purchase	-	1
Disposal of general investments	(1)	(6)
Decrease in capital of general investments	-	(12)
Closing balance	29	30

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

Corporate Information

Company Name :
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Public Company Limited

Registration Number :
0107537002338
(formerly BorMorJor. 480)

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Find Us!

Bloomberg (bloomberg.com) ticker: CIMBT
 SET (set.or.th) symbol: CIMBT

Stock Information**Registered Capital**

THB 17,411,130,874.00 (Seventeen billion four hundred eleven million one hundred thirty thousand eight hundred and seventy-four baht),

which comprises:

: 34,822,261,748 (Thirty-four billion eight hundred twenty-two million two hundred sixty-one thousand seven hundred and forty-eight) ordinary shares, with a par value of THB 0.50 (Fifty satang)

: No preference shares

Issued and Paid-up Share Capital

THB 17,411,130,874.00 (Seventeen billion four hundred eleven million one hundred thirty thousand eight hundred and seventy-four baht), comprising 34,822,261,748 (Thirty-four billion eight hundred twenty-two million two hundred sixty-one thousand seven hundred and forty-eight) ordinary shares, with a par value of THB 0.50 (Fifty satang) and no preference shares

**Entities in which CIMB Thai Bank invests 10% or more of total issued shares
(As of 31 December 2019)**

Company name / Address	Type of business	Type of share	Total shares sold	Number of shares held	%
1. CIMB Thai Auto Co., Ltd. 43 Thai CC Tower, 25 th and 32 nd Floor, South Sathon Road, Yannawa, Sathon, Bangkok Tel. +66-2684-6500	Leasing	Ordinary	550,000,000	549,999,994	99.99
2. CT COLL Co., Ltd. 128/229-234 Phayathai Plaza Building, 21 st Floor, Phayathai Road, Thung Phayathai, Ratchathevi, Bangkok Tel. +66-2626-7070	Debt collection service	Ordinary	385,000	384,993	99.99
3. WorldLease Co., Ltd. 43 Thai CC Tower, 34 th Floor, South Sathon Road, Yannawa, Sathon, Bangkok Tel. +66-2675-6300	Leasing	Ordinary	60,000,000	59,999,998	99.99
4. Srithepthai Plaschem Co., Ltd. (bankrupt) 1200 Bangna-Trad Road, Bangna, Bangkok Tel. +66-2398-0027	Plastic products	Ordinary	83,332	31,410	37.69
5. M-Home SPV 3 Co., Ltd. (liquidated) 1006/420 Masterview Executive Place Building, 1 st Floor, Charoennakorn Road, Banglumphu, Klongsan, Bangkok	SPV	Ordinary	10,000	1,282	12.82
6. Tawana Hotel Co., Ltd. 80 Surawongse Road, Siphraja, Bangrak, Bangkok Tel. +66-2236-0361	Hotel	Ordinary	33,909	3,390	10.00
7. Sanwa Interfood Co., Ltd. 2219-2223 New Petchburi Road, Bangkapi, Huaykhwang, Bangkok	Instant foods	Ordinary	10,000,000	1,000,000	10.00
8. Samchai Plc. 522 Ratchada Complex, Ratchadaphisek Road, Samsen Nok, Huaykhwang, Bangkok	Electrical appliance	Ordinary	40,000,000	4,000,000	10.00
9. P.C. Patanasub Co., Ltd. (dissolved) 1600 New Petchaburi Road, Makkasan, Ratchathevi, Bangkok	Commerce	Ordinary	10,000	9,993	99.93
10. Executive Management Services Manpower Ltd. (bankrupt) 295 Rama III Road, Bangkholaem, Bangkok Tel. +66-2689-2626	Office equipment and furniture rental	Ordinary	2,000	340	17.00
11. Global Leasing Co., Ltd. (under official receivership) 518/5 Maneeya Center, 8 th Floor, Ploenchit Road, Lumpini, Pathumwan, Bangkok Tel. +66-2652-0730	Leasing	Ordinary	2,000,000	200,000	10.00
12. TPF Leasing Co., Ltd. (bankrupt) 82 Sangthongthani Tower, 25 th Floor, North Sathon Road, Silom, Bangrak, Bangkok	Leasing	Ordinary	6,000,000	600,000	10.00
13. UTM Advisory & Capital Management Co., Ltd. (abandoned) 44 Langsuan Road, Lumpini, Pathumwan, Bangkok	Consultancy	Ordinary	100,000	10,000	10.00
14. SPL Development Co., Ltd. (abandoned) 149 Modern Home Tower, Nonsi Road, Chong Nonsi, Yannawa, Bangkok	Real estate development	Ordinary	500,000	499,999	99.99
15. Thai-Ultra Auto Part Co., Ltd. (bankrupt) 59 Moo 4, Highway Road, Nikompattana, Bankai, Rayong	Auto parts distribution	Ordinary	6,500,000	650,000	10.00
16. Advance Manufacturing Leasing Co., Ltd. (bankrupt) 246 Time Square Building, 11 th Floor, Sukhumvit 12-14 Road, Khongteoy, Bangkok	Leasing	Ordinary	20,000,000	2,000,000	10.00
17. Tun Ruamkarn Co., Ltd. (bankrupt) 133/2 Sukhumvit 21 Road, Klongtoey, Klongtoey, Bangkok	Finance	Ordinary	240,000	40,000	16.67
18. Modern Appraisal Co., Ltd. (abandoned) 3726/162-163, 3 rd Floor, Rama III Road, Bangkhlo, Bangkolaem, Bangkok	Appraiser	Ordinary	20,000	2,000	10.00

Issuance of debt securities of the Bank (as of 31 December 2019)

Classified by type	Interest rate	Maturity	Collateral	Restrictions and Requirements	Value of debt securities in issue as at 31 Dec 2019	Credit ratings (Moody's / Fitch Ratings)	Bond holder representative
1. Tier 2 subordinated debt ¹	5.35% per annum	11 July 2026	None	<p>For early redemption for each tranche of the subordinated debt where call option is applicable, the issuer may redeem and cancel the subordinated debt in whole but not in the principal amount under the subordinated debt on the call date, subject to prior approval of the BOT and submission to the BOT the redemption and substitution plans at least 30 days prior to the call date (including all deferred interest and accrued interest payable but excluding accrued interest receivable).</p> <p>The optional redemption by the issuer of the subordinated debt of one tranche does not trigger the redemption of the subordinated debt of other tranches. This is provided that 1) the redemption and substitution plans include the issuance, either immediately or before the redemption, of other financial instruments of equivalent or superior quality in substitution for the subordinated debt to be redeemed, and 2) the issuance of substitute instruments will not affect the issuer's ability to perform its business operation.</p>	THB 4,933,393 million (MYR 570 million)	Issue rating AA3 by RAM Rating Services Berhad	None
2. Tier 2 subordinated debt ¹	5.20% per annum	29 March 2028	None	<p>For early redemption for each tranche of the subordinated debt where call option is applicable, the issuer may redeem and cancel the subordinated debt in whole but not in the principal amount under the subordinated debt on the call date, subject to prior approval of the BOT and submission to the BOT the redemption and substitution plans at least 30 days prior to the call date (including all deferred interest and accrued interest payable but excluding accrued interest receivable).</p>	THB 3,157,833 million (MYR 390 million)	Issue rating AA3 by RAM Rating Services Berhad	None

Classified by type	Interest rate	Maturity	Collateral	Restrictions and Requirements	Value of debt securities in issue as at 31 Dec 2019	Credit ratings (Moody's / Fitch Ratings)	Bond holder representative
3. Tier 2 subordinated debt ^{1/}	4.15% per annum	6 July 2029	None	<p>The optional redemption by the issuer of the subordinated debt of one tranche does not trigger the redemption of the subordinated debt of other tranches. This is provided that 1) the redemption and substitution plans include the issuance, either immediately or before the redemption, of other financial instruments of equivalent or superior quality in substitution for the subordinated debt to be redeemed, and 2) the issuance of substitute instruments will not affect the issuer's ability to perform its business operation.</p> <p>For early redemption for each tranche of the subordinated debt where call option is applicable, the issuer may redeem and cancel the subordinated debt in whole but not in the principal amount under the subordinated debt on the call date, subject to prior approval of the BOT and submission to the BOT the redemption and substitution plans at least 30 days prior to the call date (including all deferred interest and accrued interest payable but excluding accrued interest receivable).</p> <p>The optional redemption by the issuer of the subordinated debt of one tranche does not trigger the redemption of the subordinated debt of other tranches. This is provided that 1) the redemption and substitution plans include the issuance, either immediately or before the redemption, of other financial instruments of equivalent or superior quality in substitution for the subordinated debt to be redeemed, and 2) the issuance of substitute instruments will not affect the issuer's ability to perform its business operation.</p>	THB 4,088.26 million (MYR 550 million)	Issue rating AA3 by RAM Rating Services Berhad	None

Notes: 1. Referring to a subordinated debt instrument with cash flow hedge in the amount of MYR 570 million, MYR 390 million and MYR 550 million.

Directors' and senior executives' share ownership in subsidiary companies

Information as at 31 December 2019 compared with information as at 31 December 2018:

Particulars	No. of shares held As at 31 Dec 19 (Shares)	No. of shares held As at 31 Dec 18 (Shares)	No. of shares increased (decreased)
Mr. Adisorn Sermchaiwong President and Chief Executive Officer			
- WorldLease Co., Ltd.	1	1	-
- CT COLL Co., Ltd.	6	6	-
- CIMB Thai Auto Co., Ltd.	2	2	-
Mr. Zethjak Leeyakars Head of Compliance			
- CIMB Thai Auto Co., Ltd.	2	2	-
Ms. Onanong Udomkantong Head of Consumer Loan Products & Credit Cards			
- CT COLL Co., Ltd.	1	1	-
Mr. Tanit Onnuch Head of Procurement Admin and Property Management			
- CIMB Thai Auto Co., Ltd.	2	2	-

CIMB Thai Branch Network

Bangkok and Greater Bangkok

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