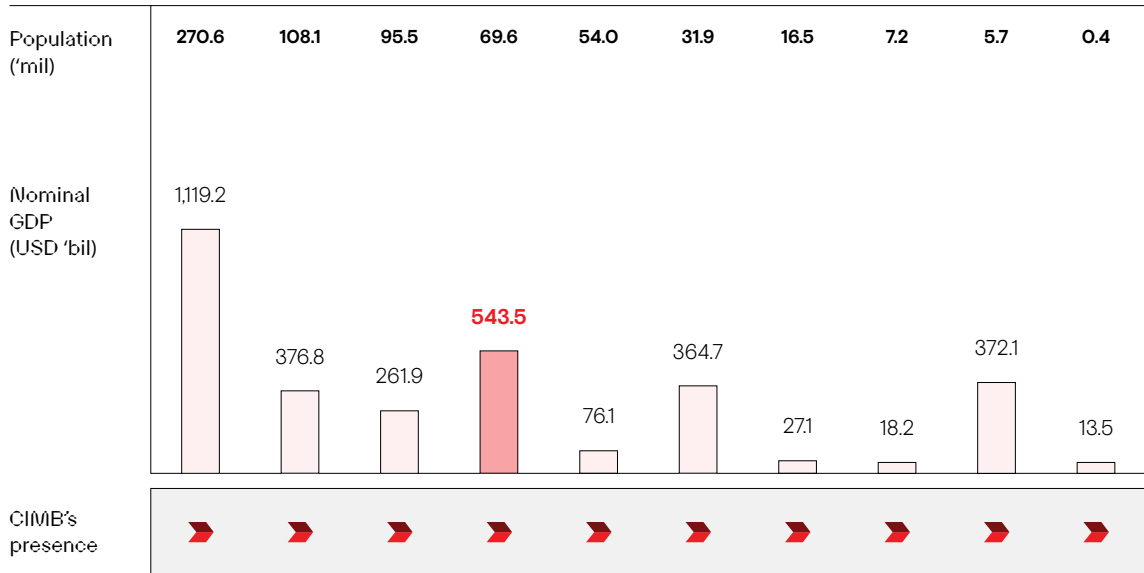


FROM ASEAN COMMUNITY TO RCEP ... GROWTH AND DEVELOPMENT PACE TOWARDS GLOBAL ECONOMY

The ASEAN Summit in mid-November 2020 announced the successful conclusion of negotiations and agreement on the Regional Comprehensive Economic Partnership (RCEP) after eight years of dedicated efforts. This move has reflected the commitment of its members to support trade and investment in an open, comprehensive, and rules-based multilateral trading system, and strengthen the expansion of regional supply chains. Parties that have signed up the RCEP Agreement hope that the partnership under which will help revive the regional economy hard hit by the Covid-19 pandemic.

CIMB Group's Operation in ASEAN Countries



The RCEP Agreement is an agreement to broaden and deepen ASEAN's obligations with China, Japan, Korea, Australia and New Zealand. Together, these RCEP participating countries account for about 30% of the global GDP and 30% of the world population. India is not ready to join as a member but will follow later. The objective of the RCEP Agreement is to establish a modern, comprehensive, high-quality, and mutually beneficial economic partnership that will facilitate the expansion of regional trade and investment and contribute to global economic growth and development. Accordingly, it will bring about market and employment opportunities to businesses and people in the region.

Modern: The RCEP Agreement is an agreement executed not only for today but also for tomorrow. It updates the coverage of the existing ASEAN Plus One FTAs (ASEAN's FTAs with the five dialogue partners) and takes into consideration changing and emerging trade realities, including the deepening regional value chain and the complexity of market competition.

Comprehensive: The RCEP Agreement is comprehensive, in terms of both coverage and depth of commitments. It comprises 20 chapters, such as trade in goods which includes rules of origin, customs procedures and trade facilitation, sanitary and phytosanitary measures, standards, technical regulations and conformity assessment procedures, and trade remedies. It also covers trade in services like financial services, telecommunication services, and professional services. In addition, there are chapters on investment, intellectual property, electronic commerce, competition, small and medium enterprises (SMEs), and economic and technical cooperation, etc.

High-Quality: The RCEP Agreement recognises the individual and diverse levels of development and economic needs of the RCEP parties. It addresses the issues required to support the parties' engagement in global and regional supply chain and complements market access commitments with trade and investment enabling rules that facilitate businesses. It also strives to boost competition in a way that drives productivity, which is sustainable, responsible, and materialistic.

Mutually beneficial: The RCEP Agreement brings together countries with diverse levels of development. Thus, its success will be determined by its ability to mutually bring benefits in appropriate forms of flexibility and provisions for special and differential treatment especially for Cambodia, Lao PDR, Myanmar, and Vietnam (CLMV). The RCEP Agreement also includes provisions that will ensure that economies with different levels of development, businesses of various sizes, and the broader stakeholders can all benefit from the Agreement.

As Thailand shares the borderlines and transportation links with the emerging and growing CLMV, investors can rely on Thailand as a production base to support their trade and investment. Thailand should also further foster trade cooperation with CLMV leveraging on its geo-centric location to facilitate links with the Eastern Economic Corridor by focusing on investment in target industries with high value added to the economy. This will help attract more foreign direct investment. Moreover, when the large-sized RCEP free trade area takes place, there would be greater export opportunities which could inevitably come along with keener competition because the member countries could export more products to Thailand as well.

In driving ASEAN towards sustainability, ASEAN member countries have to deal with many challenges such as global economic outlook post-Covid-19, trade tensions between economic 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.

ANTI-CORRUPTION

CIMB Thai Bank Public Company Limited (CIMB Thai) has participated in and been certified as a member of the Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) since 21 May 2019 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 Policy and Procedure on Giving and Acceptance of Gifts and Entertainment has been reviewed to ensure alignment with the Anti-Corruption Policy and Procedures in place and communicated to staff at all levels for their strict adherence and engagement 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 those on Giving and Acceptance of Gifts and Entertainment with all staff members required to study as refresher courses and take the tests 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.

THAILAND'S ECONOMIC OUTLOOK FOR 2021

Economic recovery on the back of rebounding export

Thai economy in 2021 is seen to be on a recovering trend supported by export which has improved in line with the growth of global economies, particularly the US where fiscal stimulus measures are carried on under President Joe Biden's administration with focus on uplifting income of low-income households, and the consistently relaxed monetary policies through both maintaining of low interest rates and liquidity injection. Economic activity could also gather pace even in the face of ongoing emergence of Covid-19 Infection cases.

Moreover, the economies of Thailand's key trade partners like Japan, ASEAN and Europe could record accelerated growth in tandem with stronger export and fueled by their respective stimulus packages, hence a boost to the manufacturing sector. Despite some delay in mega project investment in the Eastern areas and new private sector investment due to slow restoration of investors' confidence, especially that of foreign ones, the increase in production capacity should be conducive to greater employment of labor and expansion of working hours, which could enhance household income and purchasing power in overall. This would correspond with the brighter prospect of farm income following the improvement of output after a long drought experienced in 2020, and concurrently stimulate growth of consumption. There would also be shifting of goods from such perishable goods as foods and beverages to durable goods like automobile, etc. in H2/2021 after clearer economic revival and higher consumers' confidence. Meanwhile, the government's stimulus packages should continue to promote consumption and domestic tourism, and public sector investment may be more specifically aimed at creating jobs in provincial areas for greater income generation. On the monetary front, the Bank of Thailand (BOT) is not expected to reduce the policy interest rate further but instead inject additional liquidity to support small businesses as part of targeted financial assistance in conjunction with easing of rules and regulations to facilitate loan growth. However, tourism could remain a key downside risk for economic recovery as reopening the country for foreign tourists is not anticipated earlier than H2/2021. Hotels, restaurants, transport and retail businesses have still been faced with income shortfall which could retard turnaround of labor employment and spending of people in this sector. In sum, with more activity from major global economies and despite the prevailing Covid-19 pandemic, the stronger government spending coupled with the low base effect, global economy in 2021 should recover, which could in turn support Thai export and drive Thai economy.

BEWARE HOT MONEY COULD QUICKEN BAHT SURGING

Although the economy should be on a recovering course in 2021 with reliance on export as the main economic engine, there remains a key risk that could be a variable factor to the prospect of Thailand's international trade, that is, the appreciation of Thai baht against the US dollar and other major trade partners' currencies. Two factors that have contributed to the stronger baht are, firstly, the larger trade surplus in line with the increase in export as compared to import, especially that of machinery which has not yet fully expanded given the prolonged sluggishness in private sector investment, and secondly, massive fund inflows to the capital market upon the ease of concerns about the economic crisis and the ample liquidity in the systems of the US and countries elsewhere, hence foreign capital inflows for speculation in Thai bond and stock markets. Such hot money or short-term speculative funds to gain from the excess liquidity along with Thailand's strong economic fundamentals with underlying current account surplus could play an important part in the rapid baht appreciation in 2021. In overall, the baht should strengthen by as high as 5.3% from the end of 2020 or hit THB 28.60/US dollar at the end of 2021. This could slacken the growth of export to the level lower than that in case the baht is not as strong even though export in US dollar term has remained positive in line with higher global demand. The hefty and speedy baht appreciation might seem hardly happen but, viewing the baht surging against the US dollar post-global financial crisis 2008 during which the US Federal Reserve implemented quantitative easing measures and after the decline in markets' concerns over the liquidity of US dollar, we may see emerging markets flooded with hot money once again. Exporters are recommended to seek risk hedging products to cope with the stronger baht and keep the US dollar rather than convert it into baht to save currency exchange cost.

ECONOMIC OUTLOOK FOR 2021

Thai economy in 2021 is predicted to expand by 2.6%, improving from contraction of 6.1% in 2020. Thai economy could start to grow year-on-year in Q2/2021 but a clear recovery could be seen no earlier than H2/2021. A main supportive factor to such brighter prospect should be the successful distribution of Covid-19 vaccines globally, hence possible turnaround of tourism. Meanwhile, risks to Thai economy are expected to remain the same as in 2020. They are political threats, the baht appreciation, the second wave of Covid-19 spread, and the US-China trade war which may continue even under the administration of President Joe Biden, as well as anti-globalisation sentiment in certain

countries where people may choose domestically produced goods to support employment and businesses in their countries or domestic tourism despite availability of Covid-19 vaccines by that time in a bid to rejuvenate their own countries' tourism and prevent leakage of funds for spending elsewhere. Thailand is a small-sized open country adversely affected by several external factors through the baht appreciation and trade protectionism rather than political uncertainties or the second wave of the virus. We may have to pin our hope on the Ministry of Finance and the BOT to curb such hot money or work out measures to accelerate demand for US dollars for investment overseas as a way to deter further baht strengthening. Nonetheless, we believe that these measures may not easily contain hot money inflows. Thai economic recovery in 2021 may revolve only around the export sector as domestic demand could remain weak and fragile and SMEs, in particular, have still recorded slow growth of sales. The increasing bad debts in the system may also prompt commercial banks to be more cautious in lending business loans, while people are increasingly careful in spending amid the persistently high household debts. With the working hours not yet returning to normalcy, people's income could stay at low levels compared to those pre-Covid-19. We may see Thai economy in 2021 at the reviving pace but mainly in the export sector before economic activity could be passed on to sustain various internal sectors. Domestic economy should gain strength more clearly in H2/2021 before strong economic revival to the level pre-Covid-19 could be seen in 2022.

CONSUMER BANKING

2020 saw Consumer Banking of CIMB Thai successfully expanding the digital frontier as never before. Being one of the first six banks to be allowed to exit the electronic Know Your Customer (e-KYC) sandbox, we have taken major strides in continuing to shift the Thai consumer paradigm, rolling out initiatives including a fully-digital process to open a banking account, as well as transitioning smoothly from a branch-first banking experience to a mobile-first banking experience, allowing us to cater to customers' financial needs wherever they are, whenever they want to.

Since the launch of our mobile banking application, CIMB Thai Digital Banking in late 2018, we have grown our digital banking user base and transactions significantly. Total users onboarded on the application increased by 2.5 times year-on-year (YoY) to over 185,000 users in 2020, while the composition of digital transactions increased from under 20% from the start of 2019 to over 60% by the end of 2020. Similarly, our digital account opening process that was recently launched in partnership with Counter Service has also seen strong traction, contributing 60% to total new account openings in 2020 within 6 months of launching. We have also added more features to our CIMB Thai Mobile Lending application, and successfully launched the CIMB Thai Auto Cash application to cater for fully-digital vehicle sales & leaseback financing.

We have made significant progress with regard to our banking products. CIMB Thai – being the first in CIMB Group to launch myWealth, a consolidated platform for financial investment planning – has continued this momentum by being one of the first banks in the country to start integrating with the Stock Exchange of Thailand's FundConnex Open Architecture Mutual Fund Platform, which will allow customers to manage and subscribe to any mutual funds nationwide.

On the investment side, we maintained our market leadership of more than 50% market share in retail bonds trading, while also seeing huge success on our digital channels by selling THB 1 billion in primary bonds via our mobile banking application within 6 months of launch, which is the first in the industry. We have also launched a variety of investment product choices, namely primary and secondary bonds of investment grade or above, all of which will be improved further in coming years as we continue making other investment products available on our digital banking application, including a full range of retail bonds and structured notes.

Partnerships were also a key focus in 2020. Throughout 2020, we successfully executed multiple partnerships, including the commencement of our partnership with Sompoo Insurance Thailand, launching our digital acquisition partnership with Counter Service, and continuing our lending partnerships with fintechs, i.e. 9F Group and NEO Money. These digital-led partnerships have set the

foundation for the development and maturity of our Digital API Gateway, allowing us to reuse and integrate core banking services with future partners for faster time-to-market and provide a better overall customer experience.

CIMB Thai won several awards in 2020, first of which was from ABF Retail Banking Awards 2020, where we were awarded Consumer Finance Product of the Year for our debt consolidation product launched jointly with NEO Money, as well as Wealth Management Platform of the Year for our robust Wealth services. Our prowess in Wealth was also recognised by The Asset Asian Awards 2020 where we were awarded Best Wealth Manager. To top off the year, we were also awarded Best Digital Marketing Initiative and Best Product Launch award by the Global Retail Banking Innovation Awards 2020 for the launch of our fully-digital Chill D Savings Account targeting Gen-Y customers.

We have also made huge progress in terms of data. By leveraging expertise from CIMB Group, our data teams were able to generate several Machine-Learning (ML) based propensity models to improve our targeting campaigns for Wealth customers, contributing to a 40% YoY increase in investment volume. We will improve our data modelling effort further in 2021, building new models focused on providing fully-personalised recommendations and services. Our prediction models will be augmented with an Intelligent Campaign Management System (iCAMS), which then allows us to trigger actions and product recommendations in real-time, tailored for customers' needs.

In line with the BOT's announcements on providing financial assistance for borrowers affected by the Covid-19 pandemic, we have also provided customers with a series of debt relief programmes, including a loan moratorium / payment holiday and debt restructuring. Our debt relief programmes have performed well, and their outcomes are in line with industry peers.

With 2020 being one of the toughest years in the banking industry due to the pandemic, our loan book contracted 3% YoY due to weaker market sentiments impacted by the virus, as well as tightened acquisition criteria. In 2021, we aim to revitalise our loan book performance and grow our Wealth non-interest income by nearly 20% YoY. We expect to maintain a healthy 5.3% in net interest margin, while shifting our focus to provide sustainable financing, leveraging on our strengths and capturing industry opportunities.

In 2021, Consumer Banking will continue honing our digital capabilities in line with our vision to be the Digital-led bank of choice for Thai customers. This includes a substantial push on three main product pillars, namely Digital Wealth, Digital Lending, and Digital CASA. We will venture into launching a new line of financing targeted towards Wealth customers, while also expanding our product sourcing to include offshore investment products. Besides, we will also be pursuing the acquisition of a Digital Lending License that was recently announced by the BOT. This will allow us to improve our loan acquisition experience even further by offering a fully-digital, document-light application process.

TRANSACTION BANKING

Transaction Banking provides business clients with transactional products and solutions, including deposit accounts for businesses and local and offshore transactional services. We focus on designing the right solutions that meet our clients' demands and ensuring their maximum benefits in transacting via our convenient service channels.

In 2020, Transaction Banking earned two prestigious awards from Digital CX Awards 2020 by The Digital Banker. One was Winner - Best Bank Account User Experience: the users' experience of CIMB Biz Account, acclaimed to be the best bank account for businesses. Biz Account is a current account offering favourable interest rate, free-of-charge onshore and offshore fund transfers, and superior privileges compared to business accounts in general and carrying no hidden conditions, through digital platforms on computers and on mobiles. The other award was Highly Acclaimed - Best Product or Service Innovation for our innovation excellence.

This has been our great pride and reflected our strong commitment to delivering best financial services and creating customers' experience beyond their expectation.

For 2021, we strive to improve our services further with realignment to changes in business context and circumstances as well as our clients' business operation models. We are ready to be a Partner working alongside them so that they do worthwhile transactions more easily and conveniently through our cash payment & collection platform, which integrates the QR code payment technology and PromptPay infrastructure with financial transactions made on the businesses' own platforms.

For cross-border transactions, we support entrepreneurs through trade finance services. We offer CIMB Biz Export facility, where customers can make trade transactions and fund transfers overseas free of charge. CIMB Biz US Dollar is also available as a perfect solution for customers who want to deposit in US dollar to mitigate foreign exchange fluctuation risk. There are also several other privileges offered to best suit our customers' preferences.

Another key strategy to be employed in 2021 is the leverage of CIMB Group's ASEAN linkage in developing cross-border transactions in the region to emphasise the Group's strength of being the ASEAN Bank. This includes the Bank being entrusted as the main bank to develop the use of QR code between Thailand and Malaysia, and participating as a main bank in developing the use of QR code between Thailand and Indonesia. We have also undertaken intra-Group work process alignment along with other banks in the Group for trade finance transactions, especially across ASEAN, so that our clients are more confident in business operation with easier and faster business transactions.

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.

In 2020, Thai economy contracted amid Covid-19 pandemic. Nonetheless, Wholesale Banking still generated higher total revenues than those in the previous year, and continued to expand high-quality large corporate loans. Total new credit lines approved in the year amounted to THB 22 billion, which pushed up our interest income and fee income to grow by approximately 13% and 22% respectively.

Wholesale Banking had for the past years done 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. However, in 2020, due mainly to Covid-19 outbreak, a sharp increase in problem loans was recorded. Therefore, we focused more on controlling operating expenses, which were effectively managed to be under the planned 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 transactions 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 long-time relationships 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.

In view of the business plan from 2021 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.

We have also worked closely with Corporate Banking in arranging certain corporate loans and project financing for the clients to best respond to their specific needs.

Meanwhile, 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 enhance the Bank's potential as an important bank and business partner to our clients in achieving their ASEAN investment goals.

In the face of economic and business disruption by Covid-19 in 2020, the number of our capital market deals dropped. Nonetheless, our debt market deals continued to grow and generated a record high income.

Key successful deals in 2020 comprised:

Debt Markets	Role	Issue Size (THB million)
Provincial Electricity Authority	Sole Lead Arranger/ Joint Lead Arranger	32,500.00
State Railway of Thailand	Sole Lead Underwriter	20,400.00
TPI Polene Public Company Limited	Sole Lead Arranger/ Joint Lead Arranger	10,163.33
True Move H Universal Communication Company Limited	Joint Lead Underwriter	8,455.65
True Corporation Public Company Limited	Joint Lead Underwriter	6,787.20
Charoen Pokphand Foods Public Company Limited	Joint Lead Underwriter	4,487.98
Export-Import Bank of Thailand	Sole Lead Arranger/ Joint Lead Arranger	4,000.00
CPF (Thailand) Public Company Limited	Joint Lead Underwriter	2,913.76
Muangthai Capital Public Company Limited	Joint Lead Underwriter	2,097.40
IRPC Public Company Limited	Joint Lead Underwriter	1,916.22
Sansiri Public Company Limited	Joint Lead Underwriter	1,916.00
Srisawad Corporation Public Company Limited	Joint Lead Underwriter	1,842.71
Rojana Industrial Park Public Company Limited	Sole Lead Underwriter	1,600.00
Siamgas and Petrochemicals Public Company Limited	Joint Lead Underwriter	1,377.67
SC Asset Corporation Public Company Limited	Sole Lead Arranger/ Joint Lead Arranger	1,100.00
Toyota Leasing (Thailand) Company Limited	Joint Lead Underwriter	737.00
Sena Development Public Company Limited	Joint Lead Underwriter	620.00
Ananda Development Public Company Limited	Joint Lead Underwriter	584.10
Noble Development Public Company Limited	Joint Lead Underwriter	451.70
PTG Energy Public Company Limited	Joint Lead Underwriter	333.33
Origin Property Public Company Limited	Joint Lead Underwriter	318.00
Lalin Property Public Company Limited	Joint Lead Underwriter	159.60
Krungthai Car Rent and Lease Public Company Limited	Sole Lead Underwriter	100.00
Equity Markets	Role	Total Deal Size (THB million)
Central Retail Corporation Public Company Limited	International Co-Manager (CIMB Investment Bank Berhad)	78,124.20
Bhiraj Office Leasehold Real Estate Investment Trust (First Capital Increase)	Selling Agent	2,737.61

COMMERCIAL BANKING

Commercial Banking serves small and medium-sized enterprises (SMEs) with the main focus on Bangkok areas. We provide financial products and services both through our product programmes and tailored financial solutions to suit our customers' diverse needs.

In 2020, amidst the onset of the Covid-19 pandemic, we shifted our focus to providing supports to our existing customers instead of expanding new loans. This included full cooperation in and prompt responses to the government and the BOT's series of measures issued all through the year in order to relieve our customers' burden and continue their businesses under the tough economic circumstances. For 2021 and with the second wave of the virus spread since the beginning of the year, we will continue our assistances for the existing customers in conjunction with prompt responses to and participation in the official and regulatory schemes as in the previous year to ensure our customers' continued business operations under the prevailing situations.

TREASURY & MARKETS

The Bank's Treasury & Markets (T&M) provides comprehensive financial products and services across multiple asset classes to assist our clients in managing their risk, investment and liabilities including fundraising through a debt capital market. We also manage the Bank's funding in accordance with regulatory requirements and optimize the Bank's assets within our business framework.

2020 was another successful year of T&M. We grew revenue consistently at a rate above the budget despite the ongoing global health crisis (Covid-19), local political uncertainty and economic slowdown.

Our achievement was attributable to:

- Strong collaboration between T&M and other business units across CIMB Thai.
- Superior product capabilities and management in derivatives, debt and equity securities markets and foreign exchange transactions.

These have earned the Bank altogether nine awards as follows:

The Asset Triple A Award

- 1) Best Bank for Investment Solutions
 - 1.1 Rates
 - 1.2 Equity
 - 1.3 Credit
- 2) Best Structured Investment and Financing Solutions
 - 2.1 Rates (Step up Range Callable Range Accrual Debenture)
 - 2.2 Credit (USD Credit Linked Structured Debenture with Cross Currency Hedging)
 - 2.3 Fund (Multi Fixed Income Platform for Fund Linked Note)

The Asset Benchmark Research

- 3) The Region's Best Local Currency Bond Individual in Sales (Ranked No. 3 and No. 5)

ASIAMONEY FX Survey

- 4) Best Counterparty in Thailand (Asian Banks)

Asia Risk Award

- 5) Thailand House of The Year

Furthermore, CIMB Thai is one of the key players in Thailand capital market in 2020 as follows:

- Ranked No. 1 in bond trading (time-to-maturity > 1 year) with 11.5% market share.
- Ranked No. 1 in secondary bond trading (for retail individual clients) with 43.7% market share.
- Ranked No. 1 in structured note issuance with 36.3% market share.
- Ranked No. 3 in corporate bond underwriting with 12.3% market share. We are the first bank in Thailand having launched a primary bond subscription service on a mobile application and managed to digitally distribute primary bond initial public offering (IPO) to retail investor clients with subscription value totaling THB 1.147 billion.

Looking forward, our 2024 aspiration is to become Thailand's 'Top Treasury House' for wholesale clients and 'Best Investment House' for consumer clients. To achieve this aspiration, we have clearly defined strategic priorities to be implemented moving forward as follows:

- 1) Strengthen collaboration with business unit partners: Deepen our client engagement by working together with respective client coverage teams to identify clients' needs and providing solutions that match their requirements.
 - a. Wholesale Banking Risk hedging (currency, interest rate, commodity price), investment solutions (bond and structured product) and fund raising (through debt capital market) for corporate and institutional clients.
 - b. Consumer Banking Wealth management solutions for high-net-worth individual (HNWI) and ultra-HNWI clients, i.e. bond (onshore/offshore), structured product, securities service, foreign currency deposit and foreign currency exchange.
- 2) Scale up digital distribution platforms: Continue to develop digital distribution and execution platforms comprising (a) web application for internal clients, i.e. the Bank's staff members, and (b) mobile application for external clients, to offer them convenience and facilitate T&M's product cross selling, which will improve service efficiency and enhance customer experience.

COMPETITIVE ENVIRONMENT - MARKET SHARES

Unit: THB million

BANK	Assets	Market share (%)	Deposits	Market share (%)	Loans to customers and accrued interest receivables - net	Market share (%)
Bangkok Bank	3,384,961	16.9%	2,485,597	17.0%	1,896,205	14.8%
Siam Commercial Bank	3,280,442	16.4%	2,429,780	16.6%	2,125,942	16.6%
Krung Thai Bank	3,226,987	16.1%	2,466,780	16.9%	2,124,250	16.6%
Kasikornbank	3,061,407	15.3%	2,340,470	16.0%	2,066,638	16.2%
Bank of Ayudhya	2,460,731	12.3%	1,819,223	12.4%	1,609,830	12.6%
TMB Bank	1,205,404	6.0%	815,678	5.6%	693,775	5.4%
Thanachart Bank	811,183	4.1%	557,957	3.8%	649,686	5.1%
United Overseas Bank (Thai)	632,342	3.2%	491,560	3.4%	421,662	3.3%
CIMB Thai Bank	404,421	2.0%	194,150	1.3%	217,576	1.7%
Kiatnakin Bank	354,468	1.8%	252,067	1.7%	262,643	2.1%
TISCO Bank	264,921	1.3%	204,859	1.4%	213,802	1.7%
Land and Houses Bank	240,085	1.2%	182,735	1.2%	155,838	1.2%
ICBC (Thai)	225,413	1.1%	147,053	1.0%	111,933	0.9%
Standard Chartered Bank (Thai)	167,167	0.8%	84,329	0.6%	28,800	0.2%
Sumitomo Mitsui Trust Bank (Thai)	78,454	0.4%	21,719	0.1%	51,280	0.4%
Bank of China (Thai)	68,562	0.3%	47,094	0.3%	45,455	0.4%
Thai Credit Retail Bank	80,721	0.4%	64,626	0.4%	66,823	0.5%
ANZ Bank (Thai)	49,406	0.2%	10,052	0.1%	18,960	0.1%
Mega International Commercial Bank	25,120	0.1%	16,417	0.1%	20,766	0.2%
Total	20,022,198	100.0%	14,632,146	100.0%	12,781,864	100.0%

Source: Data as of December 2020, Summary of Assets and Liabilities Statement (C.B. 11), Bank of Thailand

PROCUREMENT OF PRODUCTS AND SERVICES

Source of Funding

As at 31 December 2020, deposits managed by the Bank stood at THB 218.6 billion (including interbank and money market deposits), whilst borrowings (including interbank and money market borrowings) amounted to THB 67.6 billion. Of the total, 78.5% 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 60.9 billion and loans with maturity of more than one year amounted to THB 161.8 billion. Meanwhile, deposits with maturity of not more than one year stood at THB 216.8 billion and those with maturity of over one year amounted to THB 1.8 billion.

Capital Adequacy Ratio

As at 31 December 2020, CIMB Thai group's capital adequacy ratio (CAR), common equity tier 1 (CET1) capital and tier 1 capital were 21.4%, 15.6% and 15.6%, respectively, while those of the Bank were 20.7%, 14.9% and 14.9%, respectively. The Bank has maintained a robust capital with CAR, CET1 and tier 1 capital ratios well above the BOT's minimum requirements.

Unit: THB billion

Capital funds	Minimum requirements	Full consolidated supervision			Separate		
		31-Dec-20	31-Dec-19	31-Dec-18	31-Dec-20	31-Dec-19	31-Dec-18
Tier 1 capital		39.6	34.6	34.9	38.0	32.6	32.8
CET1 capital		39.6	34.6	34.9	38.0	32.6	32.8
Tier 2 capital		14.7	13.0	13.0	14.8	13.3	13.2
Total capital funds		54.3	47.6	47.9	52.8	45.9	46.0
Tier 1 capital to risk-weight assets	8.500%	15.6%	13.1%	14.1%	14.9%	12.4%	13.3%
CET1 capital to risk-weight assets	7.000%	15.6%	13.1%	14.1%	14.9%	12.4%	13.3%
Tier 2 capital to risk-weight assets	-	5.8%	4.9%	5.2%	5.8%	5.0%	5.4%
Capital adequacy ratio	11.000%	21.4%	18.0%	19.3%	20.7%	17.4%	18.7%
Total risk-weight assets		254	265.4	247.6	254.6	263.6	246.2

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 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 concurring on the 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 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 does not fall into the matrix, 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 BOT'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 which will be revised periodically to ensure their effectiveness and relevance. In addition to mandatory debt classification in accordance with the BOT'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 and watch list – medium shall remain as performing (stage 1) class while those under watch list – high are classified as under-performing (stage 2). These watch-list accounts as well as NPL accounts with exposure more than THB 10 million are regularly reported to 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 under the 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 minimising 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 incurrance of some loss on their part. The Bank will restructure debts in accordance with the BOT'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 AQC, 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 as prescribed in the BOT's Notification No. SorNorSor 23/2561 dated 13 December 2018, thereby requiring classification and provision for financial assets and exposure from loan commitments and financial guarantee contracts. Such financial assets and commitments are classified into three types, comprising (1) Non-performing, (2) Under-performing, and (3) Performing. Provision is also required for expected credit loss (ECL). This is in accordance with Thai Financial Reporting Standard No. 9 (TFRS 9) regarding financial instruments, effective from 1 January 2020 onwards.

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 business group are in compliance with the Bank of Thailand's regulations, i.e. the same procedures for normal customer transactions also applicable 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 2020

2020 saw a new threat to mankind with the outbreak of Coronavirus-2019 (Covid-19), which has ravaged economies around the world and forced people in the society to embrace the "New Normal" way of life in an attempt to return to normalcy as much as possible.

CIMB Thai has realised our key mission as a financial institution that takes part in driving Thai economy and society. We have responded to the BOT's policy to assist the virus-affected clients of the Bank and subsidiaries alongside enhancing our clients' knowledge and understanding of making financial transactions in the New Normal context which has increasingly been digitalised. This is in line with our strategy to be a Digital-led Bank with ASEAN Reach under the "FORWARD" brand promise according to CIMB Group policy. Also as a way to boost our brand awareness, we will continue to cater to each client segment's needs and strongly support them to help them achieve their goals.

In 2020, we focused on connecting the dots through communications, especially crisis communications. We communicated via multiple channels, such as social media like Facebook, LINE, Instagram, Twitter, LinkedIn and YouTube, where information on client assistance measures, product features, financial tips & tricks, marketing activities and promotion campaigns, as well as other interesting topics and daily life general knowledge, has been made available. We also produced a Facebook closed-group named CIMB Thai Internal Live to connect our employees working at head office, branches and at home, and allow for their access to knowledge on financial innovations and ensure their understanding of current situation developments and the best practices for our business continuity. We believe that strong branding and efficient services should be built on our people's profound understanding of our business so that they can deliver quality products and solutions to the clients.

Despite the massive impact of the spread of Covid-19 on people's lives and business operations, the pandemic could enable accelerated adaptation of business entities in all dimensions in order to survive and continue their business operations. For CIMB Group and CIMB Thai, we have highlighted our position as an ASEAN Bank that realises and understands the charm of diversity but identity of ASEAN. We are committed to synergy in creating financial opportunities to move all parties concerned forward in line with our "FORWARD ASEAN" aspirations, as reflected in our advertisements via all available channels and stickers displayed at our branches to optimise our media spaces. Our highlights of ASEAN strength through sharing of "ASEAN Charms" story in the Bank's desk calendar have earned us the 40th Suriyosithorn Prize in the category of Desk Calendar of General Type for 2020 organised by Thailand Public Relations Association.

Another highlight activity of the year was "CIMB Thai Triathlon FORWARD ASEAN Pride," which was held for a third year. The event attracted more than 800 participants. Due to the Covid-19 situation, the event was re-scheduled from 5 July 2020 to 13 December 2020, where safety and Covid-19 preventive measures were properly and sufficiently put in place. CIMB Thai Triathlon FORWARD ASEAN Pride has helped raise brand awareness and bolster reputation of CIMB Thai among the general public to a greater extent.

We also participated in the Money Expo event in five provinces, i.e. Bangkok, Nakhon Ratchasima, Udon Thani, Chiang Mai and Songkhla (Hat Yai District) under the "Happiness Nursery House" theme. We aim to expand our client bases in all regions, with focus on our clients' financial health and better quality of life being safe from the infectious disease. Our public relations for the event were carried out shifting from paper-based to digital-based media. Visitors accessed details of products and promotion campaigns touch-free by scanning the QR codes. CIMB Thai booth was presented with the Best Design Excellence Award for the booth size of 200-262 sq.m. from Money & Banking Award 2020. Our booth was designed to represent CIMB Thai as a happiness nursery house that keeps providing clients with financial advisory and planning services and financial solutions for them to grow their returns.

Looking forward, we will still give importance to ongoing public relations and updating our business developments, especially amid the Covid-19 pandemic where people need accurate and updated information regarding proactive business adaptations, ASEAN investment opportunities, product innovations, and new service channels for consumers. 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

Financial statements for the year ended 31 December 2019 shown for comparison have been restated retrospectively as regards booking of interest income recognition in accordance with the TFRS 9.

For the year ended 31 December 2020, CIMB Thai group's consolidated operating income rose by THB 167.6 million or 1.1% year-on-year (YoY) to THB 14,927.1 million mainly contributed by a 153.6% growth in other income, while net interest income declined by 5.6% and net fee and service income by 39.9%. Pre-provision operating profit increased by 12.0% YoY to THB 6,027.8 million from a 1.1% higher income, while operating expenses were 5.1% lower YoY.

However, net profit decreased by THB 727.2 million or 36% YoY to THB 1,290.6 million, attributed to a 60% YoY increase in provisions, reflected by the elevated provision for economic uncertainty and potential credit migration from customers affected by the Covid-19 pandemic. This amount took into account the forward-looking expected credit loss (ECL) models and management overlay within a deteriorating economic environment under the TFRS 9 framework.

Net interest margin (NIM) over earning assets stood at 3.2% in 2020, compared to 3.5% in 2019, arising from lower interest income on loans and investments.

As at 31 December 2020, total gross loans (inclusive of loans guaranteed by other banks and loans to financial institutions) stood at THB 227.0 billion, a decrease of 6.2% from 31 December 2019. Deposits (inclusive of bills of exchange, debentures and selected structured deposit products) stood at THB 251.4 billion, an increase of 4.1% from THB 241.5 billion as at the end of December 2019. The modified loan to deposit ratio decreased to 90.3% compared to 100.2% as at 31 December 2019.

(a) Summary of CIMB Thai group's income

On a YoY basis, operating income rose by THB 167.6 million or 1.1% to THB 14,927.1 million driven by an increase of THB 1,654.8 million or 153.6% in other operating income mainly due to an increase in gains on financial instruments measured at fair value through profit or loss of THB 1,117 million. These were partially offset by a drop in net fee and service income of 39.9% or THB 834.4 million owing to lower fees from goods and services payments and insurance brokerage income. The net interest income decline of 5.6% or THB 652.8 million was mainly attributable to lower interest income on loans and investments.

(b) Cost of funds and operating expenses

CIMB Thai group's interest expenses in 2020 amounted to THB 4.1 billion, a YoY drop of THB 1.5 billion or 26.1%, largely from a decline in interest expenses on deposits and contribution fee to FIDF.

For the year ended 31 December 2020, operating expenses decreased by THB 478.6 million or 5.1% largely due to lower personnel cost and better cost management, improving the cost to income ratio to 59.6% in 2020 compared to 63.5% in 2019.

(c) Net profit

Net profit decreased by THB 727.2 million or 36% YoY to THB 1,290.6 million, attributed to a 60% YoY increase in provisions, reflected by the elevated provision for economic uncertainty and potential credit migration from customers affected by the Covid-19 pandemic. This amount took into account the forward-looking expected credit loss (ECL) models and management overlay within a deteriorating economic environment under the TFRS 9 framework.

(d) Return on equity

For the year 2020, CIMB Thai group's return on equity was 3.1% compared with 5.3% in 2019, and the Bank's return on equity was 5.7% compared with 2.6% in 2019 mainly due to an increase in net profit during the year.

2. CONSOLIDATED FINANCIAL STANDING

Assets

As at 31 December 2020, CIMB Thai group's total assets amounted to THB 407.2 billion, a THB 13.6 billion or 3.5% growth from a year earlier, as detailed below:

Interbank and money market items (assets) were THB 6.9 billion, a THB 463 million or 7.2% increase, mainly attributable to the Bank's liquidity management.

Derivative assets moved up by THB 14.1 billion or 32.5% to THB 57.6 billion, coming mainly from interest rate and foreign exchange contracts.

Net investments stood at THB 61.5 billion, declining by THB 25.3 billion or 29.1%, mainly due to reclassification as financial assets measured at fair value through profit or loss of THB 34.4 billion according to the Bank of Thailand's notification, partially offset by an increase in investments in debt instruments measured at fair value through other comprehensive income of THB 5.4 billion.

Net loans and accrued interest receivables were THB 221.8 billion, going down by 4.4%, mainly due to economic slowdown and the Bank's wind-down of commercial banking segment.

Credit support assets on derivatives amounted to THB 16.1 billion, going up by THB 1.1 billion or 7.2%, which was in line with derivatives business.

Asset quality

(a) Loans and loan concentration

As at 31 December 2020, CIMB Thai group's total loans net of deferred revenue accounted for THB 227 billion, declining of THB 13 billion or 5.4% from THB 240 billion as at 31 December 2019. Loans principally comprised housing loans, hire purchase receivables and manufacturing and commerce sectors, making up 65.9% of total loans. Housing loans represented the largest proportion, i.e. THB 76.8 billion or 33.7% of total loans, which was in line with the Bank's business strategy, followed by hire purchase receivables amounting to THB 39.1 billion or 17.2%, and manufacturing and commerce sectors THB 34 billion or 15% of total loans. Sectors with growth of loans were public utilities and services, recording a YoY growth of 16.8%.

Loans classified by type of business	31 December 2020		31 December 2019		Change	
	THB million	%	THB million	%	THB million	%
Agriculture and mining	7,446	3.3	8,349	3.5	(903)	(10.8)
Manufacturing and commerce	33,962	15.0	41,446	17.2	(7,484)	(18.1)
Real estate and construction	16,252	7.2	16,364	6.8	(112)	(0.7)
Public utilities and services	29,118	12.8	24,921	10.4	4,197	16.8
Personal loans	8,263	3.6	10,519	4.4	(2,256)	(21.4)
Housing loans	76,789	33.7	78,580	32.7	(1,791)	(2.3)
Hire purchase receivables	39,063	17.2	42,665	17.8	(3,602)	(8.4)
Others	16,057	7.1	17,106	7.1	(1,049)	(6.1)
Total loans net of deferred revenue	226,950	100.0	239,950	100	(13,000)	(5.4)

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.

(b) Classification of loans and allowance for expected credit losses

THB million

Consolidated 2020

	Loans and accrued interest receivable	Allowance for expected credit losses
Financial assets with an insignificant increase in credit risk	200,366	(1,891)
Financial assets with a significant increase in credit risk	19,215	(1,482)
Credit-impaired financial assets	11,158	(3,491)
Purchased or originated credit-impaired financial assets	58	(24)
Total	230,797	(6,888)
Surplus allowance		(2,065)
		(8,953)

The TFRS 9 loan staging classification adopted since 1 January 2020 cannot be directly comparable to the previous loan classification.

CIMB Thai group's loan loss coverage ratio stood at 93.3% as at 31 December 2020 from 99.0% at the end of December 2019. As at 31 December 2020, total allowance for expected credit losses stood at THB 9 billion, translating to a THB 2.1 billion excess over the Bank of Thailand's reserve requirements.

(c) Non-performing loans (NPLs)

The gross non-performing loans (NPL) stood at THB 10.5 billion, translating to an impaired loan ratio of 4.6% compared to 4.7% as at 31 December 2019. The lower NPL ratio was mainly due to the sale of some NPLs in 2020. This was coupled with the Bank's exercise of high credit risk underwriting standards and risk management policies, as well as continued focus on improving productivity and monitoring collection.

(d) Income recognition

Interest and discount on loans

Interest income will be recognised at the effective interest rate. The recognition of interest income on loan when its principal or interest payment has become over three months past due or stage 3 loan account has followed definition of the TFRS 9. Such income is thus recognised at the effective interest rate of the carrying amount after impairment.

Liabilities

As at 31 December 2020, CIMB Thai group's total liabilities amounted to THB 365.7 billion, going up by THB 12.5 billion or 3.5% YoY as follows:

Deposits were THB 194 billion, declining by THB 5.1 billion or 2.6% YoY, mainly from a decrease in fixed deposits.

Interbank and money market items (liabilities) were THB 47.7 billion, going up by THB 4.3 billion or 9.9% YoY, as a result of the Bank's liquidity management.

Financial liabilities designated at fair value through profit or loss increased by THB 4.5 billion or 18.5% to THB 28.9 billion, coming mainly from structured debentures.

Derivative liabilities went up by THB 12.6 billion or 28.1% to THB 57.2 billion, mainly due to interest rate and foreign exchange rate contracts.

Debt issued and borrowings amounted to THB 19.4 billion, down by THB 6.4 billion or 24.7%, largely caused by a decrease in structured debentures and the redemption of subsidiary's debentures.

Equity

As at 31 December 2020, CIMB Thai group's equity was recorded at THB 41.5 billion, representing a growth of THB 1.1 billion or 2.8% from a year earlier, principally due to the net profit growth during the year.

Off balance sheets: Commitments

As at 31 December 2020, the Bank and its subsidiaries had combined commitments of THB 3,749.6 billion, declining by THB 12 billion (0.3%) from THB 3,761.5 billion YoY, mostly from other commitments as indicated in the table below:

	THB million		
Off balance sheets: Commitments	31 December 2020	31 December 2019	Variance %
Avals to bills	17	0	100.0
Bills on domestic letters of credit	31	0	100.0
Liability under unmatured import bills	157	331	(52.6)
Letters of credit	765	605	26.4
Other commitments:	3,748,597	3,760,609	(0.3)
Derivatives	3,702,022	3,704,444	(0.1)
Undrawn bank overdrafts	14,719	14,558	1.1
Undrawn credit lines	14,378	17,307	(16.9)
Investments	6,962	12,005	(42.0)
Others	10,516	12,295	(14.5)
Total	3,749,567	3,761,545	(0.3)

Liquidity

Cash and cash equivalent items, as indicated in the cash flow statement of CIMB Thai group as at 31 December 2020, amounted to THB 918.6 million, a net decrease of THB 433 million YoY. Details of the changes are as follows:

Net cash flows provided by operating activities in 2020 were THB 4.1 billion. Losses from operations before changes in operating assets and liabilities were THB 4.2 billion, including THB 1.6 billion in pre-tax net profit for the year, and adjustments of non-cash items to net profit, stemming largely from interest income and unrealised gains on exchange rates and derivatives, partially offset with expected credit losses and interest expenses. Operating assets for the year went down by THB 2.5 billion, mainly from decrease in loans and properties foreclosed. In addition, operating liabilities moved down by THB 1.2 billion, resulting principally from deposits and short-term borrowings.

Net cash flows used in investing activities were THB 6.5 billion, mostly coming from net cash paid for investments in debt instruments measured at fair value through other comprehensive income.

Net cash flows provided by financing activities were THB 1.9 billion, mainly comprising proceeds from cash received from 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 2020, the Bank had deposits, borrowings and loans classified by maturity as follows:

(Unit: THB billion)

Maturities	Loans*	%	Deposits*	%	Borrowings*	%
Payable on demand	6.4	2.9	114.9	52.6	1.3	1.9
Up to one year	54.5	24.5	101.9	46.6	26.0	38.4
Over one year	161.8	72.6	1.8	0.8	40.3	59.7
Total	222.7	100.0	218.6	100.0	67.6	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	2020		2019*		2018*	
	Amount	%	Amount	%	Amount	%
Current deposits	7.2	3.3	3.9	1.9	2.9	1.5
Savings deposits	107.7	49.3	68.3	32.6	59.0	30.2
Fixed deposits	103.7	47.4	137.0	65.5	133.4	68.3
Total	218.6	100.0	209.2	100.0	195.3	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:

	October 2020
Fitch Ratings	
National long-term rating	AA-(tha)
National short-term rating	F1+(tha)
Outlook	Negative
	December 2020
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
	July 2020
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 2020, CIMB Thai group's assets were THB 41.5 billion higher than its liabilities, hence positive shareholders' equity. Its total consolidated capital funds amounted to THB 54.3 billion with capital adequacy ratio (BIS ratio) of 21.4%, exceeding the Bank of Thailand's regulatory requirement. Meanwhile, the Bank's capital funds amounted to THB 52.8 billion with BIS ratio of 20.8%.

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 2020, the Bank's cash in hand, cash at the cash centre and cash at the Bank of Thailand totaled THB 2.3 billion. Its modified LDR was 87.8%, compared with 96.6% 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 track records 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 2020, fees paid to the external auditor were as follows:

(1) Audit fee

CIMB Thai group paid the auditor audit fee of THB 14.9 million. Other incidental expenses included transport and photocopying expenses.

(2) Non-audit fee

CIMB Thai group did not have non-audit fee in the previous fiscal year.

REVENUE STRUCTURE

1. CIMB Thai Bank Public Company Limited

1.1 Total operating income

Unit: THB million

For the years ended 31 December

	2020	%	2019 (Restated)	%	2018	%
Interest income						
1. Interest on loans	9,561.9	87.9	11,288.5	116.9	10,435.6	110.0
2. Interest on interbank and money market items	70.3	0.6	87.4	0.9	127.4	1.3
3. Investments	1,485.1	13.6	2,070.2	21.4	1,664.3	17.5
4. Others	84.3	0.8	203.1	2.1	114.3	1.2
Total interest income	11,201.6	102.9	13,649.2	141.3	12,341.6	130.0
Interest expenses						
1. Deposits	2,360.4	21.7	2,851.4	29.5	2,342.4	24.6
2. Interest on interbank and money market items	336.8	3.1	719.1	7.4	351.3	3.7
3. Contribution fee to the Deposit Protection Agency and FIDF	597.9	5.5	1,062.6	11.0	1,007.8	10.6
4. Debt securities issued and borrowings	696.1	6.4	669.6	6.9	712.4	7.5
5. Others	63.6	0.6	162.8	1.7	101.4	1.1
Total interest expenses	4,054.8	37.3	5,465.5	56.5	4,515.3	47.5
Net interest income	7,146.8	65.6	8,183.7	84.8	7,826.3	82.5
Operating income	3,734.5	34.4	1,470.1	15.2	1,662.4	17.5
Total income	10,881.3	100.0	9,653.8	100.0	9,488.7	100.0

1.2 Non-interest income and expenses

Unit: THB million

For the years ended 31 December

	2020	%	2019 (Restated)	%	2018	%
Fee and service income	1,152.4	30.9	1,535.7	104.5	1,376.6	82.8
Fee and service expenses	359.7	9.6	370.3	25.2	289.5	17.4
Net fee and service income	792.7	21.2	1,165.4	79.3	1,087.1	65.4
Gains (losses) on financial instruments measured						
at fair value through profit or loss	940.1	25.2	(177.0)	(12.0)	294.5	17.7
Gains on investments, net	306.0	8.2	344.0	23.4	19.5	1.2
Other operating income	1,695.7	45.4	137.7	9.4	261.3	15.7
Non-interest income	3,734.5	100.0	1,470.1	100.0	1,662.4	100.0

2. CIMB Thai's Subsidiaries

Unit: THB million

For the years ended 31 December

	2020	%	2019 (Restated)	%	2018	%
1. CIMB Thai Auto Co., Ltd.						
Interest income	3,481.6	106.4	3,110.2	88.5	2,519.3	94.4
Interest expense	978.7	29.9	956.7	27.2	698.5	26.2
Net interest income	2,502.9	76.5	2,153.5	61.3	1,820.8	68.2
Operating income	770.5	23.5	1,360.7	38.7	848.4	31.8
Total income	3,273.4	100.0	3,514.2	100.0	2,669.2	100.0
2. WorldLease Co., Ltd.						
Interest income	1,372.5	89.6	1,342.5	83.3	1,182.2	73.7
Interest expense	90.7	5.9	109.4	6.8	104.4	6.5
Net interest income	1,281.8	83.7	1,233.1	76.5	1,077.8	67.2
Operating income	250.2	16.3	379.2	23.5	525.2	32.8
Total income	1,532.0	100.0	1,612.3	100.0	1,603.0	100.0
3. CT Coll Co., Ltd.						
Interest income	0.2	(473.7)	0.4	444.2	0.4	10.1
Interest expense	0.0	0.0	0.0	0.0	0.0	0.0
Net interest income	0.2	(473.7)	0.4	444.2	0.4	10.1
Operating income	(0.3)	573.7	(0.3)	(344.2)	3.5	89.9
Total income	(0.1)	100.0	0.1	100.0	3.9	100.0

Business Assets

(1) Premises and equipment

As at 31 December 2020, CIMB Thai group had land valued at THB 1,962 million, buildings THB 2,878 million, equipment THB 2,140 million and others THB 158 million. Net of accumulated depreciation of THB 3,872 million, the net book value of the premises and equipment was THB 3,266 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 2020 and 2019, the group had commitments under long-term leases as follows:

Unit: THB million

Lease periods	Consolidated		Separate	
	2020	2019	2020	2019
Not over 3 years	146	275	104	166
3 - 5 years	1	3	1	2
5 - 10 years	-	2	-	2
Total	147	280	105	170

(3) Other commitments

As at 31 December 2020 and 2019, 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:

Unit: THB million

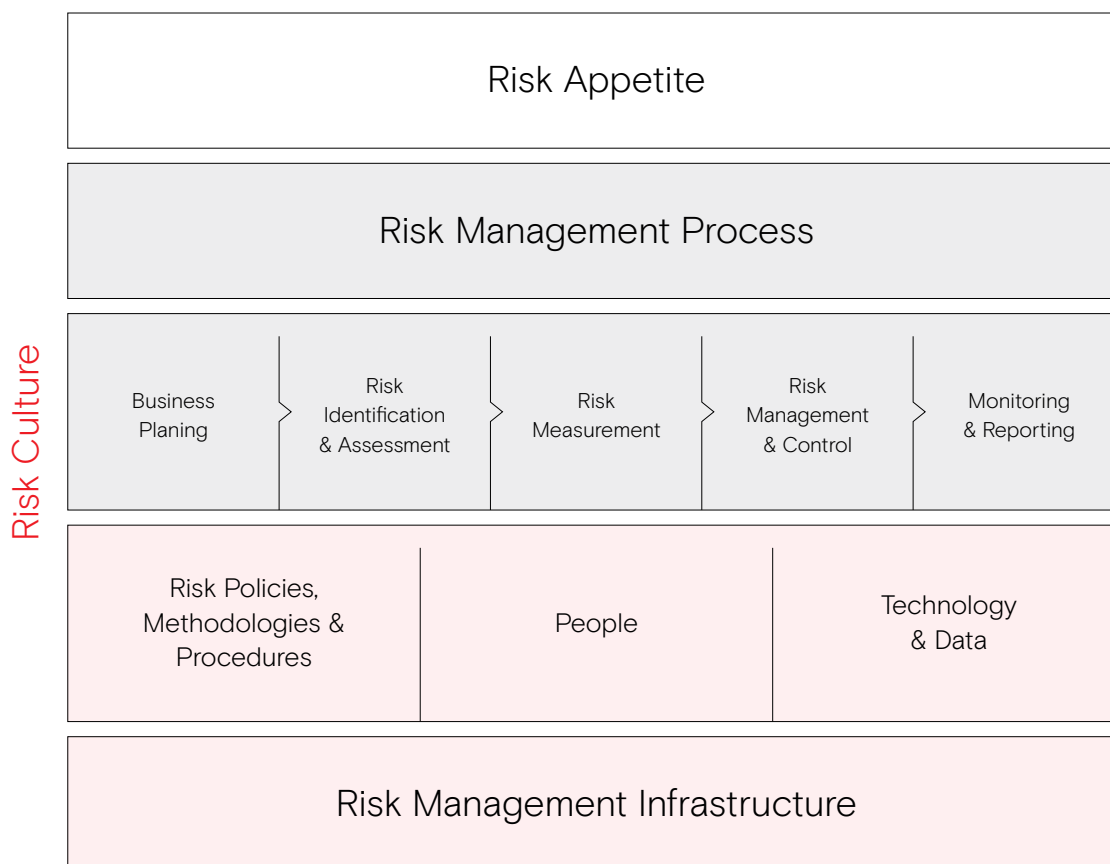
Currency	Consolidated and Separate	
	2020	2019
THB	113	112
MYR	2	9
USD	-	3
Total	115	124

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. Its 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 Audit Committee (AC)) and changed the name of the committee to Board Risk and Compliance Committee (BRCC) reporting directly to the BOD taking effect from September 2019. BRCC is comprised 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. 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 Black and 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. Black – "Forbidden," 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 unfavourable 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 trigger are set to control the risks associated with movements in interest rates which might affect the revenue and capital reserves of the Bank. Furthermore, stress test is periodically conducted, the results of which are thoroughly analysed.

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 trigger. 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 with focus on growing transactional current and saving accounts and net stable funding ratio (NSFR) focusing 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 reviewing liquidity risk tolerance before seeking approval from the BOD. 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 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 in line 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, Risk Management Committee (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 lies 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 thus set up Customer Experience Management (CX) to work closely with CIMB Thai Care Centre 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 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 relevant committees.

In 2020, CIMB Thai released debt relief programmes for loan customers financially impacted by the Covid-19 outbreak. CX had been involved in this process in terms of managing and facilitating customer communication and registration and also managing customers' complaints relating to the programmes. This aimed to assure the customers that their voices and concern issues would be considered and handled in a timely and sustainable manner.

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 Audit Committee (AC) and Board Risk and Compliance Committee (BRCC) in auditing and monitoring the business operation. Corporate Assurance, which reports directly to the 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 the 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

The Bank has no policy to invest in the foreign equity investment. At the present, the Bank's exposure of foreign equity investment was still in an insignificant amount.

CORPORATE GOVERNANCE REPORT

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

In 2020, the Bank was recognised for better corporate governance performance according to the Corporate Governance Report of Thai Listed Companies 2020 (CGR) carried out by Thai Institute of Directors Association (IOD) with support from the Stock Exchange of Thailand (SET). We achieved the overall average score of 90%, which is the excellent or 5-star level. This has reflected our business operation with adherence to corporate governance principles, transparency and recognition of all stakeholders.

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, has been formulated. With adherence to this policy in our operations, we aim to build trust and confidence among investors and stakeholders, hence improving our competitiveness, enhancing value added 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 our Corporate Governance Policy to bring it in line with the Office of the Securities and Exchange Commission Thailand (Office of the SEC)'s CG Code for the Bank to apply the principles of the CG Code into the 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 has recognised 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's annual general meeting of shareholders (AGM) for 2020 was formerly scheduled for 24 April 2020 in compliance with the provision of the law that the AGM be held within four months from the fiscal year end. However, due to the outbreak of Covid-19, the Board of Directors later resolved to have the 2020 AGM postponed to be held on 26 June 2020 as allowed through the measures of Department of Business Development, Ministry of Commerce, then applicable to cope with the virus spreading situation.

Before the AGM earlier scheduled for 24 April 2020, 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 from 1 October 2019 to 31 December 2019 in accordance with the

Bank's rules and criteria. It came out that no agenda items and no director nominations were proposed by the shareholders for the 2020 AGM held on 26 June 2020.

The Bank earlier expected that the pandemic would ease approaching the AGM date in June 2020. However, as the meeting date got nearing, the situation remained of much concern. Coupled with consideration of the government's strict measures to contain the disease spread among the shareholders and attendees, the Board at its meeting in May 2020 resolved to change the meeting venue from the Bank's head office to Anantara Siam Bangkok Hotel, Rajdamri Road, Bangkok, which offered a large ballroom on the ground floor to facilitate shareholders' access to the meeting venue without having to share the elevators or attendance of the meeting with social distancing observed.

To convene the 2020 AGM, the Bank performed strictly in compliance with the regulations and measures in place to prevent and control the virus spread. The work unit in charge of the meeting arrangement enquired about the appropriate practices with and requested necessary permission from relevant government agencies. In addition, we screened all attendees with measurement of body temperature, scan of Thai Chana QR code, and arrangement of seats in the meeting room applying the social distancing requirement along with recording of serial numbers attached to the seats of the shareholders for tracking purpose in case of any infection case occurring thereafter. Alcohol gels were made available all over the meeting areas, and extra rooms were prepared to accommodate the shareholders if the number of attending shareholders exceeded the specified limit in the main meeting room. In view of the rigorous measures taken by the Bank with due regard to the good health and hygiene of all parties concerned, the Bank earned a higher score of 98% for its AGM arrangement quality as assessed by the Thai Investors Association.

In the invitation letter sent to each shareholder, the Bank clearly identified which agenda item was for acknowledgement or for consideration, together with background, rationale, and recommendations of the Board, as well as supporting documents which comprised processes of meeting attendance and voting, proxy grants by shareholders, and the 2019 annual report. The Bank assigned Thailand Securities Depository Co., Ltd., the Bank's share registrar, to send the invitation letter to the shareholders for consideration 21 days before the meeting, and also published the invitation letter and other supporting documents on our website at least 30 days before the meeting. This allowed the 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 the law, 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 has been conducted through a bar code system with separate voting slips provided for each agenda item. At the 2020 AGM, the Bank allowed a longer period for the registration prior to the meeting due to the additional processes for the virus control measures which could lengthen the registration. 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. To avoid large gathering as determined by the Covid-19 control measures, we also encouraged the shareholders to appoint our independent directors as proxies to vote on their behalf by providing the names and profiles of independent directors whom shareholders could consider for their proxy appointment. At the 2020 AGM, 10 shareholders appointed the Bank's independent directors to attend the AGM and vote on the shareholders' behalf.

At the 2020 AGM, six of the Board members, representing 54.54% of the total number of the Board members, attended the meeting. The other five Board members, namely Dato' Robert Cheim Dau Meng

(the Board Chairman), Encik Omar Siddiq Bin Amin Noer Rashid, Encik Shahnaz Farouque Bin Jammal Ahmad, Ms. Serena Tan Mei Shwen, and Mrs. Watanan Petersik, who reside abroad, could not travel to attend the meeting due to the cross-border travel restriction during Covid-19 pandemic. There were 70 shareholders and proxies attending the meeting, making the total shares of 34,822,261,748, representing 94.9858% of the total issued shares.

The 2020 AGM approved as recommended by Mr. Adisorn Sermchaiwong, being the Bank's director and President and CEO as well as a proxy holder of CIMB Bank Berhad (major shareholder), the proposal to appoint Mr. Chanmanu Sumawong, an Independent Director who is a member of the Audit Committee and the Nomination, Remuneration and Corporate Governance Committee as well as a proxy holder of shareholders, to preside over the 2020 AGM as Chairman of the meeting in the absence of the Chairman of the Board of Directors. Before the meeting began, the Chairman of the meeting assigned the Company Secretary to give an explanation regarding voting rights and procedures to the attendees. 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 2020 AGM were submitted to the supervisory authorities within the timeframes prescribed by the relevant law and regulatory requirement, as well as posted on the Bank's website, www.cimbthai.com, for the reference of the shareholders.

2. Equitable Treatment of Shareholders

The Bank recognises the importance of fair treatment of all shareholders including the 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 the 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) within three business days from the transaction dates thereof, and send copies of such report to the Office of the President of the Bank 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 the 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 our 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 is seriously committed to providing 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, we have set up Customer Experience Management (CX) as a work unit to work closely with CIMB Thai Care Centre 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, timely and efficient 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 at all times observed through strict adherence to the relevant laws and regulatory rules. No confidential information shall be disclosed to others, unless the disclosure is required by law or authorised in writing by the customers.

In addition, in 2020 amid the Covid-19 outbreak that impacted the micro- and macro-economy of the country, the Bank of Thailand (BOT) sought cooperation from all commercial banks to launch debt relief programmes for their loan customers financially suffering from the situation. CIMB Thai also released debt relief programmes that align with the BOT's relevant circular. In this regard, CX had been engaged in the assistance programme communication and registration process by crafting messages to be used before and after the registration. This process was a collaborative effort by several business units besides CX, namely Consumer Credit Operations, Compliance, Legal, Corporate Communications and other customer-facing units. This aimed to ensure that our customers were fully and correctly informed of the measures in place and timely got assistance to relieve their burden during these tough times.

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 concerned 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 our human capital. In this context, we have consistently provided them with training so that they have an opportunity to improve their performance with more career development options. Such efforts will enhance our sustainable growth and serve our 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. Our 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. We have treated our competitors with fairness and without breaching the confidentiality of their information or tarnishing their reputation. Legal and ethical best practices have been put in place as guidelines for the employees.

6. Community and Society

We recognise our ability to make positive impacts on the community and the environment. We have 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, we disclose 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 our activities has also been provided to supervisory authorities, 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 2020, the Bank organised IR activities to provide information both directly and indirectly as follows:

1. IR and the management had arranged three conference calls with credit rating agencies, i.e. Fitch Ratings (Thailand) Limited, and Moody's Investors Service (MOODY's) and Rating Agency Malaysia Bhd (RAM), for their information of the Bank's operational status.
 2. Press release issued when the Bank had significant investment or business activities.
 3. Availability of channels for provision of information and dealing with enquiries 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 11 members who are professionals with diversified backgrounds in finance, banking, business administration, marketing, legal, accounting, auditing 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 director nomination fits 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, Thus, the number of directors on the Board shall not be fewer than 5 and not more than 12. The structure and composition of the Board of Directors and the setup of Board Committees are as prescribed by the 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 our 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 provide legal advice and ensure 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.
- Undertake other tasks as announced/prescribed by the Capital Market Supervisory Board.
- Undergo ongoing knowledge and skills training and development in the areas of performance of duties of company secretary, as well as self-development in the areas of relevant laws and regulations.

B. Board Committees

The Board has established Board committees, comprising Audit Committee, Nomination, Remuneration and Corporate Governance Committee, and Board Risk and Compliance Committee, 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 and reviewed on a regular basis to ensure that the Bank can carry on the 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 the Sync-Up system.

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 subsidiaries 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 provided 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 presidents 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 2020, the Bank recorded significant business transactions with our 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. 47 of the financial statements for the year ended 31 December 2020.

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

Name and Relationship	Transaction Characteristics and Value	Necessity and Reasonableness with Audit Committee's Opinion
CIMB Bank Bhd; CIMB Investment Bank Bhd; PT Bank CIMB Niaga Tbk; CIMB (L) Ltd.; CIMB Bank Plc., Cambodia; CIMB Bank (Vietnam) Ltd.; and CGS-CIMB Securities (Thailand) Co., Ltd., members of CIMB Group having CIMB Group as the major shareholder	<p>The Bank has performed an annual review of CIMB Group's credit facilities in the total amount of THB 35,925 million, consisting of CIMB Bank Bhd; CIMB Investment Bank Bhd; PT Bank CIMB Niaga Tbk; CIMB (L) Ltd.; CIMB Bank Plc., Cambodia; and CIMB Bank (Vietnam) Ltd., and CGS-CIMB Securities (Thailand) Co., Ltd.'s credit facilities, in the total amount of THB 2,511 million, with the pricing being at the market rate.</p> <p>This transaction is considered the Bank's normal course of business.</p>	<p>The Board of Directors' meeting no. 1/2020, held on 21 January 2020 (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 course of business.</p>
CIMB Bank Bhd (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 hubbed the system and outsourced IT operations services to CIMB Bank, with the payment to be made in a total of MYR 3,280,786 (or THB 27,546,480) to CIMB Bank for a period of five years, inclusive of mark-up and VAT.</p> <p>This transaction is considered the Bank's normal business support.</p>	<p>The Board of Directors' meeting no. 1/2020 held on 21 January 2020 (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>

Name and Relationship

Transaction Characteristics and Value

Necessity and Reasonableness with Audit Committee's Opinion

Sathorn Asset Management Co., Ltd. (STAMC), a member of CIMB Group which is the indirect major shareholder of the Bank

The Bank approved the renewal of insourcing service agreement with STAMC for another year, from 1 January 2020 to 31 December 2020. The adjustment of service fees from those in 2019 was as detailed below:

(Unit: THB)

#	Scope / Services	Usage as of Nov-19	Services Fee Per Month/User		Remark
			Y2019	Y2020 (Change)	
1	Email service	53 Users	325	440 (+115)	Move to Office365 Cloud services
2	Internet service	43 Users	192	163 (-29)	Cost reduce from optimized HW/SW
3	Central Control Document System & Document Image	2 Users	648	719 (+71)	Actual cost from current users.
4	1Platform System				
4.1	User fee	18 Users	2,852	2,852 (0)	No significant change in HW/SW.
4.2	Account fee	31,233	1.58	1.58 (0)	Refer cost from KL (Per Account)
4.3	New open account - charging from KL	120,784.09	Pay	Pay	Refer cost from KL (Pay per use)
5	Report On Demand	0	446	(Terminate)	STAMC confirmed to terminate
6	GSAM	1	9,255	(Terminate)	STAMC confirmed to terminate

This transaction is considered the Bank's normal business support.

The Board of Directors' meeting no. 2/2020 held on 20 February 2020 (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.

iCIMB (MSC) Sdn. Bhd, a member of CIMB Group having CIMB Group as the major shareholder

The Bank has outsourced the Group-DM prediction model to CIMB Group, MY - Decision Management (Group-DM), for the functions of development of predictive models, with the total service fee of around THB 938,427.84 annually.

This transaction is considered the Bank's normal business support.

The Board of Directors' meeting no. 2/2020 held on 20 February 2020 (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
CGS-CIMB Securities (Thailand) Co., Ltd. (CGS-CIMB), a member of CIMB Group having CIMB Group as the major shareholder	<p>The Bank has made the second amendment of services agreement between CIMB Thai and CGS-CIMB.</p> <p>The criteria to determine the transaction value (fee model) were as follows:</p> <ul style="list-style-type: none"> - Base fee = 0.05%-0.25% of product notional sold - Advisory fee = 50% of cumulative income of EDB less (personnel cost, CIMB Thai marketing cost, CGS-CIMB marketing cost and CGS-CIMB IT cost) - Advisory fee payable in current quarter = Cumulative advisory fee - Cumulative base fee - Advisory fee paid up to the previous quarter <p>This transaction is considered the Bank's normal business support.</p>	<p>The Board of Directors' meeting no. 3/2020 held on 26 March 2020 (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>
Sathorn Asset Management Co., Ltd. (STAMC), a member of CIMB Group which is the indirect major shareholder of the Bank	<p>The Bank has approved the renewal of internal audit insourcing service agreement with STAMC for a period of three years, i.e. from 1 April 2020 to 31 March 2023, with the 2020 internal audit service fee of THB 740,000.</p> <p>This transaction is considered the Bank's normal business support.</p>	<p>The Board of Directors' meeting no. 3/2020 held on 26 March 2020 (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>
Principal Asset Management Co., Ltd. (PAM), a member of CIMB Group which is the indirect major shareholder of the Bank	<p>The Bank has amended the terms and conditions applied to repo limit granted to PAM as below:</p> <ol style="list-style-type: none"> 1. Extending the coverage of the existing repo limit from only UI fund to also cover open-ended fixed income fund as permitted by the Securities and Exchange Commission (SEC). 2. Allowing the pledge of corporate bond (in addition to government bond) as collateral. This would, however, be subject to terms and conditions (i.e. rating and hair cut) as per the Bank of Thailand (BOT)'s regulation expected to be announced on 24 March 2020. 3. Delegating the authority to the Credit Committee to consider and approve any further amendment as a result of the new rule and regulation from the SEC and the BOT. <p>This transaction is considered the Bank's normal course of business.</p>	<p>The Board of Directors' meeting no. 3/2020 held on 26 March 2020 (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 course of business.</p>

Name and Relationship	Transaction Characteristics and Value	Necessity and Reasonableness with Audit Committee's Opinion												
<p>CIMB Bank Bhd (CIMB Bank), the major shareholder of the Bank holding 94.83% of the Bank's total issued and paid-up shares</p>	<p>The Bank has been appointed as a report administrator of CIMB Bank to provide the service on derivatives transaction report for CIMB Bank on a quarterly basis. There was no service fee charged to CIMB Bank.</p> <p>This transaction is considered the Bank's normal business support.</p>	<p>The Board of Directors' meeting no. 3/2020 held on 26 March 2020 (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>												
<p>CIMB Bank Bhd (CIMB Bank), the major shareholder of the Bank holding 94.83% of the Bank's total issued and paid-up shares</p>	<p>CIMB Bank has charged the brokerage fee to the Bank based on the actual Thai bond transactions confirmed by clients in the MarketAxess platform.</p> <p>CIMB Bank would pass through this charge (platform cost) without additional fee on top.</p> <table border="1" data-bbox="526 862 1109 1216"> <thead> <tr> <th data-bbox="526 862 590 940">No.</th> <th data-bbox="590 862 782 940">TH Bonds' maturity</th> <th data-bbox="782 862 1109 940">Brokerage fee paid to CIMB Berhad</th> </tr> </thead> <tbody> <tr> <td data-bbox="526 940 590 1028">1</td> <td data-bbox="590 940 782 1028">Under 2 years</td> <td data-bbox="782 940 1109 1028">USD 75 per USD 1 million in notional</td> </tr> <tr> <td data-bbox="526 1028 590 1139">2</td> <td data-bbox="590 1028 782 1139">Equal to or over 2 years but under 15 years</td> <td data-bbox="782 1028 1109 1139">USD 150 per USD 1 million in notional</td> </tr> <tr> <td data-bbox="526 1139 590 1216">3</td> <td data-bbox="590 1139 782 1216">Over 15 years</td> <td data-bbox="782 1139 1109 1216">USD 300 per USD 1 million in notional</td> </tr> </tbody> </table> <p>This transaction is considered the Bank's normal business support.</p>	No.	TH Bonds' maturity	Brokerage fee paid to CIMB Berhad	1	Under 2 years	USD 75 per USD 1 million in notional	2	Equal to or over 2 years but under 15 years	USD 150 per USD 1 million in notional	3	Over 15 years	USD 300 per USD 1 million in notional	<p>The Board of Directors' meeting no. 3/2020 held on 26 March 2020 (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>
No.	TH Bonds' maturity	Brokerage fee paid to CIMB Berhad												
1	Under 2 years	USD 75 per USD 1 million in notional												
2	Equal to or over 2 years but under 15 years	USD 150 per USD 1 million in notional												
3	Over 15 years	USD 300 per USD 1 million in notional												
<p>Mr. Chanmanu Sumawong, the Bank's director, as a senior executive at one juristic person</p>	<p>The Bank has conducted an annual review of all credit facilities for a juristic person and changed the next review date from every 30 June to every 31 January. The next review date would thus be 31 January 2021. The pricing would be at the market rate.</p> <p>This transaction is considered the Bank's normal course of business.</p>	<p>The Board of Directors' meeting no. 4/2020, held on 23 April 2020 (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 course of business.</p>												

Name and Relationship

Transaction Characteristics and Value

Necessity and Reasonableness with Audit Committee's Opinion

Sathorn Asset Management Co., Ltd. (STAMC), a member of CIMB Group which is the indirect major shareholder of the Bank

The Bank has renewed the insourcing agreement with STAMC for a period of three years, i.e. from 1 January 2020 to 31 December 2022, covering the following services:

- 1) Human resources
- 2) Credit operations
- 3) Finance
- 4) Corporate assurance
- 5) Information technology

Details of the service fees (excluding VAT 7%) are as tabulated below.

Area of Services	Service Fee Excluded VAT 7%
Information Technology	
1. Email system	THB 440 / month / email address
2. Internet service	THB 163 / month / user
3. Central Control Document System & Document Image	THB 719 / month / user
4. Platform system	
4.1 User fee	THB 2,852 / month / user
4.2 Account fee	THB 158 / month / account
4.3 New open account - charging from KL	Pay per use on monthly basis

Area of Services	Service Fee Excluded VAT 7%
Human Resources	
1. Payroll services	
2. Other services	THB 250 / user / month
2.1 Talent acquisition	
2.2 Human resources business partner	
2.3 Learning and talent	
2.4 Human resources services	
2.4.1 Total rewards & HR operations	
2.4.2 HR shared services & control	
2.4.3 Employee relations & control	

The Board of Directors' meeting no. 6/2020 held on 25 June 2020 (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

Area of Services	Service Fee <u>Excluded</u> VAT 7%
Credit Operations	
1. Facility documentation	Per transaction
1.1 Agreement	THB 1,869.16 / transaction
1.2 Debt release document	THB 467.29 / transaction
2. Mortgage, collateral registration and other related activities	1. Using the Bank's officer to provide the service, with the fee of THB 934.58 / transaction, plus travel and accommodation expenses (if any).
2.1 For transaction doing outside the Bank	2. Using outsource company to provide the service, with the fee as follows:
2.2 For transaction doing in the provincial areas	2.1 The fee for preparing and transferring the task to the outsourcing company to process of THB 280.37.
3. Receiving payment and calculating debt outstanding (issue payment / issuing receipt / record data / calculate debt outstanding / record credit limit and collateral / renewal insurance) including safe keeping of original and copies of important documents. The Bank shall deliver all payments received to the company within the 15th day of the following month. Should the 15th date fall on public holiday, then the next working day.	2.2 Actual service fee charged from the outsourcing company.
4. Preparing reports for AMLO and other government organization as required by law and regulation or as being requested.	Lump sum : THB 257,009.35 / month

Name and Relationship

Transaction Characteristics and Value

Necessity and Reasonableness with Audit Committee's Opinion

Area of Services

Service Fee Excluded VAT 7%

Finance Accounting and Tax

1. Preparing accounting books
2. Preparing financial statement
3. Preparing account report and tax return and filing the same to the authority concerned within the time limit
4. Preparing relating reports and submit the same to authority as required by law and regulation or as being requested

Lump sum :
THB 226,000 / month

Area of Services

Service Fee Excluded VAT 7%

Internal Audit

Internal audit service covers but not limited to the following:

1. Audit of compliance with internal and external relevant rules, regulations and laws
2. Accounting and financial audit
3. Information Technology and risk audit
4. Adhoc audit requested by the Company
5. Coordinate with regulators, governing the Company and external auditor in their review in relation to internal audit service
6. Other engagement as agreed by both parties

Internal audit service fee is based on estimated working hours of auditors and other relevant fees and expenses such as travelling and accommodation expense for on-site audit in up-country in accordance with audit plan of each year and other assignments requested by the Company. In determination of service fee of each year, the Bank will define the audit plan and service fee to be endorsed and approved by the Bank's Audit Committee. The approved service fee will be notified to the Company by letter and regarded as a part of the contract. The Company agrees to pay for a service fee, professional fee, as well as other fees and expenses to the Bank within 30 (thirty) days from the date the Company received the invoice issued by the Bank.

This transaction is considered the Bank's normal business support.

Name and Relationship	Transaction Characteristics and Value	Necessity and Reasonableness with Audit Committee's Opinion
Principal Asset Management Co., Ltd. (PAM), a member of CIMB Group which is the indirect major shareholder of the Bank	<p>The Bank has renewed the existing rental agreement of the following spaces to PAM for a period of one year:</p> <ol style="list-style-type: none"> 1) Space on 16th floor (600 sq.m.) at the rental rate of THB 735 per sq.m. per month, with other conditions remaining the same as those under the existing agreement. 2) Space on 15th floor (436 sq.m.) at the rental rate of THB 735 per sq.m. per month, with other conditions remaining the same as those under the existing agreement. <p>This transaction is considered the Bank's normal business support.</p>	The Board of Directors' meeting no. 6/2020 held on 25 June 2020 (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.
CIMB Bank Bhd (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 implemented the AML system with hubbing solution at CIMB Bank. This transaction was under the AML Project, which was approved a total cost in phase 1 of THB 82.57 million.</p> <p>This transaction is considered the Bank's normal business support.</p> <p>The Board of Directors' meeting no. 12/2020, held on 16 December 2020, acknowledged the revised cost of AML Project that had been changed from that previously presented as the TCO was decreased to THB 68.80 million and the subsequence of hubbing cost methodology caused the OPEX to be higher than the CAPEX.</p>	The Board of Directors' meeting no. 7/2020 held on 29 July 2020 (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.
Principal Asset Management Co., Ltd. (PAM), a member of CIMB Group which is the indirect major shareholder of the Bank	<p>The Bank has performed an annual review and extended the L/G (performance) limit to PAM, totalling THB 4 million to 31 August 2021 on an unchanged basis with no increase in the risk exposure.</p> <p>This transaction is considered the Bank's normal course of business</p>	The Board of Directors' meeting no. 8/2020 held on 26 August 2020 (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 course of business.
CIMB Bank Bhd; CIMB Investment Bank Bhd; PT Bank CIMB Niaga Tbk; CIMB Bank (L) Ltd.; CIMB Bank Plc.; and CIMB Bank (Vietnam) Ltd., members of CIMB Group having CIMB Group as the major shareholder	<ol style="list-style-type: none"> 1) The Bank has performed an annual review of six existing counterparties under CIMB Group with the total credit facilities of THB 36,925 million. The next review date would be on 30 November 2021. 2) The Bank has increased the following limits: <ol style="list-style-type: none"> 2.1) CIMB Bank Bhd (CIMB KL): <ul style="list-style-type: none"> - Increasing the FBG limit from THB 400 million to THB 1,200 million. - Increasing the BEP limit from THB 50 million to THB 250 million, with the pricing being at the market rate. <p>This transaction is considered the Bank's normal course of business.</p>	The Board of Directors' meeting no. 9/2020 held on 24 September 2020 (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 course of business.

Name and Relationship	Transaction Characteristics and Value	Necessity and Reasonableness with Audit Committee's Opinion
CGS-CIMB Securities (Thailand) Co., Ltd. (CGS-CIMB), a member of CIMB Group having CIMB Group as the major shareholder	<p>The Bank has performed the annual review and extended all credit facilities for CGS-CIMB to 30 September 2021, and has increased the PSR limit to THB 1,000 million, from THB 16 million, to support the equity derivative transaction of CGS-CIMB, with the pricing being at the market rate.</p> <p>This transaction is considered the Bank's normal course of business.</p>	<p>The Board of Directors' meeting no. 9/2020 held on 24 September 2020 (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 course of business.</p>
CIMB Group, the indirect major shareholder of the Bank	<p>The Bank has made the IT outsourcing to CIMB Group under CIMB Thai's MUREX Upgrade Project. The payment to be made to CIMB Group as the project costs include:</p> <ol style="list-style-type: none"> 1) Hardware purchase (additional app servers) of THB 5,746,014, and 2) Hardware maintenance, including CIMB Group MX staff, of THB 17,023,972 <p>This transaction is considered the Bank's normal business support.</p>	<p>The Board of Directors' meeting no. 9/2020 held on 24 September 2020 (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>
iCIMB (MSC) Sdn Bhd, a member of CIMB Group having CIMB Group as the major shareholder	<p>The Bank has made the IT outsourcing of Group Electronic Procurement System to iCIMB (MSC) Sdn Bhd, with the new operational cost for hubbing (cost allocation) in the total amount of THB 1,797,070.78 for a period of five years, from 2020 to 2024.</p> <p>This transaction is considered the Bank's normal business support.</p>	<p>The Board of Directors' meeting no. 12/2020 held on 16 December 2020 (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>

- Loans, Deposits and Contingent Liabilities

a. Loans, contingent liabilities and deposits associated with businesses in which the Bank and the Bank's 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)

31 December 2020

Company name	Obligations	Outstanding loans	Interbank and money market items (assets)	Other assets	Deposits	Interbank and money market items (liabilities)	Borrowings	Other liabilities	Shareholding (%)	Common management
Parent Company										
CIMB Bank Bhd	60	-	762	-	-	947	9,755	726	94.83	Dato' Abdul Rahman Bin Ahmad Encik Omar Siddiq Bin Amin Noer Rashid
Interest rate swap contracts										
- Fixed rate receiver	52,475	-	-	-	-	-	-	-		
- Floating rate receiver	44,953	-	-	-	-	-	-	-		
Forward and spot contracts										
- Bought	11,863	-	-	-	-	-	-	-		
- Sold	75	-	-	-	-	-	-	-		
Cross currency and interest rate swap contracts										
- Bought	8,254	-	-	-	-	-	-	-		
- Sold	188	-	-	-	-	-	-	-		
Fund option										
- Bought	30	-	-	-	-	-	-	-		
Credit derivatives										
- Sold	5,675	-	-	-	-	-	-	-		
Subsidiary Companies										
CIMB Thai Auto Co., Ltd.	- 30,805	-	-	2	92	-	-	-	99.99	Mr. Tan Keat Jin Ms. Sasima Thongsamak Mr. Goh Therd Siang Ms. Piyawan Thianphranon Mr. Tapakorn Siritanawutichai
CT Coll Co., Ltd.	-	-	-	-	43	-	-	-	99.99	Mr. Tan Keat Jin Ms. Onanong Udomkantong Ms. Sasima Thongsamak Mr. Goh Therd Seng
WorldLease Co., Ltd.	-	2,135	-	5	59	-	-	-	99.99	Ms. Penporn Kumpusiri Mr. Natthavud Vajeenuraksakulchai Mr. Montri Puangpool Ms. Pornpat Artornsombudh Ms. Onanong Udomkantong

31 December 2020

Company name	Obligations	Outstanding loans	Interbank and money market items (assets)	Other assets	Deposits	Interbank and money market items (liabilities)	Borrowings	Other liabilities	Shareholding (%)	Common management
Companies Under Common Control										
CIMB Bank Plc., Cambodia	-	70	-	-	-	10	-	-		
CIMB Islamic Bank Bhd	-	-	-	-	-	2	-	-		
iCIMB (MSC) Sdn Bhd	-	-	-	-	-	-	-	43		
PT Bank CIMB Niaga TBK	-	-	1	-	-	3	-	-		
CGS-CIMB Securities (Thailand) Co., Ltd.	-	-	-	-	629	-	-	-		
Forward and spot contracts										
- Bought	91	-	-	-	-	-	-	-		
- Sold	49	-	-	-	-	-	-	-		
ICIMB (MSC) Sdn Bhd Computer system and software development agreement	1	-	-	-	-	-	-	-		
Principal Asset Management Co., Ltd.	-	-	-	22	674	-	-	-		Mr. Jason Leong Kok Yew
Sathorn Asset Management Co., Ltd.	-	-	-	1	400	-	-	5		Mr. Zethjak Leeyakars Mr. Goh Therd Seng
Other related parties	819	72	-	-	431	-	-	7		

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 has 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 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, those having undergone debt restructuring, and those being new loans, using the market interest rates under the ordinary terms of business.

- **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 in compliance with good corporate governance principles. In addition, we have mechanisms in place to consistently monitor, assess and audit our internal control system to ensure adequacy, appropriateness, and effectiveness.

- **Organisation and environment**

We have structured our 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). We have also consistently monitored the operations of staff to be in line with the code of ethics and best practice in business operations with fair treatment of all 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**

We have realised the significance of risk management covering both internal and external risk factors. The Board of Directors has formed the Board Risk and Compliance Committee and Risk Management Committee with relevant roles, duties and responsibilities defined and operations of which have been assessed to ensure conformity with the risk governance framework in place. 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 the risk culture.

- **Oversight of executive management**

We have 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 the relevant parties with beneficial interests. In addition, any sales, giving, lease, purchase or rent of assets concerning the authorised directors and major shareholder as well as parties related to them have to comply with the policies and procedures in place.

In addition, we have established Compliance unit to provide oversight and support to ensure that the Bank conducts 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**

We have established our accounting policies and procedures in line with generally accepted accounting principles that support the Bank's business requirements. Our information and database systems have consistently been managed and developed 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**

We have put in place processes for monitoring and reviewing the implementation of activities against our strategic objectives, policies, procedures, relevant laws, regulations, and internal control systems. An annual business plan is prepared and periodically reviewed to ensure 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 meeting is normally held once a month in compliance with the law and the Bank's Articles of Association which require that board meeting shall be held once every quarter at a minimum. In scheduling the Board meeting, we will set dates of the monthly Board meetings in advance for the entire year.

The invitation letter for each Board meeting will clearly specify agenda items submitted for information and consideration. In addition to the scheduled Board meetings, special Board meetings may 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 allocated efficiently for 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 2020, 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 arranges for the holding of meeting among non-executive directors to discuss the Bank's affairs without participation of the management. In 2020, two meetings among non-executive directors were held on 16 July 2020 and 25 November 2020.

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 2020 was as follows: 1) self-evaluation of the Board as a whole, with the average score of 3.66 from all categories, 2) self-evaluation of the Board on an individual basis, with the average score of 3.43 from all categories, and 3) cross-evaluation of the Board on an individual basis, with the average score of 3.55 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, B.E. 2535 (1992) 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 the 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 2020 annual general meeting of shareholders no. 26 held on 26 June 2020 passed a resolution approving the new remuneration rates, which increased from the previous rates, for the Board and Board Committee members for 2020 as detailed below:

1. Remuneration for Board members:

Position	THB/person		
	Monthly Allowance (Position Allowance)	Meeting Allowance (Monthly)	Attendance Allowance
Chairman	140,000	50,000	50,000
Director	-	50,000	50,000

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

2. Remuneration for Board Committee members:

Position	THB/person		
	Monthly Allowance (Position Allowance)	Meeting Allowance (Monthly)	Attendance Allowance (Per Time)
1. Audit Committee			
Chairman	50,000	-	50,000
Committee member	-	-	50,000
2. Other Committees (i.e. Nomination, Remuneration and Corporate Governance Committee; and Board Risk and Compliance Committee)			
Chairman	50,000	-	50,000
Committee member	-	-	50,000

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

However, due to the global Covid-19 economic disruption, the 2020 AGM approved that the new remuneration rates be applicable from 1 January 2021 onwards as recommended by the Board of Directors.

- 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, B.E. 2535 (1992) 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 2020, 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"> - PowerTalk #11 – Preparing The Board for A Post-Covid World - Corporate Reform and Performance Workshop Towards Development of Economic Recovery Plan - BNM FIDE Forum Annual Dialogue with the Governance of Bank Negara Malaysia - Risk Posture Workshop - The Cooler Earth (TCE) Virtual Summit 2020 by CIMB Group – Profit with a Purpose - The Cooler Earth (TCE) Virtual Summit 2020 by CIMB Group – Sustainability Careers/Building a Sustainable World - The Cooler Earth (TCE) Virtual Summit 2020 by CIMB Group – Regulation and Board Intervention - AML/CFT & TFS Refresher Training for Board of Directors - Sustainability Leadership Training by UNEP FI and WWF for Board of Directors - IT Security Awareness Forum - Cyber Security Awareness 2020 by National Telecom Public Company Limited (NT)
2. Mr. Anon Sirisaengtaksin	<ul style="list-style-type: none"> - Cyber Security Awareness 2020 by National Telecom Public Company Limited (NT) - The Cooler Earth (TCE) Virtual Summit 2020 by CIMB Group
3. Mrs. Oranuch Apisaksirikul	<ul style="list-style-type: none"> - Cyber Security Awareness 2020 by National Telecom Public Company Limited (NT) - The Cooler Earth (TCE) Virtual Summit 2020 by CIMB Group
4. Mr. Chanmanu Sumawong	<ul style="list-style-type: none"> - Cyber Security Awareness 2020 by National Telecom Public Company Limited (NT)
5. Dr. Rom Hiranpruk	<ul style="list-style-type: none"> - Cyber Security Awareness 2020 by National Telecom Public Company Limited (NT) - The Cooler Earth (TCE) Virtual Summit 2020 by CIMB Group
6. Mr. Niti Jungnitnirundr	<ul style="list-style-type: none"> - Cyber Security Awareness 2020 by National Telecom Public Company Limited (NT) - The Cooler Earth (TCE) Virtual Summit 2020 by CIMB Group - Director Certification Program (DCP) Class 300/2020 by Thai Institute of Directors (IOD)
7. Mr. Natasak Rodjanapiches	<ul style="list-style-type: none"> - Cyber Security Awareness 2020 by National Telecom Public Company Limited (NT) - Risk Management Programme for Corporate Leaders (RCL) by Thai Institute of Directors (IOD) - Cyber Resilience course by Bank of Thailand
8. Encik Omar Siddiq Bin Amin Noer Rashid	<ul style="list-style-type: none"> - Cyber Security Awareness 2020 by National Telecom Public Company Limited (NT)

Director Name	Training Course/Seminar
9. Mr. Hafriz Bin Abdul Rahman	<ul style="list-style-type: none"> - Director's Bootcamp by Institute of Corporate Directors Malaysia - Bank Capital Adequacy Under Basel III by Fitch Learning - Introduction to Corporate Directorship by Institute of Corporate Directors Malaysia - Financial Fundamentals for Boards by Institute of Corporate Directors Malaysia - Strategic Risk Management by Institute of Corporate Directors Malaysia - Risk Management & Internal Control Systems by Asia School of Business - Financial Institution Directors Education (FIDE) Core Module A (Bank) by Asia School of Business - Financial Institution Directors Education (FIDE) Core Module B (Bank) by Asia School of Business - Cyber Security Awareness 2020 by National Telecom Public Company Limited (NT)
10. Dato' Abdul Rahman Bin Ahmad	<ul style="list-style-type: none"> - Cyber Security Awareness 2020 by National Telecom Public Company Limited (NT)
11. Mr. Sutee Losoponkul	<ul style="list-style-type: none"> - Cyber Security Awareness 2020 by National Telecom Public Company Limited (NT)

In 2020, four new directors were appointed by the shareholders' meeting and Board meeting. The new directors underwent an in-house induction programme that gave them an overview of the Bank, the Bank's annual business and operational plans, and summary of duties and responsibilities for compliance with the good corporate governance practices including applicable laws and regulations each director needs to know.

H. Succession Plan

The Bank is fully aware of the necessity to operate our business efficiently and continuously. Thus, Human Resources has been tasked with formulating a succession plan to ensure that the Bank has identified executives or talents as successors and an appropriate training and development plan to upskill each individual to be ready to replace key positions with immediate effect or within the specified timeframe. The significant process for implementation of the plan requires approval by the Nomination, Remuneration and Corporate Governance Committee and the Board of Directors.

I. Organisation and Personnel

As of 31 December 2020, the total manpower of the Bank was 2,725 employees, of whom 613 work at Bank branches and 2,112 at the head office, as below:

	No. of employees
1. Acting President and Chief Executive Officer, Co-Head of Wholesale Banking, and Acting Head of Commercial Banking	1
2. Wholesale Banking	
2.1 Corporate Banking and Investment Banking	108
2.2 Treasury & Markets	81
3. Consumer Banking	1,329
4. Commercial Banking	140
5. Transaction Banking	45
6. Risk Management	107
7. Finance	136
8. Technology and Operations	562
9. Legal	12
10. Strategy	14
11. Human Resources	54
12. Office of the President (including secretary of President and Chief Executive Officer)	11
13. Research	10
14. Corporate Communications	23
15. Corporate Assurance	43
16. Compliance	43
17. Customer Experience Management	6
Total	2,725

Staff Development Policy and Human Resource Management Plan

The Bank is committed to consistently developing people capability at all levels with focus on intensive career development and succession planning to enhance knowledge, skills and competencies of staff. The learning roadmap is designed and developed through identifying required skillset for each job role to support career advancement. The Bank has realised the rapid change in digital disruption environment and has thus launched the 3D Academy to equip staff with new future skills. This will enable the Bank to align people development with 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 build continuous learning anytime and anywhere.

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 for the fiscal year was THB 2,591.11 million. To be an employer of choice, we will continue to improve our staff benefits to attract and retain quality staff.

Learning and Development

In 2020, the Bank organised a total of 337 training courses for the staff, consisting of 169 in-house and 168 external programmes with a total of 2,725 staff in attendance (data as of 31 December 2020), equivalent to 100% of the total workforces, or an average 3 training days per person per year. Total learning investment in 2020 was THB 5.4 million (data as of 30 November 2020). The Bank focused on upskilling our staff to be future ready workforce by collaboration with well-known institutions and CIMB Group to design and develop courses related to digital and future skills in the form of gamification learning on mobile phones. Moreover, 482 employees underwent upskilling to a higher level (intermediate level) by external and internal experts in such areas as Data Science, Tableau Tools and Data Analytic, Robotic Process Automation (RPA), New Digital Technology, etc.

We also continued to support staff in specific roles with various professional certification programmes like Professional Investment Planner, Life and Non-life Insurance License, and initiated The Branch Transformation Programme to reskill our service staff at branches to become professional sales people so that they can fulfil future jobs in demand.

Staff Health and Safety Information

	2020	2019
Proportion of average leave days of staff classified by type	%	%
Sick leave	12.65	24.60
Work related injury and sickness	0.0	0.0
Others	87.35	75.40
No. of average sick leave days (day/person)	2.38	2.80
Work related accident death (persons)	0	0

Work Environment

CIMB Thai is concerned about the health and quality of life of our staff. Due to the Covid-19 pandemic for the past year, to prevent the spread of the virus, we have focused on taking measures for the good hygiene of work environment in strict compliance with the practice guidelines of Department of Disease Control and CIMB Group. New Normal practice guidelines have accordingly been worked out and implemented at the workplace as follows:

- Measurement of body temperature, use of alcohol gel, wearing face mask, fill-in of information on travel timeline to risky areas, and also scan of Thai Chana QR code applicable to visitors.
- Arrangement of work seats, common areas, meeting rooms and the canteen with social distancing of 1-2 meters, more frequent (hourly) disinfection of touch surfaces in public areas with alcohol, spraying disinfectant solution every weekend, and making available for at least 3-month use necessary supplies for staff's personal hygiene, such as alcohol, hand gel, gloves and disinfectant solution.
- Air quality check, monthly test of fire extinguishing system, annual fire drill, and work environment inspection on a monthly basis to comply with the Occupational Safety, Health, and Working Environment Policy.

Environmental and energy management

The Bank has in place 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. Measures taken in 2020 comprised:

- Installation of cooling tower fillers to increase cooling efficiency and reduce energy consumption.
- Replacement of light tubes with LED tubes in the office buildings to reduce energy consumption.
- Setting the temperature for the air-conditioning system at 24-25 degrees celsius and checking the functionality of the chiller system on a monthly basis to lower energy consumption.
- Installation of new power transformers for higher efficiency and less energy consumption.
- Management of waste water treatment system in line with the standards of Pollution Control Department to protect the environment.
- Replacement of chemical cleaning solution with microbial cleaning solution to protect the environment.
- Launch of a campaign on use of E20 or E85 fuels to support such renewable energy as domestic biofuels to reduce air pollution.
- Launch of a programme to encourage staff and their family members to be aware of environmental protection by promoting the use of recyclable materials in order to minimise wastes that may harm the environment.

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 and executives 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 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 formulated under transparent principles based on scopes of responsibilities of the job position and competitive edge of the Bank relative to other financial institutions and leading companies in Thailand to assure that the Bank can attract talents as well as retain and motivate high-performers to create sustainable success for the organisation. The Policy is applicable to all CIMB Thai employees.

Composition of Remuneration

The Bank has defined remuneration for all employees, comprising monetary remuneration (such as salary, living allowance, overtime pay and holiday pay) and other remuneration in terms of benefits on medical treatment, health check-up, life insurance and accident insurance, provident fund, and welfare loans that are applicable at present or to be amended through the Bank's announcement in the future.

Remuneration for Executives

The Nomination, Remuneration and Corporate Governance Committee is responsible for formulating a policy on payment and amount of remuneration and other benefits for executives (from a corporate title of Executive Vice President (U2) and upper), including the President and Chief Executive Officer, before proposal for the Board of Directors' approval. In this regard, the said payment will be linked to short- and long-term performance of the Bank and the work performance of each respective executive

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 both 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 based on the delegated authority (DA) for consideration.

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. It shall be 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 the 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 regulations. The bonus payment shall be concurred by the Nomination, Remuneration and Corporate Governance Committee and approved by the Board of Directors.

Policy on Nomination of Directors and Executives

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 persons who have no disqualifications 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 and relevant laws.

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 BOT's approval. The Bank has put in place the nomination process in order to ensure that all senior appointments are compliant with the regulations of the BOT and other regulatory bodies.

Human Rights Policy

The Bank has established Human Rights Policy and Procedures to ensure our directors, executives and employees 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. In no cases, the Bank shall 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 Copyrights

The Bank does not support our directors, executives and employees operating in violation of intellectual property rights or copyrights. As such, we have established a policy prohibiting the Bank's directors, executives and employees from violating intellectual property rights or copyrights, 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 the 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 thereof (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 our intention to fight corruption by participating in and being certified as a member of the Private Sector Collective Action Coalition against Corruption (CAC) on 21 May 2019. To ensure that the Bank has in place appropriate practice and regulations to prevent corruption, the Bank prepares the Anti-Corruption Policy and Procedures to be strictly complied with by the directors, executives and employees as well as the Bank's subsidiaries.

Policies on Sustainability

As part of our commitment to align the organisation to CIMB Group's Forward23+ aspirations to create a purpose driven organisation, in 2020, we introduced two new sustainability policies. Both policies, i.e. CIMB Thai Sustainability Policy and CIMB Thai Sustainable Financing Policy, were approved by the Board of Directors' meeting in December 2020 and will be implemented in phases starting from 2021.

The policies seek to provide guidance to the Bank's business units on environmental, social and governance (ESG) risks as well as their related impacts on financing and capital raising decisions. This will then enable the Bank to make informed decisions in accordance to our key values and aspirations that aim to provide responsible and sustainable financial services to all of our stakeholders and community.

Focus on Long-term Shareholder Value

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

List of Shareholders

Top ten shareholders of the Bank as of 8 May 2020:

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.	142,487,915	0.41
4	Mr. Pisit Prukpaiboon	44,326,382	0.13
5	SCB SET Banking Sector Index	29,331,208	0.08
6	Mr. Anan Rungwittayakom	15,206,500	0.04
7	Mr. Pracha Chaisuwan	14,365,733	0.04
8	Mr. Prawit Phansaichue	13,997,591	0.04
9	Mr. Somchart Namsricharoensuk	13,684,881	0.04
10	Mrs. Jaroonluk Panichsheewa	11,761,750	0.03
	Other shareholders	754,372,356	2.17
	Total 7,815 shareholders holding	34,822,261,748	100.00
	Thai shareholders 7,749	1,006,576,354	2.89
	Foreign shareholders 66	33,815,685,394	97.11
	Total shareholders 7,815	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 dividend policy sets out the principles for determination of dividend payment to our shareholders. The Bank may consider distributing dividends to the shareholders if our operations are profitable, provided that our business and legal reserve requirements are maintained. The remaining profit from paying dividend can be allocated as reserve funds/retained earnings. The Bank may pay interim dividend to the shareholders from time to time as deemed fit and as adequately allowed by profitability.

The dividend payment shall be made within the time prescribed by law and the written notice of such dividend payment shall be sent to the shareholders and also published in a newspaper.

With respect to the Bank's subsidiaries, the decision to declare a dividend payment is at the discretion of the respective subsidiaries' boards of directors and is dependent upon the subsidiaries' net profits.

Details of fine payment of the Bank and companies in our financial business group as of 31 December 2020:

Regulators	Year 2020				Details of fines imposed by regulators	
	Total amount (THB)	First three highest fine amounts			Three most frequent non-compliance cases in past five years	
		Amount (THB)	Section	Relevant laws	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 2020, 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 in binding the Bank.

3. Director who is delegated authorised signatory

Means one or several director(s) authorised by the Board to sign in 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, or the 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, or the parent company, subsidiary company, associated company, same-level subsidiary company, major shareholder or controlling person of the Bank, 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 a subsidiary company of the Bank;

- (d) Neither have nor have had a business relationship with the Bank, or the 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, or the 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's 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, or the 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 of the Bank;
- (h) Not undertake any business in the same nature as and in material competition with the business of the Bank or the Bank's 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 the Bank's 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, or the 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 the Bank's 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); and
- (l) Be eligible to hold the independent director position for not 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 reappointed as an independent director, his/her status of director, manager, controlling person, advisor or employee of the Bank and companies in the Bank's 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 the Bank's financial business group has ended not more 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 the Bank's financial business group, the person may be reappointed as an independent director, but the period during which he/she has served as an independent director must be all counted.

As of 31 December 2020, the Board of Directors was composed of the following 11 directors:

No.	Name	Position
1.	Dato' Robert Cheim Dau Meng	Chairman Member and Alternate Chairman of Nomination, Remuneration and Corporate Governance Committee
2.	Encik Omar Siddiq Bin Amin Noer Rashid	Executive Director Member of Board Risk and Compliance Committee
3.	Mr. Chanmanu Sumawong	Independent Director Member of Audit Committee Member of Nomination, Remuneration and Corporate Governance Committee
4.	Dr. Rom Hiranpruk	Independent Director Member of Audit Committee Chairman of Board Risk and Compliance Committee
5.	Mr. Natasak Rodjanapichet	Independent Director Member and Alternate Chairman of Board Risk and Compliance Committee
6.	Mr. Niti Jungnitnirundr	Independent Director Member of Audit Committee
7.	Mrs. Oranuch Apisaksirikul	Independent Director Chairperson of Audit Committee
8.	Mr. Anon Sirisaengtaksin ^{1/}	Independent Director Chairman of Nomination, Remuneration and Corporate Governance Committee Member of Board Risk and Compliance Committee
9.	Mr. Hafriz Bin Abdul Rahman ^{2/}	Director Member of Board Risk and Compliance Committee

No.	Name	Position
10.	Dato' Abdul Rahman Bin Ahmad ^{3/}	Executive Director
11.	Mr. Sutee Losoponkul ^{4/}	Executive Director Acting President and Chief Executive Officer

- 1/ The Annual General Meeting of Shareholders no. 26, held on 26 June 2020, resolved to appoint Mr. Anon Sirisaengtaksin as Independent Director replacing Mrs. Watanan Petersik who retired by rotation, effective on 26 June 2020.
- 2/ The Board of Directors' meeting no. 7/2020, held on 29 July 2020, resolved to appoint Mr. Hafriz Bin Abdul Rahman as Director replacing Ms. Serena Tan Mei Shwen who resigned, effective on 24 September 2020.
- 3/ The Board of Directors' meeting no. 7/2020, held on 29 July 2020, resolved to appoint Dato' Abdul Rahman Bin Ahmad as Non-executive Director (not authorised to sign) replacing Encik Shahnaz Farouque Bin Jammal Ahmad who resigned, effective on 6 October 2020.
The Board of Directors' meeting no. 10/2020, held on 22 October 2020, resolved to appoint Dato' Abdul Rahman Bin Ahmad as Executive Director (authorised to sign), effective on 22 October 2020.
- 4/ The Board of Directors' meeting no. 8/2020, held on 26 August 2020, resolved to appoint Mr. Sutee Losoponkul as Executive Director (authorised to sign) replacing Mr. Adisorn Sermchaiwong who resigned, effective on 16 September 2020.
The Board of Directors' meeting no. 1/2021, held on 22 January 2021, acknowledged the resignation of Mr. Sutee Losoponkul from his position as Director, effective on 1 February 2021.

Directors Nominated by Major Shareholder

CIMB Bank Berhad (CIMB Bank) has appointed three representatives to sit on the Board of Directors of the Bank, namely 1. Encik Omar Siddiq Bin Amin Noer Rashid, 2. Mr. Hafriz Bin Abdul Rahman, and 3. Dato' Abdul Rahman Bin Ahmad.

Authorised Signatories

The directors who are authorised signatories of the Bank are Encik Omar Siddiq Bin Amin Noer Rashid, Dato' Abdul Rahman Bin Ahmad, and Mr. Sutee Losoponkul, any two of whom are to jointly sign with the Bank's seal affixed (data as of 31 December 2020).

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 of Directors.
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 the Board of Directors

Basic responsibility of the Board of Directors 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 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 the Bank's business policies and direction, as well as control and monitor 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. Approve appointment of qualified individuals with professional expertise and experience 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 of Directors' meeting.
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 subsidiaries in the Bank's 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 building risk culture within the organisation as well as having effective remuneration structure and good risk governance framework.

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 subsidiaries in the Bank's financial business group.
13. Oversee to ensure that the Bank and the Bank's 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 the Bank's 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 of Directors 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 of Directors 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 the Bank's 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 the Bank's financial business group reach the targets according to the policies and strategies specified or approved by the Bank's Board of Directors.
28. Oversee to ensure that the Bank and the subsidiaries in the Bank's 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 the Bank's 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 subsidiaries in the Bank's 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 of Directors 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 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 adequate 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 the 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 the Bank's 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 the Bank's 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 12 members, with at least half the Board members having domicile in Thailand.
2. In casting votes to elect the Bank's directors, the meeting of shareholders shall consider electing the directors in accordance with the criteria and procedure stipulated in Article 16 of the Bank's Articles of Association:
 - (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;
 - (3) 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 reelected.
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 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 Jungnithirundr	Independent Director	Member
	Ms. Siriporn Sanunpairaue	Head of Internal Audit	Secretary

Powers, Duties and Responsibilities

1. Assist the Board of Directors in reviewing the effectiveness of internal controls, risk management processes, accounting, reporting practices and corporate governance taking into account the requirements of relevant guidelines of the Bank of Thailand (BOT), the listing requirements of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), the guidelines of the Bank of the Lao PDR (BOL), and other relevant guidelines issued by the regulators.
2. Consider and approve the appointment, transfer, remuneration, performance evaluation and dismissal of Head of Corporate Assurance.
3. Review the effectiveness of Corporate Assurance function.
4. Consider and review the qualifications, independence, effectiveness and remuneration of external auditor, and recommend the appointment, termination and audit fee to the Board of Directors and the shareholders.
5. Review the significant findings of investigations, audits, internal controls and compliance issues identified by internal auditors, external auditors and regulators to ensure that appropriate and prompt remedial actions are taken by management appropriately and timely.
6. Review the correctness and adequacy of financial statements for submission to the Board of CIMB Thai group, BOT, SET and other regulators in relation to the Bank's business.
7. Review every related party transaction, or transaction with potential conflict of interest submitted by the management prior to submission for the Board of Directors' approval.
8. Report to the Board of Directors any corrective action or improvement should the Audit Committee has concerns over conflict of interest activities, fraud, irregularities, significant internal control weakness, or violation to the relevant regulations.
9. Report all activities of the Audit Committee in the Bank's annual report, which contains required information as stipulated in the SET regulations and must be signed by the Audit Committee chairperson.
10. Approve Corporate Assurance Charter and concur Corporate Assurance Policy prior to submission for the Board of Directors' approval.
11. Perform any other assignments delegated to it by the Board of Directors in line with the Audit Committee Charter.

Coverage: CIMB Thai group-wide

2. Nomination, Remuneration and Corporate Governance Committee

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

1.	Mr. Anon Sirisaengtaksin	Independent Director	Chairman
2.	Dato' Robert Cheim Dau Meng	Chairman of the Board	Member and Alternate Chairman
3.	Mr. Chanmanu Sumawong	Independent Director	Member
	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 of Directors 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 Directors of the 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 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 adjustment 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.	Dr. Rom Hiranpruk	Independent Director	Chairman
2.	Encik Omar Siddiq Bin Amin Noer Rashid	Director	Member
3.	Mr. Natasak Rodjanapiches	Independent Director	Member
4.	Mr. Anon Sirisaengtaksin	Independent Director	Member
5.	Mr. Hafriz Bin Abdul Rahman	Director	Member
	Mr. Arthit Masathirakul	Head of Risk Management	Secretary for Risk Management function
	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) Asset and Liability 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 the Bank's financial business group as follows:

Frameworks/Policies/Limits and MATs of the Bank

 - (1) Approve new frameworks/policies 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 with new frameworks/policies 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 with 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 the Bank's 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 the Bank's financial business group
Approving the new third party(ies) of the Bank (excluding CIMB Principal and the companies in the Bank's financial business group) before selling their products, or concurring with the new third party(ies) of the companies in the Bank's financial business group prior to submission to the respective Boards of the companies in the Bank's 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 the Bank's 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 deemed 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 risk 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.
 4. Approve Credit Review Policy, credit review plan and quarterly credit review progress report.
- 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. Dr. Ismaae Alee
2. 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 2020, meeting attendance of Board members and Board committee members was as follows:

		Unit: Attendance			
		(1)	(2)	(3)	(4)
Director Name		Board of	Audit	Nomination, Remuneration and Corporate	Board
No	(number of meetings attended/total meetings)	Directors	Committee	Governance Committee	Risk and Compliance Committee
1.	Dato' Robert Cheim Dau Meng	12/12	-	12/12	-
2.	Encik Omar Siddiq Bin Amin Noer Rashid	12/12	-	-	11/12
3.	Mr. Chanmanu Sumawong	11/12	14/15	13/13	-
4.	Dr. Rom Hiranpruk	12/12	15/15	-	12/12
5.	Mr. Natasak Rodjanapiches	12/12	-	-	12/12
6.	Mr. Niti Jungnitnirundr	12/12	15/15	-	-
7.	Mrs. Oranuch Apisaksirikul	12/12	15/15	-	-
8.	Mr. Anon Sirisaengtaksin	4/4	-	6/6	5/6
	Mrs. Watanan Petersik (declared her intention not to be reelected as the Bank's director, effective on 26 June 2020)	6/6	-	7/7	-
9.	Mr. Hafriz Bin Abdul Rahman	3/4	-	-	3/4
	Ms. Serena Tan Mei Shwen (resigned effective on 30 July 2020)	6/7	-	-	6/6
10.	Dato' Abdul Rahman Bin Ahmad	3/3	-	-	-
	Encik Shahnaz Farouque Bin Jammal Ahmad (resigned effective on 30 September 2020)	9/9	-	-	6/9
11.	Mr. Sutee Losoponkul	3/4	-	-	5/6
	Mr. Adisorn Sermchaiwong (resigned effective on 1 September 2020)	8/8	-	-	7/8

C. MANAGEMENT COMMITTEE

The Management Committee is composed of:

1.	President and Chief Executive Officer	Chairman
2.	Head of Finance	Vice Chairman
3.	Head of Risk Management	Member
4.	Head of Wholesale Banking	Member
5.	Head of Corporate Banking and Investment Banking	Member
6.	Head of Technology and Operations	Member
7.	Head of Consumer Banking	Member
8.	Head of Commercial Banking	Member
9.	Head of Human Resources	Member
10.	Head of Corporate Communications	Member

11. Head of Compliance	Member
12. Head of Treasury & Markets	Member
13. Head of Strategy	Member
14. Head of Transaction Banking	Member
15. Head of Customer Experience Management	Member
16. Head of Legal	Member
Company Secretary	Secretary

By invitation
Head of Internal Audit

Powers, Duties and Responsibilities

1. Advise the President and Chief Executive Officer.
 2. Monitor and evaluate performance of each business function.
 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-functional 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 composition, 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 provisions set aside for the cases the Bank/executives are sued as recommended by Legal work unit.
 13. Approve fee sharing scheme for investment product selling and/or referring customers through Consumer Banking only in case of 3rd party products which are not related party transactions or do not have material change from the existing ones already approved by Risk Management Committee.
 14. Approve 3rd party products with non-material change from those which have already been approved by Risk Management Committee.
 15. Appoint insurance brokers for the Bank.
 16. Formulate and drive CIMB Thai sustainability vision and strategies Bank-wide in alignment with the overall CIMB Group sustainability strategy.
 17. Other matters as directed by the Board of Directors/President and Chief Executive Officer.
- Coverage: CIMB Thai group-wide

Executive Management

As of 31 December 2020, the Bank's executive management is composed of:

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

As of 31 December 2020, CIMB Thai had 14 executives from Senior Executive Vice President upwards and executives in Accounting and Finance in accordance with the definition of the term 'executives' of the Office of the SEC as below:

1. Mr. Sutee Losoponkul	Acting President and Chief Executive Officer Co-Head of Wholesale Banking and Acting Head of Commercial Banking
2. Mr. Arthit Masathirakul	Head of Risk Management
3. Mr. Pornchai Padmindra	Co-Head of Wholesale Banking Head of Corporate Banking and Investment Banking
4. Mr. Jason Leong Kok Yew	Head of Finance
5. Mrs. Bussakorn Puttinan	Head of Technology and Operations
6. Mr. Tan Keat Jin	Head of Consumer Banking
7. Ms. Siriporn Sanunpairaue	Head of Internal Audit
8. Mrs. Kanokpai Vongsatitporn	Head of Human Resources
9. Mr. Prapas Thongsuk	Head of Corporate Communications
10. Mr. Zethjak Leeyakars	Head of Compliance
11. Mr. Pao Chatakanonta	Head of Treasury & Markets
12. Mr. Lim Yeong Thian	Head of Strategy
13. Mr. Paisan Thumpothong	Head of Transaction Banking
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 includes:

1. Ensure that the Bank's business operation is in line with the Bank's 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 2020

(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 during his/her directorship in 2020. The aggregate remuneration for directors comprising meeting and entertainment allowances for Board members and remuneration for Board committee members amounted to THB 11,211,500 in 2020 (compared with THB 11,267,000 in 2019), as described below:

1. Board of Directors	THB	5,583,500	(2019: THB 6,364,000)
2. Audit Committee	THB	2,458,800	(2019: THB 2,104,400)
3. Nomination, Remuneration and Corporate Governance Committee	THB	1,542,600	(2019: THB 1,602,000)
4. Board Risk and Compliance Committee	THB	1,626,600	(2019: THB 1,196,600)

Unit: THB

Monetary Remuneration

Names	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	2,107,500	-	462,000	-
2. Encik Omar Siddiq Bin Amin Noer Rashid	Director	-	-	-	-
3. Mr. Chanmanu Sumawong	Independent Director	508,000	498,000	480,000	-
4. Dr. Rom Hiranpruk	Independent Director	528,000	516,000	-	522,000
5. Mr. Natasak Rodjanapiches	Independent Director	528,000	-	-	462,000
6. Mr. Niti Jungnitnirundr	Independent Director	528,000	516,000	-	-
7. Mrs. Oranuch Apisaksirikul	Independent Director	528,000	928,800	-	-
8. Mr. Anon Sirisaengtaksin	Independent Director	264,000	-	312,000	182,000
Mrs. Watanan Petersik (declared her intention not to be reelected as the Bank's director, effective on 26 June 2020)	Independent Director	164,000	-	288,600	-
9. Mr. Hafriz Bin Abdul Rahman	Director	132,000	-	-	120,000
Ms. Serena Tan Mei Shwen (resigned effective on 30 July 2020)	Director	208,000	-	-	340,600
10. Dato' Abdul Rahman Bin Ahmad	Director	-	-	-	-
Encik Shahnaz Farouque Bin Jammal Ahmad (resigned effective on 30 September 2020)	Director	-	-	-	-
11. Mr. Sutee Losoponkul	Director	-	-	-	-
Mr. Adisorn Sermchaiwong (resigned effective on 1 September 2020)	Director	88,000	-	-	-
Total		5,583,500	2,458,800	1,542,600	1,626,000

b. Remuneration for senior executives

The Board of Directors is responsible for determining the procedures for evaluating the performance of senior executives based on the responsibilities, challenges and risks faced by each of them, and how their personal contributions help deliver sustainable shareholder value. The Board is also responsible for determining the appropriate remuneration packages for permanent and contract employees or any other persons having done business for the Bank, as recommended by the management. In 2020, the aggregate remuneration for 14 Senior Executive Vice Presidents and above including the executives of Finance and Accounting (in accordance with the SEC definition of the term 'executives') was THB 113.08 million. In addition, the aggregate remuneration for 51 Executive Vice Presidents and above (in accordance with the BOT definition of the term 'executives') was THB 307.10 million.

(2) Other benefits

In 2020, the Bank's contribution towards the provident fund for 12 Senior Executive Vice Presidents and above or the equivalents including the executives of Finance and Accounting (in accordance with the SEC definition of the term 'executives') was THB 5.0 million. Meanwhile, the contribution towards the provident fund for 48 Executive Vice Presidents and above (in accordance with the BOT definition of the term 'executives') was THB 14.27 million.

Board of Directors' Profile as of 28 February 2021

1

DATO' ROBERT CHEIM DAU MENG AGED 69 YEARS

Position

Chairman of the Board of Directors

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

Date of appointment

5 November 2008

Total shareholding in Bank

No. of shares held as of year-end 2020

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

Education

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

Training

- PowerTalk#11-Preparing The Board for A Post-Covid World
- Corporate Reform and Performance Workshop Towards Development of Economic Recovery Plan
- BNM FIDE Forum Annual Dialogue with the Governance of Bank Negara Malaysia
- Risk Posture Workshop
- The Cooler Earth Summit-Profit with a Purpose
- The Cooler Earth Summit-Sustainability Careers/Building a Sustainable World
- The Cooler Earth Summit- Regulation and Board Intervention
- AML/CFT & TFS Refresher Training for Board of Directors
- Sustainability Leadership Training by UNEP FI and WWF for Board of Directors
- IT Security Awareness Forum
- Cyber Security Awareness 2020 by National Telecom Public Company Limited : NT

Directorship and positions held in other companies/ organisations and work experience

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 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

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
Nov 2019 - 1 Jul 2020	Director	Pure Circle Limited
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

**MR. ANON SIRISAENGTAKSIN
AGED 68 YEARS**

Position

Independent Director

Chairman of Nomination, Remuneration,
and Corporate Governance Committee
Member of Board Risk and Compliance Committee

Date of appointment

26 June 2020

Total shareholding in Bank

No. of shares held as of year-end 2020

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

Education

- Honorary Doctor of Public Administration, Bangkok Thonburi University
- M.B.A., Thammasat University
- B.Sc. (Geology), Chulalongkorn University
- Capital Market Academy Leadership Program, Class 1, Capital Market Academy
- Certificate in Project Investment Appraisal and Management and Certificate in Global Leadership, Harvard University, USA

Training

- Director Certification Program (DCP), Class 73/2006, Thai Institute of Directors (IOD)
- Director Accreditation Program (DAP), Class 52/2006, Thai Institute of Directors (IOD)
- The Cooler Earth (TCE) Virtual Summit 2020 by CIMB Group
- Cyber Security Awareness 2020 by National Telecom Public Company Limited : NT

Directorship and positions held in other companies/ organisations and work experience

Listed companies

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
2020 - Present	Independent Director / Member of Audit Committee / Member of Nomination and Remuneration Committee	Saha-Union PCL.
2016 - Present	Director/ Member of the Corporate Governance and Nomination Committee	Banpu PCL.

Non-listed companies and other companies and organisations

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
2019 - Present	Chairman	Thai Eastern Group Holdings Co., Ltd.
2012 - Present	Chairman	Emery Oleochemicals (M) Sdn Bhd
2012 - Present	Chairman	Emery Specialty Chemicals Sdn Bhd

Work experience

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
2012 - 2 Sep 2020	Chairman	Vencorex Holding
2012 - 1 Sep 2020	Chairman	PTTGC International Private Limited
2012 - 1 Sep 2020	Chairman	PTT International (Netherlands) B.V.
2014 - 1 Sep 2020	Chairman	PTTGC Innovation America Corporation
2014 - 2 Sep 2020	Chairman	NatureWorks LLC
2014 - 1 Sep 2020	Chairman	PTTGC International (USA) Inc.
2007 - 2019	Council Member	King Mongkut's Institute of Technology Ladkrabang
2018 - 2019	Director/ Member of Risk Management Committee	PTT Global Chemical PCL
2014 - 2018	Director and Chairman of Risk Management Committee	PTT Global Chemical PCL
2009 - 2017	Independent Director/ Chairman of Audit Committee/ Chairman of Nomination and Remuneration Committee	Bangkok Commercial Asset Management PCL
2015 - 2017	Chairman of Bioeconomy	New S-Curve Committee under the Pracharat PPP Collaboration Project
2014 - 2015	Member of Science, Technology, Research, Innovation and Intellectual Property Commission/ Member of Energy Commission	The National Reform Council

3

**MRS. ORANUCH APISAKSIRIKUL
AGED 62 YEARS**

Position

Independent Director

Chairperson of Audit Committee

Date of appointment

26 June 2019

Total shareholding in Bank

No. of shares held as of year-end 2020

- By herself: None

- By her spouse and minor children: None

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 Program (AACP), 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
- The Cooler Earth (TCE) Virtual Summit 2020 by CIMB Group
- Cyber Security Awareness 2020 by National Telecom Public Company Limited : NT

Directorship and positions held in other companies/ organisations and work experience

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>
Apr 2020 - Present	Director/ Chairman of the Board of Directors	Amata Township Long Thanh Join Stock Company
May 2020 - Present	Director/ Chairman of the Board of Directors	Amata City Long Thanh Join Stock Company
2018 - Present	Independent Director	Amata City Bien Hoa, Vietnam
2018 - Present	Independent Director	Ratchakarn Asset Management Co., Ltd.
2018 - Present	Director	Chinese Study Strengthening Committee, Huachiew Chalermprakiet University
2017 - Present	President	Thai Listed Companies Association (TLCA)
2017 - Present	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)
2011 - Present	Director	TISCO Foundation for Charity

Work experience

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
Apr 2020 - Sep 2020	Independent Director	PMG Corporation Co., Ltd.
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 - 2019	Honorable Chairperson of SHIFT Fund Facility Investment Committee	The United Nations Capital Development Fund (UNCDF)
2015 - 2017	Director	Thai Listed Companies Association (TLCA)
2010 - Apr 2019	Executive Director/ 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/ Chairperson of the Executive Board	TISCO Bank PCL
2014 - 2018	Non-executive Director/ Chairperson 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
AGED 64 YEARS**

Position

Independent Director

Member of Audit Committee

Member of Nomination, Remuneration, and
Corporate Governance Committee

Date of appointment

20 April 2018

Total shareholding in Bank

No. of shares held as of year-end 2020

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

Education

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

Training

- Director Accreditation Programme (DAP), Class 104/2013,
Thai Institute of Directors
- The Challenge of Building Cyber Resilience
- Cyber Security Awareness 2020 by National Telecom Public Company Limited : NT

Directorship and positions held in other companies/ Organisations and work experience

Listed companies

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
2019 - Present	Legal Head	Pruksa Real Estate PCL
May 2017 - Present	Independent Director/ Member of Audit Committee/Member of the Nomination, Compensation and Corporate Governance 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

<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 - Jun 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
AGED 66 YEARS**

Position

Independent Director

Member of Audit Committee
Chairman of Board Risk and
Compliance Committee

Date of appointment

13 December 2018

Total shareholding in Bank

No. of shares held as of year-end 2020

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

Education

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

Training

- IT Governance (ITG) invited as observer for Class 1/2016, Thai Institute of Directors
- Corporate Governance for Capital Market Intermediaries (CGI), Class 1/2015, Thai Institute of Directors
- Advanced Audit Committee Programme (AACP), Class 14/2014, Thai Institute of Directors
- Financial Institutions Governance Programme (FIGP), Class 6/2013, Thai Institute of Directors
- Director Certification Programme (DCP), Class 172/2013, (sponsored by Bank of Thailand), Thai Institute of Directors
- Risk Management Committee Programme (RCP), Class 1/2013
- Executive Grid Seminar (invitation only)
- The Four Roles of Leadership Programme, sponsored by National Science and Technology Development Agency (NSTDA)
- Capital Market Course, Class 1, 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
- The Cooler Earth (TCE) Virtual Summit 2020 by CIMB Group
- Cyber Security Awareness 2020 by National Telecom Public Company Limited: NT

Directorship and positions held in other companies/ organisations and work experience

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>
2020 - Present	Director of the Policy Board	National Cyber Security Agency Ministry of Digital Economy and Society
2016 - Present	Independent Director/ Member of the Audit Committee	Chic Republic Co., Ltd.
2008 - Present	Co-Manager	Wor Tor Tor for Sangkom Co., Ltd.

Work experience

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
2009 - 2020	Independent Director	TSFC Securities PCL
2017 - 2019	Director (Qualified)	The Electronic Transactions Commission
2015 - 2019	Advisor to Foundation Chairman	Mae Fah Luang Foundation under Royal Patronage
2015 - 2018	Director (Qualified)	Office of Knowledge Mangement 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
AGED 62 YEARS**

Position

Independent Director

Member of Audit Committee

Date of appointment

18 April 2019

Total shareholding in Bank

No. of shares held as of year-end 2020

- By himself: None

- By his spouse and minor children: None

Education

- Master's Degree in Accountancy, Chulalongkorn University
- Bachelor's 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
- Director Certification Program (DCP), Class 300/2020, Thai Institute of Directors
- Cyber Security Awareness 2020 by National Telecom Public Company Limited: NT

Directorship and positions held in other companies/ organisations and work experience

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 Sub-Committee of Thailand CPA Examination	Federation of Accounting Professions of Thailand

Work experience

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
2017 - 2020	Member of the Dignitary Sub-Committee on Audit Test Performance	Federation of Accounting Professions of Thailand
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
AGED 58 YEARS**

Position

Independent Director

Member and Alternate Chairman
of Board Risk and Compliance Committee

Date of appointment

18 April 2019

Total shareholding in Bank

No. of shares held as of year-end 2020

- 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
- The Challenge of Building Cyber Resilience
- Cyber Resilience Course by Bank of Thailand
- Risk Management Program for Corporate Leaders (RCL), Thai Institute of Directors
- Cyber Security Awareness 2020 by National Telecom Public Company Limited: NT

Directorship and positions held in other companies/ Organisations and work experience

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

<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

8

**MR. HAFRIZ BIN ABDUL RAHMAN
AGED 36 YEARS**

Position

Director

Member of Board Risk and Compliance Committee

Date of appointment

24 September 2020

Total shareholding in Bank

No. of shares held as of year-end 2020

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

Education

- Bachelor of Commerce (Hons) in Accountancy, University of Otago
- Chartered Accountant, Chartered Accountants Australia and New Zealand

Training

- Director's Bootcamp by Institute of Corporate Directors Malaysia
- Bank Capital Adequacy Under Basel III by Fitch Learning
- Introduction to Corporate Directorship by Institute of Corporate Directors Malaysia
- Financial Fundamentals for Boards by Institute of Corporate Directors Malaysia
- Strategic Risk Management by Institute of Corporate Directors Malaysia
- Risk Management & Internal Control Systems by Asia School of Business
- Financial Institution Directors Education (FIDE) Core Module A (Bank) by Asia School of Business
- Financial Institution Directors Education (FIDE) Core Module B (Bank) by Asia School of Business
- Cyber Security Awareness 2020 by National Telecom Public Company Limited: NT

Directorship and positions held in other companies/ organisations and work experience

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>
Jul 2019 - Present	Director	Mount Terra Investments Limited
May 2019 - Present	Director	Mount Gading Ventures Sdn Bhd
May 2019 - Present	Director	Gunung Nuang Ventures Limited
May 2019 - Present	Director	Teluk Dalam Investments Limited
May 2019 - Present	Director	Pagon Hill Investments Limited
May 2015 - Present	Vice President	Khazanah Nasional Berhad, Malaysia

Work experience

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
Nov 2012 - Oct 2014	Audit Manager	Ernst & Young, USA

9

**ENCIK OMAR SIDDIQ BIN
AMIN NOER RASHID
AGED 47 YEARS**

Position

Director (Authorised Signatory)

Member of Board Risk and Compliance Committee

Date of appointment

30 January 2019

Total shareholding in Bank

No. of shares held as of year-end 2020

- 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
- Cyber Security Awareness 2020 by National Telecom Public Company Limited: NT

Directorship and positions held in other companies/ organisations and work experience

Listed companies

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
1 Oct 2020 - Present	Head, Group Wholesale Banking	CIMB Group Holding Bhd
Present	Deputy CEO, Malaysia	CIMB Bank Malaysia

Non-listed companies and other companies and organisations

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

Work experience

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
2018 - 30 Sep 2020	Group Chief Operating Officer	CIMB Group Holding Bhd
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

10

DATO' ABDUL RAHMAN BIN AHMAD AGED 51 YEARS

Position

Director (Authorised Signatory)

Date of appointment

6 October 2020

Total shareholding in Bank

No. of shares held as of year-end 2020

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

Education

- Master in Arts (MA) Economics) Cambridge University
- Member of the Institute of Chartered Accountant England and Wales (ICAEW)

Training

- PNB Senior Management Retreat 2019 by PNB
- IT Blueprint : Post - Visioning Workshop by Ernst & Young Tax Consultants Sdn Bhd
- PNB Leadership Forum 2019 - From Governance to Performance by PNBRI
- PNB Leadership Forum 2019 - Positive Autocracy : Leadership Model for Industry 4.0 by PNBRI
- Leadership in Digital World O Managing Integration of Digital Strategies, Technology Execution and Measurement for Leaders by Marcus Evans (M) Sdn Bhd
- Contingency Funding Plan (CFP) Simulation Exercise - Business Continuity Management Committee by PNB
- PNB Corporate Summit 2019 - Rebooting Corporate Malaysia by PNBRI
- Cyber Security Awareness 2020 by National Telecom Public Company Limited: NT

Directorship and positions held in other companies/ organisations and work experience

Listed companies

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
June 2020 - Present	Group CEO/ Eexecutive Director	CIMB Group Holdings Berhad
June 2020 - Present	Group CEO/ Eexecutive Director	CIMB Bank Berhad

Non-listed companies and other companies and organisations

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

Work experience

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
Nov 2019 - May 2020	Non Independent / Non Executive Chairman	Sime Darby Berhad
Jan 2017 - May 2020	Non Independent / Non Executive Chairman	Velesto Energy Berhad
Oct 2016 - Sep 2019	President & Group CEO	Permodalan Nasional Berhad
Sep 2009 - Feb 2016	CEO	Ekuiti Nasional Berhad
2001 - Aug 2009	Group CEO/ED	Media Prima Bhd

11

MR. PAUL WONG CHEE KIN
AGED 51 YEARS

Position

Director (Authorised Signatory)

Date of appointment

8 February 2021

Position

President and CEO
Co-Head of Wholesale Banking /
Acting Head of Commercial Banking

Date of appointment

1 February 2021

Total shareholding in Bank

No. of shares held as of year-end 2020

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

Education

- Bachelor of Business (Major in Banking & Finance),
Monash University, Melbourne, Australia

Directorship and positions held in other companies/ organisations and work experience

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

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
1 Oct 2018 - Jan 2021	Group Chief Operations Officer	CIMB Bank Bhd
May 2016 - 30 Sep 2018	Regional Head, Consumer Strategic Business Support	CIMB Bank Bhd
Apr 2015 - May 2016	Head, Regional Projects	CIMB Bank Bhd
Jul 2013 - Mar 2015	Head Strategy, ASEAN business solutions & Projects	CIMB Bank Bhd
Sep 2012 - Jul 2013	Designated Head, Retail Banking	CIMB Bank Bhd / Bank of Commerce, Philippines
Oct 2007 - Jun 2013	Senior Vice President, Head of Sales Management - Consumer Sales & Distribution	CIMB Bank Bhd
May 2007 - Oct 2007	Vice President / Regional Sales Manager	Alliance Bank Bhd
Jul 2006 - May 2007	Senior Manager, Partnership Distribution; Bancassurance	Prudential Assurance Malaysia Bhd
Jul 2005 - Jul 2006	Head, Mobile Sales	OCBC, Malaysia
Apr 2003 - Jun 2005	Head, Sales Development and Coaching	OCBC, Malaysia
Jun 1999 - Apr 2003	Branch Manager	OCBC, Singapore
Apr 1996 - May 1999	Assistant Manager, Credit & Marketing Officer	OCBC, Singapore

Senior Executive Officers' Profile as of 28 February 2021

1

MR. PAUL WONG CHEE KIN AGED 51 YEARS

Position

Director (Authorised Signatory)

Date of appointment

8 February 2021

Position

President and CEO
Co-Head of Wholesale Banking /
Acting Head of Commercial Banking

Date of appointment

1 February 2021

Total shareholding in Bank

No. of shares held as of year-end 2020

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

Education

- Bachelor of Business (Major in Banking & Finance),
Monash University, Melbourne, Australia

Directorship and positions held in other companies/ organisations and work experience

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

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
1 Oct 2018 - Jan 2021	Group Chief Operations Officer	CIMB Bank Bhd
May 2016 - 30 Sep 2018	Regional Head, Consumer Strategic Business Support	CIMB Bank Bhd
Apr 2015 - May 2016	Head, Regional Projects	CIMB Bank Bhd
Jul 2013 - Mar 2015	Head Strategy, ASEAN business solutions & Projects	CIMB Bank Bhd
Sep 2012 - Jul 2013	Designated Head, Retail Banking	CIMB Bank Bhd / Bank of Commerce, Philippines
Oct 2007 - Jun 2013	Senior Vice President, Head of Sales Management - Consumer Sales & Distribution	CIMB Bank Bhd
May 2007 - Oct 2007	Vice President / Regional Sales Manager	Alliance Bank Bhd
Jul 2006 - May 2007	Senior Manager, Partnership Distribution; Bancassurance	Prudential Assurance Malaysia Bhd
Jul 2005 - Jul 2006	Head, Mobile Sales	OCBC, Malaysia
Apr 2003 - Jun 2005	Head, Sales Development and Coaching	OCBC, Malaysia
Jun 1999 - Apr 2003	Branch Manager	OCBC, Singapore
Apr 1996 - May 1999	Assistant Manager, Credit & Marketing Officer	OCBC, Singapore

2

**MR. SUTEE LOSOPONKUL
AGED 60 YEARS**

Position

Advisor to the President and CEO

Date of appointment

1 February 2021

Total shareholding in Bank

No. of shares held as of year-end 2020

- 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
- Treasury Training Scheme, Institute of Banking and Finance (IBF), Singapore
 - Offshore Deposit Market
 - Foreign Exchange Arithmetic
 - Financial Future
 - Options
 - Citibank Bourse Game
- Cyber Security Awareness 2020 by National Telecom Public Company Limited : NT

Directorship and positions held in other companies/ organisations and work experience

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>
31 Jan 2020 - Present	Director	Thai Financial Markets Committee, Bank of Thailand

Work experience

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
16 Sep 2020 - 31 Jan 2021	Director	CIMB Thai Bank PCL
1 Sep 2020 - 31 Jan 2021	Acting President and CEO/ Co-Head Wholesale Banking / Acting Head of Commercial Banking	CIMB Thai Bank PCL
2014 - Oct 2020	Co-Head of Wholesale Banking / Head of Treasury	CIMB Thai Bank PCL
March 2011 - 18 Aug 2020	Director	CGS-CIMB Securities (Thailand) Co., Ltd.
23 Apr 2013 - May 2019	Director	The Thai Bond Market Association

3

MR. ARTHIT MASATHIRAKUL
AGED 54 YEARS

Position

Head of Risk Management

Date of appointment

1 January 2017

Total shareholding in Bank

No. of shares held as of year-end 2020

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

Education

- Master of Business Administration,
University of Colorado at Boulder, USA

Training

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

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

<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 Limited (HSBC), 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 (Thai) PCL

4

**MR. PORNCHAI PADMINDRA
AGED 48 YEARS**

Position

Co-Head of Wholesale Banking

Head of Corporate Banking and Investment Banking

Date of appointment

1 September 2013

Total shareholding in Bank

No. of shares held as of year-end 2020

- 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
- 2016: Capital Market Academy - Greater Mekong Sub-region 2 (CMA-GMS2), The Stock Exchange of Thailand

Directorship and positions held in other companies/ organisations and work experience

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

<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) PCL
Mar 2007 - Sep 2008	Managing Director	Citicorp Securities (Thailand) Ltd.

5

**MRS. BUSSAKORN PUTTINAN
AGED 63 YEARS**

Position

Head of Technology and Operations

Date of appointment

4 January 2017

Total shareholding in Bank

No. of shares held as of year-end 2020

- 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, The Philippines
- Executive Programme, Columbia Business School, Columbia University

Directorship and positions held in other companies/ organisations and work experience

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

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

6

**MS. SIRIPORN SANUNPAIRAUE
AGED 56 YEARS**

Position

Head of Internal Audit

Date of appointment

22 February 2010

Total shareholding in Bank

No. of shares held as of year-end 2020

- 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
- Director Accreditation Programme (DAP), Thai Institute of Directors
- Advanced Audit Committee Program (AACP), Thai Institute of Directors

Directorship and positions held in other companies/ organisations and work experience

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

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
2007 - 2008	Head of Internal Audit Department, Senior Vice President	Standard Chartered Bank (Thai) PCL
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
AGED 47 YEARS**

Position

Head of Human Resources

Date of appointment

30 December 2016

Total shareholding in Bank

No. of shares held as of year-end 2020

- 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

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

<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	The Hongkong and Shanghai Banking Corporation
2005 - 2011	Vice President, Human Resources	The Hongkong and Shanghai Banking Corporation

8

MR. JASON LEONG KOK YEW
AGED 49 YEARS

Position

Head of Finance

Date of appointment

30 December 2016

Total shareholding in Bank

No. of shares held as of year-end 2020

- 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
- E-Learning CFO's Refresher Course 2020 - The Stock Exchange of Thailand (SET)

Directorship and positions held in other companies/ organisations and work experience

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

<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
AGED 46 YEARS

Position

Head of Consumer Banking

Date of appointment

2 January 2020

Total shareholding in Bank

No. of shares held as of year-end 2020

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

Education

- Master of Business Administration (Merit), University of Bath, UK
- Bachelor of Engineering (1st Class Honors), University College London, UK

Training

- CIMB-INSEAD Executive Development Programme, Cohort 4

Directorship and positions held in other companies/ organisations and work experience

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	CIMB Thai Auto Co., Ltd.
Present	Director	CT Coll Co., Ltd.

Work experience

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
2020 - Present	Head of Consumer Banking	CIMB Thai Bank PCL
2019 - 2020	Director	WorldLease Co., Ltd.
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)

10

**MR. PRAPAS THONGSUK
AGED 57 YEARS**

Position

Head of Corporate Communications

Date of appointment

1 April 2010

Total shareholding in Bank

No. of shares held as of year-end 2020

- 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

- High-level Media Management Course in Broadcasting, Class 9 (2019), Isra institute
- A Business Creativity (ABC) Class 8 (2018), Sripatum University
- National Defence College Class 59 (2016-2017)
- CIMB Leadership: Cohort 3, INSEAD University

Directorship and positions held in other companies/ organisations and work experience

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

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

11

MR. ZETHJAK LEEYAKARS
AGED 51 YEARS

Position

Head of Compliance

Date of appointment

24 February 2017

Total shareholding in Bank

No. of shares held as of year-end 2020

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

Education

- Master of Arts in Economic Development and Policy Analysis, University of Nottingham, UK
- Master of Business Administration in Finance, University of Texas at San Antonio, USA
- 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), Thai Institute of Directors
- Company Secretary Programme Class 70/2016, Thai Institute of Directors
- Director Certification Programme 276/2019 (DCP), Thai Institute of Directors

Directorship and positions held in other companies/ organisations and work experience

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

<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
AGED 39 YEARS

Position

Head of Strategy

Date of appointment

1 August 2019

Total shareholding in Bank

No. of shares held as of year-end 2020

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

Education

- Bachelor of Arts in Computer Science and Economics of Cornell University, Ithaca, New York, USA

Training

- CIMB-INSEAD Leadership Programme – Cohort 7

Directorship and positions held in other companies/ organisations and work experience

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

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
2008 - 31 July 2019	Director, Corporate Strategy and Planning	CIMB Bank Berhad

13

MR. PAO CHATAKANONTA
AGED 49 YEARS

Position

Head of Treasury & Markets

Date of appointment

29 July 2020

Total shareholding in Bank

No. of shares held as of year-end 2020

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

Education

- Bachelor of Economics, University of Washington

Training

- CIMB-INSEAD Leadership
- IFRS 9: Impact & Opportunities to Treasury
- Code of Conduct for Treasury

Directorship and positions held in other companies/ organisations and work experience

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

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
1 Jul 2017 - 28 Jul 2020	Senior Executive Vice President, Deputy Head of Treasurer	CIMB Thai Bank PCL
16 Nov 2015 - 30 Jun 2017	Senior Executive Vice President, Deputy Treasurer	CIMB Thai Bank PCL
15 May 2014-15 Nov 2015	Senior Executive Vice President, Deputy Treasurer - Rates, Funding & Structuring	CIMB Thai Bank PCL
Nov 2012 - Apr 2014	Head of Fixed Income and Capital Markets (Treasurer)	Credit Agricole-CIB Bank, Bangkok
Aug 2002 - Dec 2009	Head of Rates for SE Asia	Standard Chartered Bank, Singapore
Sep 1993 - Jul 2002	Senior Trader, IRD	HSBC Thailand

14

MR. PAISAN THUMPOTHONG
AGED 54 YEARS

Position

Head of Transaction Banking

Date of appointment

1 May 2019

Total shareholding in Bank

No. of shares held as of year-end 2020

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

Education

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

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

<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 (Thai) PCL

15

**MS. UTHAIWAN SUKPHANPIM
AGED 52 YEARS**

Position

Head of Customer Experience Management

Date of appointment

1 August 2018

Total shareholding in Bank

No. of shares held as of year-end 2020

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

Education

- Master of Business Administration, Finance & International Business, Saint Louis University, Missouri, USA
- 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

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

<u>Period</u>	<u>Position</u>	<u>Company / Organisation</u>
2013 - 2018	Senior Vice President, Customer Advocacy & Service Quality	United Overseas Bank Thai PCL

16

**MS. PAJAREE THONGVANIT
AGED 40 YEARS**

Position

Head of Legal

Date of appointment

1 May 2018

Total shareholding in Bank

No. of shares held as of year-end 2020

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

Education

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

Training

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

Directorship and positions held in other companies/ organisations and work experience

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

<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) PCL
2012 - 2014	Senior Vice President, Wholesale Banking Legal	Standard Chartered Bank (Thai) PCL
2009 - 2012	Vice President, Wholesale Banking Legal	Standard Chartered Bank (Thai) PCL
2007 - 2009	Senior Associate	Clifford Chance (Thailand) Limited

NOMINATION, REMUNERATION, AND CORPORATE GOVERNANCE COMMITTEE REPORT

The Nomination, Remuneration, and Corporate Governance Committee (NRCC) is composed of three directors, two of whom are independent directors and one is a non-executive director, and is chaired by one of the independent directors. Key responsibilities of the NRCC are as set forth in the NRCC's Term of Reference and the Bank's Corporate Governance Policy.

In 2020, the NRCC held 13 meetings and carried out the following major activities:

- 1) Nominated qualified directors and senior executives for the positions of Acting President and Chief Executive Officer and President and Chief Executive Officer, and recommended remuneration and benefits commensurate with their duties and responsibilities to the Board for approval prior to seeking approval from the Bank of Thailand.
- 2) Considered the appointment of the Bank subsidiaries' directors and senior executives to the Board for concurrence.
- 3) Assessed the performance of the Bank's senior executives against targets and performance criteria and submitted the results to the Board with recommendations regarding the appropriate remuneration and benefits.
- 4) Reviewed and considered the total annual salary adjustment and bonuses for the Bank employees and proposed them to the Board for approval.
- 5) Reviewed the Corporate Governance Policy for directors and employees of the Bank to ensure consistency with the corporate governance criteria of relevant regulatory authorities before submission to the Board for approval.
- 6) Oversaw and provided recommendations on the review of succession plans for critical positions to facilitate and ensure smooth transition in those positions.
- 7) Reviewed corporate governance guidelines for relevant units and presented them to the Board for approval to enhance good corporate governance of the Bank.
- 8) Reviewed the Bank's staff benefits.

The NRCC is of the opinion that remuneration for directors and senior executives in 2020 was in line with their duties and responsibilities, the individuals' performance, the overall economic situation, and the operational performance of the Bank.



(Mr. Anon Sirisaengtaksin)
Chairman 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 |
| 2. Mr. Chanmanu Sumawong | Member |
| 3. Dr. Rom Hiranpruk | Member |
| 4. Mr. Niti Jungnitnirundr | Member |

The Audit Committee has performed duties in accordance to the scope of responsibilities defined in the Audit Committee Charter and specific responsibilities delegated by the Board of Directors. The Audit Committee supported the Bank's good corporate governance in accountability, transparency, fairness, integrity and check and balance, which reserved the best interests of stakeholders. In 2020, the Audit Committee held a total of 15 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 Bank and its subsidiaries.

Internal Control System

Reviewed the adequacy of the internal control system including control over Information Technology system and cyber resilience based on the internal audit reports of Corporate Assurance, external audit 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 has also recommended the Bank to establish and/or enhance 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 audit of semi-annual and annual financial statements and review of interim financial statements. 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 for approval.

Related Party and Other Related Company Transactions

Reviewed and assessed related party and other related company transactions or transactions that may cause conflict of interest prior to the Board of Directors' approval.

Overseeing Internal Audit

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

In accordance with 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 aspect and in accordance with 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 internal audit standards are adequate to support the current business of the Bank.



(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 so as to prevent any 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 opinions 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 2020.



Mr. Omar Siddiq Bin Amin Noer Rashid
Director



Mr. Paul Wong Chee Kin
Director

INDEPENDENT AUDITOR'S REPORT

To the shareholders of CIMB Thai Bank Public Company Limited

My opinion

In my opinion, the consolidated financial statements and the separate financial statements present fairly, in all material respects, the consolidated financial position of CIMB Thai Bank Public Company Limited (the Bank) and its subsidiaries (the Group) and the separate financial position of the Bank as at 31 December 2020, 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 (TFRS) and the Bank of Thailand notifications in relation to the preparation and presentation of financial reporting as described in the notes to the consolidated and separate financial statements no. 2 and no. 3.

What I have audited

The consolidated and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2020;
- 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 of significant accounting policies and other explanatory information.

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 Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions 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: Allowances for expected credit losses on loans to customers, loan commitments and financial guarantee contracts. This matter 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

Allowances for expected credit losses on loans to customers, loan commitments and financial guarantee contracts

Refer to Notes to the consolidated and separate financial statements no. 3.3.1 for financial reporting standards related to financial instruments, no. 12 for disclosures relating to loans to customers, and no. 25 for disclosures relating to provisions.

Loans to customers are a significant item constituting 54.47% of total assets. As at 31 December 2020 the total loans portfolio of the Group comprises of loans of commercial banking business which constitutes 83.24%, and hire-purchase receivables generated from the operations of the subsidiaries 16.76%. Management made an estimate on the allowances for expected credit losses on certain loans, portfolio of loans to customers, loan commitments and financial guarantee contracts by applying both quantitative data and qualitative factors which are complex.

I focused on auditing this area because the allowances for expected credit loss ("ECL") under TFRS 9 "Financial Instruments" require the use of complex models and significant assumptions about future economic conditions and ability to pay.

In addition, the significant judgements in applying the accounting requirements for measuring ECL include the following:

- Building the appropriate collective assessment models used to calculate ECL. The models are inherently complex, and judgement is applied in determining the appropriate model construct;
- Identifying loans to customers that have experienced a significant increase in credit risk;

I evaluated the design and implementation of controls, and tested the operating effectiveness of key controls over input data and the calculation of allowances for expected credit losses in the system 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 assessing the reliability of results for setting up allowances for expected credit losses.
- 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 allowances for expected credit losses, including the accuracy of customers' account balances used in the computation. I also tested controls over accuracy of data input into the system that used to determine the allowances for expected credit losses, collateral amounts and data transfer.
- I tested governance controls for the ECL model development and refinements, including model approval, monitoring and validation.
- I tested management's controls over the review and approval of setting up allowances for expected credit losses by reading minutes of key committee meetings such as the audit committee, risk committee, management committees and Board of Directors of the Group.

Key audit matter

- Assumptions used in the ECL models such as expected future cash flows, forward-looking macroeconomic factors, probability weighted scenarios and management overlay during the COVID-19 pandemic; and
- Data and assumptions used for ECL for the significant exposure on individual assessment approach such as expected future cash flows and the appraisal value of collaterals.

Besides, management applied additional aid measures for debtors during the COVID-19 pandemic by changing repayment conditions such as extending the repayment period, reducing interest rate or debt restructuring as appropriate and keeping debtors in the same stage following the Bank of Thailand COVID-19 relief program which affects to the stage classification and allowances for ECL.

How my audit addressed the key audit matter

I didn't find any exceptions 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 involved my financial risk modelling experts and information technology specialists in areas such as testing the appropriateness of the ECL models for collective assessment and the scripts used to compute the ECL figures. Moreover, I assessed and tested the methodologies, as well as the significant modelling assumptions and data reliability inherent within the ECL models applied. I also considered appropriateness of forward-looking forecasts assumptions compared with available information in the market.

-
- I examined a sample of loans to customers and gathered relevant information to form my judgement on whether there was a significant increase in credit risk or any objective evidence of impairment on these customers, and then considered the appropriateness of the stage classification. I independently performed a credit analysis where I selected loans based on risk exposures. I tested the internal credit rating of those loans with the Bank's internal credit rating policy.

- I checked the accuracy and completeness of data for the stage classification following the Bank of Thailand's COVID-19 relief programme, the calculation of the ECL amount, on a sample basis and performed reconciliations of allowances for expected credit losses between the loans source systems to the general ledger.

- I tested management's review and approval process for management overlay. I assessed the appropriateness of management overlay by using my banking industry experience and knowledge, in the light of current economic conditions.
-

Key audit matter

How my audit addressed the key audit matter

- Where allowances for expected credit losses were individually calculated, I assessed their adequacy of allowances for expected credit losses by challenging the basis of cash flow projections prepared by management and assessed the appropriateness of projections by examining them against the relevant supporting evidence. I had a detailed discussion with management on the future cash flows expected from customers. I also used professional judgement and external evidence, if any, to assess those projections, and re-performed the calculations of the discounted cash flows.
- For collateral valuations performed by the professional valuers, I checked their qualifications. Then, I sampled those valuations to check that management used the latest valuations in the computation of allowances for expected credit losses. 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 in the ECL models.

Based on the work I performed, I didn't find any material differences from allowances for expected credit losses which had been assessed by management.

Emphasis of matter

I draw attention to note 2 and 3 of the consolidated and separate financial statements, which describes the accounting policies in relation to adopting the temporary exemptions announced by the Federation of Accounting Professions to relieve the impact from COVID-19. My opinion is not modified in respect to this matter.

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 TFRS and the Bank of Thailand notifications in relation to the preparation and presentation of financial reporting, 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's and the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless 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's 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 judgement 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's 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's and the Bank's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and 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
23 February 2021

CIMB THAI Bank
Public Company Limited
Consolidated
And Separate Financial
Statements
31 December 2020



Director

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2020

	Notes	Consolidated			Separate		
		31 December 2020 Baht	(Restated) 31 December 2019 Baht	(Restated) 1 January 2019 Baht	31 December 2020 Baht	(Restated) 31 December 2019 Baht	(Restated) 1 January 2019 Baht
Assets							
Cash		918,593,772	1,351,567,764	1,749,088,328	917,689,843	1,350,614,011	1,745,984,494
Interbank and money market items, net	7	6,884,873,058	6,421,713,044	6,790,160,122	6,716,284,057	6,205,670,653	6,684,224,569
Financial assets measured at fair value through profit or loss	8	34,426,785,221	-	-	34,426,785,221	-	-
Derivative assets	9	57,560,610,597	43,459,245,755	23,395,513,202	57,560,610,597	43,459,245,755	23,395,513,202
Investments, net	10	61,545,507,298	86,798,230,526	92,172,323,106	61,543,507,298	86,796,230,526	92,172,323,107
Investments in subsidiaries, net	11	-	-	-	2,933,315,115	2,208,315,115	2,208,315,115
Loans and accrued interest receivables, net	12, 13, 14	221,843,843,591	232,025,109,288	217,667,030,649	217,575,772,174	224,522,047,873	211,061,910,374
Customers' liability under acceptance		-	83,360,105	77,698,965	-	83,360,105	77,698,965
Properties for sale, net	15	1,082,474,739	1,123,900,062	1,016,509,206	909,229,206	894,230,172	831,149,160
Premises and equipment, net	16	3,265,886,780	3,428,635,255	3,536,093,184	3,184,960,352	3,339,032,032	3,471,101,060
Right of use assets, net	17	293,567,543	-	-	231,112,349	-	-
Intangible assets, net	18	970,407,387	1,061,691,787	488,639,652	920,772,733	1,015,531,376	480,958,226
Deferred tax assets	19	671,711,434	693,659,148	1,043,963,387	-	219,181,210	589,374,978
Credit support assets on derivatives		16,051,131,778	14,967,549,671	6,052,943,866	16,051,131,778	14,967,549,671	6,052,943,866
Other assets, net	20	1,733,638,801	2,258,703,848	3,077,857,230	1,450,159,918	1,843,161,859	2,825,287,493
Total assets		407,249,031,999	393,673,366,253	357,067,820,897	404,421,330,641	386,904,170,358	351,596,784,609

The accompanying notes to the consolidated and bank financial statements from page 196 to 327 are an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION (CONT'D)

As at 31 December 2020

	Notes	Consolidated			Separate		
		31 December 2020 Baht	(Restated) 31 December 2019 Baht	(Restated) 1 January 2019 Baht	31 December 2020 Baht	(Restated) 31 December 2019 Baht	(Restated) 1 January 2019 Baht
Liabilities and equity							
Liabilities							
Deposits	21	193,955,570,315	199,034,749,069	185,100,505,109	194,149,733,163	199,132,082,337	185,215,037,339
Interbank and money market items	22	47,667,617,572	43,393,672,214	44,533,942,327	47,667,617,572	43,393,672,214	44,533,942,327
Liability payable on demand		256,215,690	268,816,305	378,991,448	256,215,690	268,816,305	378,991,448
Financial liabilities measured at fair value through profit or loss	23	28,948,798,788	24,422,519,906	35,512,717,532	28,948,798,788	24,422,519,906	35,512,717,532
Derivative liabilities	9	57,221,163,685	44,659,756,168	24,318,002,735	57,221,163,685	44,659,756,168	24,318,002,735
Debt issued and borrowings	24	19,449,377,487	25,818,667,017	18,968,347,710	19,449,377,487	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
Lease liabilities		296,677,054	-	-	233,549,214	-	-
Provisions	25	2,679,569,475	2,298,834,098	1,987,605,894	2,512,525,405	2,140,697,917	1,892,940,782
Deferred tax liabilities	19	37,854,384	-	-	29,749,582	-	-
Credit support liabilities on derivatives		12,111,017,104	9,158,264,057	3,910,494,022	12,111,017,104	9,158,264,057	3,910,494,022
Other liabilities	26	3,081,311,886	4,102,518,535	3,962,352,358	2,609,852,049	3,001,524,762	3,012,897,171
Total liabilities		365,705,173,440	353,241,157,474	318,750,658,100	365,189,599,739	350,079,360,788	315,821,070,031
Equity							
Share capital	28						
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	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	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	10,145,965,854	10,145,965,854
Other reserves		1,541,465,035	1,468,042,132	1,400,797,437	1,593,402,211	1,512,574,667	1,422,487,528
Accretion of equity interests in subsidiary		(42,753,751)	(42,753,751)	(42,753,751)	-	-	-
Retained earnings							
Appropriated - statutory reserve	30	536,200,000	403,980,000	403,600,000	536,200,000	403,980,000	403,600,000
Unappropriated		11,951,850,547	11,045,843,670	8,998,422,383	9,545,031,963	7,351,158,175	6,392,530,322
Total equity		41,543,858,559	40,432,208,779	38,317,162,797	39,231,730,902	36,824,809,570	35,775,714,578
Total liabilities and equity		407,249,031,999	393,673,366,253	357,067,820,897	404,421,330,641	386,904,170,358	351,596,784,609

The accompanying notes to the consolidated and bank financial statements from page 196 to 327 are an integral part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 31 December 2020

	Notes	Consolidated		Separate	
		2020 Baht	(Restated) 2019 Baht	2020 Baht	(Restated) 2019 Baht
Interest income	34	15,011,724,895	17,105,532,589	11,201,604,569	13,649,194,419
Interest expenses	35	(4,072,358,247)	(5,513,358,198)	(4,054,796,751)	(5,465,461,170)
Net interest income		10,939,366,648	11,592,174,391	7,146,807,818	8,183,733,249
Fees and service income		1,629,614,706	2,476,081,102	1,152,370,880	1,535,745,658
Fees and service expenses		(373,875,155)	(385,927,966)	(359,666,589)	(370,326,208)
Net fees and service income	36	1,255,739,551	2,090,153,136	792,704,291	1,165,419,450
Gains (losses) on financial instruments measured at fair value through profit or loss	37	940,068,305	(176,978,157)	940,068,305	(176,978,157)
Gains on investments	38	306,009,145	343,978,417	306,009,145	343,978,417
Gains on sale of non-performing loans		113,136,112	398,585,923	45,184,134	-
Other operating income	39	1,372,733,807	511,589,578	1,650,540,439	137,640,997
Total operating income		14,927,053,568	14,759,503,288	10,881,314,132	9,653,793,956
Other operating expenses					
Employee expenses		4,258,267,208	5,045,384,493	3,555,060,193	4,367,809,334
Directors' remuneration		11,740,100	11,811,200	11,451,500	11,507,000
Premises and equipment expenses		834,725,076	1,213,316,406	649,001,726	1,050,453,383
Taxes and duties		410,391,115	433,029,282	396,209,137	397,538,486
Others		3,384,090,654	2,674,236,169	1,891,063,068	1,173,413,223
Total other operating expenses		8,899,214,153	9,377,777,550	6,502,785,624	7,000,721,426
Expected credit losses	40	4,468,266,285	-	1,852,458,534	-
Bad and doubtful debts	41	-	2,793,070,098	-	1,406,052,259
Profit before income tax expenses		1,559,573,130	2,588,655,640	2,526,069,974	1,247,020,271
Income tax expenses	42	(268,991,026)	(570,846,561)	(311,794,035)	(318,004,626)
Net profit for the years		1,290,582,104	2,017,809,079	2,214,275,939	929,015,645

The accompanying notes to the consolidated and bank financial statements from page 196 to 327 are an integral part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME (CONT'D)

For the year ended 31 December 2020

Note	Consolidated		Separate	
	2020 Baht	(Restated) 2019 Baht	2020 Baht	(Restated) 2019 Baht
Other comprehensive income				
Items that will be reclassified subsequently to profit or loss				
Gains on remeasuring available-for-sale investments	-	472,498,608	-	472,498,608
Gains on investments in debt instruments measured at fair value through other comprehensive income	237,077,203	-	237,077,203	-
Gains (losses) on fair value of hedging instruments for cash flow hedges	270,828,601	(54,736,432)	270,828,601	(54,736,432)
Losses arising from translating the financial statement of a foreign operation	(5,674,282)	(16,238,529)	(5,674,282)	(16,238,529)
Income tax relating to items that will be reclassified subsequently to profit or loss	(101,638,137)	(52,189,142)	(101,638,137)	(52,189,142)
Total items that will be reclassified subsequently to profit or loss	400,593,385	349,334,505	400,593,385	349,334,505
Items that will not be reclassified subsequently to profit or loss				
Losses on investment in equity instruments designated at fair value through other comprehensive income	(4,745,397)	-	(4,745,397)	-
Losses on financial liabilities designated at fair value relating to own credit risk	(109,829,298)	-	(109,829,298)	-
Remeasurements of post-employment benefit obligations	39,131,711	(257,808,214)	48,387,513	(229,255,158)
Income tax relating to items that will not be reclassified subsequently to profit or loss	235,002	5,710,612	(1,616,159)	-
Total items that will not be reclassified subsequently to profit or loss	(75,207,982)	(252,097,602)	(67,803,341)	(229,255,158)
Total other comprehensive income	325,385,403	97,236,903	332,790,044	120,079,347
Total comprehensive income for the years	1,615,967,507	2,115,045,982	2,547,065,983	1,049,094,992

The accompanying notes to the consolidated and bank financial statements from page 196 to 327 are an integral part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME (CONT'D)

For the year ended 31 December 2020

	Note	Consolidated		Separate	
		2020 Baht	(Restated) 2019 Baht	2020 Baht	(Restated) 2019 Baht
Net profit attributable to:					
Shareholders of the Bank		1,290,582,104	2,017,809,079	2,214,275,939	929,015,645
Non-controlling interests		-	-	-	-
		1,290,582,104	2,017,809,079	2,214,275,939	929,015,645
Total comprehensive income attributable to:					
Shareholders of the Bank		1,615,967,507	2,115,045,982	2,547,065,983	1,049,094,992
Non-controlling interests		-	-	-	-
		1,615,967,507	2,115,045,982	2,547,065,983	1,049,094,992
Earnings per share for profit attributable to the shareholders of the Bank					
	44				
Basic earnings per share (Baht per share)		0.04	0.06	0.06	0.03
Weighted average number of ordinary shares (shares)		34,822,261,748	34,822,261,748	34,822,261,748	34,822,261,748

The accompanying notes to the consolidated and bank financial statements from page 196 to 327 are an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 December 2020

Consolidated

Attributable to owners of the Bank

Other reserves

Notes	Issued and paid-up share capital		Share premium		Revaluation surplus on assets		Revaluation surplus on investments		Gains on investments in debt instruments		Gains (losses) on fair value of hedging instruments for cash flow hedges		Gains (losses) on fair value of financial instruments designated at fair value		Gains (losses) on financial liabilities at fair value		Remeasurements of post-employment benefit obligations		Income tax relating to components of other comprehensive income (expense)		Accretion of equity interests in subsidiary		Legal reserve		Retained earnings		Total Equity	
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Balance as at 1 January 2020	17,411,130,874	10,145,965,854	1,934,638,711	312,929,615	-	27,321,227	(16,536,825)	-	-	-	(361,163,810)	1,488,042,132	(42,753,751)	403,980,000	11,045,843,670	40,432,208,779												
Impact of the adoption of TFRS9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-												
Financial instruments	-	-	(312,929,615)	315,910,975	315,910,975	-	(229,079,722)	24,511,191	-	(201,587,171)	-	-	-	-	(28,618,845)	(330,206,016)												
Restated balance	17,411,130,874	10,145,965,854	1,934,638,711	-	315,910,975	27,321,227	(16,536,825)	(229,079,722)	24,511,191	(361,163,810)	1,286,454,961	(42,753,751)	403,980,000	10,917,224,825	40,102,002,763													
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(174,111,711)	(174,111,711)												
Total comprehensive income (expenses) for the period	-	-	-	237,077,203	270,828,601	(5,674,282)	(4,745,397)	(109,829,298)	39,013,711	(101,403,135)	325,885,403	-	-	-	1,290,562,104	1,615,967,507												
Appropriated - statutory reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(132,220,000)	-												
Transfer to retained earnings	-	(78,109,208)	-	-	-	-	-	12,112,037	-	15,621,842	(50,375,329)	-	-	-	50,375,329	-												
Balance as at 31 December 2020	17,411,130,874	10,145,965,854	1,856,529,503	-	552,988,178	298,149,828	(22,211,207)	(221,713,082)	(85,318,107)	(322,032,099)	1,541,465,035	(42,753,751)	538,200,000	11,951,850,547	41,543,868,559													
Balance as at 1 January 2019	17,411,130,874	10,145,965,854	1,972,128,971	(159,568,993)	-	82,057,659	(298,396)	-	-	(103,355,596)	1,400,797,437	(42,753,751)	403,600,000	7,603,085,488	36,921,825,902													
Impact of the adoption of TFRS9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-												
Financial instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,395,336,895	1,395,336,895												
Restated balance	17,411,130,874	10,145,965,854	1,972,128,971	(159,568,993)	-	82,057,659	(298,396)	-	-	(103,355,596)	1,400,797,437	(42,753,751)	403,600,000	8,998,422,383	38,317,162,797													
Total comprehensive income (expenses) for the period	-	-	-	472,498,608	(54,736,432)	(16,238,529)	-	-	-	(25,780,621)	(46,478,530)	97,236,903	-	-	2,017,809,079	2,115,045,982												
Appropriated - statutory reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(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	1,894,638,711	312,929,615	-	27,321,227	(16,536,825)	-	-	(361,163,810)	1,488,042,132	(42,753,751)	403,980,000	11,045,843,670	40,432,208,779													

The accompanying notes to the consolidated and bank financial statements from page 196 to 327 are an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY (CONT'D)

For the year ended 31 December 2020

Separate

	Notes	Other reserves										Total Equity						
		Baht	Baht	Share premium	Revaluation surplus on assets	Revaluation surplus on change in value of investments	Revaluation surplus (deficit) in value of other investments	Gains on investments in debt instruments measured at fair value through other comprehensive income	Gains (losses) on fair value of hedging instruments for cash flow hedges	(Losses) arising from translating the financial statements of a foreign operation	(Losses) on investment in equity instruments designated at fair value through other comprehensive income	Gains (losses) on financial liabilities relating to own credit risk	Gains on financial liabilities designated at fair value relating to other comprehensive income	Income tax relating to components of other comprehensive income	Legal reserve	Retained earnings	Baht	Baht
Balance as at 1 January 2020		17,411,130,874	10,145,965,854	193,463,871	312,929,615	-	27,321,227	(16,536,925)	-	-	(305,498,141)	(440,279,820)	1,572,574,667	403,980,000	7,351,158,175	36,824,809,570		
Impact of the adoption of TFRS9																		
Financial instruments	3	-	-	-	(312,929,615)	315,910,975	-	(229,079,722)	24,511,191	-	-	-	(201,587,171)	-	235,553,829	33,966,658		
Restated balance		17,411,130,874	10,145,965,854	193,463,871	-	315,910,975	27,321,227	(16,536,925)	(229,079,722)	24,511,191	(305,498,141)	(440,279,820)	1,310,987,496	403,980,000	7,586,712,004	36,858,776,228		
Dividend paid	29	-	-	-	-	-	-	-	-	-	-	-	-	-	(174,111,309)	(174,111,309)		
Total comprehensive income (expenses) for the period		-	-	-	-	237,077,203	270,828,601	(5,674,282)	(4,745,397)	(109,829,298)	48,387,513	(103,254,296)	332,790,044	-	2,214,275,939	2,547,065,983		
Appropriated - statutory reserve		-	-	-	-	-	-	-	-	-	-	-	-	132,220,000	(132,220,000)	-		
Transfer to retained earnings		-	(78,109,208)	-	-	-	-	-	12,112,037	-	-	-	15,621,842	(50,375,329)	50,375,329	-		
Balance as at 31 December 2020		17,411,130,874	10,145,965,854	1,856,529,503	-	552,988,178	298,149,828	(22,211,207)	(221,713,082)	(85,318,107)	(257,110,628)	(527,912,274)	1,593,402,211	536,200,000	9,545,031,963	39,231,730,902		
Balance as at 1 January 2019		17,411,130,874	10,145,965,854	1,972,128,971	(159,568,993)	-	82,057,659	(298,396)	-	-	(76,242,983)	(395,588,730)	1,422,487,528	403,600,000	4,997,193,427	34,380,377,683		
Impact of the adoption of TFRS9																		
Financial instruments	3	-	-	-	-	-	-	-	-	-	-	-	-	-	1,395,336,895	1,395,336,895		
Restated balance		17,411,130,874	10,145,965,854	1,972,128,971	(159,568,993)	-	82,057,659	(298,396)	-	-	(76,242,983)	(395,588,730)	1,422,487,528	403,600,000	6,392,530,322	35,775,714,578		
Total comprehensive income (expenses) for the period		-	-	-	472,498,608	(54,736,432)	(16,238,529)	(16,238,529)	-	(229,255,158)	(52,189,142)	(52,189,142)	120,079,347	-	929,015,645	1,049,094,992		
Appropriated - statutory reserve		-	-	-	-	-	-	-	-	-	-	-	380,000	-	(380,000)	-		
Transfer to retained earnings		-	(37,490,280)	-	-	-	-	-	-	-	-	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	-	27,321,227	(16,536,925)	-	-	(305,498,141)	(440,279,820)	1,572,574,667	403,980,000	7,351,158,175	36,824,809,570		

The accompanying notes to the consolidated and bank financial statements from page 196 to 327 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

For the year ended 31 December 2020

	Notes	Consolidated		Separate	
		2020 Baht	2019 Baht	2020 Baht	2019 Baht
Cash flows from operating activities					
Profit before income tax expenses		1,559,573,130	2,588,655,640	2,526,069,974	1,247,020,271
Adjustments to reconcile net incomes before income tax to cash in (out) flows from operating activities:					
Depreciation and amortisation		691,322,106	433,202,518	608,622,299	409,743,630
Expected credit losses	40	4,468,266,285	-	1,852,458,534	-
Bad debts and doubtful accounts	41	-	2,793,070,098	-	1,406,052,259
Share-based payment	32	25,854,417	41,716,546	25,854,417	41,716,546
Provision for liabilities		155,711,110	196,402,040	138,769,927	161,484,027
Losses (reversal) on impairment of properties for sale		1,038,298,688	1,015,432,235	(2,936,179)	(1,689,129)
Gains on exchange rate of debt issued and borrowing and derivatives		(1,862,371,975)	(926,288,301)	(1,862,371,975)	(926,288,301)
Gains on properties for sale		(74,985,699)	(28,247,855)	(39,082,892)	(24,352,727)
Gains on sale of financial assets measured at fair value through profit or loss / investments		(388,727,855)	193,856,530	(388,727,855)	193,856,530
Gains on sale of investments		(306,009,145)	(2,186,608,362)	(306,009,146)	(2,186,608,362)
Gains on disposal of premises and equipment		(5,995,613)	(11,871,882)	(5,363,271)	(10,105,201)
Losses from write off premises, equipment and intangible assets		102,322,776	19,481,182	102,249,659	19,481,182
Losses on impairment of intangible assets		138,703,033	-	138,703,033	-
(Gains) losses on sale of non-performing loan		(113,136,112)	9,118,106	(45,184,134)	9,118,106
Gains on modification and termination of leases		(446,664)	-	(446,664)	-
Losses on financial liabilities designated at fair value through profit or loss	37	1,292,422,476	480,589,053	1,292,422,476	480,589,053
Interest income	34	(15,011,724,895)	(17,105,532,589)	(11,201,604,569)	(13,649,194,419)
Dividend income		(10,245,396)	(8,427,415)	(755,659,304)	(8,427,415)
Interest expenses	35	4,072,358,247	5,513,358,198	4,054,796,751	5,465,461,170

The accompanying notes to the consolidated and bank financial statements from page 196 to 327 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS (CONT'D)

For the year ended 31 December 2020

Notes	Consolidated		Separate	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Losses from operations				
before changes in operating assets and liabilities	(4,228,811,086)	(6,982,094,258)	(3,867,438,919)	(7,372,142,780)
(Increase) decrease in operating assets				
Interbank and money market items	(466,412,210)	364,870,026	(513,865,600)	474,976,864
Financial assets measured at fair value through profit or loss / Investments held for trading	(2,142,418,330)	(5,757,584,312)	(2,142,418,330)	(5,757,584,312)
Loans	3,251,738,131	(19,056,551,151)	6,220,000,565	(13,645,310,689)
Properties for sale	2,445,554,228	2,157,885,423	113,989,747	71,511,170
Credit support assets on derivatives	(1,083,582,107)	(8,914,605,805)	(1,083,582,107)	(8,914,605,805)
Other assets	479,041,395	612,740,441	399,212,947	738,342,336
Increase (decrease) in operating liabilities				
Deposits	(5,079,178,753)	13,934,243,960	(4,982,349,174)	13,917,044,998
Interbank and money market items	4,273,945,357	(1,140,270,113)	4,273,945,357	(1,140,270,113)
Liability payable on demand	(12,600,615)	(110,175,143)	(12,600,615)	(110,175,143)
Short-term borrowings	(2,638,406,819)	4,168,522,046	(2,638,406,819)	4,168,522,046
Provisions	(196,101,383)	(143,437,882)	(181,922,457)	(143,437,882)
Credit support liabilities on derivatives	2,952,753,047	5,247,770,035	2,952,753,047	5,247,770,035
Other liabilities	(547,398,870)	154,841,763	(61,646,504)	21,876,071
Cash flows used in operating activities	(2,991,878,015)	(15,463,844,970)	(1,524,328,862)	(12,443,483,204)
Cash received from interest income	13,875,785,186	14,165,286,507	10,064,766,872	10,726,606,727
Cash paid for interest expenses	(6,359,515,005)	(6,578,613,485)	(6,335,935,161)	(6,579,515,960)
Cash (paid) receive for income tax	(381,355,767)	(164,761,796)	(160,468,867)	121,054,277
Net cash flows provided by (used in) operating activities	4,143,036,399	(8,041,933,744)	2,044,033,982	(8,175,338,160)

The accompanying notes to the consolidated and bank financial statements from page 196 to 327 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS (CONT'D)

For the year ended 31 December 2020

	Note	Consolidated		Separate	
		2020 Baht	2019 Baht	2020 Baht	2019 Baht
Cash flows from investing activities					
Cash paid for purchases of investments in debt instruments measured at fair value through other comprehensive income / available-for-sale securities		(36,098,538,904)	(27,549,333,482)	(36,098,538,904)	(27,549,333,482)
Proceeds from disposals and maturity of investments in debt instruments measured at fair value through other comprehensive income / available-for-sale securities		31,097,145,355	42,795,057,786	31,097,145,355	42,795,057,786
Cash paid for purchases of investments in debt instruments measured at amortised cost / held-to-maturity securities		(2,605,255,006)	(4,194,283,404)	(2,605,255,006)	(4,192,283,404)
Proceeds from maturity of investments in debt instruments measured at amortised cost / held-to-maturity securities		461,800,000	4,731,280,000	461,800,000	4,731,280,000
Proceeds from repayment of investment in receivable		-	788,253	-	788,253
Proceeds from disposals of general investments		-	2,564,090	-	2,564,090
Proceeds from maturity of investments in equity instruments designated at fair value through other comprehensive income		9,791,713	-	9,791,713	-
Cash paid for investment in subsidiaries	11	-	-	(725,000,000)	-
Cash paid for purchases of premises and equipment		(186,002,100)	(295,357,042)	(164,644,697)	(250,101,510)
Proceeds from disposals of premises and equipment		7,600,359	9,342,879	6,963,414	7,577,958
Cash paid for purchases of intangible assets		(423,145,279)	(708,309,652)	(403,693,296)	(667,017,974)
Dividend received		10,245,396	8,427,415	755,659,304	8,427,415
Interest received		1,220,375,445	2,283,245,525	1,220,332,892	2,283,217,733
Net cash flows (used in) provided by investing activities		(6,505,983,021)	17,083,422,368	(6,445,439,225)	17,170,176,865

The accompanying notes to the consolidated and bank financial statements from page 196 to 327 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS (CONT'D)

For the year ended 31 December 2020

	Note	Consolidated		Separate	
		2020 Baht	2019 Baht	2020 Baht	2019 Baht
Cash flows from financing activities					
Cash paid for interest expenses		(17,113,425)	(48,800,000)	-	-
Proceeds from issuance of borrowings		5,155,406,850	8,534,832,747	5,155,406,850	8,534,832,747
Cash paid for redemption of borrowings		(2,915,146,478)	(17,909,088,000)	(932,259,903)	(17,909,088,000)
Cash paid for dividend		(174,111,309)	-	(174,111,309)	-
Cash paid for lease liabilities		(113,388,014)	-	(74,879,569)	-
Net cash flows provided by (used in) financing activities		1,935,647,624	(9,423,055,253)	3,974,156,069	(9,374,255,253)
Gains from foreign currency translation differences		(5,674,994)	(15,953,935)	(5,674,994)	(15,953,935)
Net decrease in cash and cash equivalents		(432,973,992)	(397,520,564)	(432,924,168)	(395,370,483)
Cash and cash equivalents at beginning of the year		1,351,567,764	1,749,088,328	1,350,614,011	1,745,984,494
Cash and cash equivalents at the end of the year		918,593,772	1,351,567,764	917,689,843	1,350,614,011
Supplemental disclosure of cash flows information					
Non-cash transaction:					
Payable from purchase premises and equipment		-	1,597,778	-	1,597,778
Properties for sale received from premises and equipment		39,281,470	89,686,806	39,281,470	89,686,806
Change in revaluation surplus in available-for-sale		47,472,417	472,498,608	47,472,417	472,498,608
Interest amortisation from premium or discount		381,042,146	124,753,905	381,042,146	124,753,905

The accompanying notes to the consolidated and bank financial statements from page 196 to 327 are an integral part of these financial statements.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2020

Note	Content	Page	Note	Content	Page
1	General information	196	25	Provisions	289
2	Accounting policies	196	26	Other liabilities	292
3	Adoption of new financial reporting standards and changes in accounting policies	208	27	Offsetting of financial assets and financial liabilities	292
4	Financial risk management	218	28	Share capital	293
5	Critical accounting estimates, assumptions and judgements	252	29	Dividend payments	293
6	Classification of financial assets and financial liabilities	255	30	Statutory reserve	293
7	Interbank and money market items, net (assets)	257	31	Capital funds	294
8	Financial assets measured at fair value through profit or loss	258	32	Share-based payments	295
9	Derivatives	259	33	Important positions and performance classified by type of domestic or foreign transactions	296
10	Investments, net	260	34	Interest income	298
11	Investments in subsidiaries, net	264	35	Interest expenses	299
12	Loans and accrued interest receivables, net	265	36	Net fees and services income	299
13	Allowance for expected credit losses	269	37	Gains (losses) on financial instruments measured at fair value through profit or loss	300
14	Allowance for doubtful debts	270	38	Gains on investments, net	300
15	Properties for sale, net	271	39	Other operating income	301
16	Premises and equipment, net	274	40	Expected credit losses	301
17	Right-of-use assets, net	278	41	Bad and doubtful debts	301
18	Intangible assets, net	278	42	Corporate income tax	302
19	Deferred income taxes	280	43	Provident fund	304
20	Other assets, net	283	44	Earnings per share	304
21	Deposits	283	45	Encumbrance of assets	304
22	Interbank and money market items (liabilities)	284	46	Commitments and contingent liabilities	305
23	Financial liabilities designated at fair value through profit or loss	285	47	Related party transactions	310
24	Debt issued and borrowings	286	48	Financial information by segment	318
			49	Fair value	321
			50	Significant events during the current year	327

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2020

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 Bank’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 the hire-purchase, leasing business and debt collection business.

The consolidated and separate financial statements were authorised by the Board of Directors on 23 February 2021.

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 21/2561, “The Preparation and Format of the Financial Statements of Commercial Bank and Holding Parent Company of Financial Group” dated on 31 October 2018.

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 5 to the financial statements.

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.

The accounting policies used in the preparation of the financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2019 except for the following:

- 1) The adoption of the new financial reporting standards together with the application of the relevant relief measures as described in note 3 to the financial statements; and
- 2) The following application of the temporary exemption guidance to relieve the impact from COVID-19 (temporary measures to relieve the impact from COVID-19) announced by the Federation of Accounting Professions (TFAC) for the reporting periods ending between 1 January 2020 and 31 December 2020.

Reversal of deferred tax assets

The Group has chosen to exclude information related to COVID-19 which causes uncertainty when considering the sufficiency of future taxable profit for the purpose of assessing the utilisation of deductible temporary differences. Instead, the Group writes down the carrying amount of the deferred tax assets when it's not probable that the future taxable profit will be available for utilising the deductible temporary differences. As at 31 December 2020, the Group has no reversal of deferred tax assets.

Impairment of assets

The Group has chosen to exclude information related to COVID-19 as an indication of the impairment of assets.

For intangible assets that are not ready for intended use that the Group has to test for impairment annually, the Group has chosen not to include information related to COVID-19 that potentially affect financial projections to consider for the assets' impairment testing.

Management is considering the effect of terminating the temporary relief measures to reduce the COVID-19 pandemic's impact on the 2021 financial statements.

2.2 New and amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2020 and have significant impacts to the Group

a) Financial instruments

The new financial standards related to financial instruments are as follows:

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 new financial reporting standards related to financial instruments introduce new classification and measurement requirements for financial instruments as well as provide derecognition guidance on financial assets and financial liabilities. The new guidance also provides an option for the Group to apply hedge accounting to reduce accounting mismatch between hedged item and hedging

instrument. In addition, the new rule provides detailed guidance on financial instruments issued by the Group whether it is a liability or an equity. Among other things, they require extensive disclosure on financial instruments and related risks.

The new classification requirements of financial assets require the Group to assess both i) business model for holding the financial assets; and ii) cash flow characteristics of the asset whether the contractual cash flows represent solely payments of principal and interest (SPPI). The classification affects the financial assets' measurement. The new guidance requires assessment of impairment of financial assets as well as contract assets and recognition of expected credit loss from initial recognition.

On 1 January 2020, the Group has adopted the financial reporting standards related to financial instruments in its financial statements. The impact from the first-time adoption has been disclosed in note 3 to the financial statements.

b) TFRS 16, Leases

Where the Group is a lessee, TFRS 16, Leases will result in almost all leases being recognised on the balance sheet as the distinction between operating and finance leases is removed. A right-of-use asset and a lease liability will be recognised, with exception on short-term and low-value leases.

On 1 January 2020, the Group has adopted the new lease standard in its financial statements. The impact from the first-time adoption has been disclosed in note 3 to the financial statements.

c) Other new/amended standards

The new and amended financial reporting standards which are relevant to the Group are:

TAS 12	Income tax
TAS 19	Employee benefits
TFRIC 23	Uncertainty over income tax treatments

Amendment to TAS 12, Income tax clarified that the income tax consequences of dividends of equity instruments should be recognised according to where the past transactions or events that generated distributable profits were recognised.

Amendment to TAS 19, Employee benefits (plan amendment, curtailment or settlement) clarified accounting for defined benefit plan amendments, curtailments and settlements that the updated assumptions on the date of change are applied to determine current service cost and net interest for the remainder of the reporting period after the plan amendment, curtailment or settlement.

TFRIC 23, Uncertainty over income tax treatments explained how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

- that the Group should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, without considering the reasons whether to be detected or not.
- that the Group should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment.
- that the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

Management has already applied those amended accounting standards and have no significant impact to the Group.

2.3 New and amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2021 which are relevant and have impacts on the Group

The Group assessed the impact of new and amended financial reporting standards that are not mandatory for current reporting period are as follows:

a) Revised Conceptual Framework for Financial Reporting added the following key principals and guidance:

- Measurement basis, including factors in considering difference measurement basis
- Presentation and disclosure, including classification of income and expenses in other comprehensive income
- Definition of a reporting entity, not necessarily a legal entity – could be a portion of an entity or companies more than one entity
- Derecognition of assets and liabilities

The amendment of conceptual framework also includes the revision to the definition of an asset and liability and criteria for including assets and liability in the financial statements, includes clarification to the prominence of stewardship in economic benefits of the Group, conservation and uncertainty of measurement of financial reporting.

b) Amendment to TFRS 3, Business combinations amended the definition of a business which requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term ‘outputs’ is amended to focus on goods and services provided to customers and to exclude returns in the form of lower costs and other economic benefits.

c) Amendment to TFRS 9, Financial instruments and TFRS 7, Financial instruments: disclosures amended to provide relief from applying specific hedge accounting requirements to the uncertainty arising from interest rate benchmark reform such as IBOR. The amendment also requires disclosure of hedging relationships directly affected by the uncertainty.

d) Amendment to TAS 1, Presentation of financial statements and TAS 8, Accounting policies, changes in accounting estimates and errors amended to definition of materiality. The amendment allows for a consistent definition of materiality throughout the Thai Financial Reporting Standards and the Conceptual Framework for Financial Reporting. It also clarified when information is material and incorporates some of the guidance in TAS 1 about immaterial information.

However, the Group’s management is in the process of estimating a reasonable amount of impact.

2.4 Amended financial reporting standards that are effective for accounting period beginning or after 1 January 2022 and have significant impacts to the Group

The Group assessed the impact of the amended financial reporting standard that are not mandatory for current reporting period is as follows:

Amendment to TFRS 16, Leases amended to include a practical expedient for leases that are modified as a direct consequence of IBOR reform (e.g. replacement of THBFIX as a benchmark interest rate due to the cancellation of LIBOR) for lessee to remeasure the lease liability by discounting the revised lease payments using a discount rate that reflects the change in the interest rate. An early application of the amendment is permitted.

However, the Group’s management is in the process of estimating a reasonable amount of impact.

2.5 Revenue recognition

(a) Interest and discount on loans

Interest income will be recognised at effective interest rate. The recognition interest income on loan when its principal or interest payment has become over three months past due or stage 3 loan account follow definition of TFRS 9 will be recognise at effective interest rate of the carrying amount after impairment.

(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.

(c) Fees and services income

The Group recognises fees and services income when diverse range of services have 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 control of the properties for sale have been transferred to the buyer, being when the ownership transferred, and there is no unfulfilled obligation that could affect the buyer acceptance of the properties for sale.

(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.

2.6 Expense recognition

(a) Interest expenses

Interests on borrowings and deposits are recognised as expenses using the effective interest rate method.

(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.

2.7 Cash

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

2.8 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 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.

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-measured 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.

2.9 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.

2.10 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
Vehicle and equipment	5 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 2.12 to the financial statements).

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.

2.11 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 or sale;
- 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.

2.12 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.

2.13 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.

2.14 Financial derivatives

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 46 to the financial statements.

2.15 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.

2.16 Financial liabilities measured at fair value

Financial liabilities at fair value are 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 liabilities, measured at fair value through profit or loss, are recognised in the statements of comprehensive income as gain or loss on financial liabilities measured at fair value through profit loss. Except the portion of the fair value change due to own credit would be recognised in other comprehensive income.

2.17 Borrowings

Borrowings are initially 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.

2.18 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.

2.19 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.

2.20 Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right of set-off and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

2.21 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.

2.22 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 (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.

2.23 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.

2.24 Dividend payment

Dividend payment 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.

2.25 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 ADOPTION OF NEW FINANCIAL REPORTING STANDARDS AND CHANGES IN ACCOUNTING POLICIES

The Group has adopted the financial reporting standards relating to financial instruments (TAS 32, TFRS 7 and TFRS 9) by applying a full retrospective approach for changing interest recognition to effective interest rate from beginning of the contract. For other items, the Group applied a modified retrospective approach in the opening statement of financial position on 1 January 2020.

For the financial reporting standards relating to leases (TFRS 16), the Group has adopted this standard by recognising 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 in the opening statement of financial position on 1 January 2020.

The following tables show the adjustments made to the amounts recognised in each line item in the statement of financial position upon adoption of the financial reporting standards relate to financial instruments (TAS 32 and TFRS 9) and leases standard (TFRS 16):

	Thai Accounting Standard 32 and Thai Financial Reporting Standard 9				Thai Financial Reporting Standard 16	
	As at 31 December 2019 Restated ⁽¹⁾ Million Baht	Adjustments from reclassification of financial instrument Million Baht	Adjustments from remeasurement Million Baht	Allowance for expected credit losses Million Baht	Total adjustments of financial instruments Million Baht	As at 1 January 2020 Restated Million Baht
Assets						
Interbank and money market items, net	6,422	-	-	1	1	6,423
Financial assets measured at fair value through profit or loss	-	32,768	-	-	32,768	32,768
Investments, net	86,798	(32,806)	-	-	(32,806)	53,992
Loans to customers and accrued interest receivable, net	232,025	38	-	(154)	(116)	231,909
Right-of-use assets	-	-	-	-	-	303
Deferred tax assets	694	-	63	-	63	757
Other assets, net	2,259	-	-	(24)	(24)	2,235
Total assets	328,198	-	63	(177)	(114)	328,387
Liabilities						
Lease liabilities	-	-	-	-	-	303
Provisions	2,299	-	-	217	217	2,516
Other liabilities	4,103	-	-	-	-	4,103
Total liabilities	6,402	-	-	217	217	6,922

⁽¹⁾ Details of full retrospective restatement as at 31 December 2019, are described in note 3.1 to the financial statements.

Thai Accounting Standard 32 and Thai Financial Reporting Standard 9

	As at 31 December 2019 Restated ⁽¹⁾ Million Baht	Adjustments from reclassification of financial instrument Million Baht	Adjustments from remeasurement Million Baht	Allowance for expected credit losses Million Baht	Total adjustments of financial instruments Million Baht	Adjustments from remeasurement Million Baht	As at 1 January 2020 Restated Million Baht
Equity							
Other reserves	1,468	-	(202)	-	(202)	-	1,266
Retained earnings							
Unappropriated	11,046	-	265	(394)	(129)	-	10,917
Total equity	12,514	-	63	(394)	(331)	-	12,183
Total liabilities and equity	18,916	-	63	(177)	(114)	303	19,105

⁽¹⁾ Details of full retrospective restatement as at 31 December 2019, are described in note 3.1 to the financial statements.

	Thai Accounting Standard 32 and Thai Financial Reporting Standard 9			Thai Financial Reporting Standard 16	
	As at 31 December 2019 Restated ⁽¹⁾ Million Baht	Adjustments from reclassification of financial instrument Million Baht	Adjustments from remeasurement Million Baht	Allowance for expected credit losses Million Baht	Total adjustments of financial instruments Million Baht
					As at 1 January 2020 Restated Million Baht
Assets					
Interbank and money market items, net	6,206	-	-	1	6,207
Financial assets measured at fair value through profit or loss	-	32,768	-	-	32,768
Investments, net	86,796	(32,806)	-	-	53,990
Loans to customers and accrued interest receivable, net	224,522	38	-	218	224,778
Right-of-use assets	-	-	-	-	240
Deferred tax assets	219	-	58	-	277
Other assets, net	1,843	-	-	(24)	1,819
Total assets	319,586	-	58	195	320,079
Liabilities					
Lease liabilities	-	-	-	-	240
Provisions	2,141	-	-	219	2,360
Other liabilities	3,002	-	-	-	3,002
Total liabilities	5,143	-	-	219	5,602

⁽¹⁾ Details of full retrospective restatement as at 31 December 2019, are described in note 3.1 to the financial statements.

Separate

	Thai Accounting Standard 32 and Thai Financial Reporting Standard 9				Thai Financial Reporting Standard 16	As at 1 January 2020 Restated Million Baht
	As at 31 December 2019 Restated ⁽¹⁾ Million Baht	Adjustments from reclassification of financial instrument Million Baht	Adjustments from remeasurement Million Baht	Allowance for expected credit losses Million Baht	Total adjustments of financial instruments Million Baht	
Equity						
Other reserves	1,513	-	(202)	-	(202)	1,311
Retained earnings Unappropriated	7,351	-	260	(24)	236	7,587
Total equity	8,864	-	58	(24)	34	8,898
Total liabilities and equity	14,007	-	58	195	253	14,500

⁽¹⁾ Details of full retrospective restatement as at 31 December 2019, are described in note 3.1 to the financial information.

3.1 Financial reporting standards relating to financial instruments

3.1.1 Full retrospective approach

On 1 January 2020, the Group applied full retrospective approach for changing interest recognition to effective interest rate from beginning of the contract.

The following tables show the adjustments made to the amounts recognised in each financial statement line item.

Statement of financial position	As at 31 December 2019			As at 1 January 2019		
	Previously reported	Adjustments	Restated	Previously reported	Adjustments	Restated
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Loans to customers and accrued interest receivable, net	229,911	2,114	232,025	216,201	1,466	217,667
Deferred tax assets	1,172	(478)	694	1,393	(349)	1,044
Other assets, net	2,129	130	2,259	2,975	103	3,078
Other liabilities	4,248	(145)	4,103	4,138	(176)	3,962
Retained earnings - Unappropriated	9,134	1,912	11,046	7,603	1,395	8,998

Statement of financial position	As at 31 December 2019			As at 1 January 2019		
	Previously reported	Adjustments	Restated	Previously reported	Adjustments	Restated
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Loans to customers and accrued interest receivable, net	222,422	2,100	224,522	209,596	1,466	211,062
Deferred tax assets	694	(475)	219	938	(349)	589
Other assets, net	1,713	130	1,843	2,723	103	2,826
Other liabilities	3,147	(145)	3,002	3,189	(176)	3,013
Retained earnings - Unappropriated	5,451	1,900	7,351	4,997	1,395	6,392

Consolidated

For the year ended 31 December 2019

Statement of comprehensive income	Previously reported	Adjustments	Restated
	Million Baht	Million Baht	Million Baht
Interest income	16,421	685	17,106
Fees and service income	2,556	(80)	2,476
Employee expenses	5,063	(18)	5,045
Other operating expenses	2,918	(244)	2,674
Bad and doubtful debts	2,572	221	2,793
Income tax expenses	(442)	(129)	(571)

Separate

For the year ended 31 December 2019

Statement of comprehensive income	Previously reported	Adjustments	Restated
	Million Baht	Million Baht	Million Baht
Interest income	12,978	671	13,649
Fees and service income	1,616	(80)	1,536
Employee expenses	4,386	(18)	4,368
Other operating expenses	1,417	(244)	1,173
Bad and doubtful debts	1,185	221	1,406
Income tax expenses	(192)	(126)	(318)

3.1.2 Modified retrospective approach

Impact to retained earnings as at 1 January 2020 as the followings:

	Consolidated Million Baht	Separate Million Baht
Retained earnings as at 31 December 2019 (restated)	11,046	7,351
Fair values adjustment through other comprehensive income of previous general investments	226	226
Decrease from allowance for expected credit losses on advance insurance	(24)	(24)
Decrease from changes in fair values of financial liabilities designated at fair value through profit or loss due to a change in credit risk	(24)	(24)
Decrease from allowance for expected credit losses on loan to customers	(57)	-
Decrease from elimination for consolidated financial statements	(313)	-
Increase in deferred tax	63	58
Total impact of the adoption TFRS 9 as at 1 January 2020	(129)	236
Unappropriated retained earnings as at 1 January 2020 - Impact of the adoption of TFRS 9	10,917	7,587

3.2 Financial reporting standards relating to leases

On 1 January 2020, the Group has adopted TFRS 16, Leases and recognised 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 weighted average lessee's incremental borrowing rate applied to the lease liabilities between 1.55% - 2.13% per annum.

	Consolidated Million Baht	Separate Million Baht
Operating lease commitments disclosed as at 31 December 2019	280	170
<u>Less:</u> Discounted using the lessee's incremental borrowing rate of at the date of initial application	(2)	(2)
<u>Less:</u> Short-term leases recognised on a straight-line basis as expense	(5)	(5)
<u>Less:</u> Contracts reassessed as service agreements / service portion included in leases	(117)	(71)
<u>Add:</u> Adjustments as a result of a different treatment of extension and termination options	147	148
Lease liabilities recognised as at 1 January 2020	303	240

3.3 Changes in accounting policies from adoption of the financial reporting standards related to financial instruments and leases

3.3.1 Changes in accounting policies relating to financial instruments

Investments and other financial assets

Classification and measurements

From 1 January 2020, the Group classifies its financial assets as follows:

- those to be measured subsequently at fair value either through profit or loss (FVPL) or through other comprehensive income (FVOCI)
- those to be measured at amortised cost

The Group initially recognises a financial asset on settlement date at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset, except financial assets that are measured at FVPL whose transaction costs are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories:

- Amortised cost: Assets that are held for collection of contractual cash flows that represent solely payments of principal and interest (SPPI) are measured at amortised cost. Interest income is included in interest income using the effective interest method. Any gain or loss on derecognition is presented in gains on investments together with foreign exchange gains and losses. Impairment losses are presented as separate line item.

- FVOCI: Assets that are held for collection of contractual cash flows that represent SPPI and for selling the financial assets are measured at FVOCI. Movements in the carrying amount are taken through OCI, except impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. Interest revenue is included in interest income. Foreign exchange gains and losses are presented in gains on investments. Impairment losses are presented as separate line item. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified to profit or loss in other gains/(losses).
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on subsequent measurement is presented in other gains/(losses).

The Group reclassifies debt instruments only when its business model for managing those assets changes.

Equity instruments

All equity instruments held must be irrevocably classified to measurement at fair value through other comprehensive income without subsequent recycling to profit or loss. Dividends from such investment continue to be recognised in statement of comprehensive income as other operating income.

Loans of commercial banking business

Loans are generally stated at the outstanding principal less the allowance for expected credit losses. Loans held within a business model whose objective is to hold assets in order to collect contractual cash flows and the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

Hire-purchase receivables

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

Allowance for expected credit losses

From 1 January 2020, the Group assesses expected credit loss on a forward looking basis for its financial assets carried at FVOCI and at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk, except lease receivables and other receivables which the Group applies the simplified approach in determining its expected credit loss.

Allowance for expected credit losses involves a three-stage expected credit loss impairment model. The stage dictates how the entity measures impairment losses which will be as the following stages:

- Stage 1 - from initial recognition of a 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.

The Group measures the surplus reserve on the date of adoption for new financial reporting standards related to financial instruments by comparing the difference between allowance for expected credit losses according to requirement under new financial reporting standards related to financial instruments and total reserves that the Group had on 31 December 2019. In which, the Group will

amortise the surplus reverse using the straight-line method over 5 years in accordance with notification number TorPorTor ForNorSor (23) Wor 1603/2562 to utilise surplus reserve from Bank of Thailand dated on 6 November 2019.

The Group presents bad debt recoveries of loan to customers written-off as part of other income.

For the reporting periods ending between 1 January 2020 and 31 December 2021, the Group has chosen to apply the temporary measures to relieve the impact from COVID-19 as announced by TFAC and considering weight from forward-looking information which includes temporary crisis, less than weight from historical repayment ability data of debtor in assessing the expected credit loss of loan to customers. The Group changed weight on the worst case scenario together with the management's judgment in estimating the expected credit loss and applies staging guideline to debtors from BOT circular letter number TorPorTor ForNorSor (23) Wor 276/2563 directive dated 28 February 2020, regarding to "The relief programs for customers affected by Thai economic situations."

Financial guarantee

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of a) the amount of expected credit loss determined; and b) the amount initially recognised less the cumulative amount of income recognised.

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently measured to their fair value at the end of each reporting period. The changes in the fair value is recognised to other comprehensive income.

3.3.2 Changes in accounting policies relating to leases

The Group has leases which the rental contract are typically made for fixed periods of 1 to 15 years but may have extension options. Before 2020 financial year, leases of property, plant and equipment were classified as either finance or operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 January 2020, leases are recognised as a right-of-use asset and a lease liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Right of use assets and lease liabilities are initially measured on a present value of rental payment which consist of:

- fixed payments, less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise of space for ATM installation, sign board, and money exchange office.

4 FINANCIAL RISK MANAGEMENT

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange 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 Risk Management Committee 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.

4.1.1 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/ or 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.

4.1.1.1 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 debt instruments measure at fair value and derivatives, which lead to fluctuations in revenue or 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 trading and banking accounts, with consent from the Board, in order to manage risk at an appropriate level.

As at 31 December 2020 and 2019, financial assets and liabilities classified by type of interest rate were as follows:

	Consolidated 2020			
Transaction	Floating interest rate Million Baht	Fixed interest rate Million Baht	Non-interest bearing Million Baht	Total Million Baht
Financial assets				
Cash	-	-	919	919
Interbank and money market items	1,199	1,944	3,741	6,884
Financial assets measured at				
fair value through profit or loss	-	34,427	-	34,427
Derivative assets	41,033	2,095	14,433	57,561
Investments	-	61,469	78	61,547
Loans to customers	138,585	88,365	-	226,950
Credit support assets on derivatives	16,051	-	-	16,051
Other assets	-	324	222	546
Total financial assets	196,868	188,624	19,393	404,885
Financial liabilities				
Deposits	82,586	105,362	6,008	193,956
Interbank and money market items	19,757	25,460	2,451	47,668
Liabilities payable on demand	-	-	256	256
Financial liabilities measured				
at fair value through profit or loss	28,920	-	29	28,949
Derivative liabilities	36,864	2,010	18,347	57,221
Debt issued and borrowings	7,153	12,296	-	19,449
Lease liabilities	-	297	-	297
Credit support liabilities on derivatives	12,111	-	-	12,111
Total financial liabilities	187,391	145,425	27,091	359,907

Consolidated

2019

Transaction	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 to customers	152,134	87,816	-	239,950
Credit support assets on derivatives	14,968	-	-	14,968
Other assets	-	204	537	741
Total financial assets	200,756	180,501	12,675	393,932
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

Separate

2020

Transaction	Floating interest rate Million Baht	Fixed interest rate Million Baht	Non-interest bearing Million Baht	Total Million Baht
Financial assets				
Cash	-	-	918	918
Interbank and money market items	1,060	1,944	3,711	6,715
Financial assets measured at fair value through profit or loss	-	34,427	-	34,427
Derivative assets	41,033	2,095	14,433	57,561
Investments	-	61,467	78	61,545
Loans to customers	138,565	82,237	-	220,802
Credit support assets on derivatives	16,051	-	-	16,051
Other assets	-	324	222	546
Total financial assets	196,709	182,494	19,362	398,565
Financial liabilities				
Deposits	82,761	105,379	6,010	194,150
Interbank and money market items	19,757	25,460	2,451	47,668
Liabilities payable on demand	-	-	256	256
Financial liabilities measured at fair value through profit or loss	28,920	-	29	28,949
Derivative liabilities	36,864	2,010	18,347	57,221
Debt issued and borrowings	7,153	12,296	-	19,449
Lease liabilities	-	234	-	234
Credit support liabilities on derivatives	12,111	-	-	12,111
Total financial liabilities	187,566	145,379	27,093	360,038

Separate

2019

Transaction	Floating interest rate Million Baht	Fixed interest rate Million Baht	Non-interest bearing Million Baht	Total Million Baht
Financial assets				
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 to customers	152,184	79,143	-	231,327
Credit support assets on derivatives	14,968	-	-	14,968
Other assets	-	204	328	532
Total financial assets	200,616	171,826	12,439	384,881
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

Transactions	Repricing or maturity date						Total Million Baht
	At call Million Baht	0 - 3 months Million Baht	3 - 12 months Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	Non- interest bearing Million Baht	
Financial assets							
Cash	-	-	-	-	-	919	919
Interbank and money market items	1,030	2,038	75	-	-	3,741	6,884
Financial assets measured at fair value through profit or loss	-	2	152	2,969	31,304	-	34,427
Derivative assets	-	31,294	11,427	78	329	14,433	57,561
Investments	-	3,500	2,882	35,074	20,013	78	61,547
Loans to customers	6,363	28,558	40,673	90,922	60,434	-	226,950
Credit support assets on derivatives	16,051	-	-	-	-	-	16,051
Other assets	-	41	40	243	-	222	546
Total financial assets	23,444	65,433	55,249	129,286	112,080	19,393	404,885
Financial liabilities							
Deposits	82,585	46,223	57,383	1,757	-	6,008	193,956
Interbank and money market items	19,756	23,854	878	729	-	2,451	47,668
Liabilities payable on demand	-	-	-	-	-	256	256
Financial liabilities measured at fair value through profit or loss	-	21,123	7,757	40	-	29	28,949
Derivative liabilities	-	22,472	15,067	202	1,133	18,347	57,221
Debt issued and borrowings	-	4,247	3,974	-	11,228	-	19,449
Lease liabilities	-	28	81	185	3	-	297
Credit support liabilities on derivatives	12,111	-	-	-	-	-	12,111
Total financial liabilities	114,452	117,947	85,140	2,913	12,364	27,091	359,907

Transactions	Repricing or maturity date						Total Million Baht
	At call Million Baht	0 - 3 months Million Baht	3 - 12 months Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	Non- interest bearing Million Baht	
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 to customers	5,531	36,455	51,334	88,615	58,015	-	239,950
Credit support assets on derivatives	14,968	-	-	-	-	-	14,968
Other assets	-	51	153	-	-	537	741
Total financial assets	21,085	65,527	69,116	124,943	100,586	12,675	393,932
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

Transactions	Repricing or maturity date						Total Million Baht
	At call	0 - 3	3 - 12	1 - 5	Over 5	Non-	
	Million Baht	months Million Baht	months Million Baht	years Million Baht	years Million Baht	interest bearing Million Baht	
Financial assets							
Cash	-	-	-	-	-	918	918
Interbank and money market items	1,060	1,870	74	-	-	3,711	6,715
Financial assets measured at fair value through profit or loss	-	2	152	2,969	31,304	-	34,427
Derivative assets	-	31,294	11,427	78	329	14,433	57,561
Investments	-	3,500	2,882	35,074	20,011	78	61,545
Loans to customers	6,363	39,486	49,716	67,459	57,778	-	220,802
Credit support assets on derivatives	16,051	-	-	-	-	-	16,051
Other assets	-	41	40	243	-	222	546
Total financial assets	23,474	76,193	64,291	105,823	109,422	19,362	398,565
Financial liabilities							
Deposits	82,761	46,228	57,394	1,757	-	6,010	194,150
Interbank and money market items	19,756	23,854	878	729	-	2,451	47,668
Liabilities payable on demand	-	-	-	-	-	256	256
Financial liabilities measured at fair value through profit or loss	-	21,122	7,757	41	-	29	28,949
Derivative liabilities	-	22,472	15,067	202	1,133	18,347	57,221
Debt issued and borrowings	-	4,248	3,973	-	11,228	-	19,449
Lease liabilities	-	20	56	155	3	-	234
Credit support liabilities on derivatives	12,111	-	-	-	-	-	12,111
Total financial liabilities	114,628	117,944	85,125	2,884	12,364	27,093	360,038

Separate

2019

Transactions	Repricing or maturity date						Total Million Baht
	At call Million Baht	0 - 3 months Million Baht	3 - 12 months Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	Non- interest bearing Million Baht	
Financial assets							
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 to customers	5,531	42,009	52,751	75,334	55,702	-	231,327
Credit support assets on derivatives	14,968	-	-	-	-	-	14,968
Other assets	-	51	153	-	-	328	532
Total financial assets	21,047	70,929	70,533	111,662	98,271	12,439	384,881
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

The Bank has average balances of the financial assets and liabilities that generating revenues and expenses, and the average interest and dividend rate for the year ended 31 December 2020 and 2019, can be summarised as follows:

	2020			2019		
	Average balances Million Baht	Interest and dividend Million Baht	Average rate (%)	Average balances Million Baht	Interest and dividend Million Baht	Average rate (%)
Performing financial assets						
Interbank and money market items, net	5,757	71	1.23	3,389	88	2.59
Financial assets measured at fair value through profit or loss	36,259	375	1.03	-	-	-
Investments, net	58,974	1,121	1.90	91,756	2,079	2.27
Loans to customers	227,305	13,371	5.88	234,430	14,060	6.00
Total performing financial assets	328,295	14,866		329,575	16,227	
Performing financial liabilities						
Deposits	196,135	2,360	1.20	186,321	2,850	1.53
Interbank and money market items	49,696	337	0.68	48,323	719	1.49
Financial liabilities measured at fair value through profit or loss	28,066	300	1.07	32,075	850	2.65
Debt issued and borrowings	24,093	713	2.96	21,174	718	3.39
Total performing financial liabilities	297,990	3,710		287,893	5,137	

	2020			Separate 2019		
	Average balances Million Baht	Interest and dividend Million Baht	Average rate (%)	Average balances Million Baht	Interest and dividend Million Baht	Average rate (%)
Performing financial assets						
Interbank and money market items, net	5,627	70	1.25	3,262	87	2.69
Financial assets measured at fair value through profit or loss	36,259	375	1.03	-	-	-
Investments, net	58,972	1,121	1.90	92,001	2,079	2.26
Loans	235,373	9,562	4.09	226,206	10,618	4.69
Total performing financial assets	336,231	11,056		321,469	12,784	
Performing financial liabilities						
Deposits	196,638	2,360	1.20	186,429	2,851	1.53
Interbank and money market items	48,231	337	0.70	48,323	719	1.49
Financial liabilities measured at fair value through profit or loss	28,066	300	1.07	32,075	850	2.65
Debt issued and borrowings	23,426	696	2.97	19,174	670	3.49
Total performing financial liabilities	296,361	3,693		286,001	5,090	

Interest/profit rate sensitivity

The table below shows the interest/profit sensitivity for the financial assets and financial liabilities held as at reporting date:

	Consolidated and Separate 2020	
	+1 basis point Million Baht	+1 basis point Million Baht
Impact on net profit	(3)	3
Impact on equity	(13)	13
	(16)	16

4.1.1.2 Foreign exchange risk

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

	Consolidated 2020						
	Currency						
Transactions	THB Million Baht	USD Million Baht	JPY Million Baht	EURO Million Baht	MYR Million Baht	Others Million Baht	Total Million Baht
Financial assets							
Cash	886	5	2	6	2	18	919
Interbank and money market items	4,198	1,485	26	5	747	424	6,885
Financial assets measured at fair value through profit or loss	34,427	-	-	-	-	-	34,427
Derivative assets	612,145	(629,083)	17,099	31,742	11,649	14,009	57,561
Investments	61,546	-	-	1	-	-	61,547
Loans to customers and Accrued interest receivables	217,660	11,961	-	7	-	1,169	230,797
Credit support assets on derivatives	7,605	8,446	-	-	-	-	16,051
Other assets	937	1	-	-	-	-	938
Total financial assets	939,404	(607,185)	17,127	31,761	12,398	15,620	409,125
Financial liabilities							
Deposits	187,044	6,347	8	96	197	264	193,956
Interbank and money market items	45,605	1,355	-	4	703	1	47,668
Liabilities payable on demand	255	1	-	-	-	-	256
Financial liabilities measured at fair value through profit or loss	28,949	-	-	-	-	-	28,949
Derivative liabilities	622,098	(627,921)	17,095	31,627	(654)	14,976	57,221
Debt issued and borrowings	4,329	3,892	-	-	11,228	-	19,449
Lease liabilities	297	-	-	-	-	-	297
Credit support liabilities on derivatives	4,730	7,381	-	-	-	-	12,111
Other liabilities	293	18	-	-	228	-	539
Total financial liabilities	893,600	(608,927)	17,103	31,727	11,702	15,241	360,446

Consolidated

2019

Transactions	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	565	81	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 to customers and Accrued interest receivables	228,187	13,813	1	100	-	1,105	243,206
Credit support assets on derivatives	10,863	4,105	-	-	-	-	14,968
Other assets	991	5	-	-	-	4	1,000
Total financial assets	984,031	(607,790)	(3,410)	(1,045)	4,179	21,487	397,452
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

Separate

2020

Currency

Transactions	THB	USD	JPY	EURO	MYR	Others	Total
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Financial assets							
Cash	885	5	2	6	2	18	918
Interbank and money market items	4,029	1,485	26	5	747	424	6,716
Financial assets measured at fair value through profit or loss	34,427	-	-	-	-	-	34,427
Derivative assets	612,145	(629,083)	17,099	31,742	11,649	14,009	57,561
Investments	61,544	-	-	1	-	-	61,545
Loans to customers and Accrued interest receivables	211,506	11,961	-	7	-	1,169	224,643
Credit support assets on derivatives	7,605	8,446	-	-	-	-	16,051
Other assets	937	1	-	-	-	-	938
Total financial assets	933,078	(607,185)	17,127	31,761	12,398	15,620	402,799
Financial liabilities							
Deposits	187,238	6,347	8	96	197	264	194,150
Interbank and money market items	45,605	1,355	-	4	703	1	47,668
Liabilities payable on demand	255	1	-	-	-	-	256
Financial liabilities measured at fair value through profit or loss	28,949	-	-	-	-	-	28,949
Derivative liabilities	622,098	(627,921)	17,095	31,627	(654)	14,976	57,221
Debt issued and borrowings	4,329	3,892	-	-	11,228	-	19,449
Lease liabilities	234	-	-	-	-	-	234
Credit support liabilities on derivatives	4,730	7,381	-	-	-	-	12,111
Other liabilities	288	17	-	-	228	-	533
Total financial liabilities	893,726	(608,928)	17,103	31,727	11,702	15,241	360,571

Separate

2019

Transactions	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	1,313	5	2	6	2	23	1,351
Interbank and money market items	4,790	565	81	30	457	284	6,207
Derivative assets	650,728	(626,282)	(3,495)	(1,181)	3,720	19,969	43,459
Investments	86,940	-	-	-	-	102	87,042
Loans to customers and Accrued interest receivables	219,556	13,813	1	100	-	1,105	234,575
Credit support assets on derivatives	10,863	4,105	-	-	-	-	14,968
Other assets	938	5	-	-	-	4	947
Total financial assets	975,128	(607,790)	(3,410)	(1,045)	4,179	21,487	388,549
Financial liabilities							
Deposits	195,837	2,660	68	40	325	202	199,132
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	7,912	4,850	-	-	11,057	-	23,819
Credit support liabilities on derivatives	5,330	3,828	-	-	-	-	9,158
Other liabilities	411	36	-	-	225	1	673
Total financial liabilities	934,338	(608,961)	(3,445)	(989)	3,477	21,108	345,528

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 2020 and 2019, the Bank has the following net foreign currency positions categorised by major foreign currencies:

(Unit: Equivalent to million USD)
Consolidated and Separate

	2020			2019		
	USD	EURO*	Other currencies*	USD	EURO*	Other currencies*
Spot	102.28	(2.70)	(354.02)	237.75	3.11	(343.51)
Forward						
- Forward contract	(57.99)	2.70	377.17	(231.44)	(4.00)	362.92
Total	44.29	-	23.15	6.31	(0.89)	19.41

* EURO and other currencies are stated in USD equivalents.

Foreign exchange risk sensitivity analysis

The following table sets out the analysis of the exposure to assess the impact of a 1 % change in exchange rate to the net profit:

Consolidated and Separate
2020
Million Baht

+ 1%	
US Dollar	13
Others	7
	20
-1%	
US Dollar	(13)
Others	(7)
	(20)

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 2020 and 2019, financial derivatives as classified by their maturities were as follows:

	Consolidated and Separate					
	2020			2019		
	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	603,595	6,866	610,461	536,799	1,579	538,378
- Sold	495,758	8,484	504,242	490,838	12,293	503,131
Cross-currency and interest rate swap contracts						
- Bought	39,340	179,714	219,054	50,599	190,174	240,773
- Sold	32,772	170,483	203,255	48,818	147,707	196,525
Interest rate swap contracts						
- Fixed-rate receiver	378,701	574,392	953,093	418,509	571,872	990,381
- Floating-rate receiver	461,171	706,643	1,170,814	504,446	679,213	1,183,659
Foreign exchange options						
- Call-option sales contract	334	-	334	10	-	10
- Put-option sales contract	406	-	406	171	-	171
- Call-option purchase contract	646	-	646	894	-	894
- Put-option purchase contract	318	-	318	1,526	-	1,526
Commodity						
- Bought	-	-	-	87	-	87
- Sold	-	-	-	87	-	87
Credit derivatives						
- Bought	-	5,675	5,675	-	6,293	6,293
- Sold	-	5,675	5,675	-	6,293	6,293
Fund option						
- Bought	1,599	417	2,016	6,494	1,936	8,430
- Sold	1,599	417	2,016	6,494	1,936	8,430
Equity option						
- Bought	-	323	323	-	23	23
- Sold	-	323	323	-	23	23
Bond forward						
- Sold	8,679	14,692	23,371	5,700	13,630	19,330

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.

4.1.1.3 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 equity instruments, fluctuations in revenues and the value of other financial assets. Equity position risk is not material to the Group

4.1.2 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 loan), 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 expected credit losses 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.

Forward-looking macroeconomic factors

The Group applies three economic scenarios to reflect an unbiased probability-weighted range of possible future outcome in estimating ECL:

Base case: This represents 'most likely outcome' of future economic conditions which is aligned with information used by the Group for other purposes such as budgeting and stress testing.

Best and Worst case: This represent the 'upside' and 'downside' outcome of future economic conditions which determined by a combination of statistical analysis and expert credit judgement.

Loan portfolio

As at 31 December 2020 and 2019, concentrations of credit risk relative to the loans and receivables summarised by type of industry are as follows:

	Consolidated		Separate	
	2020 Million Baht	2019 Million Baht	2020 Million Baht	2019 Million Baht
Agricultural and mining	7,446	8,349	7,446	8,349
Manufacturing and commerce	33,962	41,446	33,962	41,446
Real estate and construction	16,252	16,364	16,252	16,364
Public utilities and services	29,118	24,921	29,118	24,921
Personal cash	8,263	10,519	8,263	10,519
Housing loans	76,789	78,580	76,789	78,580
Hire-purchase receivable and financial lease receivable	39,063	42,665	-	-
Others	16,057	17,106	48,972	51,148
Total loans net of deferred revenue	226,950	239,950	220,802	231,327

As at 31 December 2020 and 31 December 2019, the Group 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					
	Counting from 31 December 2020			Counting from 31 December 2019		
	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
Avals of bills	9	8	17	-	-	-
Liabilities under unmatured import bills	157	-	157	331	-	331
Letters of credit	765	-	765	605	-	605
Bills on domestic letter of credit	31	-	31	-	-	-
Other guarantees	8,717	1,799	10,516	10,464	1,831	12,295

Separate

	Counting from 31 December 2020			Counting from 31 December 2019		
	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
Guarantees of loans	-	-	-	2,150	-	2,150
Avals of bills	9	8	17	-	-	-
Liabilities under unmatured import bills	157	-	157	331	-	331
Letters of credit	765	-	765	605	-	605
Bills on domestic letter of credit	31	-	31	-	-	-
Other guarantees	8,717	1,799	10,516	10,464	1,831	12,295

Investment in debt securities and interbank and money market items

Investment in debt securities is considered from credit rating of bond issuers or guarantors which has to pass the minimum requirement set by the Bank Committee.

Before entering into a transaction with other banks, the Bank is required to assess the counter party's credit rating which is normally referred to the external rating agency. The Bank also takes into consideration the credit rating of the counterparty's country.

Credit Rating

The risk rating for the Group's financial assets is classified as the following table, and corresponds to the Standard & Poor's rating.

Loan to customers and Loan commitments and financial guarantee contracts

Rating classification

Rating classification	Internal rating
Good	1 - 10b
Satisfactory	11a - 13e
Impaired	14

Other financial assets

Rating classification

Rating classification	Internal rating	External rating
Investment Grade (IG)	1 - 6	AAA ~ BBB-
Non-Investment Grade	7 - 13e	BB+ and below

Credit quality description can be summarised as follows:

Good - There is a high likelihood of the asset being recovered in full and therefore, of no cause for concern to the Group and the Company.

Satisfactory - There is concern over the counterparty's ability to make payments when due. However, these have not yet converted to actual delinquency and the counterparty is continuing to make payments when due and is expected to settle all outstanding amounts of principal and interest.

Impaired - The asset is being impaired.

Investment Grade - It refers to the credit quality of the financial asset where there is a relatively low risk of credit default as the issuer of the financial asset has a high likelihood to meet payment obligations.

Non-investment Grade - There is concern over the credit quality of the financial asset due to the risk that the issuer is unable to repay its obligation when due.

No rating - This includes exposures under the Simplified Approach or those where ratings are not available or portfolio average were applied.

Maximum exposure to credit risk

The Group has the maximum credit risk exposure in the event of other parties failing to perform their obligation. No account is taken of any collateral held and the maximum exposure to loss is considered to be the statement of financial position carrying amount or, off-statement of financial position transaction and financial guarantee but not including derivative instruments.

The exposure to the credit risk of the Group which not equals their carrying amount in the statement of financial position as at reporting date, as follows:

	Consolidated	Separate
	2020	2020
	Maximum exposure Million Baht	Maximum exposure Million Baht
Credit risk exposures of on-statement of financial position assets:		
Financial assets measured at fair value through profit or loss	32,446	32,446
Investments	60,915	60,913
	93,361	93,359
Credit risk exposure of off-statement of financial position items:		
Financial guarantees	11,468	11,468
Loan commitments	42,567	42,567
	54,035	54,035

Collateral

The Group employs a range of policies and practices to mitigate credit risk. The most common of these is accepting collateral for funds advanced. The Group has internal policies on the acceptability of specific classes of collateral or credit risk mitigation.

The Group prepares a valuation of the collateral obtained as part of the loan origination process. This assessment is reviewed periodically. The main collateral type accepted and given value by the Group are:

- Mortgage over residential;
- Commercial real estate or immovable property;
- Business assets such as properties, equipment, fixed deposit, debentures, personal guarantees and corporate guarantees;
- Financial instruments such as marketable securities; and
- Others

The following table shown loan to customers classified as Commercial lending, Retail lending and collateral held to mitigate potential losses:

	Consolidated 2020			
	Gross carrying amount Million Baht	Expected credit losses Million Baht	Net carrying amount exclude excess provision Million Baht	Fair value of collateral held Million Baht
Non-retail lending	94,614	(2,555)	92,059	29,293
Retail lending	136,183	(4,333)	131,850	86,852
Total	230,797	(6,888)	223,909	116,145

	Separate 2020			
	Gross carrying amount Million Baht	Expected credit losses Million Baht	Net carrying amount exclude excess provision Million Baht	Fair value of collateral held Million Baht
Non-retail lending	127,554	(2,592)	124,961	29,293
Retail lending	97,089	(2,532)	94,558	86,852
Total	224,643	(5,124)	219,519	116,145

Impairment of financial assets

The Group and the Bank has 2 types of financial assets that are subject to the expected credit loss model:

- Investment in debt instruments measured at amortised cost and FVOCI
- Loan to related parties

While cash and cash equivalents are also subject to the impairment requirements of TFRS 9, the identified impairment loss was immaterial.

Debt investments

The Group and the Bank considers that all debt investments measured at amortised cost and FVOCI have low credit risk, and the loss allowance recognised during the year was therefore limited to 12 months expected losses. Management consider 'low credit risk' for bonds to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations.

Loans to related parties

Loans to related parties measured at amortised cost are considered to have low credit risk, and the loss allowance recognised during the year was therefore limited to 12 months expected losses. Lifetime expected credit losses is recognised for the loans that the credit risk is significant increased.

The reconciliation of allowance for expected credit loss to related parties for the year ended 31 December 2020 are as follows:

	Separate Million Baht
Opening allowance for expected credit loss as at 1 January 2020 - calculated under TFRS 9	25
Decrease in allowance for expected credit loss recognised in profit or loss during the year	(1)
As at 31 December 2020	24

Credit related commitments

Commitment to extend credit represents unutilised portion of approved credit in the form of loans financing, financial guarantees or letters of credit. In terms of credit risk, the Group has potentially exposed to loss in an amount equal to the total unutilised commitments. However, the potential amount of loss is less than the total unutilised commitments, as the rate of utilised commitments are low. The Group monitors the term to maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than short-term commitments.

Credit quality of loans to customers

Loan to customers can be classified as past due not over 30 days, past due between 31 and 90 days and past due more than 90 days.

Loan to customers classified by credit quality are as following table:

Consolidated					
2020					
	12-month ECL Million Baht	Lifetime ECL not credit-impaired Million Baht	Lifetime ECL credit-impaired Million Baht	Purchased or originated credit-impaired financial assets Million Baht	Total Million Baht
Not past due and past due not over 30 days	200,366	14,826	808	-	216,000
Past due between 31 and 90 days	-	4,389	868	-	5,257
Past due more than 90 days	-	-	9,482	58	9,540
Gross carrying amount	200,366	19,215	11,158	58	230,797
<u>Less</u> Allowance for expected credit losses	(1,891)	(1,482)	(3,481)	(24)	(6,888)
Net carrying amount	198,475	17,733	7,667	34	223,909

Separate					
2020					
	12-month ECL Million Baht	Lifetime ECL not credit-impaired Million Baht	Lifetime ECL credit-impaired Million Baht	Purchased or originated credit-impaired financial assets Million Baht	Total Million Baht
Not past due and past due not over 30 days	198,709	13,013	806	-	212,528
Past due between 31 and 90 days	-	2,100	864	-	2,964
Past due more than 90 days	-	-	9,093	58	9,151
Gross carrying amount	198,709	15,113	10,763	58	224,643
<u>Less</u> Allowance for expected credit losses	(1,060)	(708)	(3,332)	(24)	(5,124)
Net carrying amount	197,649	14,405	7,431	34	219,519

The table below presents the Interbank asset items, investments, Loans and accrued interest receivables, Credit support assets on derivatives, other assets and loans commitments and financial guarantees classified by rating:

	Consolidated				
	2020				
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Purchased or originated credit-impaired financial assets	Total
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Interbank and money market (Asset)					
Sovereign	2,131	-	-	-	2,131
Investment grade	3,252	-	-	-	3,252
Non-investment grade	1,502	-	-	-	1,502
No rating	-	-	-	-	-
<u>Less</u> Allowance for expected credit losses	-	-	-	-	-
Net carrying amount	6,885	-	-	-	6,885
Investments					
Sovereign	53,140	-	-	-	53,140
Investment grade	6,977	-	-	-	6,977
Non-investment grade	1,210	141	-	-	1,351
No rating	-	-	1	-	1
Gross carrying amount	61,327	141	1	-	61,469
<u>Less</u> Allowance for expected credit losses	-	-	(1)	-	(1)
Net carrying amount	61,327	141	-	-	61,468
Loans and accrued interest receivables					
Good	67,997	1,243	-	-	69,240
Satisfactory	1,924	9,792	243	-	11,959
Impaired	-	-	5,816	58	5,874
No rating	130,445	8,180	5,099	-	143,724
Gross carrying amount	200,366	19,215	11,158	58	230,797
<u>Less</u> Allowance for expected credit losses	(1,891)	(1,482)	(3,491)	(24)	(6,888)
Net carrying amount before excess provision	198,475	17,733	7,667	34	223,909

Consolidated

2020

	12-month ECL Million Baht	Lifetime ECL not credit-impaired Million Baht	Lifetime ECL credit-impaired Million Baht	Purchased or originated credit-impaired financial assets Million Baht	Total Million Baht
Credit support assets on derivatives					
Sovereign	345	-	-	-	345
Investment grade	14,154	-	-	-	14,154
Non-investment grade	1,552	-	-	-	1,552
No rating	-	-	-	-	-
Carrying amount	16,051	-	-	-	16,051
Other assets					
Sovereign	219	-	-	-	219
Investment grade	492	-	-	-	492
Non-investment grade	-	1	-	-	1
No rating	237	-	-	-	237
Gross carrying amount	948	1	-	-	949
<u>Less</u> Allowance for expected credit losses	(48)	-	-	-	(48)
Net carrying amount	900	1	-	-	901
Loans commitments and financial guarantees					
Good	5,488	102	-	-	5,590
Satisfactory	195	95	-	-	290
Impaired	-	-	91	-	91
No rating	2,299	6	41	-	2,346
Gross carrying amount	7,982	203	132	-	8,317
<u>Less</u> Allowance for expected credit losses	(17)	(110)	(334)	-	(461)
Net carrying amount	7,965	93	(202)	-	7,856

Separate

2020

	12-month ECL Million Baht	Lifetime ECL not credit-impaired Million Baht	Lifetime ECL credit-impaired Million Baht	Purchased or originated credit-impaired financial assets Million Baht	Total Million Baht
Interbank and money market (Asset)					
Sovereign	2,062	-	-	-	2,062
Investment grade	3,153	-	-	-	3,153
Non-investment grade	1,501	-	-	-	1,501
No rating	-	-	-	-	-
<u>Less</u> Allowance for expected credit losses	-	-	-	-	-
Net carrying amount	6,716	-	-	-	6,716
Investments					
Sovereign	53,140	-	-	-	53,140
Investment grade	6,975	-	-	-	6,975
Non-investment grade	1,210	141	-	-	1,351
No rating	-	-	1	-	1
Gross carrying amount	61,325	141	1	-	61,467
<u>Less</u> Allowance for expected credit losses	-	-	(1)	-	(1)
Net carrying amount	61,325	141	-	-	61,466
Loans and accrued interest receivables					
Good	100,937	1,243	-	-	102,180
Satisfactory	1,924	9,792	243	-	11,959
Impaired	-	-	5,420	58	5,478
No rating	95,848	4,078	5,100	-	105,026
Gross carrying amount	198,709	15,113	10,763	58	224,643
<u>Less</u> Allowance for expected credit losses	(1,060)	(708)	(3,332)	(24)	(5,124)
Net carrying amount before excess provision	197,649	14,405	7,431	34	219,519

	12-month ECL Million Baht	Lifetime ECL not credit-impaired Million Baht	Lifetime ECL credit-impaired Million Baht	Purchased or originated credit-impaired financial assets Million Baht	Total Million Baht
Credit support assets on derivatives					
Sovereign	345	-	-	-	345
Investment grade	14,154	-	-	-	14,154
Non-investment grade	1,552	-	-	-	1,552
No rating	-	-	-	-	-
Carrying amount	16,051	-	-	-	16,051
Other assets					
Sovereign	219	-	-	-	219
Investment grade	492	-	-	-	492
Non-investment grade	-	1	-	-	1
No rating	174	-	-	-	174
Gross carrying amount	885	1	-	-	886
<u>Less</u> Allowance for expected credit losses	(48)	-	-	-	(48)
Net carrying amount	837	1	-	-	838
Loans commitments and financial guarantees					
Good	8,108	102	-	-	8,210
Satisfactory	195	95	-	-	290
Impaired	-	-	91	-	91
No rating	2,299	6	41	-	2,346
Gross carrying amount	10,602	203	132	-	10,937
<u>Less</u> Allowance for expected credit losses	(20)	(110)	(334)	-	(464)
Net carrying amount	10,582	93	(202)	-	10,473

4.1.3 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.

The period to maturity calculated from the statements of financial position date of financial instruments outstanding as at 31 December 2020 and 31 December 2019 were as follows:

Transaction	Consolidated					
	2020					
	At call Million Baht	Less than or equal to 1 year Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	No maturity Million Baht	Total Million Baht
Financial assets						
Cash	919	-	-	-	-	919
Interbank and money market items	4,940	1,945	-	-	-	6,885
Financial assets measured at fair value through profit or loss	-	154	2,969	31,304	-	34,427
Derivative assets	-	19,571	18,374	19,616	-	57,561
Investments	-	6,382	35,076	20,011	78	61,547
Loans to customers and accrued interest receivables	11,837 ⁽¹⁾	31,036	74,878	113,046	-	230,797
Credit support assets on derivatives	16,051	-	-	-	-	16,051
Other assets	-	591	269	3	75	938
Total financial assets	33,747	59,679	131,566	183,980	153	409,125
Financial liabilities						
Deposits	93,495	98,704	1,757	-	-	193,956
Interbank and money market items	22,458	24,481	729	-	-	47,668
Liabilities payable on demand	256	-	-	-	-	256
Financial liabilities measured at fair value through profit or loss	-	3,439	12,491	13,019	-	28,949
Derivative liabilities	-	20,423	19,335	17,463	-	57,221
Debt issued and borrowings	-	1,909	2,140	15,400	-	19,449
Lease liabilities	-	113	191	2	-	306
Credit support liabilities on derivatives	12,111	-	-	-	-	12,111
Other liabilities	-	539	-	-	-	539
Total financial liabilities	128,320	149,608	36,643	45,884	-	360,455

⁽¹⁾ As at 31 December 2020, portions of loans classified as maturity-at-call in the consolidated financial statements, of Baht 5,526 million, are outstanding balances of defaulted loans classified as credit-impaired financial assets. However, repayment schedules of these loans are dependent upon new restructuring conditions.

Transaction	At call Million Baht	Less than or equal to 1 year Million Baht	1 - 5 years Million Baht	Over 5 years 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	14,708	17,109	-	43,459
Investments	-	7,880	36,238	42,549	377	87,044
Loans to customers and accrued interest receivables	18,614(1)	36,413	69,752	118,427	-	243,206
Credit support assets on derivatives	14,968	-	-	-	-	14,968
Other assets	-	816	75	2	107	1,000
Total financial assets	38,492	59,616	120,773	178,087	484	397,452
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	-	-	8,124	16,299	-	24,423
Derivative liabilities	-	13,009	17,428	14,223	-	44,660
Debt issued and borrowings	-	6,899	2,776	16,144	-	25,819
Credit support liabilities on derivatives	9,158	-	-	-	-	9,158
Other liabilities	-	680	-	-	-	680
Total financial liabilities	81,795	180,839	38,138	46,666	-	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.

Separate

2020

Transaction	At call	Less than or equal to 1 year	1 - 5 years	Over 5 years	No maturity	Total
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Financial assets						
Cash	918	-	-	-	-	918
Interbank and money market items	4,771	1,945	-	-	-	6,716
Financial assets measured at fair value through profit or loss	-	154	2,969	31,304	-	34,427
Derivative assets	-	19,571	18,374	19,616	-	57,561
Investments	-	6,382	35,074	20,011	78	61,545
Loans to customers and accrued interest receivables	11,837 (1)	51,009	51,407	110,390	-	224,643
Credit support assets on derivatives	16,051	-	-	-	-	16,051
Other assets	-	591	269	3	75	938
Total financial assets	33,577	79,652	108,093	181,324	153	402,799
Financial liabilities						
Deposits	93,673	98,720	1,757	-	-	194,150
Interbank and money market items	22,458	24,481	729	-	-	47,668
Liabilities payable on demand	256	-	-	-	-	256
Financial liabilities measured at fair value through profit or loss	-	3,439	12,491	13,019	-	28,949
Derivative liabilities	-	20,423	19,335	17,463	-	57,221
Debt issued and borrowings	-	1,909	2,140	15,400	-	19,449
Lease liabilities	-	79	161	2	-	242
Credit support liabilities on derivatives	12,111	-	-	-	-	12,111
Other liabilities	-	534	-	-	-	534
Total financial liabilities	128,498	149,585	36,613	45,884	-	360,580

⁽¹⁾ As at 31 December 2020, portions of loans classified as maturity-at-call in the separate financial statements, of Baht 5,526 million, are outstanding balances of defaulted loans classified as credit-impaired financial assets. However, repayment schedules of these loans are dependent upon new restructuring conditions.

Separate

2019

Transaction	At call Million Baht	Less than or equal to 1 year Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	No maturity Million Baht	Total Million Baht
Financial assets						
Cash	1,351	-	-	-	-	1,351
Interbank and money market items	3,342	2,865	-	-	-	6,207
Derivative assets	-	11,642	14,708	17,109	-	43,459
Investments	-	7,880	36,236	42,549	377	87,042
Loans to customers and accrued interest receivables	18,682(1)	43,317	56,462	116,114	-	234,575
Credit support assets on derivatives	14,968	-	-	-	-	14,968
Other assets	-	776	75	2	94	947
Total financial assets	38,343	66,480	107,481	175,774	471	388,549
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	-	-	8,124	16,299	-	24,423
Derivative liabilities	-	13,009	17,428	14,223	-	44,660
Debt issued and borrowings	-	4,899	2,776	16,144	-	23,819
Credit support liabilities on derivatives	9,158	-	-	-	-	9,158
Other liabilities	-	673	-	-	-	673
Total financial liabilities	81,876	178,849	38,137	46,666	-	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.

4.1.4 Fair value risk

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

Transaction	Consolidated			
	2020		2019	
	Book value Million Baht	Fair value Million Baht	Book value Million Baht	Fair value Million Baht
Financial assets				
Cash	919	919	1,352	1,352
Interbank and money market items, net	6,885	6,885	6,422	6,422
Financial assets measured at fair value through profit or loss	34,427	34,427	-	-
Derivatives assets	57,561	57,561	43,459	43,459
Investments, net	61,546	62,841	86,798	87,788
Loans to customers and accrued interest receivables, net	221,844	220,317	232,025	230,012
Credit support assets on derivatives	16,051	16,051	14,968	14,968
Other assets	696	697	975	972
Total financial assets	399,929	399,698	385,999	384,973
Financial liabilities				
Deposits	193,956	193,974	199,035	199,122
Interbank and money market items	47,668	47,668	43,394	43,394
Liability payable on demand	256	256	269	269
Financial liabilities measured at fair value through profit or loss	28,949	28,949	24,423	24,423
Derivatives liabilities	57,221	57,221	44,660	44,660
Debt issued and borrowings	19,449	19,734	25,819	26,069
Credit support liabilities on derivatives	12,111	12,111	9,158	9,158
Total financial liabilities	359,610	359,913	346,758	347,095

Transaction	2020		Separate 2019	
	Book value Million Baht	Fair value Million Baht	Book value Million Baht	Fair value Million Baht
Financial assets				
Cash	918	918	1,351	1,351
Interbank and money market items, net	6,716	6,716	6,206	6,206
Financial assets measured at fair value through profit or loss	34,427	34,427	-	-
Derivatives assets	57,561	57,561	43,459	43,459
Investments, net	61,544	62,839	86,796	87,786
Loans to customers and accrued interest receivables, net	217,576	216,202	224,522	222,814
Credit support assets on derivatives	16,051	16,051	14,968	14,968
Other assets	413	413	923	919
Total financial assets	395,206	395,127	378,225	377,503
Financial liabilities				
Deposits	194,150	194,169	199,132	199,219
Interbank and money market items	47,668	47,668	43,394	43,394
Liability payable on demand	256	256	269	269
Financial liabilities measured at fair value through profit or loss	28,949	28,949	24,423	24,423
Derivatives liabilities	57,221	57,221	44,660	44,660
Debt issued and borrowings	19,449	19,734	23,819	24,065
Credit support liabilities on derivatives	12,111	12,111	9,158	9,158
Total financial liabilities	359,804	360,108	344,855	345,188

4.2 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 31 to the financial statements.

5 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 expected credit losses

The Group assesses expected credit loss on a forward-looking basis for its financial assets classified as debt instrument carried at FVOCI and at amortised cost, loan commitments, and financial guarantee contracts.

Expected credit losses are a probability-weighted estimate of credit losses (i.e. present value of a cash shortfall) over the expected life of the financial instrument. A cash shortfall is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive discounted at the original effective interest rate for the financial assets that are not purchased or originated credit-impaired financial assets or credit adjusted effective interest rate for purchased or originated credit-impaired financial assets. The Group estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument. The cash flows that are considered shall include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. There is a presumption that the expected life of a financial instrument can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the expected life of a financial instrument, the Group uses the remaining contractual term of the financial instrument.

For loan commitments, an expected credit losses is the present value of the difference between the contractual cash flows that are due to the entity if the holder of the loan commitment draws down the loan and the cash flows that the entity expects to receive if the loan is drawn down. The Group's estimate of expected credit losses on loan commitments shall be consistent with its expectations of drawdowns on that loan commitment and the expected portion of the loan commitment that will be drawn down over the expected life of the loan commitment when estimating lifetime expected credit losses.

For a financial guarantee contract, the entity is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed. Accordingly, cash shortfalls are the expected payments to reimburse the holder for a credit loss that it incurs less

any amounts that the entity expects to receive from the holder, the debtor or any other party. If the asset is fully guaranteed, the estimation of cash shortfalls for a financial guarantee contract would be consistent with the estimations of cash shortfalls for the asset subject to the guarantee.

For a financial asset that is credit-impaired at the reporting date, but that is not a purchased or originated credit impaired financial asset, the Group measures the expected credit losses as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

The Group measures expected credit losses of a financial instrument in a way that reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Group measures expected credit losses using the following approaches:

A. General approach

At each reporting date, the Group applies general approach to measure expected credit losses on debt instruments measured at amortised cost, debt instruments measured at fair value through other comprehensive income, loan commitments, and financial guarantee contracts except for those that are under simplified approach. The Group 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 three-stage expected credit loss impairment will be as the following stages:

- Stage 1 - from initial recognition of a financial assets to the date on which the credit risk of the asset has not 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 each 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.

Significant increase in credit risk

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available increases in credit risk since initial recognition.

B. Simplified approach

The Group applies simplified approach to measure expected credit losses which uses a lifetime expected credit loss for other receivables.

Purchased or originated credit-impaired financial asset

The Group measures expected credit losses from the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive discounted at credit adjusted effective interest rate. The Group an entity shall recognise in profit or loss the amount of the change in lifetime expected credit losses as an impairment gain or loss. An entity shall recognise favourable changes in lifetime expected credit losses as an impairment gain, even if the lifetime expected credit losses are less than the amount of expected credit losses that were included in the estimated cash flows on initial recognition.

(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' 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 cost recorded for employee benefits.

6 CLASSIFICATION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The accounting policies in Note 3.3.1 describe how different classes of financial instruments are measured and fair value gains and losses are recognised. The following table analyses the carrying amounts of the financial assets and liabilities by category and by statement of financial position heading.

	Consolidated					
	2020					
Transaction	Measured at fair value through profit or loss	Designated at fair value through profit or loss	Measured at fair value through other comprehensive income	Designated at fair value through other comprehensive income	Amortized Cost	Total
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Financial assets						
Cash	-	-	-	-	919	919
Interbank and money market items, net	-	-	-	-	6,885	6,885
Financial assets measured at fair value through profit or loss	20,734	13,693	-	-	-	34,427
Derivative assets	57,561	-	-	-	-	57,561
Investments, net	-	-	39,796	78	21,671	61,545
Loans to customers and accrued interest receivables, net	-	-	-	-	221,844	221,844
Credit support assets on derivatives	-	-	-	-	16,051	16,051
Other assets	-	-	-	-	938	938
Total financial assets	78,295	13,693	39,796	78	268,308	400,170
Financial liabilities						
Deposits	-	-	-	-	193,956	193,956
Interbank and money market items	-	-	-	-	47,668	47,668
Liabilities payable on demand	-	-	-	-	256	256
Financial liabilities measured at fair value through profit or loss	-	28,949	-	-	-	28,949
Derivative liabilities	57,221	-	-	-	-	57,221
Debt issued and borrowings	-	-	-	-	19,449	19,449
Lease liabilities	-	-	-	-	297	297
Credit support liabilities on derivatives	-	-	-	-	12,111	12,111
Total financial liabilities	57,221	28,949	-	-	273,737	359,907

Separate

2020

Transaction	Measured at fair value through profit or loss	Designated at fair value through profit or loss	Measured at fair value through other comprehensive income	Designated at fair value through other comprehensive income	Amortized Cost	Total
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Financial assets						
Cash	-	-	-	-	918	918
Interbank and money market items, net	-	-	-	-	6,716	6,716
Financial assets measured at fair value through profit or loss	20,734	13,693	-	-	-	34,427
Derivative assets	57,561	-	-	-	-	57,561
Investments, net	-	-	39,796	78	21,669	61,543
Loans to customers and accrued interest receivables, net	-	-	-	-	217,576	217,576
Credit support assets on derivatives	-	-	-	-	16,051	16,051
Other assets	-	-	-	-	938	938
Total financial assets	78,295	13,693	39,796	78	263,868	395,730
Financial liabilities						
Deposits	-	-	-	-	194,150	194,150
Interbank and money market items	-	-	-	-	47,668	47,668
Liabilities payable on demand	-	-	-	-	256	256
Financial liabilities measured at fair value through profit or loss	-	28,949	-	-	-	28,949
Derivative liabilities	57,221	-	-	-	-	57,221
Debt issued and borrowings	-	-	-	-	19,449	19,449
Lease liabilities	-	-	-	-	234	234
Credit support liabilities on derivatives	-	-	-	-	12,111	12,111
Total financial liabilities	57,221	28,949	-	-	273,868	360,038

7 INTERBANK AND MONEY MARKET ITEMS, NET (ASSETS)

	Consolidated	
	2020 Million Baht	2019 Million Baht
Domestic:		
Bank of Thailand and Financial Institutions Development Fund	1,701	1,645
Commercial banks	682	485
Specialised financial institutions	15	11
Other financial institutions	1,800	2,860
Total domestic items	4,198	5,001
<u>Add</u> Accrued interest receivable	-	5
<u>Less</u> Allowance for expected credit losses	-	-
<u>Less</u> Allowance for doubtful debts Domestic items	-	(1)
Domestic items, net	4,198	5,005
Foreign:		
USD	1,485	565
JPY	26	81
EURO	4	30
Other currencies	1,171	741
Total foreign items	2,686	1,417
<u>Add</u> Accrued interest receivable	1	-
Foreign items	2,687	1,417
Domestic and foreign items, net	6,885	6,422

	2020 Million Baht	Separate 2019 Million Baht
Domestic:		
Bank of Thailand and Financial Institutions Development Fund	1,701	1,645
Commercial banks	528	280
Other financial institutions	1,800	2,860
Total domestic items	4,029	4,875
<u>Add</u> Accrued interest receivable	-	5
<u>Less</u> Allowance for expected credit losses	-	-
<u>Less</u> Allowance for doubtful debts	-	(1)
Domestic items, net	4,029	4,789
Foreign:		
USD	1,485	565
JPY	26	81
EURO	4	30
Other currencies	1,171	741
Total foreign items	2,686	1,417
<u>Add</u> Accrued interest receivable	1	-
Foreign items	2,687	1,417
Domestic and foreign items, net	6,716	6,206

8 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

8.1 Financial assets for trading

	Consolidated and Separate 2020 Fair value Million Baht
Government and state enterprise securities	19,926
Private enterprise debt securities	808
Total	20,734

8.2 Financial assets designated at fair value through profit or loss

	Consolidated and Separate 2020 Fair value Million Baht
Government and state enterprise securities	13,693

9 DERIVATIVES

9.1 Trading derivatives

Fair value and notional amount classified by type of risk

	Consolidated and Separate					
	2020			2019		
	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	28,493	28,773	1,508,692	22,439	22,751	1,451,120
Interest rate	27,875	23,431	2,095,645	20,357	16,164	2,151,761
Others	367	3,258	39,399	301	4,012	48,998
Total	56,735	55,462	3,643,736	43,097	42,927	3,651,879

9.2 Derivative for hedging

9.2.1 Fair value hedge

	Consolidated and Separate					
	2020			2019		
	Fair value			Fair value		
	Asset Million Baht	Liability Million Baht	Notional amount Million Baht	Asset Million Baht	Liability Million Baht	Notional amount Million Baht
Interest rate	-	1	1,100	-	-	-
Total	-	1	1,100	-	-	-

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

9.2.2 Cash flow hedge

	Consolidated and Separate					
	2020			2019		
	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	764	1,758	30,024	321	1,733	30,287
Interest rate	62	-	2,450	41	-	2,450
Total	826	1,758	32,474	362	1,733	32,737

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, structure bill of exchange, 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.

10 INVESTMENTS, NET

10.1 Classified by type of investment

	Consolidated	Separate
	2020	2020
	Amortised cost Million Baht	Amortised cost Million Baht
Investments in debt instruments measured at amortized cost		
Government and state enterprise securities	21,667	21,665
Private debt securities	6	6
Total	21,673	21,671
Less Allowance for expected credit losses	(1)	(1)
Total	21,672	21,670
	Fair value Million Baht	Fair value Million Baht
Investments in debt instruments measured at fair value through other comprehensive income		
Government and state enterprise securities	33,279	33,279
Private debt securities	6,517	6,517
Total	39,796	39,796
Less Allowance for expected credit losses	-	-
Total	39,796	39,796

	Consolidated		Separate	
	2020		2020	
	Fair value Million Baht	Dividend receives Million Baht	Fair value Million Baht	Dividend receives Million Baht
Investments in equity instruments designated at fair value through other comprehensive income				
Domestic marketable equity securities	52	3	52	3
Domestic non-marketable equity securities	26	7	26	7
Total	78	10	78	10
Investments, net	61,546	10	61,544	10

	Consolidated		Separate	
	2019		2019	
	Fair value Million Baht		Fair value Million Baht	
Securities held for trading				
Government and state enterprises securities	17,491		17,491	
Private sector debt securities	3,859		3,859	
Total securities held for trading	21,350		21,350	
Securities designated at fair value through profit or loss				
Government and state enterprises securities	11,418		11,418	
Total securities designated at fair value through profit or loss	11,418		11,418	
Available-for-sale securities				
Government and state enterprises securities	29,926		29,926	
Private sector debt securities	4,456		4,456	
Domestic marketable equity securities	64		64	
Total available-for-sales securities	34,446		34,446	

	Cost/ Amortised cost Million Baht	Cost/ Amortised cost Million Baht
Held-to-maturity debt securities		
Government and state enterprises securities	19,422	19,420
Private sector debt securities	95	95
Investments in receivables (Note 10.5)	58	58
Total	19,575	19,573
Less Allowance for impairment (Note 10.5)	(20)	(20)
Total held-to-maturity debt securities	19,555	19,553

	Cost Million Baht	Cost Million Baht
General investments		
Domestic non-marketable equity securities	255	255
Less Allowance for impairment	(226)	(226)
Total general investments	29	29
Investments, net	86,798	86,796

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. However, investments as at 31 December 2020 are presented in financial assets measured at fair value through profit or loss.

As at 31 December 2020 and 2019, the Bank had investments pledged as collateral, as mentioned in note 45 to the financial statements.

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

The following are investments in equity instrument designated at fair value through other comprehensive income 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	
	2020 Million Baht	2019 Million Baht
Property development	1	1
Public utilities and services	17	17
Bank and finance	4	4
Total	22	22
Less Allowance for revaluation	(22)	-
Less Allowance for impairment	-	(20)
Investments representing shareholdings in which the Group hold more than 10%, net	-	2

10.3 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	
	2020 Million Baht	2019 Million Baht
Investments in equity instruments designated at fair value through other comprehensive income/ General investments		
Investment in property funds	-	66
<u>Less</u> Allowance for revaluation	-	(17)
General investments, net	-	49

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

As at 31 December 2020 and 31 December 2019, the Group had the following investments in companies, having problems relating to financial positions and operating results:

	2020				2019			
	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	47	38	(38)	-	49	42	(42)	-
Defaulted debt securities	18	1	(1)	-	18	1	(1)	-
	65	39	(39)	-	67	43	(43)	-

10.5 Investments in receivables

	2019 Million Baht
Investments in receivables	58
<u>Less</u> Allowance for impairment	(20)
Investments in receivables, net	38

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

	Consolidated and Separate			
	2019			
	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	19.00
Outstanding investments in receivables as at the statements of financial position date	33	964	58	1.29

11 INVESTMENTS IN SUBSIDIARIES, NET

Company name	Nature of business	Type of securities	Separate			
			Percentage of holding		Cost method	
			2020 %	2019 %	2020 Million Baht	2019 Million Baht
Subsidiaries - included in consolidated financial statements						
CIMB Thai Auto Co., Ltd.	Leasing/hire-Purchase of automobile	Common stock	100	100	2,328	1,703
Worldlease Co., Ltd.	Hire-purchase and motorcycles trading	Common stock	100	100	567	467
CT Coll Co., Ltd.	Debt collection	Common stock	100	100	38	38
Investments in subsidiaries, net					2,933	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.

On 13 May 2020, Worldlease Company Limited has increase registered its capital of Baht 400 million from the current amount of Baht 600 million to Baht 1,000 million according to the Annual General Meeting of Shareholders approval on 30 April 2020. The Bank partially paid a subscription of Baht 100 million from the capital increase.

On 30 June 2020, CIMB Thai Auto Company Limited has increase registered its capital of Baht 2,500 million from the current amount of Baht 5,500 million to Baht 8,000 million according to the Board of Director approval on 29 April 2020. The Bank partially paid a subscription of Baht 625 million from the capital increase.

12 LOANS AND ACCRUED INTEREST RECEIVABLES, NET

12.1 Classified by loan type

	Consolidated		Separate	
	2020 Million Baht	2019 Million Baht	2020 Million Baht	2019 Million Baht
Bank overdrafts	5,409	6,048	5,409	6,115
Loans	167,406	168,735	169,305	172,445
Bills	15,021	22,295	46,056	52,560
Hire-purchase receivables	39,136	42,665	-	-
Others	35	207	16	207
Total loans	227,007	239,950	220,786	231,327
(Less) Add Modification (losses) gains	(57)	-	16	-
Total loans to customers	226,950	239,950	220,802	231,327
Add Accrued interest receivable and undue interest receivable	3,847	3,256	3,841	3,248
Total loans to customers and accrued interest receivable	230,797	243,206	224,643	234,575
Less Allowance for expected credit losses (Note 13)	(8,953)	-	(7,067)	-
Less Allowance for doubtful debts (Note 14)				
Minimum allowance for doubtful accounts required based on BOT's guidelines - Individual approach	-	(6,187)	-	(5,967)
General provision for further losses	-	(4,962)	-	(4,054)
Less Revaluation allowance for debt	-	(32)	-	(32)
Loans and accrued interest receivables, net	221,844	232,025	217,576	224,522

12.2 Classified by location of receivables

	Consolidated		Separate	
	2020 Million Baht	2019 Million Baht	2020 Million Baht	2019 Million Baht
Domestic	225,252	238,256	219,104	229,633
Foreign	1,698	1,694	1,698	1,694
Total	226,950	239,950	220,802	231,327

12.3 Classified by business type and classification

The Group classified loans by business type and classification as summarised below:

	Consolidated 2020	Separate 2020
	Loans and accrued interest receivable Million Baht	Million Baht
Financial assets with an insignificant increase in credit risk	200,366	198,709
Financial assets with a significant increase in credit risk	19,215	15,113
Credit-impaired financial assets	11,158	10,763
Purchased or originated credit-impaired financial assets	58	58
Total	230,797	224,643

	Consolidated 2019				Separate 2019			
	Loans and receivables Million Baht	Net amount used for set accrued allowance for interest doubtful account Million Baht	Minimum percentage %	Allowance provided in the accounts Million Baht	Loans and receivables Million Baht	Net amount used for set accrued allowance for interest doubtful account Million Baht	Minimum percentage %	Allowance provided in the accounts Million Baht
Minimum allowance for doubtful accounts based on BOT guidelines								
- Pass	218,548	77,362	1	751	215,743	104,467	1	1,027
- Special mention	12,245	2,348	2	46	6,981	1,296	2	26
- Sub-standard	3,641	1,432	100	1,361	3,088	947	100	892
- Doubtful	1,686	750	100	698	1,683	746	100	695
- Doubtful of loss	7,086	3,462	100	3,331	7,080	3,455	100	3,327
Surplus allowance								
- General provision				4,962				4,054
Total	243,206	85,354		11,149	234,575	110,911		10,021

12.4 Credit-impaired financial assets/ Non-performing loans

As at 31 December 2020 and 2019, the Group had the following credit-impaired financial assets and non-performing loans, according to Thai Financial Reporting Standard 9 and the criteria set up by the Bank of Thailand excluded accrued interest receivables as summarised below:

	Consolidated		Separate	
	2020 Million Baht	2019 Million Baht	2020 Million Baht	2019 Million Baht
Credit-impaired financial assets before allowance for expected credit losses	10,462	-	10,100	-
Non-performing loans before allowance for doubtful accounts	-	11,296	-	10,746

12.5 Hire purchase and finance lease receivables

As at 31 December 2020, subsidiaries had receivables under hire purchase agreements and financial leases amount to Baht 37,140 million (31 December 2019 : Baht 41,196 million), mostly comprising hire purchase agreements and financial leases for cars and motorcycles. The term of the agreements are generally between 3 - 7 years and interest is mostly charged at a fixed rate.

	Consolidated			
	2020			
	Amounts due under lease agreement			
	Less than 1 year Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	Total Million Baht
Gross investment in the lease	14,628	31,741	2,911	49,280
<u>Less</u> Unearned finance income	(4,542)	(5,416)	(259)	(10,217)
Present value of minimum lease payments receivable	10,086	26,325	2,652	39,063
<u>Less</u> Allowance for expected credit losses				(1,923)
Net receivables under hire-purchase agreements and financial leases				37,140

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

12.6 Movement in gross carrying amount of loans to customers

Consolidated

2020

	Performing financial assets Million Baht	Under performing financial assets Million Baht	Non- performing financial assets Million Baht	Purchased or originated credit- impaired financial assets Million Baht	Total Million Baht
Balance as at 1 January 2020 (Restated)	212,188	16,638	14,322	58	243,206
Change due to reclassification	(10,929)	6,276	4,653	-	-
Newly acquired or purchased financial assets	95,386	10,478	-	-	105,864
Derecognised financial assets	(65,069)	(11,670)	(255)	-	(76,994)
Write-offs	-	(5)	(2,898)	-	(2,903)
Change due to collection and modification	(31,209)	(2,504)	(1,445)	-	(35,158)
NPLs sale	-	-	(3,218)	-	(3,218)
Balance as at 31 December 2020	200,367	19,213	11,159	58	230,797

Separate

2020

	Performing financial assets Million Baht	Under performing financial assets Million Baht	Non- performing financial assets Million Baht	Purchased or originated credit- impaired financial assets Million Baht	Total Million Baht
Balance as at 1 January 2020 (Restated)	210,050	10,708	13,759	58	234,575
Change due to reclassification	(8,120)	5,247	2,873	-	-
Newly acquired or purchased financial assets	83,766	10,442	-	-	94,208
Derecognised financial assets	(63,781)	(10,243)	(245)	-	(74,269)
Write-offs	-	(5)	(1,555)	-	(1,560)
Change due to collection and modification	(23,206)	(1,036)	(851)	-	(25,093)
NPLs sale	-	-	(3,218)	-	(3,218)
Balance as at 31 December 2020	198,709	15,113	10,763	58	224,643

13 ALLOWANCE FOR EXPECTED CREDIT LOSSES

Consolidated

2020

	Performing financial assets Million Baht	Under performing financial assets Million Baht	Non- performing financial assets Million Baht	Purchased or originated credit- impaired financial assets Million Baht	Surplus allowance Million Baht	Total Million Baht
Balance as at 1 January 2020 (Restated)	1,080	1,272	5,648	20	3,335	11,355
Change due to reclassification	527	(901)	374	-	-	-
Change due to new estimation of credit loss	119	1,377	3,260	4	(731)	4,029
Newly acquired or purchased financial assets	269	61	-	-	-	330
Derecognised financial assets	(104)	(322)	(198)	-	-	(624)
Write-offs	-	(5)	(2,898)	-	-	(2,903)
Surplus allowance amortisation	-	-	-	-	(539)	(539)
NPLs sale	-	-	(2,695)	-	-	(2,695)
Balance as at 31 December 2020	1,891	1,482	3,491	24	2,065	8,953

Separate

2020

	Performing financial assets Million Baht	Under performing financial assets Million Baht	Non- performing financial assets Million Baht	Purchased or originated credit- impaired financial assets Million Baht	Surplus allowance Million Baht	Total Million Baht
Balance as at 1 January 2020 (Restated)	719	504	5,430	20	3,182	9,855
Change due to reclassification	440	(553)	113	-	-	-
Change due to new estimation of credit loss	(190)	772	2,098	4	(731)	1,953
Newly acquired or purchased financial assets	184	60	-	-	-	244
Derecognised financial assets	(93)	(70)	(59)	-	-	(222)
Write-offs	-	(5)	(1,555)	-	-	(1,560)
Surplus allowance amortisation	-	-	-	-	(508)	(508)
NPLs sale	-	-	(2,695)	-	-	(2,695)
Balance as at 31 December 2020	1,060	708	3,332	24	1,943	7,067

The Group will amortise the surplus allowance to profit or loss using straight-line method by 5-year consecutively from 1 January 2020. However, the Group may utilise more the surplus allowance if there are situations that will impact to set a side allowance for expected credit loss according to letter to the Bank of Thailand.

14 ALLOWANCE FOR DOUBTFUL DEBTS

Consolidated

2019

	Special Pass Million Baht	Special mention Million Baht	Sub- standard Million Baht	Doubtful Doubtful Million Baht	Doubtful of loss Million Baht	Surplus allowance Million Baht	Total Million Baht
Balance as at 1 January 2019 (Restated)	769	57	1,154	1,115	2,767	5,005	10,867
Add (Deduction) addition during the year	(18)	(11)	1,301	(413)	2,712	(780)	2,791
Transfer from revaluations allowance for debt restructuring	-	-	-	-	-	25	25
Bad debt recoveries	-	-	-	-	-	722	722
Less 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 (Restated)	751	46	1,361	698	3,331	4,962	11,149

Separate

2019

	Pass Million Baht	Special mention Million Baht	Sub- standard Million Baht	Doubtful Million Baht	Doubtful of loss Million Baht	Surplus allowance Million Baht	Total Million Baht
Balance as at 1 January 2019 (Restated)	975	39	843	1,113	2,765	4,295	10,030
<u>Add</u> (Deduction) addition during the year	52	(13)	50	(416)	2,709	(977)	1,405
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 (Restated)	1,027	26	892	695	3,327	4,054	10,021

15 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 2020 Million Baht	Additions Million Baht	Disposals Million Baht	As at 31 December 2020 Million Baht
Asset from debt repayment				
Immovable – Assessed by external appraiser	767	68	(30)	805
Movable	385	2,513	(2,620)	278
Total	1,152	2,581	(2,650)	1,083
Others	196	39	(76)	159
Total properties for sale	1,348	2,620	(2,726)	1,242
<u>Less</u> Allowance for impairment	(224)	(1,042)	1,106	(160)
Properties for sale, net	1,124	1,578	(1,620)	1,082

	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

	Separate			
	As at 1 January 2020 Million Baht	Additions Million Baht	Disposals Million Baht	As at 31 December 2020 Million Baht
Asset from debt repayment				
Immovable - Assessed by external appraiser	767	68	(30)	805
Total	767	68	(30)	805
Others	196	39	(76)	159
Total properties for sale	963	107	(106)	964
<u>Less</u> Allowance for impairment	(69)	-	14	(55)
Properties for sale, net	894	107	(92)	909

				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

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.

16 PREMISES AND EQUIPMENT, NET

Consolidated

	Cost/appraisal value				Accumulated depreciation			
	As at 1 January 2020 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 2020 Million Baht	Net book value Million Baht	
Land								
Cost	417	-	-	(5)	-	-	412	
Revaluation surplus (revaluation in 2016)	1,603	-	-	(35)	-	-	1,568	
Devaluation of asset (revaluation in 2016)	(18)	-	-	-	-	-	(18)	
Buildings								
Cost	1,837	6	3	(33)	-	(1,238)	575	
Revaluation surplus (revaluation in 2016)	1,109	-	-	(30)	-	(906)	173	
Devaluation of asset (revaluation in 2016)	(18)	-	-	4	-	9	(5)	
Vehicle	160	12	-	-	12	(116)	42	
Equipment	2,432	148	23	-	445	(1,625)	519	
Assets under installation and/or construction	6	20	(26)	-	-	-	-	
Exchange differences	(3)	(1)	-	-	-	4	-	
Total	7,525	185	-	(99)	60	(3,872)	3,266	

	Cost/appraisal value				Accumulated depreciation				Net book value
	As at 1 January 2019	Additions	Transfer In/(out)	Transfer to properties for sale	Disposals/ written off	As at 31 December 2019	As at 31 December 2019	Disposals/ written off	
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Land									
Cost	444	-	-	(27)	-	-	-	-	417
Revaluation surplus (revaluation in 2016)	1,660	-	-	(57)	-	-	-	-	1,603
Devaluation of asset (revaluation in 2016)	(18)	-	-	-	-	-	-	-	(18)
Buildings									
Cost	1,857	4	19	(43)	-	-	40	-	1,837
Revaluation surplus (revaluation in 2016)	1,130	-	-	(21)	-	-	16	-	1,109
Devaluation of asset (revaluation in 2016)	(22)	-	-	4	-	-	(2)	-	(18)
Vehicle	192	2	-	-	(34)	-	-	32	160
Equipment	2,413	258	15	-	(254)	-	-	236	2,432
Assets under installation and/or construction	8	32	(34)	-	-	-	-	-	6
Exchange differences	-	(3)	-	-	-	-	-	-	(3)
Allowance for impairment	(5)	-	-	-	5	-	-	-	-
Total	7,659	293	-	(144)	(283)	(283)	54	268	(4,096)
									3,429

Separate

	Cost/appraisal value					Accumulated depreciation					Net book value Million Baht	
	As at 1 January 2020 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 2020 Million Baht	As at 1 January 2020 Million Baht	Additions Million Baht	Transfer to properties for sale Million Baht	Disposals/ written off Million Baht		As at 31 December 2020 Million Baht
Land												
Cost	417	-	-	(5)	-	412	-	-	-	-	-	412
Revaluation surplus (revaluation in 2016)	1,603	-	-	(35)	-	1,568	-	-	-	-	-	1,568
Devaluation of asset (revaluation in 2016)	(18)	-	-	-	-	(18)	-	-	-	-	-	(18)
Buildings												
Cost	1,837	6	3	(33)	-	1,813	(1,216)	(54)	32	-	(1,238)	575
Revaluation surplus (revaluation in 2016)	1,109	-	-	(30)	-	1,079	(920)	(16)	30	-	(906)	173
Devaluation of asset (revaluation in 2016)	(18)	-	-	4	-	(14)	11	-	(2)	-	9	(5)
Vehicle	134	12	-	-	(12)	134	(84)	(22)	-	11	(95)	39
Equipment	2,206	126	23	-	(451)	1,904	(1,728)	(172)	-	437	(1,463)	441
Assets under installation and/or construction	6	20	(26)	-	-	-	-	-	-	-	-	-
Exchange differences	(3)	(1)	-	-	-	(4)	3	1	-	-	4	-
Total	7,273	163	-	(99)	(463)	6,874	(3,934)	(263)	60	448	(3,689)	3,185

Separate

	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	Disposals/ written off Million Baht	As at 31 December 2019 Million Baht		
Land										
Cost	444	-	-	(27)	-	-	-	-	417	
Revaluation surplus (revaluation in 2016)	1,660	-	-	(57)	-	-	-	-	1,603	
Devaluation of asset (revaluation in 2016)	(18)	-	-	-	-	-	-	-	(18)	
Buildings										
Cost	1,857	4	19	(43)	-	-	40	-	(1,216)	
Revaluation surplus (revaluation in 2016)	1,130	-	-	(21)	-	-	16	-	(920)	
Devaluation of asset (revaluation in 2016)	(22)	-	-	4	-	-	(2)	-	11	
Vehicle	161	2	-	-	(29)	-	-	27	(84)	
Equipment	2,227	213	15	-	(249)	-	-	230	(1,728)	
Assets under installation and/or construction	8	32	(34)	-	-	-	-	-	6	
Exchange differences	-	(3)	-	-	-	-	-	-	3	
Allowance for impairment	(5)	-	-	-	5	-	-	-	-	
Total	7,442	248	-	(144)	(273)	(273)	54	257	(3,934)	3,339

17 RIGHT-OF-USE ASSETS, NET

As at 31 December, right-of-use asset balance are as follows:

	Consolidated 2020 Million Baht	Separate 2020 Million Baht
Properties	219	162
IT Equipment	69	69
Vehicles	6	-
Total	294	231

	Consolidated 2020 Million Baht	Separate 2020 Million Baht
Depreciation charge of right-of-use assets		
Properties	103	69
IT Equipment	5	5
Vehicles	2	-
Total	110	74
Addition to the right-of-use assets during the year	116	79
Total cash outflow for leases	(113)	(75)

18 INTANGIBLE ASSETS, NET

	Consolidated						
	As at 1 January 2020 Million Baht	Increase Million Baht	Transfer in/(out) Million Baht	Write off Million Baht	Amortisa- tion Million Baht	Allowance For impairment Million Baht	As at 31 December 2020 Million Baht
Expenditures in connection with development and improvement of process and computer systems - under development	496	298	(713)	(2)	-	-	79
Process, computer systems and computer software	566	126	713	(88)	(287)	(139)	891
Net intangible assets	1,062	424	-	(90)	(287)	(139)	970

	Consolidated						
	As at		Transfer		Amortisa-	Allowance	As at
	1 January	Increase	in/(out)	Write off	tion	For	31 December
	2019	Million	Million	Million	Million	Million	2019
Million	Million	Million	Million	Million	Million	Million	
Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Expenditures in connection with development and improvement of process and computer systems - under development	160	602	(266)	-	-	-	496
Process, computer systems and computer software	329	105	266	-	(134)	-	566
Net intangible assets	489	707	-	-	(134)	-	1,062

	Separate						
	As at		Transfer		Amortisa-	Allowance	As at
	1 January	Increase	in/(out)	Write off	tion	For	31 December
	2020	Million	Million	Million	Million	Million	2020
Million	Million	Million	Million	Million	Million	Million	
Baht	Baht	Baht	Baht	Baht	Baht	Baht	
Expenditures in connection with development and improvement of process and computer systems - under development	466	298	(684)	(2)	-	-	78
Process, computer systems and computer software	550	107	684	(88)	(271)	(139)	843
Net intangible assets	1,016	405	-	(90)	(271)	(139)	921

	Separate						
	As at		Transfer		Amortisa-	Allowance	As at
	1 January	Increase	in/(out)	Write off	tion	For	31 December
	2019	Million	Million	Million	Million	Million	2019
Million	Million	Million	Million	Million	Million	Million	
Baht	Baht	Baht	Baht	Baht	Baht	Baht	
Expenditures in connection with development and improvement of process and computer systems - under development	159	573	(266)	-	-	-	466
Process, computer systems and computer software	322	93	266	-	(131)	-	550
Net intangible assets	481	666	-	-	(131)	-	1,016

19 DEFERRED INCOME TAXES

	Consolidated		Separate	
	2020 Million Baht	2019 Million Baht	2020 Million Baht	2019 Million Baht
At 1 January	757	1,043	277	590
Credited to profit or loss	(22)	(303)	(203)	(319)
Tax credited relation to components of the comprehensive income	(101)	(46)	(104)	(52)
At 31 December	634	694	(30)	219

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

	Consolidated						
	Provision Million Baht	Tax losses Million Baht	Allowance for impairment of properties foreclosed Million Baht	Allowance for expected credit loss/ Allowance for doubtful accounts Million Baht	Deferred income Million Baht	Others Million Baht	Total Million Baht
Deferred tax assets							
At 1 January 2020 (Restated)	410	139	45	971	59	130	1,754
(Credited) charged to profit or loss	(5)	(139)	(13)	(49)	7	67	(102)
Tax charged relation to components of the comprehensive income	2	-	-	-	-	-	2
At 31 December 2020	407	-	32	922	66	197	1,654
Deferred tax assets							
At 1 January 2019 (Restated)	296	-	40	887	80	237	1,540
Charged (credited) to profit or loss	75	92	5	98	(21)	(100)	149
Tax charged relation to components of the comprehensive income	6	-	-	-	-	-	6
At 31 December 2019 (Restated)	377	92	45	985	59	137	1,695

Consolidated

	Fair value gain from investment Million Baht	Gain from revaluation of assets Million Baht	Temporary difference Million Baht	Total Million Baht
Deferred tax liabilities				
At 1 January 2020 (restated)	570	387	40	997
(Credited) charged to profit or loss	(103)	(16)	9	(110)
Tax charged relation to components of the comprehensive income	49	-	54	103
At 31 December 2020	516	371	103	990
Deferred tax liabilities				
At 1 January 2019 (restated)	79	394	24	497
Charged (credited) to profit or loss	428	(7)	31	452
Tax charged (credited) relation to components of the comprehensive income	63	-	(11)	52
At 31 December 2019 (restated)	570	387	44	1,001

Separate

	Provision Million Baht	Tax losses Million Baht	Allowance for impairment of properties foreclosed Million Baht	Allowance for expected credit loss/ Allowance for doubtful accounts Million Baht	Deferred income Million Baht	Others Million Baht	Total Million Baht
Deferred tax assets							
At 1 January 2020 (Restated)	379	139	14	636	59	17	1,244
(Credited) charged to profit or loss	(6)	(139)	(2)	(176)	7	(6)	(322)
At 31 December 2020	373	-	12	460	66	11	922
Deferred tax assets							
At 1 January 2019 (Restated)	277	-	14	656	80	58	1,085
Charged (credited) to profit or loss	68	92	-	-	(21)	(32)	107
At 31 December 2019 (Restated)	345	92	14	656	59	26	1,192

Separate

	Fair value gain from investment Million Baht	Gain from revaluation of assets Million Baht	Temporary difference Million Baht	Total Million Baht
Deferred tax liabilities				
At 1 January 2020 (restated)	570	387	10	967
Credited to profit or loss	(103)	(16)	-	(119)
Tax charged relation to components of the comprehensive income	49	-	55	104
At 31 December 2020	516	371	65	952
Deferred tax liabilities				
At 1 January 2019 (restated)	79	394	22	495
Charged (credit) to profit or loss	428	(7)	4	425
Tax charged (credited) relation to components of the comprehensive income	63	-	(11)	52
At 31 December 2019 (restated)	570	387	15	972

As at 31 December 2020 and 2019, 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	
	2020 Million baht	2019 Million baht
Provision	383	445
Tax loss carry forward	-	405
Allowance for doubtful accounts	293	302
Interest in suspense	78	18
Allowance for impairment of intangible assets	138	-
Others	153	85
Total	1,045	1,255

20 OTHER ASSETS, NET

	Consolidated		Separate	
	2020 Million Baht	2019 Million Baht	2020 Million Baht	2019 Million Baht
Accrued interest and dividend receivables	300	295	300	294
Others assets awaiting account transfer	144	79	144	79
Commission receivables	186	201	60	161
Withholding tax	124	198	121	198
Marginal deposits	91	107	75	94
Prepaid expenses	200	538	184	531
Accounts receivable from sale of non-performing loans	413	438	413	282
Deferred expense from staff loan	132	130	132	130
Others	192	301	69	102
Total	1,782	2,287	1,498	1,871
Less Allowance for expected credit losses	(48)	(28)	(48)	(28)
Other assets, net	1,734	2,259	1,450	1,843

21 DEPOSITS

21.1 Classified by type of deposits

	Consolidated		Separate	
	2020 Million Baht	2019 Million Baht	2020 Million Baht	2019 Million Baht
Demand	6,008	2,912	6,010	2,912
Savings	87,487	60,450	87,663	60,531
Fixed	99,721	134,829	99,737	134,845
Negotiable certificate of deposit	740	844	740	844
Total deposits	193,956	199,035	194,150	199,132

21.2 Classified by currency and residency of depositors

	Consolidated					
	2020			2019		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Baht	185,504	1,540	187,044	194,043	1,697	195,740
US dollar	6,022	325	6,347	2,351	309	2,660
Other currencies	502	63	565	574	61	635
Total	192,028	1,928	193,956	196,968	2,067	199,035

	Separate					
	2020			2019		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Baht	185,698	1,540	187,238	194,140	1,697	195,837
US dollar	6,022	325	6,347	2,351	309	2,660
Other currencies	502	63	565	574	61	635
Total	192,222	1,928	194,150	197,065	2,067	199,132

22 INTERBANK AND MONEY MARKET ITEMS (LIABILITIES)

	Consolidated and Separate	
	2020 Million Baht	2019 Million Baht
Domestic:		
The Bank of Thailand	660	-
Commercial banks	17,394	30,822
Specialised financial institutions	3,449	2,540
Finance, finance and securities, and securities	14,548	5,044
Other financial institutions	7,064	3,134
Total domestic items	43,115	41,540
Foreign:		
US dollar	1,355	65
Other currencies	3,198	1,789
Total foreign items	4,553	1,854
Total domestic and foreign items	47,668	43,394

23 FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

	Consolidated and Separate	
	2020 Million Baht	2019 Million Baht
Debentures	7,994	11
Bills of Exchange	20,955	24,412
Total	28,949	24,423

	Consolidated and Separate	
	2020 Million Baht	2019 Million Baht
Cumulative change in fair values due to a change in credit risk of liabilities recognised in other comprehensive income	85	-
Difference between book values and notional amounts to be settled as the contracts mature	4,059	4,671

As at 31 December 2020 and 2019, financial liabilities designated at fair value through profit or loss consisted of:

The Bank issued structured debentures with reference interest rate of THBFX 3 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 3 - 23 years. They bear interest rate at 1.78% - 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.

24 DEBT ISSUED AND BORROWINGS

	2020			2019		
	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
Short term debentures maturing in 2021, coupon rate of 0.97% per annum	700	-	700	-	-	-
Subordinated debentures						
Subordinated debentures of RM 570 million, maturing in 2026, coupon rate of 5.35% per annum	-	4,238	4,238	-	4,174	4,174
Subordinated debentures of RM 390 million, maturing in 2028, coupon rate of 5.20% per annum	-	2,900	2,900	-	2,856	2,856
Subordinated debentures of RM 550 million, maturing in 2029, coupon rate of 4.15% per annum	-	4,090	4,090	-	4,027	4,027
Structured debentures						
Structured debentures	1,829	618	2,447	6,112	1,563	7,675
	2,529	11,846	14,375	8,112	12,620	20,732
Structured bills of exchange						
Structured bills of exchange	1,800	3,274	5,074	1,800	3,287	5,087
	1,800	3,274	5,074	1,800	3,287	5,087
Total	4,329	15,120	19,449	9,912	15,907	25,819

	2020			2019		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Debentures						
Short term debentures maturing in 2021, coupon rate of 0.97% per annum	700	-	700	-	-	-
Subordinated debentures						
Subordinated debentures of RM 570 million, maturing in 2026, coupon rate of 5.35% per annum	-	4,238	4,238	-	4,174	4,174
Subordinated debentures of RM 390 million, maturing in 2028, coupon rate of 5.20% per annum	-	2,900	2,900	-	2,856	2,856
Subordinated debentures of RM 550 million, maturing in 2029, coupon rate of 4.15% per annum	-	4,090	4,090	-	4,027	4,027
Structured debentures						
Structured debentures	1,829	618	2,447	6,112	1,563	7,675
	2,529	11,846	14,375	6,112	12,620	18,732
Structured bills of exchange						
Structured bills of exchange	1,800	3,274	5,074	1,800	3,287	5,087
	1,800	3,274	5,074	1,800	3,287	5,087
Total	4,329	15,120	19,449	7,912	15,907	23,819

(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 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.

(c) 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.

(d) On 8 July 2019, 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.

(e) As at 31 December 2020, the Bank has structured debentures of Baht 2,447 million (31 December 2019 : Baht 7,675 million) as follows:

- The Bank issued structured debentures (Maxi X-Change Single Barrier Bullish) of Baht 45 million (31 December 2019 : Baht 59 million) with 1 year 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 0.6 million which equivalent to Baht 17 million and in Baht 1,784 million (31 December 2019 : foreign currency of USD 12 million which equivalent to Baht 357 million and in Baht 6,053 million) which will mature in 1-3 year, the return is based on movement of the price of mutual fund.
- The Bank issued credit linked notes (CLN) of USD 20 million which equivalent to Baht 601 million (31 December 2019 : 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 2020, the Bank had credit linked bill of exchange (CLN) of Baht 5,074 million (31 December 2019 : Baht 5,087 million) as follows:

- The Bank issued CLN of Baht 1,800 million (31 December 2019 : 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 2019 : 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 3,274 million (31 December 2019 : USD 109 million or equivalence Baht 3,287 million) which will mature in 8 - 15 years (31 December 2019 : 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 2019 : 6M LIBOR + 1.6597% to 6M LIBOR + 2.3925% per annum) with a payment of interest every six months.

25 PROVISIONS

	Consolidated		Separate	
	2020 Million Baht	2019 Million Baht	2020 Million Baht	2019 Million Baht
Allowance for expected credit losses of loan commitments and financial guarantee contracts	461	-	464	-
Reserve for off-statements of financial position items	350	351	350	351
Provision for contingent loss from legal cases	44	73	44	73
Provision for employee benefits	1,805	1,852	1,635	1,694
Provision for restoration	20	23	20	23
Total provisions	2,680	2,299	2,513	2,141

Provision for employee benefits

	Consolidated		Separate	
	2020 Million Baht	2019 Million Baht	2020 Million Baht	2019 Million Baht
Present value of post-employment benefit obligations	1,805	1,852	1,635	1,694

Movements of provision for pension funds are as follows:

	Consolidated		Separate	
	2020 Million Baht	2019 Million Baht	2020 Million Baht	2019 Million Baht
Beginning balance	1,852	1,427	1,694	1,332
Current service costs	167	141	152	128
Past service costs	-	139	-	117
Difference on settlement pension benefits	(6)	(8)	(6)	(8)
Interest costs	25	39	23	36
Remeasurements:				
(Gains) losses from changes of:				
Demographic assumptions	-	(66)	-	(55)
Financial assumptions	(46)	324	(40)	289
Experience	7	(1)	(9)	(5)
Less Pension benefits paid during the year	(194)	(143)	(179)	(140)
Ending balance	1,805	1,852	1,635	1,694

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

	Consolidated		Separate	
	31 December		31 December	
	2020 Million Baht	2019 Million Baht	2020 Million Baht	2019 Million Baht
Current service costs	167	141	152	128
Past service costs	-	139	-	117
Difference on settlement pension benefits	(6)	(8)	(6)	(8)
Interest costs	25	39	23	36
Total	186	311	169	273

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

	Consolidated and Separate	
	2020	2019
Discount rate	1.80%	1.50%
Salary increase rate	6.00%	6.00%
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 2.865% 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					
	Impact on defined benefit obligation					
	Change in assumption		Increase in assumption		Decrease in assumption	
	2020	2019	2020	2019	2020	2019
Weighted average discount rate	0.5%	0.5%	Decrease by 4.03%	Decrease by 3.86%	Increase by 4.29%	Increase by 4.91%
Weighted average rate of salary increase	1.0%	1.0%	Increase by 9.40%	Increase by 10.23%	Decrease by 8.38%	Decrease by 8.35%

Separate

	Impact on defined benefit obligation					
	Change in assumption		Increase in assumption		Decrease in assumption	
	2020	2019	2020	2019	2020	2019
Weighted average discount rate	0.5%	0.5%	Decrease by 3.87%	Decrease by 3.70%	Increase by 4.07%	Increase by 4.79%
Weighted average rate of salary increase	1.0%	1.0%	Increase by 9.02%	Increase by 9.96%	Decrease by 8.10%	Decrease by 8.09%

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 2020, the weighted average duration of the defined benefit obligation is 10.91 years (31 December 2019: 8.3 years).

Expected maturity analysis of undiscounted benefits:

	Consolidated 2020			
	Less than a year Million Baht	Between 1 - 5 years Million Baht	Over 5 years Million Baht	Total Million Baht
Retirement benefits	165	429	1,521	2,115

	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

	Separate 2020			
	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 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

26 OTHER LIABILITIES

	Consolidated		Separate	
	2020 Million Baht	2019 Million Baht	2020 Million Baht	2019 Million Baht
Other liabilities awaiting accounts transfer	976	640	905	558
Accrued interest	534	680	534	673
Accrued expense	993	2,094	894	1,533
Corporate income tax payable	208	108	109	-
Withholding tax payable	69	100	65	96
Others	301	481	103	142
Total	3,081	4,103	2,610	3,002

27 OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

	Consolidated and Separate					
	2020					
	Gross amount	Amount to be offset on the statement of financial position	Net amount on the statement of financial position	Amount that cannot be offset on the statement of financial position	Offsetting amount according to the contracts that do not meet the criteria according to accounting standards	Value of collateral related Net amount
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Financial assets						
Purchase of securities with resale agreement transactions	1,800	-	1,800	-	(1,570)	230
Derivative assets	57,561	-	57,561	(35,195)	(11,198)	11,168
Total	59,361	-	59,361	(35,195)	(12,768)	11,398
Financial liabilities						
Sales of securities with resale agreement transactions	(9,862)	-	(9,862)	9,368	-	(494)
Derivative liabilities	(57,221)	-	(57,221)	35,140	14,876	(7,205)
Total	(67,083)	-	(67,083)	44,508	14,876	(7,699)

28 SHARE CAPITAL

Consolidated and Separate

	2020		2019	
	Number Million shares	Amount Million Baht	Number Million shares	Amount Million Baht
Registered				
Beginning of the year - Ordinary shares	34,822	17,411	34,822	17,411
Issue of shares	-	-	-	-
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	34,822	17,411
Issue of shares	-	-	-	-
End of the year	34,822	17,411	34,822	17,411

29 DIVIDEND PAYMENTS

On 24 April 2020, the Bank paid an interim dividend from the operating results of 2019 at the rate of Baht 0.005 per share, totaling Baht 174 million according to the Board of Directors meeting approval on 26 March 2020.

On 7 May 2020, Worldlease Company Limited paid a dividend from the operating results of 2019 at the rate of Baht 3.03 per its paid-up share, totaling Baht 100 million according to the Annual General Meeting of Shareholders approval on 30 April 2020.

On 25 June 2020, CIMB Thai Auto Company Limited paid an interim dividend from the operating results of 2019 at the rate of Baht 4.10 per its paid-up share, totaling Baht 625 million according to the Board of Directors meeting approval on 29 April 2020.

On 5 August 2020, CT Coll Company Limited paid a dividend from the operating results of 2019 at the rate of Baht 53 per paid share, totalling Baht 20.41 million according to its Extraordinary General Meeting of Shareholders approval on 7 July 2020.

30 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 2020, the Bank had total statutory reserve of Baht 536.20 million (31 December 2019: Baht 403.98 million).

31 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 2020 to risk assets		Total capital 2019 to risk assets	
	Million Baht	%	Million Baht	%
Tier I				
Issued and paid up share capital	17,411		17,411	
Share premium	10,146		10,146	
Statutory reserve	536		404	
Unappropriated surplus	12,011		7,618	
Other reserves	1,700		1,646	
Deduction on Tier I capital fund	(2,184)		(2,590)	
Total Tier I capital fund	39,620	15.60	34,635	13.05
Tier II				
Long-term subordinated debentures	12,262		12,262	
Reserve for loan classified as pass	2,424		748	
Total Tier II capital fund	14,686	5.78	13,010	4.90
Total capital funds	54,306	21.38	47,645	17.95

Capital fund (Separate)	Total capital 2020 to risk assets		Total capital 2019 to risk assets	
	Million Baht	%	Million Baht	%
Tier I				
Issued and paid up share capital	17,411		17,411	
Share premium	10,146		10,146	
Statutory reserve	536		404	
Unappropriated surplus	9,520		5,012	
Other reserves	1,743		1,689	
Deduction on Tier I capital fund	(1,327)		(2,022)	
Total Tier I capital fund	38,029	14.94	32,640	12.38
Tier II				
Long-term subordinated debentures	12,262		12,262	
Reserve for loan classified as pass	2,531		1,027	
Total Tier II capital fund	14,793	5.81	13,289	5.04
Total capital funds	52,823	20.75	45,929	17.42

As at 31 December 2020, the Bank's regulatory capital after deducting capital add-on arising from single lending was Baht 52,823 million (31 December 2019 : Baht 45,929 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 2020 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.

32 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 year, which were purchased over a specified year before awarding to the eligible employees of the Bank, was MYR 3.52 per share (31 December 2019 : MYR 5.19 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	
	2020 units '000	2019 units '000
Beginning of financial year	1,249	1,241
Awarded during financial year	1,191	1,095
Released during financial year	(1,011)	(1,087)
End of financial year	1,429	1,249

For the year ended 31 December 2020, the Bank has expenses for share-based payments amounting to Baht 26 million (31 December 2019 : Baht 42 million) and the Bank has share-based payment reserves amounting to Baht 33 million (31 December 2019 : Baht 35 million).

33 IMPORTANT POSITIONS AND PERFORMANCE CLASSIFIED BY TYPE OF DOMESTIC OR FOREIGN TRANSACTIONS

33.1 Position classified by type of transaction

	2020			2019		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Total assets	406,885	364	407,249	393,281	392	393,673
Interbank and money market items, net (assets)	6,523	362	6,885	6,195	227	6,422
Financial assets measured at fair value through profit or loss	34,427	-	34,427	-	-	-
Derivative assets	57,561	-	57,561	43,459	-	43,459
Investments, net	61,546	-	61,546	86,696	102	86,798
Loans to customers and accrued interest receivables, net	221,844	-	221,844	231,974	51	232,025
Deposits	193,950	6	193,956	199,024	11	199,035
Interbank and money market items (liabilities)	47,668	-	47,668	43,394	-	43,394
Financial liabilities measured at fair value through profit or loss	28,949	-	28,949	24,423	-	24,423
Derivative liabilities	57,221	-	57,221	44,660	-	44,660
Debt issued and borrowings	19,449	-	19,449	25,819	-	25,819

	2020			Separate 2019		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Total assets	404,057	364	404,421	386,512	392	386,904
Interbank and money market items, net (assets)	6,354	362	6,716	5,979	227	6,206
Financial assets measured at fair value through profit or loss	34,427	-	34,427	-	-	-
Derivative assets	57,561	-	57,561	43,459	-	43,459
Investments, net	61,544	-	61,544	86,694	102	86,796
Investments in subsidiaries, net	2,933	-	2,933	2,208	-	2,208
Loans to customers and accrued interest receivables, net	217,576	-	217,576	224,471	51	224,522
Deposits	194,144	6	194,150	199,121	11	199,132
Interbank and money market items (liabilities)	47,668	-	47,668	43,394	-	43,394
Financial liabilities measured at fair value through profit or loss	28,949	-	28,949	24,423	-	24,423
Derivative liabilities	57,221	-	57,221	44,660	-	44,660
Debt issued and borrowings	19,449	-	19,449	23,819	-	23,819

33.2 Performance classified by type of transaction

	2020			Consolidated 2019		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Interest income	15,010	2	15,012	17,098	8	17,106
Interest expenses	(4,072)	-	(4,072)	(5,513)	-	(5,513)
Net interest income	10,938	2	10,940	11,585	8	11,593
Net fee and services income	1,256	-	1,256	2,090	-	2,090
Other operating income	2,731	-	2,731	1,077	-	1,077
Other operating expenses	(8,887)	(12)	(8,899)	(9,362)	(16)	(9,378)
Expected credit losses	(4,468)	-	(4,468)	-	-	-
Bad and doubtful debts and impairment losses	-	-	-	(2,793)	-	(2,793)
Profit (losses) before income tax expenses	1,570	(10)	1,560	2,597	(8)	2,589

	2020			Separate 2019		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Interest income	11,200	2	11,202	13,641	8	13,649
Interest expenses	(4,055)	-	(4,055)	(5,465)	-	(5,465)
Net interest income	7,145	2	7,147	8,176	8	8,184
Net fee and services income	793	-	793	1,165	-	1,165
Other operating income	2,941	-	2,941	305	-	305
Other operating expenses	(6,491)	(12)	(6,503)	(6,985)	(16)	(7,001)
Expected credit losses	(1,852)	-	(1,852)	-	-	-
Bad and doubtful debts and impairment losses	-	-	-	(1,406)	-	(1,406)
Profit (losses) before income tax expenses	2,536	(10)	2,526	1,255	(8)	1,247

34 INTEREST INCOME

	Consolidated		Separate	
	2020 Million Baht	2019 Million Baht	2020 Million Baht	2019 Million Baht
Interbank and money market items	71	88	70	87
Investments and trading transactions	375	773	375	773
Investments in debt securities	1,110	1,297	1,110	1,297
Loans	8,519	10,294	9,562	11,289
Hire purchase and financial lease income	4,852	4,451	-	-
Others	85	203	85	203
Interest income	15,012	17,106	11,202	13,649

35 INTEREST EXPENSES

	Consolidated		Separate	
	2020 Million Baht	2019 Million Baht	2020 Million Baht	2019 Million Baht
Deposits	2,359	2,850	2,360	2,851
Interbank and money market item	337	719	337	719
Contribution fee to the Deposit Protection Agency	22	20	22	20
Contribution fee to FIDF	576	1,043	576	1,043
Debt securities issued				
- Subordinated debentures	488	417	488	417
- Structured bills of exchange	86	302	86	253
- Structured debentures	121	-	121	-
- Debentures	18	49	1	-
Others	65	162	64	162
Interest expenses	4,072	5,513	4,055	5,465

36 NET FEES AND SERVICES INCOME

	Consolidated		Separate	
	2020 Million Baht	2019 Million Baht	2020 Million Baht	2019 Million Baht
Fees and service incomes				
Acceptances, aval and guarantees	81	87	88	109
ATM and Debit card fees	16	34	16	34
Insurance brokerage income	710	873	612	873
Management fee	11	107	11	107
Underwriting fees	257	260	257	260
Collection fees	49	198	-	-
Goods and services payment fees	340	768	1	1
Others	166	149	167	151
Fees and service income	1,630	2,476	1,152	1,535
Fees and service expenses				
Collection fees	(209)	(211)	(209)	(211)
ATM fees	(22)	(24)	(22)	(24)
Brokerage fees	(85)	(97)	(85)	(97)
Others	(58)	(54)	(43)	(38)
Fees and service expenses	(374)	(386)	(359)	(370)
Net fees and service income	1,256	2,090	793	1,165

37 GAINS (LOSSES) ON FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

	Consolidated and Separate	
	2020 Million Baht	2019 Million Baht
Gains (losses) on tradings and foreign exchange transactions		
Foreign currencies and foreign exchange rate derivatives	390	(534)
Interest rate derivatives	643	2,492
Debt instruments	1,201	(1,688)
Equity instruments	8	47
Others	(5)	(8)
Gains on tradings and foreign exchange transactions	2,237	309
Gains (losses) on financial instruments designated at fair value through profit or loss		
Net changes in fair values		
Investments in debt instrument	(585)	2,326
Bills of exchange	797	(1,708)
Debentures	(76)	(245)
Losses from derecognition, including interest receivable and payable only those not included in net changes in fair values	(1,428)	(854)
Losses on financial instruments designated at fair value through profit or loss	(1,292)	(481)
Losses from hedge accounting	(5)	(5)
Total	940	(177)

38 GAINS ON INVESTMENTS, NET

	Consolidated and Separate	
	2020 Million Baht	2019 Million Baht
Gains from derecognition		
Investments measured at fair value through other comprehensive income	306	-
Gains from sales		
Available for sale	-	342
General investments	-	2
Gains on investments, net	306	344

39 OTHER OPERATING INCOME

	Consolidated		Separate	
	2020 Million Baht	2019 Million Baht	2020 Million Baht	2019 Million Baht
Gain on sales of premises and equipment	6	12	5	10
Gain on sales of properties for sales	74	28	39	25
Bad debt recovery	1,233	375	801	-
Dividend income	10	8	756	8
Entry fee insurance income	-	48	-	48
Other income	50	41	50	47
Other operating income	1,373	512	1,651	138

40 EXPECTED CREDIT LOSSES

	Consolidated		Separate	
	2020 Million Baht		2020 Million Baht	
Modification loss of loan	1,029		138	
Loans to customers and accrued interest receivable	3,196		1,469	
Credit line commitments and financial guarantees	244		245	
Expected credit losses	4,469		1,852	

41 BAD AND DOUBTFUL DEBTS

	Consolidated		Separate	
	2020 Million Baht		2020 Million Baht	
Interbank and money market	1		1	
Loans to customers	2,792		1,405	
Total	2,793		1,406	

42 CORPORATE INCOME TAX

	Consolidated		Separate	
	2020 Million Baht	2019 Million Baht	2020 Million Baht	2019 Million Baht
Current tax:				
Current tax on profits for the year	247	268	109	-
Total current tax	247	268	109	-
Deferred tax:				
Decrease (increase) in deferred tax assets	132	(149)	322	(107)
(Decrease) increase in deferred tax liabilities	(110)	452	(119)	425
Total deferred tax	22	303	203	318
Total tax charge	269	571	312	318

The tax on the Group's profit before tax differs from the theoretical amount as follows:

	Consolidated		Separate	
	2020 Million Baht	2019 Million Baht	2020 Million Baht	2019 Million Baht
Profit before tax	1,560	2,589	2,526	1,247
Tax calculated at a tax rate of 20%	312	518	505	249
Tax effect of:				
Income not subject to tax	(32)	(22)	(181)	(22)
Expenses not deductible for tax purpose	8	6	7	6
Other adjustments	(1)	(14)	(1)	2
Tax losses for which no deferred income tax asset was recognised	(127)	-	(127)	-
Unrecognised deferred tax assets	109	83	109	83
Total tax charge	269	571	312	318
The weighted average applicable tax rate (%)	17	22	12	26

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

	Consolidated					
	2020			2019		
	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):						
Investments in debt instruments	237	(47)	190	-	-	-
Investments in equity instruments	(5)	(2)	(7)	-	-	-
Available-for-sales investment	-	-	-	472	(63)	409
Cash flow hedges	271	(55)	216	(55)	11	(44)
Remeasurements of post-employment benefit obligation	39	3	41	(258)	6	(252)
Other comprehensive income (expenses)	542	(101)	440	159	(46)	113
Current tax		279			267	
Deferred tax		(10)			304	
		269			571	

	Separate					
	2020			2019		
	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):						
Investments in debt instruments	237	(47)	190	-	-	-
Investments in equity instruments	(5)	(2)	(7)	-	-	-
Available-for-sales investment	-	-	-	472	(63)	409
Cash flow hedges	271	(55)	216	(55)	11	(44)
Remeasurements of post-employment benefit obligation	48	-	48	(229)	-	(229)
Other comprehensive income (expenses)	551	(104)	447	188	(52)	136
Current tax		139			-	
Deferred tax		173			318	
		312			318	

In addition, deferred income tax for the year ended 31 December 2020 is Baht 15.6 million (31 December 2019 : Baht 7.5 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.

43 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 2020, Baht 146 million and Baht 127 million was contributed to the fund by the Group and the Bank (for the year ended 31 December 2019 : Baht 141 million and Baht 123 million, respectively).

44 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 year by the weighted average number of ordinary shares held by outside shareholders in issue during the year (Note 28).

There are no potential dilutive ordinary shares in issue for the years ended 31 December 2020 and 2019.

45 ENCUMBRANCE OF ASSETS

Assets used as collateral

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

	Consolidated	
	2020 Million Baht	2019 Million Baht
Securities sold under repurchase	9,372	28,072
Utilities usage	7	7
Others	2	2
Total	9,381	28,081

	Separate	
	2020 Million Baht	2019 Million Baht
Securities sold under repurchase	9,372	28,072
Utilities usage	7	7
Total	9,379	28,079

46 COMMITMENTS AND CONTINGENT LIABILITIES

46.1 Commitments

As at 31 December 2020 and 2019, significant commitments of the Bank consist of:

	2020			2019		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Avals to bills:						
Avals to bills	17	-	17	-	-	-
Liability under unmatured import bills:						
Liability under unmatured import bills	-	157	157	-	331	331
Letters of credit:						
Letters of credit	10	755	765	7	598	605
Bills on domestic letter of credit:						
Bills on domestic letter of credit	31	-	31	-	-	-
Other commitments:						
Forward and spot contracts						
- Bought	-	610,461	610,461	-	538,378	538,378
- Sold	-	504,242	504,242	-	503,131	503,131
Cross currency and interest rate swap contract						
- Bought	-	219,054	219,054	-	240,773	240,773
- Sold	-	203,255	203,255	-	196,525	196,525
Interest rate swap contracts						
- Fixed rate receiver	813,213	139,880	953,093	806,222	184,159	990,381
- Floating rate receiver	914,162	256,652	1,170,814	916,197	267,462	1,183,659
Foreign exchange option						
- Call option sales contracts	-	334	334	-	10	10
- Put option sales contracts	-	406	406	-	171	171
- Call option purchase contracts	-	646	646	-	894	894
- Put option purchase contracts	-	318	318	-	1,526	1,526
Commodity						
- Bought	-	-	-	-	87	87
- Sold	-	-	-	-	87	87

Consolidated

	2020			2019		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Credit derivatives						
- Bought	1,800	3,875	5,675	1,800	4,493	6,293
- Sold	1,800	3,875	5,675	1,800	4,493	6,293
Fund Option						
- Bought	-	2,016	2,016	-	8,430	8,430
- Sold	-	2,016	2,016	-	8,430	8,430
Equity option						
- Bought	-	323	323	-	23	23
- Sold	-	323	323	-	23	23
Bond forward						
- Sold	23,371	-	23,371	19,330	-	19,330
Bonds						
- Bought	3,950	-	3,950	5,601	-	5,601
- Sold	3,012	-	3,012	6,404	-	6,404
Undrawn bank overdrafts	14,719	-	14,719	14,558	-	14,558
Undrawn credit line	14,378	-	14,378	17,256	51	17,307
Other guarantees	8,548	1,968	10,516	11,274	1,021	12,295
Other commitments	1,798,953	1,949,644	3,748,597	1,800,442	1,960,167	3,760,609
Total commitments	1,799,011	1,950,556	3,749,567	1,800,449	1,961,096	3,761,545

Separate

	2020			2019		
	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 and guarantees of loans	17	-	17	2,150	-	2,150
Liability under unmatured import bills:						
Liability under unmatured import bills	-	157	157	-	331	331
Letters of credit:						
Letters of credit	10	755	765	7	598	605
Bills on domestic letter of credit:						
Bills on domestic letter of credit	31	-	31	-	-	-
Other commitments:						
Forward and spot contracts						
- Bought	-	610,461	610,461	-	538,378	538,378
- Sold	-	504,242	504,242	-	503,131	503,131
Cross currency and interest rate swap contract						
- Bought	-	219,054	219,054	-	240,773	240,773
- Sold	-	203,255	203,255	-	196,525	196,525
Interest rate swap contracts						
- Fixed rate receiver	813,213	139,880	953,093	806,222	184,159	990,381
- Floating rate receiver	914,162	256,652	1,170,814	916,197	267,462	1,183,659
Foreign exchange option						
- Call option sales contracts	-	334	334	-	10	10
- Put option sales contracts	-	406	406	-	171	171
- Call option purchase contracts	-	646	646	-	894	894
- Put option purchase contracts	-	318	318	-	1,526	1,526
Commodity						
- Bought	-	-	-	-	87	87
- Sold	-	-	-	-	87	87

	2020			Separate 2019		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Credit derivatives						
- Bought	1,800	3,875	5,675	1,800	4,493	6,293
- Sold	1,800	3,875	5,675	1,800	4,493	6,293
Fund Option						
- Bought	-	2,016	2,016	-	8,430	8,430
- Sold	-	2,016	2,016	-	8,430	8,430
Equity option						
- Bought	-	323	323	-	23	23
- Sold	-	323	323	-	23	23
Bond forward						
- Sold	23,371	-	23,371	19,330	-	19,330
Bonds						
- Bought	3,950	-	3,950	5,601	-	5,601
- Sold	3,012	-	3,012	6,404	-	6,404
Undrawn bank overdrafts	14,719	-	14,719	14,558	-	14,558
Undrawn credit line	27,848	-	27,848	17,256	51	17,307
Other guarantees	8,548	1,968	10,516	11,274	1,021	12,295
Other commitments	1,812,423	1,949,644	3,762,067	1,800,442	1,960,167	3,760,609
Total commitments	1,812,481	1,950,556	3,763,037	1,802,599	1,961,096	3,763,695

46.2 Contingent liabilities

As at 31 December 2020 and 2019, 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	
	2020 Million Baht	2019 Million Baht
Sum claimed in cases where the Group is sole defendant	299	311
Sum claimed in cases where the Group is co-defendant		
- Sum of claims that can be specifically attributed to the Group	312	312
- Sum of claims that cannot be specifically attributed to the Group	89	22
Total	700	645

As at 31 December 2020, 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 160 million. However, the Bank is in the process of appealing the decisions (31 December 2019 : Baht 197 million). The Bank recognised provisions for contingent loss from legal cases of approximately Baht 44 million (31 December 2019 : Baht 73 million). Management concluded and believed that such provisions were adequate to cover any possible loss from these legal cases.

46.3 Commitments under long-term leases

As at 31 December 2020 and 2019, the Group has commitments under long-term leases as follows:

Lease periods	Consolidated		Separate	
	2020 Million Baht	2019 Million Baht	2020 Million Baht	2019 Million Baht
Not over than 3 years	146	275	104	166
3 - 5 years	1	3	1	2
5 - 10 years	-	2	-	2
Total	147	280	105	170

46.4 Other commitments

As at 31 December 2020 and 2019, the Group has 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:

Currency	Consolidated and Separate	
	2020 Million Baht	2019 Million Baht
Baht	113	112
MYR	2	9
USD	-	3
Total	115	124

47 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	
	2020 Million Baht	2019 Million Baht	2020 Million Baht	2019 Million Baht
Subsidiaries				
Revenue:				
Interest income	-	-	1,043	996
Fees income	-	-	23	31
Dividend income	-	-	745	-
Expenses:				
Interest expenses	-	-	1	1
Ultimate parent company				
Revenue:				
Interest income	-	13	-	13
Expenses:				
Interest expenses	443	366	443	366
Fees expenses	131	76	131	76
Premises and equipment expenses	2	9	2	9
Others	15	-	15	-
Related companies				
Revenue:				
Fees income	403	434	403	434
Expenses:				
Interest expenses	13	13	13	13
Fees expenses	11	11	11	11
Premises and equipment expenses	(12)	(12)	(12)	(12)

The outstanding balances of significant related party transactions as at 31 December 2020 and 2019 are as follows:

	Consolidated							
	2020							
	Outstand- ing loans	Interbank and money market items (asset)	Obligations	Other assets	Deposits	Interbank and money market items (liability)	Borrowings	Other liabilities
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Parent company								
CIMB Bank Berhad	-	762	60	-	-	947	9,755	726
	-	762	60	-	-	947	9,755	726
Companies under common control								
CIMB Bank Plc, Cambodia	-	70	-	-	-	10	-	-
CIMB Islamic Bank Bhd	-	-	-	-	-	2	-	-
iCIMB (MSC) Sdn Bhd	-	-	-	-	-	-	-	43
PT Bank CIMB Niaga Tbk	-	1	-	-	-	3	-	-
CGS-CIMB Securities (Thailand) Co., Ltd.	-	-	-	-	629	-	-	-
Principal Asset Management . Co., Ltd	-	-	-	22	674	-	-	-
Sathorn Asset Management Co., Ltd.	-	-	-	1	400	-	-	5
	-	71	-	23	1,703	15	-	48
Other related persons or parties	40	-	819	-	432	-	-	7
	40	-	819	-	432	-	-	7

	Outstand- ing 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 persons or parties	221	-	876	-	542	-	-	1
	221	-	876	-	542	-	-	1

	Outstand- ing loans	Interbank and money market items (asset)	Obligations	Other assets	Deposits	Interbank and money market items (liability)	Borrowings	Other liabilities
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Subsidiary companies								
CIMB Thai Auto Co., Ltd.	30,805	-	-	2	92	-	-	-
Worldlease Co., Ltd.	2,135	-	-	5	59	-	-	-
CT Coll Co., Ltd.	-	-	-	-	43	-	-	-
	32,940	-	-	7	194	-	-	-
Parent company								
CIMB Bank Berhad	-	762	60	-	-	947	9,755	726
	-	762	60	-	-	947	9,755	726
Companies under common control								
CIMB Bank Plc, Cambodia	-	70	-	-	-	10	-	-
CIMB Islamic Bank Bhd	-	-	-	-	-	2	-	-
iCIMB (MSC) Sdn Bhd	-	-	-	-	-	-	-	43
PT Bank CIMB Niaga Tbk	-	1	-	-	-	3	-	-
CGS-CIMB Securities (Thailand) Co., Ltd.	-	-	-	-	629	-	-	-
Principal Asset Management Co., Ltd.	-	-	-	22	674	-	-	-
Sathorn Asset Management Co., Ltd.	-	-	-	1	400	-	-	5
	-	71	-	23	1,703	15	-	48
Other related persons or parties	32	-	819	-	428	-	-	7
	32	-	819	-	428	-	-	7

	Outstand- ing loans	Interbank and money market items (asset)	Obligations	Other assets	Deposits	Interbank and money market items (liability)	Borrowings	Other liabilities
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Subsidiary companies								
CIMB Thai Auto Co., Ltd	30,291	-	2,150	1	24	-	-	8
Worldlease Co., Ltd.	3,775	-	-	1	10	-	-	-
CT Coll Co., Ltd.	-	-	-	-	63	-	-	-
	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 persons or parties	216	-	876	-	538	-	-	1
	216	-	876	-	538	-	-	1

As at 31 December 2020 and 2019, the Bank has commitments in financial derivatives with related parties as follows:

	2020		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Parent company			
Interest rate swap contracts			
- Fixed rate receiver	48,150	4,325	52,475
- Floating rate receiver	34,230	10,723	44,953
Forward and spot contracts			
- Bought	-	11,863	11,863
- Sold	-	75	75
Cross currency and interest rate swap contracts			
- Bought	-	8,254	8,254
- Sold	-	188	188
Fund Option			
- Bought	-	30	30
Credit derivatives			
- Sold	1,800	3,875	5,675
Company under common control			
Forward and spot contracts			
- Bought	-	91	91
- Sold	-	49	49
Computer system and software development agreement	-	1	1

	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

Directors and key management compensations

For the years ended 31 December 2020 and 2019, compensations paid to directors and key management personnel are as follows:

	Consolidated		Separate	
	2020 Million Baht	2019 Million Baht	2020 Million Baht	2019 Million Baht
Short-term employee benefits	558	564	518	518
Long-term employee benefits	21	25	20	23
Share-based payments	26	42	26	42
Director and management remuneration	605	631	564	583

The details of share based payment are as follows:

	Consolidated and Separate	
	2020 Thousand Units	2019 Thousand Units
Shares of CIMB Group Holdings Berhad	1,191	1,095

Benefits paid to directors and executives

The Bank has no special benefits given to the directors and executives beyond the general benefits provided such as director's fees, director's bonuses (if any), income tax, executives' salary and bonus (if any) and share based payment.

48 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 2020 and 2019 are as follows:

Consolidated

2020

	Consumer banking Million Baht	Wholesale banking Million Baht	Others Million Baht	Eliminations Million Baht	Total Million Baht
Net interest income from external	8,170	2,287	483	-	10,940
Net fees and service income (expense)	965	340	(42)	(7)	1,256
Other operating income	1,757	807	927	(760)	2,731
Other operating expenses	(6,598)	(1,421)	(894)	14	(8,899)
Expected credit losses	(4,205)	(1,077)	800	14	(4,468)
Income tax expenses	(15)	(161)	(93)	-	(269)
Net profit for the year	74	775	1,181	(739)	1,291

Consolidated

2019

	Consumer banking Million Baht	Wholesale banking Million Baht	Others Million Baht	Eliminations Million Baht	Total Million Baht
Net interest income from external	8,154	2,617	822	-	11,593
Net fees and service income	1,803	265	43	(21)	2,090
Other operating income (expense)	1,125	(161)	121	(8)	1,077
Other operating expenses	(7,292)	(1,623)	(455)	(8)	(9,378)
Bad and doubtful debts and impairment losses	(2,366)	(167)	(342)	82	(2,793)
Income tax expenses	(314)	(205)	(52)	-	(571)
Net profit for the year	1,110	726	137	45	2,018

	Bank business		Hire-purchase business		Other businesses		Eliminations		Consolidated	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Total assets	404,421	386,904	38,829	42,745	43	63	(36,044)	(36,039)	407,249	393,673
Interbank and money market Items, net (assets)	6,716	6,206	320	250	43	63	(194)	(97)	6,885	6,422
Financial assets measured at fair value through profit or loss	34,427	-	-	-	-	-	-	-	34,427	-
Investments, net	61,544	86,796	2	2	-	-	-	-	61,546	86,798
Loans and accrued interest receivables, net	217,576	224,522	37,171	41,229	-	-	(32,903)	(33,726)	221,844	232,025
Deposits	194,150	199,132	-	-	-	-	(194)	(97)	193,956	199,035
Interbank and money market Items (liabilities)	47,668	43,394	32,935	34,060	-	-	(32,935)	(34,060)	47,668	43,394
Financial liabilities measured at fair value through profit or loss	28,949	24,423	-	-	-	-	-	-	28,949	24,423
Debt issued and borrowings	19,449	23,819	-	2,000	-	-	-	-	19,449	25,819

49 FAIR VALUE

49.1 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: The fair value of financial instruments is based on the current bid price/ closing price by reference to the Stock Exchange of Thailand / the Thai Bond Dealing Centre.

Level 2: The fair value of financial instruments is determined using significant observable inputs and, as little as possible, entity-specific estimates.

Level 3: The fair value of financial instruments is not based on observable market data.

The following table presents the assets and liabilities that are measured at fair value at 31 December 2020 and 2019.

	Consolidated and Separate			
	2020			
	Level 1 Million Baht	Level 2 Million Baht	Level 3 Million Baht	Total Million Baht
Assets				
Financial assets measured at fair value through profit or loss	-	34,427	-	34,427
Investments in debt instruments measured at fair value through other comprehensive income	-	39,796	-	39,796
Investments in equity instruments measured at fair value through other comprehensive income	52	-	26	78
Derivative assets	-	57,561	-	57,561
Total assets	52	131,784	26	131,862
Liabilities				
Financial liabilities measured at fair value through profit or loss	-	28,949	-	28,949
Derivatives liabilities	-	57,221	-	57,221
Total liabilities	-	86,170	-	86,170

Consolidated and Separate

2019

	Level 1 Million Baht	Level 2 Million Baht	Level 3 Million Baht	Total 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

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 2020 and 2019:

Consolidated

2020

	Level 1 Million Baht	Level 2 Million Baht	Level 3 Million Baht	Total Million Baht
Assets				
Cash	919	-	-	919
Interbank and money market items, net	4,940	1,945	-	6,885
Investments in debt instruments measured at amortized cost	-	22,966	-	22,966
Loans to customers and accrued interest receivables, net	-	220,317	-	220,317
Credit support assets on derivatives	-	16,051	-	16,051
Other assets	-	697	-	697
Total assets	5,859	262,976	-	267,835
Liabilities				
Deposits	-	193,975	-	193,975
Interbank and money market items	-	47,668	-	47,668
Liability payable on demand	-	256	-	256
Debt issued and borrowings	-	19,734	-	19,734
Credit support liabilities on derivatives	-	12,111	-	12,111
Total liabilities	-	273,744	-	273,744

	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	-	230,012	-	230,012
Credit support assets on derivatives	-	14,968	-	14,968
Other assets	-	972	-	972
Total assets	4,909	269,362	29	274,300
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

Separate

2020

	Level 1 Million Baht	Level 2 Million Baht	Level 3 Million Baht	Total Million Baht
Assets				
Cash	918	-	-	918
Interbank and money market items, net	4,771	1,945	-	6,716
Investments in debt instruments measured at amortized cost	-	22,964	-	22,964
Loans to customers and accrued interest receivables, net	-	216,202	-	216,202
Credit support assets on derivatives	-	16,051	-	16,051
Other assets	-	414	-	414
Total assets	5,689	257,576	-	263,265
Liabilities				
Deposits	-	194,169	-	194,169
Interbank and money market items	-	47,668	-	47,668
Liability payable on demand	-	256	-	256
Debt issued and borrowings	-	19,734	-	19,734
Credit support liabilities on derivatives	-	12,111	-	12,111
Total liabilities	-	273,938	-	273,938

Separate

2019

	Level 1 Million Baht	Level 2 Million Baht	Level 3 Million Baht	Total 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	-	222,814	-	222,814
Credit support assets on derivatives	-	14,968	-	14,968
Other assets	-	919	-	919
Total assets	4,692	262,109	29	266,830
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

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 3.3.1 to the financial statements except the estimated fair value for investments in debt instruments measured at amortised cost and investments in equity instruments designated at fair value through other comprehensive income 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 entity.

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 financial assets with an insignificant increase in credit risk or financial assets with a significant increase in credit risk, 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 credit-impaired fixed rate financial assets, 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 assets 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 liabilities on derivatives, the fair value presented in the statement of financial position approximate fair values.

49.2 Valuation techniques used to derive Level 2 fair values

Level 2 financial assets measured at fair value through profit or loss and investments in debt instruments measured at fair value through other comprehensive income 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.

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

	Consolidated and Separate	
	Investments in equity instruments designated at fair value through other comprehensive income/ General Investments	
	2020 Million Baht	2019 Million Baht
Opening balance	29	30
(Losses) gains recognised in other comprehensive income	(3)	(1)
Closing balance	26	29

The Group measures a Level 3 investment in equity instruments at fair value by using comparable company analysis techniques of companies registered in the Stock Exchange of Thailand that the Group considered its financial position comparable with the equity instruments.

The following table presents the summary of quantitative information that significant unobservable in Level 3.

	Fair Value		Range of Inputs	
	2020 Million Baht	2019 Million Baht	2020 Million Baht	2019 Million Baht
Investments in equity instruments designated at fair value through other comprehensive income/ General Investments	25	-	0.05 – 21	-
			Net Asset Value	

The following table presents the relationship of unobservable inputs and fair value

	Unobservable inputs	Movement	Change in fair value	
			Increase in assumptions 2020	Decrease in assumptions 2019
Investments in equity instruments designated at fair value through other comprehensive income/ General Investments	Net Asset Value	0.50%	Decrease by 0.50%	Increase by 0.50%

50 SIGNIFICANT EVENTS DURING THE CURRENT YEAR

The outbreak of Coronavirus Disease 2019 ("COVID-19") in early 2020 has become severe and pervasive to the business sector, Bank's customers and people. The Bank of Thailand has issued guidelines on how to assist debtors affected by the situation impacting the Thai economy and additional aid measures for debtors during the Covid-19 pandemic to financial Institutions, specialised financial institutions and others financial services. In addition, the Government has declared the State of Emergency to combat the Covid-19 outbreak.

As at 31 December 2020, the Group granted moratorium to debtors for financial aids following the Bank of Thailand measures such as extending repayment period, reducing interest rate or debt restructuring as appropriate. This moratorium is treated as a contract modification, which will result in an increasing expected credit loss in the Group. The Group provided financial assistance to customers totaling approximately 22.5% of the Group total outstanding loans, relief measures provided to retail segment were approximately 12.8% of the Group total outstanding loans while relief measures provided to Commercial Lending segment were approximately 9.7% of the Group total outstanding loans.

CORPORATE INFORMATION

Company Name:
CIMB Thai Bank Public
Company Limited

Registration Number:
0107537002338 (formerly BorMorJor. 480)

Business Type:
Commercial Banking

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Mr. Paiboon Tunkul, Certified Public
Accountant (Thailand) No. 4298

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) per share :
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) per share :
No preference shares

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Find Us!

Bloomberg (bloomberg.com) ticker: CIMBT
SET (set.or.th) symbol: CIMBT

**Entities in which CIMB Thai Bank invests 10% or more of total issued shares
(As of 31 December 2020)**

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	800,000,000	799,999,994	99.99
2. CT COLL Co., Ltd. 128/229-234 Phayathai Plaza Building, 21 st Floor, Phayathai Road, Thung Phayathai, Ratchathevi, Bangkok 10400 Tel. +66-2626-7070	Debt collection service	Ordinary	385,000	384,993	99.99
3. WorldLease Co., Ltd. 43 Thai CC Tower, 34th Floor, South Sathon Road, Yannawa, Sathon, Bangkok Tel. +66-2675-6300	Leasing	Ordinary	100,000,000	99,999,998	99.99
4. Sriethepchai 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	Special purpose vehicle	Ordinary	10,000	1,282	12.82
6. Tawana Hotel Co., Ltd. 80 Surawongse Road, Siphraya, 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, Nihompatthana, 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, Khlongtoey, Bangkok	Leasing	Ordinary	20,000,000	2,000,000	10.00
17. Tun Ruamkarn Co., Ltd. (bankrupt) 133/2 Sukhumvit 21 Road, Khlongtoey, Khlongtoey, 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, Bangkholaem, Bangkok	Appraiser	Ordinary	20,000	2,000	10.00

Issuance of debt securities of the Bank (As of 31 December 2020)

Classified by type	Interest Rate	Maturity	Collateral	Restrictions and Requirements	Value of Debt Securities In Issue as at 31 Dec 2020	Credit Ratings (Moody's / Fitch Ratings)	Bond holder Representative
1. Tier 2 subordinated debt ^v	5.35% per annum	11 July 2026	None	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 Bank of Thailand and submission to the Bank of Thailand 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). 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.	MYR 570 million	Issue rating AA3 by RAM Rating Services Berhad	None
2. Tier 2 subordinated debt ^v	5.20% per annum	29 March 2028	None	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 Bank of Thailand and submission to the Bank of Thailand 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). 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.	MYR 390 million	Issue rating AA3 by RAM Rating Services Berhad	None

Classified by type

3. Tier 2 subordinated debt ^{1/}	Interest Rate	Maturity	Collateral	Restrictions and Requirements
	4.15% per annum	6 July 2029	None	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 Bank of Thailand and submission to the Bank of Thailand 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). 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.

Value of Debt Securities In Issue as at 31 Dec 2020

MYR 550 million

Credit Ratings (Moody's / Fitch Ratings)

Issue rating AA3 by RAM Rating Services Berhad

Bond holder Representative

None

Remark: ^{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 2020 compared with information as at 31 December 2019:

Particulars	No. of shares	No. of shares	No. of shares increased (decreased)
	held As at 31 Dec 20 (Shares)	held As at 31 Dec 19 (Shares)	
Mr. Sutee Losoponkul Acting President and CEO			
- 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 Administration and Property Management			
- CIMB Thai Auto Co., Ltd.	2	2	-

CIMB THAI BRANCH NETWORK

Bangkok and Greater Bangkok

<u>Branch Name</u>	<u>Telephone</u>	<u>Fax</u>
Jawarad Branch	02-233-8696, 02-234-4002, 02-234-2552, 02-234-4527, 02-234-6731	02-266-4309
Rajawongse Branch	02-221-1333, 02-224-8162-3	02-2223190
Mahanak Branch	02-223-2650, 02-223-6624, 02-224-7021	02-2247022
Bangrak Branch	02-234-6209, 02-234-6435, 02-234-9884	02-2335020
Lumpini Branch	02-286-0149, 02-286-5388, 02-286-5761	02-2860223
Kluaynamthai Branch	02-712-3185-8	02-712-3189
Central Plaza Rama 3 Branch	02-673-7035-6	02-6737037
Thanon Langsuan Branch	02-626-7101-3	02-6267104
Thonglor Branch	02-391-4789-91	02-3914790
Paradise Park Srinakarin Branch	02-047-0330-1	02-0470332
Silom Complex Branch	02-231-3302, 083-927-3713, 083-927-3721, 083-927-3723	02-231-3303
Central Plaza Grand Rama 9 Branch	02-160-3490-2	02-160-3493
Imperial World Samrong Branch	02-380-6883-4	02-380-6894

Bangkok and Greater Bangkok

<u>Branch Name</u>	<u>Telephone</u>	<u>Fax</u>
Central Plaza Bangna Branch	02-745-7314-5	02-745-7316
Wanghin Branch	02-942-6206-8	02-942-6218
Mega Bangna Branch	02-105-1205-8	02-105-1209
Siam Paragon Branch	02-610-9742-5	02-610-9746
CP Tower 2 Retail Loan Center Branch	02-264-3542-3, 02-248-4531	02-248-4531
Thatien Branch	02-222-4323, 02-224-8165	02-224-8164
Bangbon Branch	02-416-8277-8, 02-894-4075-6	02-416-8279
Central Plaza Rama II Branch	02-872-4307-8	02-872-4309
The Mall Tha Phra Branch	02-477-7287-8	02-477-7289
Central Pinklao Branch	02-884-6725-7	02-884-6728
Thanon Rattanathibet Branch	02-527-8643-4	02-527-8723
The Mall Bang Khae Branch	02-455-3515, 02-413-0739	02-803-8609
Bangkhen Branch	02-511-4353, 02-512-1716, 02-512-1719	02-511-4320
Fashion Island Branch	02-947-5188, 02-947-5189	02-947-5190
Suntowers Thanon Vibhavadirangsit Branch	02-617-7617-8	02-617-7619
Future Park Rangsit Branch	02-958-5310-2	02-958-5313
Wonsawang Town Center Branch	02-913-9783-5	02-913-9786

Bangkok and Greater Bangkok

<u>Branch Name</u>	<u>Telephone</u>	<u>Fax</u>
The Mall Bang Kapi Branch	02-704-9156-8	02-704-9159
Siam Paragon Cineplex Branch	065-935-3671	-
Central Festival Eastville Branch	02-553-6250-2	02-553-6253

Central Zone

<u>Branch Name</u>	<u>Telephone</u>	<u>Fax</u>
Nakhon Pathom Branch	034-254-233, 034-280-198, 034-254-233	034-251-028
Phetchaburi Branch	032-425-148	032-428-227
Samut Songkharm Branch	034-711-442, 034-712-429	034-724-046
Samut Sakhon Retail Loan Center Branch	034-810-955-6	034-810-957

Eastern Zone

<u>Branch Name</u>	<u>Telephone</u>	<u>Fax</u>
Hua Hin Retail Loan Center Branch	032-531-461-2	032-531-463
Chon Buri Branch	038-283-184-6	038-283-187
Rayong Branch	038-611-220, 038-611-588-9	038-614-870
Pacific Park Sriracha Branch	038-771-480-1	038-771-482
Thanon Pattaya Sai 3 Retail Loan Center Branch	038-488-140-1	038-488-142
Bo win Retail Loan Center Branch	038-182-517-9, 038-198-738-740	-
Tesco Lotus Plus Mall Amatanakorn Retail Loan Center Branch	082-928-8457	-
Tesco Lotus Chonburi Retail Loan Center Branch	065-523-4558	-

Northern Zone

<u>Branch Name</u>	<u>Telephone</u>	<u>Fax</u>
Chiang Mai Branch	053-418-338-9	053-287-070
Nakhon Sawan Branch	056-222-939	056-224-182
Phitsanulok Branch	055-252-199, 055-252-179	055-244-061
Chiang Rai Branch	053-714-029-30	053-715-905
Central Airport Chiang Mai Branch	053-284-447-8	053-284-449
Lumpang Branch	054-323-883-4, 054-323-902-3	054-323-907

North Eastern Zone

<u>Branch Name</u>	<u>Telephone</u>	<u>Fax</u>
Khon Kaen Branch	043-322-677-8	043-221-731
Ubon Ratchathani Branch	045-284-224-5, 045-313-395	045-313-467
Udon Thani Branch	042-223-248-9, 042-344-097	042-247-184
Nakhon Ratchasima Branch	044-244-133, 044-244-153	044-258-161

Southern Zone

<u>Branch Name</u>	<u>Telephone</u>	<u>Fax</u>
Phuket Branch	076-211-501, 076-217-153, 076-258411	076-211-502
Songkhla Branch	074-311-906, 074-324-050-1	074-314-391
Hat Yai Branch	074-235-777, 074-225-606-8	074-245-011
Central Festival Phuket Branch	076-367-008-9	076-367-010

Business Center

<u>Business Center</u>	<u>Telephone</u>	<u>Fax.</u>
Business Center Nakhon Ratchasima	044-258-162, 044-262-447	044-258-161
Business Center Khon Kaen	043-220-925, 043-220-812	043-221-731
Business Center Udon Thani	042-343-846 , 042-343-856-7	042-247-184
Business Center Ubon Ratchathani	045-284-225, 045-313-395	045-313-467
Business Center Chon Buri	038-781-365-6	038-782-166
Business Center Phitsanulok	055-252-199 Ext. 24 - 25	
Business Center Chiang Mai	053-211-633, 053-214-035	053-287-078
Business Center Surat Thani	077-213-640 , 077-213-643	077-273-575
Business Center Hat Yai	074-233-037 , 074-245-011	074-225-151

Note: Update as of 31 December 2020