

CIMB THAI BANK PUBLIC COMPANY LIMITED

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2020

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;
- 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.

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.

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.

Key audit matter	How my audit addressed the key audit matter
<p>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.</p>	<ul style="list-style-type: none"> - 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. - 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. <p>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.</p>

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
Statement of Financial Position
As at 31 December 2020

	Notes	Consolidated			Separate		
			(Restated)	(Restated)		(Restated)	(Restated)
		31 December	31 December	1 January	31 December	31 December	1 January
		2020	2019	2019	2020	2019	2019
		Baht	Baht	Baht	Baht	Baht	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

Director _____ Director _____

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

	Notes	Consolidated			Separate		
			(Restated)	(Restated)		(Restated)	(Restated)
		31 December	31 December	1 January	31 December	31 December	1 January
		2020	2019	2019	2020	2019	2019
		Baht	Baht	Baht	Baht	Baht	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

CIMB Thai Bank Public Company Limited
Statement of Comprehensive Income
For the year ended 31 December 2020

	Notes	Consolidated		Separate	
		(Restated)		(Restated)	
		2020 Baht	2019 Baht	2020 Baht	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 are an integral part of these financial statements.

CIMB Thai Bank Public Company Limited
Statement of Comprehensive Income (Cont'd)
For the year ended 31 December 2020

	Note	Consolidated		Separate	
		(Restated)		(Restated)	
		2020 Baht	2019 Baht	2020 Baht	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 are an integral part of these financial statements.

CIMB Thai Bank Public Company Limited
Statement of Comprehensive Income (Cont'd)
For the year ended 31 December 2020

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

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

Consolidated																
Attributable to owners of the Bank																
Other reserves																

CIMB Thai Bank Public Company Limited
Statement of changes in equity (Cont'd)
For the year ended 31 December 2020

Separate																
Other reserves																
Notes	Issued and paid-up share capital	Share premium	Revaluation surplus on assets	Revaluation change in value of investments	Gains on investments in debt instruments measured at fair value comprehensive income	Gains (losses) on fair value of hedging instruments for cash flow hedges	(Losses) gains arising from translating the financial statement of a foreign operation	(Losses) gains on investment in equity instruments designated at fair value comprehensive income	Gains (losses) on financial liabilities designated at fair value relating to own credit risk	Remeasurements of post-employment benefit obligations	Income tax relating to components of other comprehensive (expense) income	Total other reserves	Legal reserve	Retained earnings	Total Equity	
	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	(16,536,925)	-	-	(305,498,141)	(440,279,820)	1,512,574,667	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	1,934,638,711	-	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)	-	-	(229,255,158)	(52,189,142)	120,079,347	-	929,015,645	1,049,094,992	
Appropriated - statutory reserve		-	-	-	-	-	-	-	-	-	-	-	380,000	(380,000)	-	
Transfer to retained earnings		-	-	(37,490,260)	-	-	-	-	-	-	7,498,052	(29,992,208)	-	29,992,208	-	
Balance as at 31 December 2019	17,411,130,874	10,145,965,854	1,934,638,711	312,929,615	-	27,321,227	(16,536,925)	-	-	(305,498,141)	(440,279,820)	1,512,574,667	403,980,000	7,351,158,175	36,824,809,570	

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

CIMB Thai Bank Public Company Limited
Statement of Cash flows
For the year ended 31 December 2020

	Notes	Consolidated		Separate	
		2020	2019	2020	2019
		Baht	Baht	Baht	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
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 are an integral part of these financial statements.

CIMB Thai Bank Public Company Limited
Statement of Cash flows (Cont'd)
For the year ended 31 December 2020

		Consolidated		Separate	
		2020	2019	2020	2019
Note		Baht	Baht	Baht	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
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 are an integral part of these financial statements.

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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 substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

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

2.23 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):

CIMB Thai Bank Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2020

	Consolidated						As at 1 January 2020 Restated Million Baht
	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	Adjustments from remeasurement 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	303
Deferred tax assets	694	-	63	-	63	-	757
Other assets, net	2,259	-	-	(24)	(24)	-	2,235
Total assets	328,198	-	63	(177)	(114)	303	328,387
Liabilities							
Lease liabilities	-	-	-	-	-	303	303
Provisions	2,299	-	-	217	217	-	2,516
Other liabilities	4,103	-	-	-	-	-	4,103
Total liabilities	6,402	-	-	217	217	303	6,922

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

	Consolidated						As at 1 January 2020 Restated Million Baht
	As at 31 December 2019 Restated ⁽¹⁾ Million Baht	Thai Accounting Standard 32 and Thai Financial Reporting Standard 9 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	Thai Financial Reporting Standard 16 Adjustments from remeasurement 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.

CIMB Thai Bank Public Company Limited
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	Separate						As at 1 January 2020 Restated Million Baht
	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	Adjustments from remeasurement Million Baht	
Assets							
Interbank and money market items, net	6,206	-	-	1	1	-	6,207
Financial assets measured at fair value through profit or loss	-	32,768	-	-	32,768	-	32,768
Investments, net	86,796	(32,806)	-	-	(32,806)	-	53,990
Loans to customers and accrued interest receivable, net	224,522	38	-	218	256	-	224,778
Right-of-use assets	-	-	-	-	-	240	240
Deferred tax assets	219	-	58	-	58	-	277
Other assets, net	1,843	-	-	(24)	(24)	-	1,819
Total assets	319,586	-	58	195	253	240	320,079
Liabilities							
Lease liabilities	-	-	-	-	-	240	240
Provisions	2,141	-	-	219	219	-	2,360
Other liabilities	3,002	-	-	-	-	-	3,002
Total liabilities	5,143	-	-	219	219	240	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 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	1,513	-	(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	240	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	Consolidated					
	As at 31 December 2019			As at 1 January 2019		
	Previously reported Million Baht	Adjustments Million Baht	Restated Million Baht	Previously reported Million Baht	Adjustments Million Baht	Restated 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	Separate					
	As at 31 December 2019			As at 1 January 2019		
	Previously reported Million Baht	Adjustments Million Baht	Restated Million Baht	Previously reported Million Baht	Adjustments Million Baht	Restated 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

Statement of comprehensive income	Consolidated		
	For the year ended 31 December 2019		
	Previously reported Million Baht	Adjustments Million Baht	Restated 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)

Statement of comprehensive income	Separate		
	For the year ended 31 December 2019		
	Previously reported Million Baht	Adjustments Million Baht	Restated 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	10,917	7,587
- Impact of the adoption of TFRS 9		

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 reserve 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.

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

Transaction	Consolidated			
	2020			
	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
Transaction	Consolidated			
	2019			
	Floating interest rate Million Baht	Fixed interest rate Million Baht	Non-interest bearing Million Baht	Total Million Baht
Financial assets				
Cash	-	-	1,352	1,352
Interbank and money market items	680	2,861	2,877	6,418
Derivative assets	32,916	2,953	7,590	43,459
Investments	58	86,667	319	87,044
Loans 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

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Transaction	Separate 2020			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	Million Baht	Million Baht	Million Baht	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
Transaction	Separate 2019			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	Million Baht	Million Baht	Million Baht	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

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Transactions	Consolidated						Total Million Baht
	2020						
	Repricing or maturity date						
	At call Million Baht	0 - 3 months Million Baht	3 - 12 months Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	Non-interest bearing Million Baht	
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	Consolidated						Total Million Baht
	2019						
	Repricing or maturity date						
	At call Million Baht	0 - 3 months Million Baht	3 - 12 months Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	Non-interest bearing Million Baht	
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

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Separate							
2020							
Transactions	Repricing or maturity date					Non-interest bearing	Total
	At call	0 - 3	3 - 12	1 - 5	Over 5		
	Million	months	months	years	years	Million	Million
	Baht	Million	Million	Million	Million	Baht	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					Non-interest bearing	Total
	At call	0 - 3	3 - 12	1 - 5	Over 5		
	Million	months	months	years	years	Million	Million
	Baht	Million	Million	Million	Million	Baht	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:

	Consolidated					
	2020			2019		
	Average balances Million Baht	Interest and dividend Million Baht	Average rate (%)	Average balances Million Baht	Interest and dividend Million Baht	Average rate (%)
<u>Performing financial assets</u>						
Interbank and money market items, net	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	
<u>Performing financial liabilities</u>						
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	
	Separate					
	2020			2019		
	Average balances Million Baht	Interest and dividend Million Baht	Average rate (%)	Average balances Million Baht	Interest and dividend Million Baht	Average rate (%)
<u>Performing financial assets</u>						
Interbank and money market items, net	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	
<u>Performing financial liabilities</u>						
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.

Transactions	Consolidated						Total Million Baht
	2020						
	Currency						
	THB Million Baht	USD Million Baht	JPY Million Baht	EURO Million Baht	MYR Million Baht	Others 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
Transactions	Consolidated						Total Million Baht
	2019						
	Currency						
	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

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Transactions	Separate						
	2020						
	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	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

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 counterparty'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	Internal rating
Good	1 - 10b
Satisfactory	11a - 13e
Impaired	14

Other financial assets

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	Expected credit losses	Net carrying amount exclude excess provision	Fair value of collateral held
	Million Baht	Million Baht	Million Baht	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	Expected credit losses	Net carrying amount exclude excess provision	Fair value of collateral held
	Million Baht	Million Baht	Million Baht	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

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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 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	2,131	-	-	-	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
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

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	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
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					Total Million Baht
	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	
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.

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Transaction	Consolidated 2019					Total Million Baht
	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	
<u>Financial assets</u>						
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
<u>Financial liabilities</u>						
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.

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Transaction	Separate 2020					Total Million Baht
	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	
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.

Transaction	Separate 2019					Total Million Baht
	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	
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
<u>Financial assets</u>				
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
<u>Financial liabilities</u>				
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	Separate			
	2020		2019	
	Book value Million Baht	Fair value Million Baht	Book value Million Baht	Fair value Million Baht
<u>Financial assets</u>				
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
<u>Financial liabilities</u>				
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.

Transaction	Consolidated					Total Million Baht
	Measured at fair value through profit or loss Million Baht	Designated at fair value through profit or loss Million Baht	Measured at fair value through other comprehensive income Million Baht	Designated at fair value through other comprehensive income Million Baht	Amortized Cost 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

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Transaction	Separate 2020					Total Million Baht
	Measured at fair value through profit or loss Million Baht	Designated at fair value through profit or loss Million Baht	Measured at fair value through other comprehensive income Million Baht	Designated at fair value through other comprehensive income Million Baht	Amortized Cost 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

	Separate	
	2020	2019
	Million Baht	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	
<u>Less</u> 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	
<u>Less</u> 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	Fair value
	Million Baht	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/	Cost/
	Amortised cost	Amortised cost
	Million Baht	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
<u>Less</u> Allowance for impairment (Note 10.5)	(20)	(20)
Total held-to-maturity debt securities	19,555	19,553
	Cost	Cost
	Million Baht	Million Baht
General investments		
Domestic non-marketable equity securities	255	255
<u>Less</u> 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	2019
	Million Baht	Million Baht
Property development	1	1
Public utilities and services	17	17
Bank and finance	4	4
Total	22	22
<u>Less</u> Allowance for revaluation	(22)	-
<u>Less</u> 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	2019
	Million Baht	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:

	Consolidated and Separate							
	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

	Consolidated and Separate 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	Percentage of holding		Separate Cost method	
			2020	2019	2020	2019
			%	%	Million Baht	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					
	motorcycle 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
<u>(Less) Add</u> Modification (losses) gains	(57)	-	16	-
Total loans to customers	226,950	239,950	220,802	231,327
<u>Add</u> 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
<u>Less</u> Allowance for expected credit losses (Note 13)	(8,953)	-	(7,067)	-
<u>Less</u> 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)
<u>Less</u> 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

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	Consolidated				Separate			
	2019				2019			
	Loans and accrued interest receivables Million Baht	Net amount used for set allowance for doubtful account Million Baht	Minimum percentage %	Allowance provided in the accounts Million Baht	Loans and accrued interest receivables Million Baht	Net amount used for set allowance for doubtful account 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	Under performing financial assets	Non- performing financial assets	Purchased or originated credit-impaired financial assets	Surplus allowance	Total
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	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	Under performing financial assets	Non- performing financial assets	Purchased or originated credit-impaired financial assets	Surplus allowance	Total
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	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						Total Million Baht
	Pass Million Baht	Special mention Million Baht	Sub- standard Million Baht	Doubtful Million Baht	Doubtful of loss Million Baht	Surplus allowance Million Baht	
Balance as at 1 January 2019 (Restated)	769	57	1,154	1,115	2,767	5,005	10,867
<u>Add</u> (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
<u>Less</u> Bad debts written off	-	-	(1,094)	(4)	(1,416)	(5)	(2,519)
Reduction from sale of NPL	-	-	-	-	(732)	-	(732)
Transfer to revaluations allowance for debt restructuring	-	-	-	-	-	(5)	(5)
Balance as at 31 December 2019 (Restated)	751	46	1,361	698	3,331	4,962	11,149

	Separate						Total Million Baht
	Pass Million Baht	Special mention Million Baht	Sub- standard Million Baht	Doubtful Million Baht	Doubtful of loss Million Baht	Surplus allowance Million Baht	
Balance as at 1 January 2019 (Restated)	975	39	843	1,113	2,765	4,295	10,030
<u>Add</u> Addition (deduction) 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 31 December 2020 Million Baht
	As at 1 January 2020 Million Baht	Additions Million Baht	Disposals 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

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	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.

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16 Premises and equipment, net

	Consolidated											
	Cost/appraisal value					Accumulated depreciation						
	As at 1 January 2020		Transfer In/(out)	Transfer to properties for sale	Disposals/ written off	As at 31 December 2020	As at 1 January 2020		Transfer to properties for sale	Disposals/ written off	As at 31 December 2020	Net book value
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Land												
Cost	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	160	12	-	-	(14)	158	(102)	(26)	-	12	(116)	42
Equipment	2,432	148	23	-	(459)	2,144	(1,872)	(198)	-	445	(1,625)	519
Assets under installation and/or construction	6	20	(26)	-	-	-	-	-	-	-	-	-
Exchange differences	(3)	(1)	-	-	-	(4)	3	1	-	-	4	-
Total	7,525	185	-	(99)	(473)	7,138	(4,096)	(293)	60	457	(3,872)	3,266

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	Consolidated											
	Cost/appraisal value					Accumulated depreciation						
	As at 1 January 2019					As at 31 December 2019	As at 1 January 2019				As at 31 December 2019	
	Million Baht	Additions Million Baht	Transfer In/(out) Million Baht	Transfer to properties for sale Million Baht	Disposals/ written off Million Baht	Million Baht	Million Baht	Additions Million Baht	Transfer to properties for sale Million Baht	Disposals/ written off Million Baht	Million Baht	Net book value Million Baht
Land												
Cost	444	-	-	(27)	-	417	-	-	-	-	-	417
Revaluation surplus (revaluation in 2016)	1,660	-	-	(57)	-	1,603	-	-	-	-	-	1,603
Devaluation of asset (revaluation in 2016)	(18)	-	-	-	-	(18)	-	-	-	-	-	(18)
Buildings												
Cost	1,857	4	19	(43)	-	1,837	(1,197)	(59)	40	-	(1,216)	621
Revaluation surplus (revaluation in 2016)	1,130	-	-	(21)	-	1,109	(918)	(18)	16	-	(920)	189
Devaluation of asset (revaluation in 2016)	(22)	-	-	4	-	(18)	12	1	(2)	-	11	(7)
Vehicle	192	2	-	-	(34)	160	(106)	(28)	-	32	(102)	58
Equipment	2,413	258	15	-	(254)	2,432	(1,914)	(194)	-	236	(1,872)	560
Assets under installation and/or construction	8	32	(34)	-	-	6	-	-	-	-	-	6
Exchange differences	-	(3)	-	-	-	(3)	-	3	-	-	3	-
Allowance for impairment	(5)	-	-	-	5	-	-	-	-	-	-	-
Total	7,659	293	-	(144)	(283)	7,525	(4,123)	(295)	54	268	(4,096)	3,429

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	Separate											
	Cost/appraisal value					Accumulated depreciation						
	As at 1 January 2020					As at 31 December 2020	As at 1 January 2020				As at 31 December 2020	
	Million Baht	Additions Million Baht	Transfer In/(out) Million Baht	Transfer to properties for sale Million Baht	Disposals/ written off Million Baht	Million Baht	Million Baht	Additions Million Baht	Transfer to properties for sale Million Baht	Disposals/ written off Million Baht	Million Baht	Net book value 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

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	Separate											
	Cost/appraisal value					Accumulated depreciation						
	As at 1 January 2019					As at 31 December 2019	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	Million Baht	Million Baht	Additions Million Baht	Transfer to properties for sale Million Baht	Disposals/ written off Million Baht	31 December 2019 Million Baht	Net book value Million Baht
Land												
Cost	444	-	-	(27)	-	417	-	-	-	-	-	417
Revaluation surplus (revaluation in 2016)	1,660	-	-	(57)	-	1,603	-	-	-	-	-	1,603
Devaluation of asset (revaluation in 2016)	(18)	-	-	-	-	(18)	-	-	-	-	-	(18)
Buildings												
Cost	1,857	4	19	(43)	-	1,837	(1,197)	(59)	40	-	(1,216)	621
Revaluation surplus (revaluation in 2016)	1,130	-	-	(21)	-	1,109	(918)	(18)	16	-	(920)	189
Devaluation of asset (revaluation in 2016)	(22)	-	-	4	-	(18)	12	1	(2)	-	11	(7)
Vehicle	161	2	-	-	(29)	134	(87)	(24)	-	27	(84)	50
Equipment	2,227	213	15	-	(249)	2,206	(1,781)	(177)	-	230	(1,728)	478
Assets under installation and/or construction	8	32	(34)	-	-	6	-	-	-	-	-	6
Exchange differences	-	(3)	-	-	-	(3)	-	3	-	-	3	-
Allowance for impairment	(5)	-	-	-	5	-	-	-	-	-	-	-
Total	7,442	248	-	(144)	(273)	7,273	(3,971)	(274)	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	Separate
	2020	2020
	Million Baht	Million Baht
Properties	219	162
IT Equipment	69	69
Vehicles	6	-
Total	294	231

	Consolidated	Separate
	2020	2020
	Million Baht	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	Amortisation 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 1 January 2019 Million Baht	Increase Million Baht	Transfer in/(out) Million Baht	Write off Million Baht	Amortisation Million Baht	Allowance For impairment Million Baht	As at 31 December 2019 Million 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

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	Separate						As at 31 December 2020 Million Baht
	As at 1 January 2020 Million Baht	Increase Million Baht	Transfer in/(out) Million Baht	Write off Million Baht	Amortisation Million Baht	Allowance for impairment Million 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 31 December 2019 Million Baht
	As at 1 January 2019 Million Baht	Increase Million Baht	Transfer in/(out) Million Baht	Write off Million Baht	Amortisation Million Baht	Allowance for impairment Million 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						Total Million Baht
	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	
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

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	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	2019
	Million baht	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	2019	2020	2019
	Million baht	Million baht	Million baht	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
<u>Less</u> 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	2019	2020	2019
	Million baht	Million baht	Million baht	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	2019
	Million Baht	Million Baht
Debentures	7,994	11
Bills of Exchange	20,955	24,412
Total	28,949	24,423
	Consolidated and Separate	
	2020	2019
	Million Baht	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 THBFIX 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

	Consolidated					
	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

	Separate					
	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. (02) 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

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Movements of provision for pension funds are as follows:

	Consolidated		Separate	
	2020	2019	2020	2019
	Million Baht	Million Baht	Million Baht	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)
<u>Less</u> 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	31 December	31 December
	2020	2019	2020	2019
	Million Baht	Million Baht	Million Baht	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 Million Baht	Amount to be offset on the statement of financial position Million Baht	Net amount on the statement of financial position Million Baht	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 Million Baht	Value of related collateral Million Baht	Net amount 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)	2020 Million Baht	Total capital to risk assets %	2019 Million Baht	Total capital to risk assets %
<u>Tier I</u>				
Issued and paid up share capital	17,411		17,411	
Share premium	10,146		10,146	
Statutory reserve	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
<u>Tier II</u>				
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 funds (Separate)	2020 Million Baht	Total capital to risk assets %	2019 Million Baht	Total capital to risk assets %
<u>Tier I</u>				
Issued and paid up share capital	17,411		17,411	
Share premium	10,146		10,146	
Statutory reserve	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
<u>Tier II</u>				
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	2019
	units '000	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

	Consolidated					
	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

	Separate					
	2020			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

	Consolidated					
	2020			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

	Separate					
	2020			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	2019
	Million Baht	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	2019
	Million Baht	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	2019	2020	2019
	Million Baht	Million Baht	Million Baht	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	2020
	Million Baht	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
	2019	2019
	Million Baht	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	2019	2020	2019
	Million Baht	Million Baht	Million Baht	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	2019	2020	2019
	Million Baht	Million Baht	Million Baht	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

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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	
		<u>269</u>			<u>571</u>	
	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	
		<u>312</u>			<u>318</u>	

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

	Consolidated					
	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 unmaturing import bills:						
Liability under unmaturing 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
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

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	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
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	2019
	Million Baht	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	2019	2020	2019
	Million Baht	Million Baht	Million Baht	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	2019
	Million Baht	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	2019	2020	2019
	Million Baht	Million Baht	Million Baht	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)

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

Consolidated								
2020								
	Outstanding loans Million Baht	Interbank and money market items (asset) Million Baht	Obligations Million Baht	Other assets Million Baht	Deposits Million Baht	Interbank and money market items (liability) Million Baht	Borrowings Million Baht	Other liabilities Million Baht
Parent company								
CIMB Bank Berhad	-	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
Consolidated								
2019								
	Outstanding loans Million Baht	Interbank and money market items (asset) Million Baht	Obligations Million Baht	Other assets Million Baht	Deposits Million Baht	Interbank and money market items (liability) Million Baht	Borrowings Million Baht	Other liabilities Million Baht
Parent company								
CIMB Bank Berhad	-	461	-	7	-	212	9,037	68
	-	461	-	7	-	212	9,037	68
Companies under common control								
CIMB Bank Plc, Cambodia	-	-	141	-	-	52	-	-
CIMB ISLAMIC Bank Berhad	-	-	-	-	-	94	-	-
PT Bank CIMB Niaga Tbk	-	-	-	1	-	4	-	-
CGS-CIMB Securities (Thailand) Co., Ltd.	-	-	-	-	1,271	-	-	-
Principal Asset Management Co., Ltd.	-	-	-	27	639	-	-	-
Sathorn Asset Management Co., Ltd.	-	-	-	1	159	-	-	10
	-	-	141	29	2,069	150	-	10
Other related persons or parties	221	-	876	-	542	-	-	1
	221	-	876	-	542	-	-	1

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Separate								
2020								
Outstanding 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
Separate								
2019								
Outstanding 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

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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
<u>Parent company</u>			
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
<u>Company under common control</u>			
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
<u>Parent company</u>			
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
<u>Companies under common control</u>			
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:

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Consolidated					
2020					
	Consumer banking Million Baht	Wholesale banking Million Baht	Others Million Baht	Elimina- tions 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	Elimina- tions 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

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	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	Level 2	Level 3	Total
	Million Baht	Million Baht	Million Baht	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
Consolidated				
2019				
	Level 1	Level 2	Level 3	Total
	Million Baht	Million Baht	Million Baht	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	Level 2	Level 3	Total
	Million Baht	Million Baht	Million Baht	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	Level 2	Level 3	Total
	Million Baht	Million Baht	Million Baht	Million Baht
Assets				
Cash	1,351	-	-	1,351
Interbank and money market items, net	3,341	2,865	-	6,206
Held-to-maturity debt securities	-	20,543	-	20,543
General investments	-	-	29	29
Loans and accrued interest receivables, net	-	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	-	Net Asset Value	0.05 - 21

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.