

CIMB THAI BANK PUBLIC COMPANY LIMITED

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2022

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 2022 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.

What I have audited

The consolidated and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2022;
- 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 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 including Independence Standards issued by the Federation of Accounting Professions (TFAC Code) that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with the TFAC Code. 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 judgement, 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. 2 for accounting policies, no. 11 for disclosures relating to loans to customers, and no. 23 for disclosures relating to provisions.

Loans to customers are a significant item constituting 46.76% of total assets. As at 31 December 2022 the total loans portfolio of the Group comprises of loans of commercial banking business which constitutes 85.80%, and hire-purchase receivables generated from the operations of the subsidiaries 14.20%. 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.

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>	<p>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.</p> <ul style="list-style-type: none"> • I involved my financial risk modelling experts and information technology specialists in areas such as testing the appropriateness of the ECL models for collective assessment and the scripts used to compute the ECL figures. Moreover, I assessed and tested the methodologies, as well as the significant modelling assumptions and data reliability inherent within the ECL models applied. I also considered appropriateness of forward-looking forecasts assumptions compared with available information in the market. • I examined a sample of loans to customers and gathered relevant information to form my judgement on whether there was a significant increase in credit risk or any objective evidence of impairment on these customers, and then considered the appropriateness of the stage classification. I independently performed a credit analysis where I selected loans based on risk exposures. I tested the internal credit rating of those loans with the Bank's internal credit rating policy. • I checked the accuracy and completeness of data for the stage classification following the Bank of Thailand's COVID-19 relief programme, the calculation of the ECL amount, on a sample basis and performed reconciliations of allowances for expected credit losses between the loans source systems to the general ledger. • I tested management's review and approval process for management overlay. I assessed the appropriateness of management overlay by using my banking industry experience and knowledge, in the light of current economic conditions. • 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.

Key audit matter	How my audit addressed the key audit matter
	<ul style="list-style-type: none"> 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 of the consolidated and separate financial statements, which describes the accounting policies in relation to adopting the accounting guidance announced by the Federation of Accounting Professions to temporary relief measures for entities assisting debtors affected by the COVID-19 pandemic for the reporting periods ending between 1 January 2022 and 31 December 2023. 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 as described in the notes to the consolidated and separate financial statements no. 2, 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
24 February 2023

CIMB Thai Bank Public Company Limited
Statement of Financial Position
As at 31 December 2022

		Consolidated		Separate	
		31 December 2022 Baht	31 December 2021 Baht	31 December 2022 Baht	31 December 2021 Baht
Assets	Notes				
Cash		920,304,924	818,440,867	919,879,924	817,779,386
Interbank and money market items, net	6	20,715,248,115	9,455,816,054	20,411,313,521	9,261,643,964
Financial assets measured at fair value through profit or loss	7	22,363,069,421	31,302,996,216	22,363,069,421	31,302,996,216
Derivative assets	8	80,283,644,431	46,418,710,687	80,283,644,431	46,418,710,687
Investments, net	9	105,075,841,500	74,281,241,219	105,073,841,500	74,279,241,219
Investments in subsidiaries, net	10	-	-	2,895,420,707	2,904,440,639
Loans and accrued interest receivables, net	11, 12	231,840,361,269	207,848,614,377	226,407,600,200	202,709,335,507
Properties for sale, net	13	1,253,001,347	1,158,138,258	1,004,700,844	1,004,249,273
Premises and equipment, net	14	3,602,925,089	3,726,817,658	3,511,562,092	3,654,669,922
Right of use assets, net	15	187,033,692	207,527,142	142,205,872	165,335,747
Intangible assets, net	16	957,002,269	965,308,458	920,664,739	917,575,324
Deferred tax assets	17	1,700,763,949	1,356,191,043	1,092,531,008	769,150,376
Credit support assets on derivatives		16,240,924,437	13,660,011,269	16,240,924,437	13,660,011,269
Accounts receivable from sell of financial assets measured at fair value through profit or loss and investments		9,039,871,049	5,805,942,605	9,039,871,049	5,805,942,605
Other assets, net	18	1,605,401,102	1,508,115,950	1,421,820,189	1,208,125,459
Total assets		495,785,392,594	398,513,871,803	491,729,049,934	394,879,207,593

Director _____ Director _____

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 Financial Position (Cont'd)
As at 31 December 2022

		Consolidated		Separate	
		31 December 2022 Baht	31 December 2021 Baht	31 December 2022 Baht	31 December 2021 Baht
Notes					
Liabilities and equity					
Liabilities					
Deposits	19	236,693,732,406	182,167,494,511	237,433,715,361	182,778,838,078
Interbank and money market items	20	46,907,042,477	55,396,711,208	46,907,042,477	55,396,711,208
Liability payable on demand		172,177,259	432,383,333	172,177,259	432,383,333
Financial liabilities measured at fair value through profit or loss	21	21,161,403,733	17,743,842,598	21,161,403,733	17,743,842,598
Derivative liabilities	8	76,846,974,935	42,707,621,778	76,846,974,935	42,707,621,778
Debt issued and borrowings	22	20,819,956,588	29,466,009,167	20,819,956,588	29,466,009,167
Lease liabilities		191,430,503	211,554,318	146,095,324	168,573,732
Provisions	23	2,284,782,524	2,640,424,488	2,154,657,807	2,490,519,884
Credit support liabilities on derivatives		29,708,018,029	14,885,571,233	29,708,018,029	14,885,571,233
Accounts payable from purchase of financial assets measured at fair value through profit or loss and investments		10,567,031,279	5,456,623,472	10,567,031,279	5,456,623,472
Other liabilities	24	4,582,922,967	4,002,771,029	3,902,073,072	3,294,044,122
Total liabilities		449,935,472,700	355,111,007,135	449,819,145,864	354,820,738,605
Equity					
Share capital	26				
Registered					
34,822,261,748 ordinary shares of Baht 0.50 each		17,411,130,874	17,411,130,874	17,411,130,874	17,411,130,874
Issued and paid-up share capital					
34,822,261,748 ordinary shares of Baht 0.50 each		17,411,130,874	17,411,130,874	17,411,130,874	17,411,130,874
Premium on share capital		10,145,965,854	10,145,965,854	10,145,965,854	10,145,965,854
Other reserves		923,238,382	1,100,842,521	939,836,493	1,127,058,864
Accretion of equity interests in subsidiary		(42,753,751)	(42,753,751)	-	-
Retained earnings					
Appropriated - statutory reserve	28	684,201,000	574,030,000	684,201,000	574,030,000
Unappropriated		16,728,137,535	14,213,649,170	12,728,769,849	10,800,283,396
Total equity		45,849,919,894	43,402,864,668	41,909,904,070	40,058,468,988
Total liabilities and equity		495,785,392,594	398,513,871,803	491,729,049,934	394,879,207,593

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
For the year ended 31 December 2022

		Consolidated		Separate	
		2022	2021	2022	2021
	Notes	Baht	Baht	Baht	Baht
Interest income	32	12,856,413,976	12,645,063,559	10,109,738,284	9,387,300,163
Interest expenses	33	(3,251,525,693)	(2,694,158,690)	(3,250,675,078)	(2,693,116,653)
Net interest income		9,604,888,283	9,950,904,869	6,859,063,206	6,694,183,510
Fees and service income		2,060,637,189	2,023,350,881	1,236,997,215	1,322,580,543
Fees and service expenses		(607,217,287)	(617,412,068)	(380,082,661)	(401,185,743)
Net fees and service income	34	1,453,419,902	1,405,938,813	856,914,554	921,394,800
Gains on financial instruments measured at fair value through profit or loss	35	2,084,368,800	1,150,650,828	2,084,368,800	1,150,650,828
(Losses) gains on investments	36	(951,482,282)	322,398,612	(948,190,087)	322,398,612
Other operating income	37	1,409,450,466	1,330,075,199	1,081,321,899	890,708,086
Total operating income		13,600,645,169	14,159,968,321	9,933,478,372	9,979,335,836
Other operating expenses					
Employee expenses		4,314,960,101	4,294,927,207	3,690,465,768	3,617,756,188
Directors' remuneration		19,506,000	16,683,200	18,770,000	16,395,200
Premises and equipment expenses		964,436,857	927,116,425	784,579,919	731,198,035
Taxes and duties		310,764,160	288,040,736	308,081,187	285,287,620
Others		2,241,389,922	2,324,344,318	1,260,374,701	1,200,168,090
Total other operating expenses		7,851,057,040	7,851,111,886	6,062,271,575	5,850,805,133
Expected credit losses	38	2,093,883,557	3,456,766,770	948,601,320	2,536,260,184
Profit before income tax expenses		3,655,704,572	2,852,089,665	2,922,605,477	1,592,270,519
Income tax expenses	39	(744,906,913)	(411,534,591)	(597,809,730)	(158,262,635)
Net profit for the years		2,910,797,659	2,440,555,074	2,324,795,747	1,434,007,884

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 2022

	Note	Consolidated		Separate	
		2022 Baht	2021 Baht	2022 Baht	2021 Baht
Other comprehensive income					
Items that will be reclassified subsequently to profit or loss					
Gains (losses) on investments in debt instruments measured at fair value through other comprehensive income		24,692,851	(839,780,330)	24,692,851	(839,780,330)
Losses on fair value of hedging instruments for cash flow hedges		(38,629,272)	(166,467,983)	(38,629,272)	(166,467,983)
Losses arising from translating the financial statement of a foreign operation		(25,375,694)	(7,673,400)	(25,375,694)	(7,673,400)
Income tax relating to items that will be reclassified subsequently to profit or loss		1,757,785	203,022,741	1,757,785	203,022,741
Total items that will be reclassified subsequently to profit or loss		(37,554,330)	(810,898,972)	(37,554,330)	(810,898,972)
Items that will not be reclassified subsequently to profit or loss					
Changes in capital surplus from revaluation of assets		-	653,177,627	-	653,177,627
(Losses) gains on investment in equity instruments designated at fair value through other comprehensive income		(9,858,645)	29,545,581	(9,858,645)	29,545,581
Losses on financial liabilities designated at fair value relating to own credit risk		(197,858,969)	(356,174,788)	(197,858,969)	(356,174,788)
Remeasurements of post-employment benefit obligations		162,012,686	215,889,637	149,989,895	183,738,595
Income tax relating to items that will not be reclassified subsequently to profit or loss		(32,260,557)	(138,976,742)	(29,855,998)	(132,546,533)
Total items that will not be reclassified subsequently to profit or loss		(77,965,485)	403,461,315	(87,583,717)	377,740,482
Total other comprehensive expenses		(115,519,815)	(407,437,657)	(125,138,047)	(433,158,490)
Total comprehensive income for the years		<u>2,795,277,844</u>	<u>2,033,117,417</u>	<u>2,199,657,700</u>	<u>1,000,849,394</u>

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 2022

	Note	Consolidated		Separate	
		2022 Baht	2021 Baht	2022 Baht	2021 Baht
Net profit attributable to:					
Shareholders of the Bank		2,910,797,659	2,440,555,074	2,324,795,747	1,434,007,884
Non-controlling interests		-	-	-	-
		<u>2,910,797,659</u>	<u>2,440,555,074</u>	<u>2,324,795,747</u>	<u>1,434,007,884</u>
Total comprehensive income attributable to:					
Shareholders of the Bank		2,795,277,844	2,033,117,417	2,199,657,700	1,000,849,394
Non-controlling interests		-	-	-	-
		<u>2,795,277,844</u>	<u>2,033,117,417</u>	<u>2,199,657,700</u>	<u>1,000,849,394</u>
Earnings per share for profit attributable to the shareholders of the Bank	41				
Basic earnings per share (Baht per share)		<u>0.08</u>	<u>0.07</u>	<u>0.07</u>	<u>0.04</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.

CIMB Thai Bank Public Company Limited

Statement of changes in equity

For the year ended 31 December 2022

Consolidated															
Attributable to owners of the Bank															
Notes	Other reserves														
	Issued and paid-up share capital	Share premium	Revaluation surplus on assets	Gains (losses) on investments in debt instruments measured at fair value through other comprehensive income	Gains (losses) on fair value of hedging instruments for cash flow hedges	Losses arising from translating the financial statement of a foreign operation	(Losses) gains on investment in equity instruments designated at fair value through other comprehensive income	(Losses) gains 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 income	Total other reserves	Accretion of equity interests in subsidiary	Legal reserve	Retained earnings	Total Equity
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Balance as at 1 January 2022	17,411,130,874	10,145,965,854	2,461,235,928	(286,792,152)	131,681,845	(29,884,607)	(186,575,397)	(441,492,895)	(106,142,462)	(441,187,739)	1,100,842,521	(42,753,751)	574,030,000	14,213,649,170	43,402,864,668
Dividend paid	27	-	-	-	-	-	-	-	-	-	-	-	-	(348,222,618)	(348,222,618)
Total comprehensive income															
(expenses) for the year		-	-	24,692,851	(38,629,272)	(25,375,694)	(9,858,645)	(197,858,969)	162,012,686	(30,502,772)	(115,519,815)	-	-	2,910,797,659	2,795,277,844
Appropriated - statutory reserve		-	-	-	-	-	-	-	-	-	-	-	110,171,000	(110,171,000)	-
Transfer to retained earnings		-	-	(74,821,030)	-	-	(2,227,500)	-	-	14,964,206	(62,084,324)	-	-	62,084,324	-
Balance as at 31 December 2022		17,411,130,874	10,145,965,854	2,386,414,898	(262,099,301)	93,052,573	(55,260,301)	(198,661,542)	55,870,224	(456,726,305)	923,238,382	(42,753,751)	684,201,000	16,728,137,535	45,849,919,894
Balance as at 1 January 2021		17,411,130,874	10,145,965,854	1,856,529,503	552,988,178	298,149,828	(22,211,207)	(221,713,082)	(85,318,107)	(322,032,099)	(514,927,979)	1,541,465,035	(42,753,751)	536,200,000	41,543,858,560
Dividend paid	27	-	-	-	-	-	-	-	-	-	-	-	-	(174,111,309)	(174,111,309)
Total comprehensive income															
(expenses) for the year		-	-	653,177,627	(839,780,330)	(166,467,983)	(7,673,400)	29,545,581	(356,174,788)	215,889,637	64,045,999	(407,437,657)	-	2,440,555,074	2,033,117,417
Appropriated - statutory reserve		-	-	-	-	-	-	-	-	-	-	-	37,830,000	(37,830,000)	-
Transfer to retained earnings		-	-	(48,471,202)	-	-	-	5,592,104	-	-	9,694,241	(33,184,857)	-	33,184,857	-
Balance as at 31 December 2021		17,411,130,874	10,145,965,854	2,461,235,928	(286,792,152)	131,681,845	(29,884,607)	(186,575,397)	(441,492,895)	(106,142,462)	(441,187,739)	1,100,842,521	(42,753,751)	574,030,000	43,402,864,668

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 changes in equity (Cont'd)
For the year ended 31 December 2022

Separate															
	Other reserves														
			Gains (losses) on investments in debt instruments measured at fair value through other comprehensive income			(Losses) gains on investment in equity instruments designated at fair value through other comprehensive income			(Losses) gains on financial liabilities designated at fair value relating to own credit risk	Income tax relating to components of other comprehensive (expense) income	Total other reserves	Legal reserve	Retained earnings	Total Equity	
Notes	Issued and paid-up share capital Baht	Share premium Baht	Revaluation surplus on assets Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Balance as at 1 January 2022	17,411,130,874	10,145,965,854	2,461,235,928	(286,792,152)	131,681,845	(29,884,607)	(186,575,397)	(441,492,895)	(73,372,033)	(447,741,825)	1,127,058,864	574,030,000	10,800,283,396	40,058,468,988	
Dividend paid	27	-	-	-	-	-	-	-	-	-	-	-	(348,222,618)	(348,222,618)	
Total comprehensive income (expenses) for the year		-	-	24,692,851	(38,629,272)	(25,375,694)	(9,858,645)	(197,858,969)	149,989,895	(28,098,213)	(125,138,047)	-	2,324,795,747	2,199,657,700	
Appropriated - statutory reserve		-	-	-	-	-	-	-	-	-	-	110,171,000	(110,171,000)	-	
Transfer to retained earnings		-	-	(74,821,030.00)	-	-	(2,227,500)	-	-	14,964,206	(62,084,324)	-	62,084,324	-	
Balance as at 31 December 2022	17,411,130,874	10,145,965,854	2,386,414,898	(262,099,301)	93,052,573	(55,260,301)	(198,661,542)	(639,351,864)	76,617,862	(460,875,832)	939,836,493	684,201,000	12,728,769,849	41,909,904,070	
Balance as at 1 January 2021	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	9,545,031,964	39,231,730,903	
Dividend paid	27	-	-	-	-	-	-	-	-	-	-	-	(174,111,309)	(174,111,309)	
Total comprehensive income (expenses) for the year		-	-	653,177,627	(839,780,330)	(166,467,983)	(7,673,400)	29,545,581	(356,174,788)	183,738,595	70,476,208	(433,158,490)	1,434,007,884	1,000,849,394	
Appropriated - statutory reserve		-	-	-	-	-	-	-	-	-	-	37,830,000	(37,830,000)	-	
Transfer to retained earnings		-	-	(48,471,202)	-	-	5,592,104	-	-	9,694,241	(33,184,857)	-	33,184,857	-	
Balance as at 31 December 2021	17,411,130,874	10,145,965,854	2,461,235,928	(286,792,152)	131,681,845	(29,884,607)	(186,575,397)	(441,492,895)	(73,372,033)	(447,741,825)	1,127,058,864	574,030,000	10,800,283,396	40,058,468,988	

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 2022

		Consolidated		Separate	
		2022	2021	2022	2021
	Notes	Baht	Baht	Baht	Baht
Cash flows from operating activities					
Profit before income tax expenses		3,655,704,572	2,852,089,665	2,922,605,477	1,592,270,519
Adjustments to reconcile net incomes before income tax to cash in (out) flows from operating activities:					
Depreciation and amortisation		693,524,803	682,833,735	605,267,081	598,269,940
Expected credit losses	38	2,093,883,557	3,456,766,770	948,601,320	2,536,260,184
Share-based payment	30	53,479,320	41,180,537	53,479,320	41,180,537
Provision for liabilities		132,456,555	180,632,359	136,509,302	160,207,609
Losses on impairment of properties for sale and other assets		777,400,649	927,332,677	60,679,309	27,820,226
Losses (gains) on exchange rate of debt issued and borrowing and derivatives		159,450,293	(1,960,122,162)	159,450,293	(1,960,122,162)
Unrealised losses on revaluation of financial assets measured at fair value through profit or loss		1,446,658,241	2,491,548,095	1,446,658,241	2,491,548,095
Losses (gains) on sale of investments	36	951,482,282	(322,398,612)	948,190,087	(322,398,612)
Gains on disposal of premises and equipment		(25,332,425)	(9,775,090)	(25,332,425)	(9,775,090)
Losses from write off premises, equipment and intangible assets		22,001,634	92,694,163	21,635,573	91,267,769
Losses on impairment of premises, equipment and intangible assets		-	6,485,778	-	6,485,778
Gain on transferring of revaluation surplus of assets		-	(4,996,499)	-	(4,996,499)
Gains on modification and termination of leases		(841,130)	(1,058,782)	(631,915)	(1,045,281)
Gains on financial liabilities designated at fair value through profit or loss		(663,947,647)	(699,830,595)	(663,947,647)	(699,830,595)
Interest income	32	(12,856,413,976)	(12,645,063,559)	(10,109,738,284)	(9,387,300,163)
Dividend income	37	(13,369,251)	(12,445,667)	(13,369,251)	(12,445,667)
Interest expenses	33	3,251,525,693	2,694,158,690	3,250,675,078	2,693,116,653
Losses from operations before changes in operating assets and liabilities		(322,336,830)	(2,229,968,497)	(259,268,441)	(2,159,486,759)
(Increase) decrease in operating assets					
Interbank and money market items		(11,218,489,742)	(3,096,354,150)	(11,108,727,239)	(3,070,771,059)
Financial assets measured at fair value through profit or loss		7,311,138,655	112,946,949	7,311,138,655	112,946,949
Loans		(29,026,306,860)	8,673,112,091	(24,725,987,548)	12,888,257,250
Properties for sale		2,319,449,774	1,573,414,269	265,393,108	36,089,605
Credit support assets on derivatives		(2,580,913,168)	2,391,120,509	(2,580,913,168)	2,391,120,509
Other assets		(421,136,139)	(302,858,902)	(537,424,753)	(279,797,570)
Increase (decrease) in operating liabilities					
Deposits		54,526,237,895	(11,788,075,804)	54,654,877,283	(11,370,895,085)
Interbank and money market items		(8,489,668,731)	8,301,936,088	(8,489,668,731)	8,301,936,088
Liability payable on demand		(260,206,074)	176,167,643	(260,206,074)	176,167,643
Provisions		(99,836,090)	(162,834,181)	(95,209,919)	(160,297,536)
Credit support liabilities on derivatives		14,822,446,797	2,774,554,129	14,822,446,797	2,774,554,129
Other liabilities		538,165,258	849,144,728	533,149,171	616,257,033
Cash flows provided by operating activities		27,098,544,745	7,272,304,872	29,529,599,141	10,256,081,197
Cash received from interest income		11,099,329,428	11,684,693,808	8,355,288,098	8,424,132,846
Cash paid for interest expenses		(2,918,172,261)	(3,036,806,166)	(2,918,160,192)	(3,036,794,473)
Cash paid for income tax		(1,190,488,314)	(691,359,415)	(986,901,199)	(519,136,606)
Net cash flows provided by operating activities		34,089,213,598	15,228,833,099	33,979,825,848	15,124,282,964

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 2022

	Consolidated		Separate	
	2022	2021	2022	2021
Notes	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	(80,362,672,147)	(46,972,029,478)	(80,362,672,147)	(46,972,029,478)
Proceeds from disposals and maturity of investments in debt instruments measured at fair value through other comprehensive income	62,785,158,741	35,650,374,631	62,785,158,741	35,650,374,631
Cash paid for purchases of investments in debt instruments measured at amortised cost	(15,599,386,817)	(2,841,930,760)	(15,599,386,817)	(2,841,930,760)
Proceeds from maturity of investments in debt instruments measured at amortised cost	3,138,000,000	659,950,000	3,138,000,000	659,950,000
Cash paid for purchases of investments in equity instruments designated at fair value through other comprehensive income	-	(399,566)	-	(399,566)
Proceeds from maturity of investments in equity instruments designated at fair value through other comprehensive income	46,406,250	690,050	46,406,250	690,050
Proceed from the capital reduction of investment in subsidiaries	-	-	12,312,127	28,874,475
Cash paid for purchases of premises and equipment	(157,460,899)	(175,320,940)	(102,967,094)	(151,936,679)
Proceeds from disposals of premises and equipment	26,836,264	13,592,742	26,560,769	13,592,757
Cash paid for purchases of intangible assets	(314,445,538)	(375,505,010)	(307,954,754)	(360,769,028)
Dividend received	13,369,251	12,445,667	13,369,251	12,445,667
Interest received	1,731,261,603	1,361,497,777	1,731,219,103	1,361,455,277
Net cash flows used in investing activities	(28,692,933,292)	(12,666,634,887)	(28,619,954,571)	(12,599,682,654)
Cash flows from financing activities				
Proceeds from issuance of financial liabilities measured at fair value through profit or loss and borrowings	34,148,842,934	22,736,811,210	34,148,842,934	22,736,811,210
Cash paid for redemption of financial liabilities measured at fair value through profit or loss and borrowings	(38,954,106,709)	(25,097,656,632)	(38,954,106,709)	(25,097,656,632)
Cash paid for dividend	27 (348,222,618)	(174,111,309)	(348,222,618)	(174,111,309)
Cash paid for lease liabilities	15 (115,558,115)	(119,724,905)	(78,912,605)	(81,884,555)
Net cash flows used in financing activities	(5,269,044,508)	(2,654,681,636)	(5,232,398,998)	(2,616,841,286)
Gains from foreign currency translation differences	(25,371,741)	(7,669,481)	(25,371,741)	(7,669,481)
Net increase (decrease) in cash and cash equivalents	101,864,057	(100,152,905)	102,100,538	(99,910,457)
Cash and cash equivalents at beginning of the year	818,440,867	918,593,772	817,779,386	917,689,843
Cash and cash equivalents at the end of the year	920,304,924	818,440,867	919,879,924	817,779,386
Supplemental disclosure of cash flows information				
Non-cash transaction:				
Properties for sale received from premises and equipment	-	85,175,078	-	85,175,078
Interest amortisation from premium or discount	229,825,023	448,375,550	229,825,023	448,375,550
Accounts receivable from sell of investments	2,002,155,201	-	2,002,155,201	

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 24 February 2023.

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 4 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.

2.2 Amended financial reporting standards and accounting guidance that are effective for accounting period beginning or after 1 January 2022 which have impact to the Group

- a) **Interest rate benchmark (IBOR) reform - phase 2, amendments to TFRS 9, TFRS 7, TFRS 16 and TFRS 4, and accounting guidance for insurance business** provide relief measures addressing transactions that might affected by the benchmark interest rate reform, including the effects of changes to contractual cash flows or hedging relationship arising from the replacement of one benchmark with an alternative benchmark.

Key relief measures of the phase 2 amendments are as follows:

- Amendments to TFRS 4, TFRS 9, and TFRS 16, when changing the basis for determining contractual cash flows for financial assets or financial liabilities (including lease liabilities), changes that are necessary as a direct result of the IBOR reform and which are considered economically equivalent, will not result in an immediate gain or loss in the income statement. TFRS 16 has also been amended to require lessees to use a similar practical expedient when accounting for lease modifications that change the basis for determining future lease payments as a result of the IBOR reform.
- Amendments to TFRS 9, hedge accounting relief measures will allow most TFRS 9 hedge relationships that are directly affected by the IBOR reform to continue. However, additional ineffectiveness might need to be recorded.
- TFRS 7 requires additional disclosure about:
 - the nature and extent of risks arising from the IBOR reform to which the entity is exposed to
 - how the entity manages those risks
 - the entity's progress in transitioning from the IBOR to alternative benchmark rates and how the entity is managing this transition.

Effect of IBOR reform

In 2022, the Group established an IBOR transition plan to amend existing contracts and agreements that reference USD LIBOR and THBFX with maturity after 30 June 2023 to SOFR and THOR, or include fallback provisions. There have been general communications with swap and debt counterparties, but specific changes required by the IBOR reform haven't been agreed on yet. Transition risks mainly relate to the potential impact of rate differences if debt and hedging swaps don't transition to the new benchmark interest rate at the same time and/or the rates move by different amounts. This could result in hedge ineffectiveness and a net cash expense for the Group. The Group plans to complete the transition before the USD LIBOR and THBFX cessation date.

The following table contains details of all the financial instruments the Group holds as at 31 December 2022 which reference USD LIBOR and THBFX and haven't transitioned to an alternative interest rate benchmark yet:

	Consolidated and Separate	
	USD LIBOR Million Baht	THBFX Million Baht
Non-derivative financial assets		
- Loans to customers	11,402	-
Non-derivative financial liabilities		
- Debt issued and borrowings	3,767	1,800
	15,169	1,800
Derivatives		
- Interest rate swap	330,353	388,217
- Cross currency interest rate swap	226,288	131,453
Total	556,640	519,670

Hedge accounting

Hedge relationships

The Phase 1 amendments provided temporary relief from applying specific hedge accounting requirements to hedging relationships directly affected by the IBOR reform. The reliefs had the effect that IBOR reform should not generally cause hedge accounting to terminate prior to contracts being amended. However, any hedge ineffectiveness continued to be recorded in the income statement. Furthermore, the amendments set out triggers for when the reliefs would end, which included the uncertainty arising from interest rate benchmark reform no longer being present. Phase 2 amendments provided relief measures for issues that could affect financial reporting during the reform, including changes to contractual cash flows or hedging relationships arising from the replacement of one benchmark with an alternative benchmark.

The following table only contains details of hedging instruments used in the Group's hedging strategies which reference USD LIBOR, THBFIX and haven't transitioned to an alternative interest rate benchmark yet, such that Phase 1 relief have been applied to the hedging relationship:

	Consolidated financial statement				
	Notional Baht	Carrying amount		Balance sheet line item	Changes in fair value used for calculating hedge ineffectiveness Baht
		Assets Baht	Liabilities Baht		
Cash flow hedges					
Exchange rate					
- Cross currency interest rate swap	32,362	1,697	1,621	Financial derivatives	55
					25,828

Of the Baht 32,362 million nominal amount of Cross currency interest rate swap above, Baht 6,534 million will mature before the anticipated IBOR replacement.

For the year ended 31 December 2022, the Group adopted the following hedge accounting relief provided under Phase 2 of the amendments:

- Hedge designation: When Phase 1 amendments cease to apply, the Group will amend its hedge designation to reflect changes required by the IBOR reform. One or more of the following changes will be made:
 - a. Designating an alternative benchmark rate (contractually or non-contractually specified) as a hedged risk
 - b. Amending the hedged item's description, including the description of the designated portion of the cash flows or fair value being hedged; or
 - c. Amending the description of the hedging instrument.

The Group will update its hedge documentation by the end of the reporting period in which changes are made. These amendments don't require hedge relationships to be discontinued. The Group hasn't made any amendments to its hedge documentation in the reporting period relating to IBOR reform.

- Amounts accumulated in the cash flow hedge reserve: When the Group amends its hedge designation, the accumulated outstanding amount in the cash flow hedge reserve is deemed to be based on the alternative benchmark rate (for example, THOR, when that rate replaces THBFIX or SOFR, when that rate replaces USD LIBOR). As for discontinued hedging relationships, when the interest rate benchmark changed as required by IBOR reform, the amount accumulated in the cash flow hedge reserve is also deemed to be based on the alternative benchmark rate (for the purpose of assessing whether the hedged future cash flows are still expected to occur.)

b) Accounting guidance on temporary relief measures for entities assisting debtors affected by the COVID-19 pandemic

The Group which assisting debtors affected by the COVID-19 pandemic can apply accounting guidance announced by TFAC based on BOT circular For. Nor. Sor 2. Wor. 802/2564 on temporary relief measures for entities assisting debtors affected by the COVID-19 pandemic (Sustainable Debt Relief Measures) dated 3 September 2021 to help debtors between 1 January 2022 and 31 December 2023. The key relief measures involve, for example, the consideration for debt staging for ECL calculation where there is debt restructuring, revising EIR for the restructured debt, and ECL calculation regarding unused credit line.

The Group chose to apply the accounting guidance mentioned above. In case the Group has debt restructuring for loans to customers which makes the original EIR no longer reflect the estimated cash flow which will be received from the loan, the Group will use the revised EIR to calculate the present value of the restructured loan. In addition, the Group also complies with the guidance for debt staging in accordance with the aforementioned accounting guidance.

2.3 Amended financial reporting standards that are effective for accounting period beginning or after 1 January 2023 and have impacts to the Group

Certain amended TFRSs have been issued that are not mandatory for the current reporting period and have not been early adopted by the Group and the Company.

- a) Amendment to TAS 16 - Property, plant and equipment** clarified to prohibit entities from deducting from the cost of an item of PP&E any proceeds received from selling any items produced while the entity is preparing that asset for its intended use.
- b) Amendment to TAS 37 - Provisions, contingent liabilities and contingent assets** clarified that, in considering whether a contract is onerous, the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling the contract. Before recognising a separate provision for an onerous contract, the entity must recognise any impairment losses that have occurred on the assets used in fulfilling the contract.
- c) Amendment to TFRS 9 - Financial Instruments** clarified which fees should be included in the 10% test for the derecognition of financial liabilities. It should only include fees between the borrower and lender.

However, the management is assessing the expected impacts that arise from applying the amended financial reporting standards.

2.4 Revenue recognition

(a) Interest and discount on loans

Interest income will be recognised at effective interest rate by applying the effective interest rate to the gross carrying amount of loan to calculate the interest income except for 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 dividend payment is annouced.

(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 transaction date.

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

Gains (losses) on sale of properties for sale are recognised as income or expenses 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.

2.5 Expense recognition

(a) Interest expenses

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

(b) Fees and service expenses and other expenses

Fee and service expenses and other expenses are recognised as expense on an accrual basis.

2.6 Cash

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

2.7 Financial instruments

Classification and measurements

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 trade date, the date on which the Group commits to purchase or sell the asset, 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 business model for managing the financial asset and the contractual 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, net and foreign exchange gains and losses is presented in gains on financial instruments measured at fair value through profit or loss. 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 are measured at FVOCI. Movements in the carrying amount are taken through OCI, except impairment gains or losses, interest income using the effective interest method, and foreign exchange gains and losses which are recognised in profit or loss. When the financial assets is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified to profit or loss and recognised in gains on investments, net. Interest income is included in interest income. Impairment expenses are presented separately in the statement of comprehensive income.
- 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 gains and losses is presented in gains on financial instruments measured at fair value through profit or loss.

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

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 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.

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.

Since 1 January 2022, the Group did not amortise the surplus reserve in order to reserve for possible losses that may be occurred from the COVID-19 pandemic in accordance with the Notification of the Bank of Thailand (BOT) no. SorNorSor 23/2561 on guidelines for loan staging and the setting of allowance for financial institutions, dated 31 October 2018 no. 5.8, which stated that the financial institutions may apply any guidelines that are more stringent than BOT's statements to classify loan stages or reserve an allowance on assets and financial commitment, or to derecognise assets.

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

Modification

The Group sometimes renegotiates or otherwise modifies the contractual cashflow. When this happens, the Group assesses whether the new terms are substantially different to the original terms or not. The Group does this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.
- Whether any substantial new terms are introduced, such as a profit share/equity-based return that substantially affects the risk profile of the loan.
- Significant extension of the loan term when the borrower is not financial difficulty.
- Significant change in the interest rate
- Change in the currency the loan is denominated in.
- Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Group recalculates the gross carrying amount based on the revised cash flows of the financial assets and recognises a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

The Group will monitor debt restructuring without derecognition if the debtors can to repay in accordance with the debt restructuring contract for three consecutive months or three installment payment periods, whichever period is longer. In which, it reflects that the status of debtors does not meet criteria for significant increase in credit risk. Eventually, the Group will consider reclassifying debtors' staging to 1 stage better. For example, the stage will be reclassified from Stage 2 to Stage 1.

However, regarding the debt restructuring for debtors in Stage 3; the monitoring repayment period will increase to be at least 9 months consecutively with no remaining principal and accrued interest due. After debtors have met the repayment criteria, it reflects the status of debtors does not meet criteria for significant increase in credit risk and can be reclassified as Stage 1 immediately.

For the reporting periods ending between 1 January 2022 and 31 December 2023, the Group has chosen to apply accounting guidance announced by TFAC based on BOT circular For. Nor. Sor 2. Wor. 802/2564 on temporary relief measures for entities assisting debtors affected by the COVID-19 pandemic (Sustainable Debt Relief Measures) dated 3 September 2021. In case the Group has debt restructuring for loans to customers which makes the original EIR no longer reflect the estimated cash flow which will be received from the loan, the Group will use the revised EIR to calculate the present value of the restructured loan. In addition, the Group also complies with the guidance for debt staging in accordance with the aforementioned accounting guidance.

If the terms are substantially different, the Group derecognises the original financial assets and recognises a new financial asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Group also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Difference in the carrying amount are also recognised in profit or loss as gain or loss on derecognition.

Derecognition other than on a modification

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either

- The Group transfers substantially all the risks and rewards of ownership, or
- The Group neither transfers nor retains substantially all the risks and rewards of ownership and the Group has not retained control.

The Group enters into transactions where it retains the contractual rights to receive cash flow from assets and assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all of the risks and rewards. These transactions are accounted for as 'pass through' transfers that result in derecognition if the Group:

- Has no obligation to make payments unless it collects equivalent amounts from assets;
- Is prohibited from selling or pledging the assets; or
- Has an obligation to remit any cash it collections from the assets without material delay.

Classification and measurement of financial liabilities and equity

Financial instruments issued by the Group must be classified as financial liabilities or equity securities by considering contractual obligations.

- Where the Group has an unconditional contractual obligation to deliver cash or another financial asset to another entity, it is considered a financial liability unless there is a predetermined or possible settlement for a fixed amount of cash in exchange of a fixed number of the Group's own equity instruments.
- Where the Group has no contractual obligation or has an unconditional right to avoid delivering cash or another financial asset in settlement of the obligation, it is considered an equity instrument.

At initial recognition, the Group measures financial liabilities at fair value. The Group reclassifies all financial liabilities as subsequently measured at amortised cost, except for: Financial liabilities at fair value through profit or loss

This classification is applied to derivatives, financial liabilities held for trading and other financial liabilities designated as such at initial recognition. Financial liabilities designated at fair value through profit or loss when and only the Group demonstrates that it falls within one (or more) of following three criteria;

- a) When such designation eliminates or significantly reduces a measurement or recognition inconsistency ("accounting mismatch") that would otherwise arise,
- b) When a group of financial liabilities or both is managed and its performance is evaluated on fair value basis, in accordance with a documented risk management or investment strategy, and
- c) When an instrument contains an embedded derivative that meets particular conditions.

Gain or losses on financial liabilities designated at fair value through profit or loss are presented gain (losses) on financial instruments measured at fair value through profit or loss.

Derecognition of financial liabilities

Financial liabilities (or part of financial liabilities) are derecognised when they are extinguished or when the obligation specified in the contract is discharged, cancelled, or expired.

The exchange between the Group and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of terms of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new term including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability.

If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any cost or fees incurred are recognised as part of gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjusted the carrying amount of the liability and are amortised over remaining term of modified liability.

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.

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.

2.8 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 allocate their cost (and the revalued amount) to their residual values over their estimated useful lives, as follows:

Buildings	20 - 50 years
Buildings Improvement	5 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 2.13 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 Right-of-use assets

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 board and money exchange office.

2.12 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.

2.13 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.

2.14 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 gains on financial instruments measured at fair value through 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.

2.15 Derivatives and hedging activities

(a) Embedded derivative and derivatives that do not qualify for hedge accounting

Embedded derivative that is separately accounted for and derivatives that do not qualify for hedge accounting is initially recognised at fair value. Changes in the fair value are included in gains or losses on financial instruments measured at fair value through profit or loss.

Fair value of derivatives is classified as a current or non-current following its remaining maturity.

(b) Hedge accounting

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The Group designates certain derivatives as either:

- hedges of the fair value of i) recognised assets or liabilities or ii) unrecognised firm commitments (fair value hedges)
- hedges of a particular risk associated with the cash flows of i) recognised assets and liabilities and ii) highly probable forecast transactions (cash flow hedges); or
- hedges of a net investment in a foreign operation (net investment hedges).

At inception of the hedge relationship, the Group documents i) the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items and ii) its risk management objective and strategy for undertaking its hedge transactions.

The full fair value of a hedging derivative is classified as a current or non-current asset or liability following the maturity of related hedged item.

The fair values of derivative financial instruments designated in hedge relationships and movements in the hedging reserve in shareholders' equity are shown in note 8.

Hedge effectiveness

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments, to ensure that an economic relationship exists between the hedged item and hedging instrument.

For hedges of foreign currency purchases, the Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item. The Group therefore performs a qualitative assessment of effectiveness. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness.

In hedges of foreign currency purchases, ineffectiveness may arise if the timing of the forecast transaction changes from what was originally estimated, or if there are changes in the credit risk of the derivative counterparty.

The Group enters into interest rate swaps that have similar critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount. The Group does not hedge 100% of its loans, therefore the hedged item is identified as a proportion of the outstanding loans up to the notional amount of the swaps. As all critical terms matched during the year, there is an economic relationship.

Hedge ineffectiveness for interest rate swaps is assessed using the same principles as for hedges of foreign currency purchases. It may occur due to:

- the credit value/debit value adjustment on the interest rate swaps which is not matched by the loan, and
- differences in critical terms between the interest rate swaps and loans.

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges is recognised in the gains on fair value of hedging instruments for cash flow hedges within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within gains on financial instruments measured at fair value through profit or loss.

When forward contracts are used to hedge forecast transactions, the Group generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in the gains on fair value of hedging instruments for cash flow hedges within equity. The change in the forward element of the contract that relates to the hedged item ('aligned forward element') is recognised within other comprehensive income in the costs of hedging reserve within equity.

In some cases, the Group may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains or losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the gains on fair value of hedging instruments for cash flow hedges within equity.

The Group reclassified particular accumulated hedge amounts in equity to profit or loss in the same periods as the hedged item affects profit or loss. The gain or loss relating to the effective portion of the interest rate swaps hedging floating rate loan, credit link debentures, credit link notes, and subordinated debentures is recognised in profit or loss within interest income or interest expense at the same time as the interest income or interest expense on the hedged item.

Net investment hedges

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges.

Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within other gains/(losses). Gains and losses accumulated in equity are reclassified to profit or loss when the foreign operation is fully or partially disposed of or sold.

Interest rate benchmark (IBOR) reform

Interbank offered rates (IBORs), such as the London Interbank Offered Rate (LIBOR), play a critical role in global financial markets, serving as reference rates for derivatives, loans and investments, and as parameters in the valuation of financial instruments.

In recent years, regulators, central banks and market participants have been working towards a transition to alternative risk-free benchmark reference rates (RFRs) and market-led working groups in respective jurisdictions have recommended alternative risk-free reference rates, which are gradually being adopted in replacement of IBORs.

In response to the uncertainty about the long-term viability of these benchmark rates, and LIBOR in particular, the International Accounting Standards Board (IASB) has established a project to consider the financial reporting implications of the reform. The transition from IBORs is expected to have an impact on various elements of financial instrument accounting, including hedge accounting, as well as fair value methodologies and disclosures.

Financial Conduct Authority (FCA) has decided to no longer compel panel bank to participate in the USD LIBOR submission process after the end of 2021 and cease to oversight of these benchmark interest rates. Regulatory authorities and private sector working groups have been discussing alternative benchmark rates for USD LIBOR.

The Bank of Thailand (BOT), in collaboration with the Thai Bankers' Association (TBA) and the Association of International Banks (AIB), has established the 'Steering Committee on Commercial Banks Preparedness on LIBOR Discontinuation' whose key task is to ensure the smooth and fairest transition by focusing on 3 main areas:

1. Amendment of financial contracts referencing LIBOR and Thai Baht Interest Rate Fixing (THBFIX) including loan, notes and derivative contracts.
2. Preparation of commercial banks for LIBOR transition.
3. Development plan for alternative Thai reference rate.

Impact of IBORs reform on the Bank's hedging relationship

The Bank has hedge accounted relationships referencing IBORs, with the most significant interest rate benchmarks to which the Bank's hedging relationships are exposed to USD LIBOR and THBFIX.

The Bank's risk exposures that are directly affected by the interest rate benchmark reform are the cash flow hedge of financial instruments. These hedging relationships are designated using cross currency and interest rate swaps, for changes attributable of USD LIBOR and THBFIX that are respective current benchmark interest rates. Additional information about the Bank's exposure to IBOR reform is presented in note 8 to the financial statements.

	Consolidate and Separate	
	2022	2021
	Million Baht	Million Baht
Hedged items		
Floating rate loans	2,492	5,794
Credit linked debentures	3,767	3,643
Credit linked note	-	668

The Bank will continue to record any ongoing hedge ineffectiveness, including that generated by changes as a result of interest rate reform, within the Statement of Comprehensive Income. One of the source of ineffectiveness would be due to the IBORs reform takes effect at a different time and have a different impact on the hedged items (floating rate loan, credit link debentures, and credit link notes) and hedging instruments (the derivatives used to hedge the relevant hedged items).

Managing the process to transition

The Bank has established a steering committee to oversee the Bank's IBORs transition plan. This steering committee has put in place a transition project that includes the assessment and necessary actions necessary to accommodate the transition to RFRs as they apply internal processes and systems in pricing, risk management, and valuation models, as well as managing related tax and accounting implications. The Bank is continuing to monitor market developments in relation to the transition to RFRs from IBORs rates and their impact on the Bank's financial assets and liabilities to ensure that there are no unexpected consequences or disruption from the transition.

2.16 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.

2.17 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. When matured, the fair value changes due to own credit are transferred to retained earnings.

2.18 Borrowings

Borrowings are initially recognised at the fair value, less 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.

2.19 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 provision 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.

2.20 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.

2.21 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 year 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 Financial risk management

The Group's exposure to financial risks and how these risks could affect the future financial performance are as follows:

Risk	Exposure arising from	Measurement	Management
<ul style="list-style-type: none"> Market risk - interest rate 	<ul style="list-style-type: none"> Financial assets and liabilities with value based on interest rate movement 	<ul style="list-style-type: none"> Interest rate risk sensitivity analysis 	<ul style="list-style-type: none"> Interest rate products including derivatives
<ul style="list-style-type: none"> Market risk - foreign exchange 	<ul style="list-style-type: none"> Financial assets and liabilities with value based on foreign exchange rate movement 	<ul style="list-style-type: none"> Foreign exchange rate risk sensitivity analysis 	<ul style="list-style-type: none"> Foreign exchange product including derivatives
<ul style="list-style-type: none"> Credit risk 	<ul style="list-style-type: none"> Interbank and money market items Financial assets measured at fair value through profit or loss Loan to customer Investment in debt securities 	<ul style="list-style-type: none"> Aging analysis Credit ratings Credit risk assessment specifically on customer's length of direct experience and knowledge, business viability (strong ground and lengthy business relationship with buyer and supplier, feasible financial position and other important financial ratio) 	<ul style="list-style-type: none"> Letter of guarantee, Early Warning trigger Credit risk control and preemptive monitoring Credit annual review and/or quarterly financial assessment on listed company or specific required customer
<ul style="list-style-type: none"> Liquidity risk 	<ul style="list-style-type: none"> Placement, Investment, Deposits, borrowings and other liabilities 	<ul style="list-style-type: none"> Rolling cash flow forecasts Revenue, profitability, cash flow and financial liquidity, financial liabilities, debt level (Debt : EBITDA), primary and secondary source of funds 	<ul style="list-style-type: none"> Liquidity Risk Management are operated in collaboration between 3 parties, namely (1) Asset and Liability Management, (2) Funding and Money Markets and (3) Capital & Balance Sheet Management with the liquidity ratios to manage the daily liquidity; including a monthly forward-looking projection of its liquidity position risk.

The Group's risk management is controlled by a central treasury department under policies approved by the Board of Directors. Group treasury identifies, evaluates and manages financial risks in close co-operation with the Group's operating units. The Risk Management Committee provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and other financial instruments as well as investment to efficiently manage Group's liquidity.

3.1 Financial risk

3.1.1 Market risk

Market risk is the risk that the Group may suffer loss as a result of changes in the value of positions taken, both on and off statements of financial position, due to movements in interest rates, foreign exchange rates, equity prices and commodity prices.

The Group has a Market Risk Management Unit, which is responsible for assessment of market risk, and uses tools and/ 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.

3.1.1.1 Interest rate risk

Interest rate risk is the risk that changes in market interest rates which may lead to changes in the value of financial debt instruments measure at fair value and derivatives, which lead to fluctuations in revenue or the values of financial assets and liabilities.

Interest rate risk arises from interest rate structure, the characteristics and structure of the Bank's assets, liabilities and capital. The Bank has set risk limits for interest rate risk under the trading and banking accounts, with consent from the Board, in order to manage risk at an appropriate level.

As at 31 December 2022 and 2021, financial assets and liabilities classified by type of interest rate were as follows:

Transaction	Consolidated 2022			Total Million Baht
	Floating interest rate Million Baht	Fixed interest rate Million Baht	Non-interest bearing Million Baht	
Financial assets				
Cash	-	-	920	920
Interbank and money market items	3,961	13,139	3,572	20,672
Financial assets measured at fair value through profit or loss	-	22,363	-	22,363
Derivative assets	41,238	1,559	37,487	80,284
Investments	-	105,026	51	105,077
Loans to customers	152,445	82,812	-	235,257
Credit support assets on derivatives	16,241	-	-	16,241
Accounts receivables from sell of financial assets measured at fair value through profit or loss and investments	-	-	9,040	9,040
Other assets	162	-	360	522
Total financial assets	214,047	224,899	51,430	490,376
Financial liabilities				
Deposits	109,681	122,107	4,906	236,694
Interbank and money market items	24,086	22,292	529	46,907
Liabilities payable on demand	-	-	172	172
Financial liabilities measured at fair value through profit or loss	21,156	-	5	21,161
Derivative liabilities	36,917	4,076	35,854	76,847
Debt issued and borrowings	6,447	14,373	-	20,820
Lease liabilities	-	191	-	191
Credit support liabilities on derivatives	29,708	-	-	29,708
Accounts payable from purchase of financial assets measured at fair value through profit or loss and investments	-	-	10,567	10,567
Total financial liabilities	227,995	163,039	52,033	443,067

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Transaction	Consolidated 2021			
	Floating interest rate Million Baht	Fixed interest rate Million Baht	Non-interest bearing Million Baht	Total Million Baht
<u>Financial assets</u>				
Cash	-	-	818	818
Interbank and money market items	2,241	3,872	3,340	9,453
Financial assets measured at fair value through profit or loss	-	31,303	-	31,303
Derivative assets	24,598	2,572	19,249	46,419
Investments	-	74,175	107	74,282
Loans to customers	137,124	74,770	-	211,894
Credit support assets on derivatives	13,660	-	-	13,660
Accounts receivables from sell of financial assets measured at fair value through profit or loss and investments	-	-	5,806	5,806
Other assets	243	-	471	714
Total financial assets	177,866	186,692	29,791	394,349
<u>Financial liabilities</u>				
Deposits	89,330	85,514	7,323	182,167
Interbank and money market items	23,803	30,937	657	55,397
Liabilities payable on demand	-	-	432	432
Financial liabilities measured at fair value through profit or loss	17,744	-	-	17,744
Derivative liabilities	25,459	1,992	15,257	42,708
Debt issued and borrowings	6,659	22,807	-	29,466
Lease liabilities	-	212	-	212
Credit support liabilities on derivatives	14,886	-	-	14,886
Accounts payable from purchase of financial assets measured at fair value through profit or loss and investments	-	-	5,457	5,457
Total financial liabilities	177,881	141,462	29,126	348,469

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Transaction	Separate 2022			
	Floating interest rate Million Baht	Fixed interest rate Million Baht	Non-interest bearing Million Baht	Total Million Baht
<u>Financial assets</u>				
Cash	-	-	920	920
Interbank and money market items	3,702	13,139	3,527	20,368
Financial assets measured at fair value through profit or loss	-	22,363	-	22,363
Derivative assets	41,238	1,559	37,487	80,284
Investments	-	105,024	51	105,075
Loans to customers	152,423	75,669	-	228,092
Credit support assets on derivatives	16,241	-	-	16,241
Accounts receivables from sell of financial assets measured at fair value through profit or loss and investments	-	-	9,040	9,040
Other assets	162	-	203	365
Total financial assets	213,766	217,754	51,228	482,748
<u>Financial liabilities</u>				
Deposits	110,320	122,107	5,007	237,434
Interbank and money market items	24,086	22,292	529	46,907
Liabilities payable on demand	-	-	172	172
Financial liabilities measured at fair value through profit or loss	21,156	-	5	21,161
Derivative liabilities	36,917	4,076	35,854	76,847
Debt issued and borrowings	6,447	14,373	-	20,820
Lease liabilities	-	146	-	146
Credit support liabilities on derivatives	29,708	-	-	29,708
Accounts payable from purchase of financial assets measured at fair value through profit or loss and investments	-	-	10,567	10,567
Total financial liabilities	228,634	162,994	52,134	443,762

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Transaction	Separate 2021			Total Million Baht
	Floating interest rate Million Baht	Fixed interest rate Million Baht	Non-interest bearing Million Baht	
<u>Financial assets</u>				
Cash	-	-	818	818
Interbank and money market items	2,078	3,872	3,309	9,259
Financial assets measured at fair value through profit or loss	-	31,303	-	31,303
Derivative assets	24,598	2,572	19,249	46,419
Investments	-	74,173	107	74,280
Loans to customers	137,101	68,097	-	205,198
Credit support assets on derivatives	13,660	-	-	13,660
Accounts receivables from sell of financial assets measured at fair value through profit or loss and investments	-	-	5,806	5,806
Other assets	243	-	298	541
Total financial assets	177,680	180,017	29,587	387,284
<u>Financial liabilities</u>				
Deposits	89,941	85,514	7,324	182,779
Interbank and money market items	23,803	30,937	657	55,397
Liabilities payable on demand	-	-	432	432
Financial liabilities measured at fair value through profit or loss	17,744	-	-	17,744
Derivative liabilities	25,459	1,992	15,257	42,708
Debt issued and borrowings	6,659	22,807	-	29,466
Lease liabilities	-	169	-	169
Credit support liabilities on derivatives	14,886	-	-	14,886
Accounts payable from purchase of financial assets measured at fair value through profit or loss and investments	-	-	5,457	5,457
Total financial liabilities	178,492	141,419	29,127	349,038

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		Consolidated					
		2022					
		Repricing or maturity date					
	At call	0 - 3	3 - 12	1 - 5	Over 5	Non-interest	Total
Transactions	Million	months	months	years	years	bearing	Million
	Baht	Million	Million	Million	Million	Million	Baht
Financial assets							
Cash	-	-	-	-	-	920	920
Interbank and money market items	3,660	13,440	-	-	-	3,572	20,672
Financial assets measured at fair value through profit or loss	-	10	845	2,211	19,297	-	22,363
Derivative assets	-	24,784	15,638	850	1,525	37,487	80,284
Investments	1	5,223	15,659	41,021	43,122	51	105,077
Loans to customers	7,635	28,163	45,176	104,828	49,455	-	235,257
Credit support assets on derivatives	16,241	-	-	-	-	-	16,241
Accounts receivables from sell of financial assets measured at fair value through profit or loss and investments	-	-	-	-	-	9,040	9,040
Other assets	-	20	61	81	-	360	522
Total financial assets	27,537	71,640	77,379	148,991	113,399	51,430	490,376
Financial liabilities							
Deposits	109,681	69,189	33,464	19,454	-	4,906	236,694
Interbank and money market items	24,086	21,470	509	313	-	529	46,907
Liabilities payable on demand	-	-	-	-	-	172	172
Financial liabilities measured at fair value through profit or loss	-	-	21,156	-	-	5	21,161
Derivative liabilities	-	31,299	9,514	104	76	35,854	76,847
Debt issued and borrowings	-	3,807	4,475	9	12,529	-	20,820
Lease liabilities	-	18	46	117	10	-	191
Credit support liabilities on derivatives	29,708	-	-	-	-	-	29,708
Accounts payables from purchase of financial assets measured at fair value through profit or loss and investments	-	-	-	-	-	10,567	10,567
Total financial liabilities	163,475	125,783	69,164	19,997	12,615	52,033	443,067

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Transactions	Consolidated						Total Million Baht
	2021						
	Repricing or maturity date					Non-interest bearing Million Baht	
	At call Million Baht	0 - 3 months Million Baht	3 - 12 months Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht		
Financial assets							
Cash	-	-	-	-	-	818	818
Interbank and money market items	1,906	4,045	162	-	-	3,340	9,453
Financial assets measured at fair value through profit or loss	-	658	1,044	2,227	27,374	-	31,303
Derivative assets	-	17,664	8,596	311	599	19,249	46,419
Investments	1	1,885	8,290	35,938	28,061	107	74,282
Loans to customers	9,071	22,662	36,700	90,230	53,231	-	211,894
Credit support assets on derivatives	13,660	-	-	-	-	-	13,660
Accounts receivables from sell of financial assets measured at fair value through profit or loss and investments	-	-	-	-	-	5,806	5,806
Other assets	-	20	61	162	-	471	714
Total financial assets	24,638	46,934	54,853	128,868	109,265	29,791	394,349
Financial liabilities							
Deposits	89,330	46,382	37,265	1,867	-	7,323	182,167
Interbank and money market items	23,803	29,889	1,010	38	-	657	55,397
Liabilities payable on demand	-	-	-	-	-	432	432
Financial liabilities measured at fair value through profit or loss	-	1,431	16,313	-	-	-	17,744
Derivative liabilities	-	18,147	8,763	60	481	15,257	42,708
Debt issued and borrowings	-	11,097	5,546	-	12,823	-	29,466
Lease liabilities	-	20	60	130	2	-	212
Credit support liabilities on derivatives	14,886	-	-	-	-	-	14,886
Accounts payables from purchase of financial assets measured at fair value through profit or loss and investments	-	-	-	-	-	5,457	5,457
Total financial liabilities	128,019	106,966	68,957	2,095	13,306	29,126	348,469

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Transactions	Separate						Total Million Baht
	2022						
	Repricing or maturity date					Non-interest bearing Million Baht	
	At call Million Baht	0 - 3 months Million Baht	3 - 12 months Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht		
Financial assets							
Cash	-	-	-	-	-	920	920
Interbank and money market items	3,702	13,139	-	-	-	3,527	20,368
Financial assets measured at fair value through profit or loss	-	10	845	2,211	19,297	-	22,363
Derivative assets	-	24,784	15,638	850	1,525	37,487	80,284
Investments	1	5,223	15,659	41,019	43,122	51	105,075
Loans to customers	7,635	29,167	45,053	99,208	47,029	-	228,092
Credit support assets on derivatives	16,241	-	-	-	-	-	16,241
Accounts receivables from sell of financial assets measured at fair value through profit or loss and investments	-	-	-	-	-	9,040	9,040
Other assets	-	20	61	81	-	203	365
Total financial assets	27,579	72,343	77,256	143,369	110,973	51,228	482,748
Financial liabilities							
Deposits	110,320	69,189	33,464	19,454	-	5,007	237,434
Interbank and money market items	24,086	21,470	509	313	-	529	46,907
Liabilities payable on demand	-	-	-	-	-	172	172
Financial liabilities measured at fair value through profit or loss	-	-	21,156	-	-	5	21,161
Derivative liabilities	-	31,299	9,514	104	76	35,854	76,847
Debt issued and borrowings	-	3,807	4,475	9	12,529	-	20,820
Lease liabilities	-	18	45	82	1	-	146
Credit support liabilities on derivatives	29,708	-	-	-	-	-	29,708
Accounts payables from purchase of financial assets measured at fair value through profit or loss and investments	-	-	-	-	-	10,567	10,567
Total financial liabilities	164,114	125,783	69,163	19,962	12,606	52,134	443,762

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Transactions	Separate 2021						Non-interest bearing Million Baht	Total Million Baht
	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			
Financial assets								
Cash	-	-	-	-	-	818	818	
Interbank and money market items	2,078	3,710	162	-	-	3,309	9,259	
Financial assets measured at fair value through profit or loss	-	677	1,040	2,213	27,373	-	31,303	
Derivative assets	-	17,664	8,596	311	599	19,249	46,419	
Investments	1	1,885	8,290	35,936	28,061	107	74,280	
Loans to customers	9,072	24,241	41,037	79,271	51,577	-	205,198	
Credit support assets on derivatives	13,660	-	-	-	-	-	13,660	
Accounts receivables from sell of financial assets measured at fair value through profit or loss and investments	-	-	-	-	-	5,806	5,806	
Other assets	-	20	61	162	-	298	541	
Total financial assets	24,811	48,197	59,186	117,893	107,610	29,587	387,284	
Financial liabilities								
Deposits	89,941	46,382	37,265	1,867	-	7,324	182,779	
Interbank and money market items	23,803	29,889	1,010	38	-	657	55,397	
Liabilities payable on demand	-	-	-	-	-	432	432	
Financial liabilities measured at fair value through profit or loss	-	1,431	16,313	-	-	-	17,744	
Derivative liabilities	-	18,148	8,762	60	481	15,257	42,708	
Debt issued and borrowings	-	11,097	5,546	-	12,823	-	29,466	
Lease liabilities	-	19	52	96	2	-	169	
Credit support liabilities on derivatives	14,886	-	-	-	-	-	14,886	
Accounts payables from purchase of financial assets measured at fair value through profit or loss and investments	-	-	-	-	-	5,457	5,457	
Total financial liabilities	128,630	106,966	68,948	2,061	13,306	29,127	349,038	

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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 2022 and 2021, can be summarised as follows:

	Consolidated					
	2022			2021		
	Average balances Million Baht	Interest Million Baht	Average rate (%)	Average balances Million Baht	Interest Million Baht	Average rate (%)
<u>Performing financial assets</u>						
Interbank and money market items, net	12,614	192	1.52	4,701	18	0.38
Financial assets measured at fair value through profit or loss	26,786	421	1.57	35,439	360	1.02
Investments, net	97,267	1,624	1.67	65,625	1,048	1.60
Loans to customers	212,864	10,357	4.87	208,362	11,167	5.36
Credit support assets on derivatives	16,748	240	1.43	17,287	40	0.23
Total performing financial assets	366,279	12,834		331,414	12,633	
<u>Performing financial liabilities</u>						
Deposits	200,049	1,402	0.70	179,726	1,299	0.72
Interbank and money market items	54,532	286	0.53	52,903	206	0.39
Financial liabilities measured at fair value through profit or loss	17,199	183	1.06	23,681	192	0.81
Debt issued and borrowings	32,094	624	1.94	25,458	580	2.28
Credit support liabilities on derivatives	27,833	59	0.21	12,351	7	0.06
Total performing financial liabilities	331,707	2,554		294,119	2,284	
	Separate					
	2022			2021		
	Average balances Million Baht	Interest Million Baht	Average rate (%)	Average balances Million Baht	Interest Million Baht	Average rate (%)
<u>Performing financial assets</u>						
Interbank and money market items, net	12,393	191	1.54	4,528	17	0.38
Financial assets measured at fair value through profit or loss	26,786	421	1.57	35,439	360	1.02
Investments, net	97,265	1,624	1.67	65,623	1,048	1.60
Loans	213,938	7,630	3.57	211,334	7,917	3.75
Credit support assets on derivatives	16,748	240	1.43	17,287	40	0.23
Total performing financial assets	367,130	10,106		334,211	9,382	
<u>Performing financial liabilities</u>						
Deposits	200,679	1,402	0.70	180,199	1,299	0.72
Interbank and money market items	54,532	286	0.53	52,712	206	0.39
Financial liabilities measured at fair value through profit or loss	17,199	183	1.06	23,681	192	0.81
Debt issued and borrowings	32,093	624	1.94	25,458	580	2.28
Credit support liabilities on derivatives	27,833	59	0.21	12,351	7	0.06
Total performing financial liabilities	332,336	2,554		294,401	2,284	

Sensitivity analysis of interest rate to net profit and equity

Profit or loss is sensitive to higher or lower interest income from financial asset, and higher or lower interest expenses from financial liabilities as a result of changes in interest rates. Other components of equity change as a result of an increase or decrease in the fair value of the cash flow hedges of borrowings and the fair value of debt investments at fair value through other comprehensive income.

		Consolidated and Separate	
		2022	
		+1 basis point	-1 basis point
		Million Baht	Million Baht
Impact on net profit		(27)	27
Impact on equity		(38)	38
		(65)	65
		Consolidated and Separate	
		2021	
		+1 basis point	-1 basis point
		Million Baht	Million Baht
Impact on net profit		(40)	40
Impact on equity		(15)	15
		(55)	55

3.1.1.2 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.

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in Baht are as follows:

Transactions	Consolidated						Total Million Baht
	2022						
	Currency						
	THB Million Baht	USD Million Baht	JPY Million Baht	EURO Million Baht	MYR Million Baht	Others Million Baht	
Financial assets							
Cash	917	-	-	-	-	3	920
Interbank and money market items	9,229	11,028	64	13	58	323	20,715
Financial assets measured at fair value through profit or loss	22,363	-	-	-	-	-	22,363
Derivative assets	627,505	(534,037)	2,496	(12,510)	(8)	(3,162)	80,284
Investments	102,337	-	-	1	2,739	-	105,077
Loans to customers and Accrued interest receivables	226,830	12,566	-	639	-	2	240,037
Credit support assets on derivatives	8,855	7,386	-	-	-	-	16,241
Accounts receivables from sell of financial assets measured at fair value through profit or loss and investments	9,040	-	-	-	-	-	9,040
Other assets	873	25	-	-	-	-	898
Total financial assets	1,007,949	(503,032)	2,560	(11,857)	2,789	(2,834)	495,575
Financial liabilities							
Deposits	220,889	15,436	33	159	46	131	236,694
Interbank and money market items	46,468	438	-	-	-	1	46,907
Liabilities payable on demand	171	1	-	-	-	-	172
Financial liabilities measured at fair value through profit or loss	21,161	-	-	-	-	-	21,161
Derivative liabilities	637,254	(537,563)	2,644	(12,007)	(10,197)	(3,284)	76,847
Debt issued and borrowings	4,486	3,805	-	-	12,529	-	20,820
Lease liabilities	191	-	-	-	-	-	191
Credit support liabilities on derivatives	16,995	12,713	-	-	-	-	29,708
Accounts payables from purchase of financial assets measured at fair value through profit or loss and investments	10,567	-	-	-	-	-	10,567
Other liabilities	206	77	-	-	223	-	506
Total financial liabilities	958,388	(505,093)	2,677	(11,848)	2,601	(3,152)	443,573

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Transactions	Consolidated						Total Million Baht
	2021						
	Currency						
	THB Million Baht	USD Million Baht	JPY Million Baht	EURO Million Baht	MYR Million Baht	Others Million Baht	
Financial assets							
Cash	815	-	-	-	-	3	818
Interbank and money market items	5,039	3,547	51	217	197	405	9,456
Financial assets measured at fair value through profit or loss	31,303	-	-	-	-	-	31,303
Derivative assets	(368,984)	421,263	(9,044)	(7,907)	4,046	7,045	46,419
Investments	74,281	-	-	1	-	-	74,282
Loans to customers and Accrued interest receivables	203,036	13,143	-	8	-	2	216,189
Credit support assets on derivatives	3,991	9,669	-	-	-	-	13,660
Accounts receivables from sell of financial assets measured at fair value through profit or loss and investments	5,806	-	-	-	-	-	5,806
Other assets	968	-	-	-	-	-	968
Total financial assets	(43,745)	447,622	(8,993)	(7,681)	4,243	7,455	398,901
Financial liabilities							
Deposits	178,954	2,857	6	194	30	126	182,167
Interbank and money market items	54,515	729	1	-	151	1	55,397
Liabilities payable on demand	431	1	-	-	-	-	432
Financial liabilities measured at fair value through profit or loss	17,744	-	-	-	-	-	17,744
Derivative liabilities	(372,544)	434,802	(8,984)	(7,872)	(9,666)	6,972	42,708
Debt issued and borrowings	12,332	4,311	-	-	12,823	-	29,466
Lease liabilities	212	-	-	-	-	-	212
Credit support liabilities on derivatives	10,592	4,294	-	-	-	-	14,886
Accounts payables from purchase of financial assets measured at fair value through profit or loss and investments	5,457	-	-	-	-	-	5,457
Other liabilities	152	16	-	-	228	-	396
Total financial liabilities	(92,155)	447,010	(8,977)	(7,678)	3,566	7,099	348,865

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Transactions	Separate 2022						Total Million Baht
	Currency						
	THB Million Baht	USD Million Baht	JPY Million Baht	EURO Million Baht	MYR Million Baht	Others Million Baht	
Financial assets							
Cash	917	-	-	-	-	3	920
Interbank and money market items	8,925	11,028	64	13	58	323	20,411
Financial assets measured at fair value through profit or loss	22,363	-	-	-	-	-	22,363
Derivative assets	627,505	(534,037)	2,496	(12,510)	(8)	(3,162)	80,284
Investments	102,335	-	-	1	2,739	-	105,075
Loans to customers and Accrued interest receivables	219,659	12,566	-	639	-	2	232,866
Credit support assets on derivatives	8,855	7,386	-	-	-	-	16,241
Accounts receivables from sell of financial assets measured at fair value through profit or loss and investments	9,040	-	-	-	-	-	9,040
Other assets	727	25	-	-	-	-	752
Total financial assets	1,000,326	(503,032)	2,560	(11,857)	2,789	(2,834)	487,952
Financial liabilities							
Deposits	221,629	15,436	33	159	46	131	237,434
Interbank and money market items	46,468	438	-	-	-	1	46,907
Liabilities payable on demand	171	1	-	-	-	-	172
Financial liabilities measured at fair value through profit or loss	21,161	-	-	-	-	-	21,161
Derivative liabilities	637,254	(537,563)	2,644	(12,007)	(10,197)	(3,284)	76,847
Debt issued and borrowings	4,486	3,805	-	-	12,529	-	20,820
Lease liabilities	146	-	-	-	-	-	146
Credit support liabilities on derivatives	16,995	12,713	-	-	-	-	29,708
Accounts payables from purchase of financial assets measured at fair value through profit or loss and investments	10,567	-	-	-	-	-	10,567
Other liabilities	206	77	-	-	223	-	506
Total financial liabilities	959,083	(505,093)	2,677	(11,848)	2,601	(3,152)	444,268

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Transactions	Separate						Total Million Baht
	2021						
	Currency						
	THB Million Baht	USD Million Baht	JPY Million Baht	EURO Million Baht	MYR Million Baht	Others Million Baht	
Financial assets							
Cash	815	-	-	-	-	3	818
Interbank and money market items	4,845	3,547	51	217	197	405	9,262
Financial assets measured at fair value through profit or loss	31,303	-	-	-	-	-	31,303
Derivative assets	(368,984)	421,263	(9,044)	(7,907)	4,046	7,045	46,419
Investments	74,279	-	-	1	-	-	74,280
Loans to customers and Accrued interest receivables	196,337	13,143	-	8	-	2	209,490
Credit support assets on derivatives	3,991	9,669	-	-	-	-	13,660
Accounts receivables from sell of financial assets measured at fair value through profit or loss and investments	5,806	-	-	-	-	-	5,806
Other assets	808	-	-	-	-	-	808
Total financial assets	(50,800)	447,622	(8,993)	(7,681)	4,243	7,455	391,846
Financial liabilities							
Deposits	179,566	2,857	6	194	30	126	182,779
Interbank and money market items	54,515	729	1	-	151	1	55,397
Liabilities payable on demand	431	1	-	-	-	-	432
Financial liabilities measured at fair value through profit or loss	17,744	-	-	-	-	-	17,744
Derivative liabilities	(372,544)	434,802	(8,984)	(7,872)	(9,666)	6,972	42,708
Debt issued and borrowings	12,332	4,311	-	-	12,823	-	29,466
Lease liabilities	169	-	-	-	-	-	169
Credit support liabilities on derivatives	10,592	4,294	-	-	-	-	14,886
Accounts payables from purchase of financial assets measured at fair value through profit or loss and investments	5,457	-	-	-	-	-	5,457
Other liabilities	152	16	-	-	228	-	396
Total financial liabilities	(91,586)	447,010	(8,977)	(7,678)	3,566	7,099	349,434

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 2022 and 2021, the Bank has the following net foreign currency positions categorised by major foreign currencies:

	(Unit: Equivalent to million USD)					
	Consolidated and Separate					
	2022			2021		
	USD	EURO*	Other currencies*	USD	EURO*	Other currencies*
Spot	(34.53)	14.79	(370.17)	421.58	0.92	(391.33)
Forward						
- Forward contract	(107.84)	(14.73)	281.29	(390.78)	(1.25)	410.79
Total	(142.37)	0.06	(88.88)	30.80	(0.33)	19.46

* 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 and share's holder equity:

	Consolidated and Separate	
	2022 Million Baht	2021 Million Baht
+ 1%		
US Dollar	3	10
Others	(26)	6
	(23)	16
-1%		
US Dollar	(3)	(10)
Others	26	(6)
	23	(16)

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 2022 and 2021, financial derivatives as classified by their maturities were as follows:

	Consolidated and Separate					
	2022			2021		
	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	912,015	29,936	941,951	769,392	2,351	771,743
- Sold	841,925	17,588	859,513	696,643	7,893	704,536
Cross-currency and interest rate swap contracts						
- Bought	83,770	212,420	296,190	43,351	232,033	275,384
- Sold	75,721	202,708	278,429	66,961	188,102	255,063
Interest rate swap contracts						
- Fixed-rate receiver	747,560	627,806	1,375,366	333,199	596,620	929,819
- Floating-rate receiver	875,765	764,176	1,639,941	428,514	754,286	1,182,800
Interest rate option						
- Bought	800	-	800	-	-	-
Foreign exchange options						
- Call-option sales contract	-	-	-	4	-	4
- Put-option sales contract	-	-	-	34	-	34
- Put-option purchase contract	270	-	270	-	-	-
Credit derivatives						
- Bought	-	5,567	5,567	668	5,443	6,111
- Sold	-	5,567	5,567	668	5,443	6,111
Fund option						
- Bought	482	402	884	409	-	409
- Sold	482	402	884	409	-	409
Equity option						
- Bought	170	367	537	767	359	1,126
- Sold	170	367	537	767	359	1,126
Bond forward						
- Bought	-	-	-	-	-	-
- Sold	6,937	14,931	21,868	-	23,956	23,956

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.

3.1.1.3 Equity position risk

Equity position risk is the risk that changes in the market prices of equity securities may result in changes in the value of equity instruments, fluctuations in revenues and the value of other financial assets. Equity position risk is not material to the Group

3.1.2 Credit risk

Credit risk is the risk that the Group will incur a loss because its customers, clients or counter parties failed to discharge their contractual obligations.

The Group's credit risk management processes are implemented under a credit risk management policy, and have been structured in order to maintain checks and balances and clear segregation of responsibilities between the marketing, credit approval, inspection and risk management functions. The Group manages credit risk at the customer standalone risk level and the portfolio level, developing different and appropriate credit risk rating tools to measure the risk at each level. For corporate customers and small-medium enterprise customers, risk grading tools and an SME rating, respectively, have been developed to grade customer credit risk levels. For individual retail customers, with multi-purpose credit, whether uncollateralised (personal cash) or collateralised (mortgage 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 cases: These 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 2022 and 2021, concentrations of credit risk relative to the loans and receivables summarised by type of industry are as follows:

	Consolidated		Separate	
	2022 Million Baht	2021 Million Baht	2022 Million Baht	2021 Million Baht
Agricultural and mining	4,811	5,593	4,811	5,593
Manufacturing and commerce	36,762	32,323	36,762	32,323
Real estate and construction	13,016	14,536	13,016	14,536
Public utilities and services	28,234	27,609	28,234	27,609
Personal cash	6,041	6,402	6,041	6,402
Housing loans	92,318	78,124	92,318	78,124
Hire-purchase receivable and financial lease receivable	34,730	33,535	-	-
Others	19,345	13,772	46,910	40,611
Total loans net of deferred revenue	235,257	211,894	228,092	205,198

As at 31 December 2022 and 2021, the Group had the following off-balance statement of financial position. These are calculated according to the period to maturity in the contract dates from the date of statement of the financial position:

	Consolidated and Separate					
	31 December 2022			31 December 2021		
	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	250	-	250	8	-	8
Liabilities under unmatured import bills	208	-	208	653	-	653
Letters of credit	417	-	417	1,126	-	1,126
Other guarantees	6,126	882	7,008	7,904	1,077	8,981

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 - 17
Satisfactory	18 - 25
Impaired	26

Other financial assets

Rating classification	Internal rating	External rating
Investment Grade (IG)	1 - 10	AAA ~ BBB-
Non-Investment Grade	11 - 25	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 Bank.

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	
	2022	2021
	Maximum exposure to credit risk Million Baht	Maximum exposure to credit risk Million Baht
Credit risk exposures of on-statement of financial position assets:		
Financial assets measured at fair value through profit or loss	24,321	31,814
Investments	105,386	74,471
	129,707	106,285
Credit risk exposure of off-statement of financial position items:		
Financial guarantees	7,884	10,767
Loan commitments	35,895	31,992
	43,779	42,759
	Separate	
	2022	2021
	Maximum exposure to credit risk Million Baht	Maximum exposure to credit risk Million Baht
Credit risk exposures of on-statement of financial position assets:		
Financial assets measured at fair value through profit or loss	24,321	31,814
Investments	105,384	74,469
	129,705	106,283
Credit risk exposure of off-statement of financial position items:		
Financial guarantees	7,884	10,767
Loan commitments	35,895	31,992
	43,779	42,759

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 movable 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				
2022				
	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	94,029	(2,612)	91,417	21,357
Retail lending	146,008	(4,036)	141,972	103,459
Total	240,037	(6,648)	233,389	124,816
Consolidated				
2021				
	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	85,603	(3,169)	82,434	25,827
Retail lending	130,586	(3,622)	126,964	86,855
Total	216,189	(6,791)	209,398	112,682
Separate				
2022				
	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	121,623	(2,710)	118,913	21,357
Retail lending	111,243	(2,291)	108,952	103,459
Total	232,866	(5,001)	227,865	124,816

	Separate			
	2021			
	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	112,471	(3,254)	109,217	25,827
Retail lending	97,019	(2,070)	94,949	86,855
Total	209,490	(5,324)	204,166	112,682

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.

Investment in debt instrument

The Group and the Bank considers that all investment in debt instrument 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 2022 and 2021 are as follows:

	Separate	
	2022	2021
	Million Baht	Million Baht
Opening allowance for expected credit loss		
- calculated under TFRS 9	84	37
Increase in allowance for expected credit loss recognised in profit or loss during the year	14	47
Ending allowance for expected credit loss	98	84

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					
2022					
	Financial assets with an insignificant increase in credit risk Million Baht	Financial assets with a significant increase in credit risk Million Baht	Credit-impaired financial assets Million Baht	Purchased or originated credit-impaired financial assets Million Baht	Total Million Baht
Not past due and past due not over 30 days	215,064	10,974	1,393	-	227,431
Past due between 31 and 90 days	-	5,703	385	-	6,088
Past due more than 90 days	-	-	6,471	47	6,518
Gross carrying amount	215,064	16,677	8,249	47	240,037
<u>Less</u> Allowance for expected credit losses	(1,445)	(2,131)	(3,058)	(14)	(6,648)
Net carrying amount before excess provision	213,619	14,546	5,191	33	233,389
Consolidated					
2021					
	Financial assets with an insignificant increase in credit risk Million Baht	Financial assets with a significant increase in credit risk Million Baht	Credit-impaired financial assets Million Baht	Purchased or originated credit-impaired financial assets Million Baht	Total Million Baht
Not past due and past due not over 30 days	188,770	14,101	870	-	203,741
Past due between 31 and 90 days	-	4,899	206	-	5,105
Past due more than 90 days	-	-	7,285	58	7,343
Gross carrying amount	188,770	19,000	8,361	58	216,189
<u>Less</u> Allowance for expected credit losses	(1,488)	(1,890)	(3,389)	(24)	(6,791)
Net carrying amount before excess provision	187,282	17,110	4,972	34	209,398
Separate					
2022					
	Financial assets with an insignificant increase in credit risk Million Baht	Financial assets with a significant increase in credit risk Million Baht	Credit-impaired financial assets Million Baht	Purchased or originated credit-impaired financial assets Million Baht	Total Million Baht
Not past due and past due not over 30 days	213,514	9,999	1,390	-	224,903
Past due between 31 and 90 days	-	1,564	383	-	1,947
Past due more than 90 days	-	-	5,969	47	6,016
Gross carrying amount	213,514	11,563	7,742	47	232,866
<u>Less</u> Allowance for expected credit losses	(932)	(1,195)	(2,860)	(14)	(5,001)
Net carrying amount before excess provision	212,582	10,368	4,882	33	227,865

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	Separate 2021				
	Financial assets with an insignificant increase in credit risk Million Baht	Financial assets with a significant increase in credit risk Million Baht	Credit- impaired financial assets Million Baht	Purchased or originated credit- impaired financial assets Million Baht	Total Million Baht
Not past due and past due not over 30 days	187,124	12,726	868	-	200,718
Past due between 31 and 90 days	-	1,552	202	-	1,754
Past due more than 90 days	-	-	6,960	58	7,018
Gross carrying amount	187,124	14,278	8,030	58	209,490
<u>Less</u> Allowance for expected credit losses	(928)	(1,115)	(3,257)	(24)	(5,324)
Net carrying amount before excess provision	186,196	13,163	4,773	34	204,166

The table below presents credit quality of the interbank and money market items (asset), investments, loans and accrued interest receivables, credit support assets on derivatives, accounts receivables from sell of financial assets measured at fair value through profit or loss and investments, other assets and loans commitments and financial guarantees classified by rating:

	Consolidated 2022				
	Financial assets with an insignificant increase in credit risk Million Baht	Financial assets with a significant increase in credit risk Million Baht	Credit- impaired financial assets Million Baht	Purchased or originated credit- impaired financial assets Million Baht	Total Million Baht
Interbank and money market (Asset)					
Sovereign	3,318	-	-	-	3,318
Investment grade	17,247	-	-	-	17,247
Non-investment grade	150	-	-	-	150
No rating	-	-	-	-	-
<u>Less</u> Allowance for expected credit losses	-	-	-	-	-
Net carrying amount	20,715	-	-	-	20,715
Investments					
Sovereign	92,937	-	-	-	92,937
Investment grade	7,902	-	-	-	7,902
Non-investment grade	4,186	-	-	-	4,186
No rating	-	-	1	-	1
Gross carrying amount	105,025	-	1	-	105,026
<u>Less</u> Allowance for expected credit losses	-	-	(1)	-	(1)
Net carrying amount	105,025	-	-	-	105,025

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	Consolidated 2022				
	Financial assets with an insignificant increase in credit risk Million Baht	Financial assets with a significant increase in credit risk Million Baht	Credit- impaired financial assets Million Baht	Purchased or originated credit- impaired financial assets Million Baht	Total Million Baht
Loans and accrued interest receivables					
Good	73,460	3,944	-	-	77,404
Satisfactory	1,137	5,198	14	-	6,349
Impaired	-	-	3,871	47	3,918
No rating	140,467	7,535	4,364	-	152,366
Gross carrying amount	215,064	16,677	8,249	47	240,037
<u>Less</u> Allowance for expected credit losses	(1,445)	(2,131)	(3,058)	(14)	(6,648)
Net carrying amount before excess provision	213,619	14,546	5,191	33	233,389
Credit support assets on derivatives					
Sovereign	-	-	-	-	-
Investment grade	16,241	-	-	-	16,241
Non-investment grade	-	-	-	-	-
No rating	-	-	-	-	-
Carrying amount	16,241	-	-	-	16,241
Accounts receivables from sell of financial assets measured at fair value through profit or loss and investments					
Sovereign	8,990	-	-	-	8,990
Investment grade	50	-	-	-	50
Non-investment grade	-	-	-	-	-
No rating	-	-	-	-	-
Carrying amount	9,040	-	-	-	9,040
Other assets					
Sovereign	242	-	-	-	242
Investment grade	95	-	-	-	95
Non-investment grade	214	-	-	-	214
No rating	353	-	-	-	353
Gross carrying amount	904	-	-	-	904
<u>Less</u> Allowance for expected credit losses	(18)	-	-	-	(18)
Net carrying amount	886	-	-	-	886
Loans commitments and financial guarantees					
Good	8,420	105	-	-	8,525
Satisfactory	38	168	-	-	206
Impaired	-	-	133	-	133
No rating	2,077	2	72	-	2,151
Gross carrying amount	10,535	275	205	-	11,015
<u>Less</u> Allowance for expected credit losses	(139)	(28)	(576)	-	(743)
Net carrying amount	10,396	247	(371)	-	10,272

Consolidated					
2021					
	Financial assets with insignificant increase in credit risk	Financial assets with a significant increase in credit risk	Credit-impaired financial assets	Purchased or originated credit-impaired financial assets	Total
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Interbank and money market (Asset)					
Sovereign	1,582	-	-	-	1,582
Investment grade	7,279	-	-	-	7,279
Non-investment grade	595	-	-	-	595
No rating	-	-	-	-	-
<u>Less</u> Allowance for expected credit losses	-	-	-	-	-
Net carrying amount	9,456	-	-	-	9,456
Investments					
Sovereign	68,419	-	-	-	68,419
Investment grade	3,863	-	-	-	3,863
Non-investment grade	1,892	-	-	-	1,892
No rating	-	-	1	-	1
Gross carrying amount	74,174	-	1	-	74,175
<u>Less</u> Allowance for expected credit losses	-	-	(1)	-	(1)
Net carrying amount	74,174	-	-	-	74,174

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	Consolidated 2021				
	Financial assets with an insignificant increase in credit risk Million Baht	Financial assets with a significant increase in credit risk Million Baht	Credit- impaired financial assets Million Baht	Purchased or originated credit- impaired financial assets Million Baht	Total Million Baht
Loans and accrued interest receivables					
Good	61,093	3,765	-	-	64,858
Satisfactory	1,798	7,749	33	-	9,580
Impaired	-	-	4,195	58	4,253
No rating	125,879	7,486	4,133	-	137,498
Gross carrying amount	188,770	19,000	8,361	58	216,189
<u>Less</u> Allowance for expected credit losses	(1,488)	(1,890)	(3,389)	(24)	(6,791)
Net carrying amount before excess provision	187,282	17,110	4,972	34	209,398
Credit support assets on derivatives					
Sovereign	2,892	-	-	-	2,892
Investment grade	10,768	-	-	-	10,768
Non-investment grade	-	-	-	-	-
No rating	-	-	-	-	-
Carrying amount	13,660	-	-	-	13,660
Accounts receivables from sell of financial assets measured at fair value through profit or loss and investments					
Sovereign	5,782	-	-	-	5,782
Investment grade	24	-	-	-	24
Non-investment grade	-	-	-	-	-
No rating	-	-	-	-	-
Carrying amount	5,806	-	-	-	5,806
Other assets					
Sovereign	208	-	-	-	208
Investment grade	46	-	-	-	46
Non-investment grade	282	-	-	-	282
No rating	311	-	-	-	311
Gross carrying amount	847	-	-	-	847
<u>Less</u> Allowance for expected credit losses	(58)	-	-	-	(58)
Net carrying amount	789	-	-	-	789
Loans commitments and financial guarantees					
Good	6,900	112	-	-	7,012
Satisfactory	68	336	-	-	404
Impaired	-	-	345	-	345
No rating	2,057	4	-	-	2,061
Gross carrying amount	9,025	452	345	-	9,822
<u>Less</u> Allowance for expected credit losses	(129)	(24)	(815)	-	(968)
Net carrying amount	8,896	428	(470)	-	8,854

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	Separate 2022				
	Financial assets with an insignificant increase in credit risk Million Baht	Financial assets with a significant increase in credit risk Million Baht	Credit- impaired financial assets Million Baht	Purchased or originated credit-impaired financial assets Million Baht	Total Million Baht
Interbank and money market (Asset)					
Sovereign	3,295	-	-	-	3,295
Investment grade	16,966	-	-	-	16,966
Non-investment grade	150	-	-	-	150
No rating	-	-	-	-	-
<u>Less</u> Allowance for expected credit losses	-	-	-	-	-
Net carrying amount	20,411	-	-	-	20,411
Investments					
Sovereign	92,935	-	-	-	92,935
Investment grade	7,902	-	-	-	7,902
Non-investment grade	4,186	-	-	-	4,186
No rating	-	-	1	-	1
Gross carrying amount	105,023	-	1	-	105,024
<u>Less</u> Allowance for expected credit losses	-	-	(1)	-	(1)
Net carrying amount	105,023	-	-	-	105,023
Loans and accrued interest receivables					
Good	101,054	3,944	-	-	104,998
Satisfactory	1,137	5,198	15	-	6,350
Impaired	-	-	3,363	47	3,410
No rating	111,323	2,421	4,364	-	118,108
Gross carrying amount	213,514	11,563	7,742	47	232,866
<u>Less</u> Allowance for expected credit losses	(932)	(1,195)	(2,860)	(14)	(5,001)
Net carrying amount before excess provision	212,582	10,368	4,882	33	227,865
Credit support assets on derivatives					
Sovereign	-	-	-	-	-
Investment grade	16,241	-	-	-	16,241
Non-investment grade	-	-	-	-	-
No rating	-	-	-	-	-
Carrying amount	16,241	-	-	-	16,241
Accounts receivables from sell of financial assets measured at fair value through profit or loss and investments					
Sovereign	8,990	-	-	-	8,990
Investment grade	50	-	-	-	50
Non-investment grade	-	-	-	-	-
No rating	-	-	-	-	-
Carrying amount	9,040	-	-	-	9,040
Other assets					
Sovereign	242	-	-	-	242
Investment grade	95	-	-	-	95
Non-investment grade	214	-	-	-	214
No rating	201	-	-	-	201
Gross carrying amount	752	-	-	-	752
<u>Less</u> Allowance for expected credit losses	(18)	-	-	-	(18)
Net carrying amount	734	-	-	-	734

	Separate 2022				
	Financial assets with an insignificant increase in credit risk Million Baht	Financial assets with a significant increase in credit risk Million Baht	Credit- impaired financial assets Million Baht	Purchased or originated credit- impaired financial assets Million Baht	Total Million Baht
Loans commitments and financial guarantees					
Good	9,910	105	-	-	10,015
Satisfactory	38	168	-	-	206
Impaired	-	-	133	-	133
No rating	2,077	2	72	-	2,151
Gross carrying amount	12,025	275	205	-	12,505
<u>Less</u> Allowance for expected credit losses	(144)	(28)	(576)	-	(748)
Net carrying amount	11,881	247	(371)	-	11,757

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	Separate 2021				
	Financial assets with an insignificant increase in credit risk Million Baht	Financial assets with a significant increase in credit risk Million Baht	Credit- impaired financial assets Million Baht	Purchased or originated credit-impaired financial assets Million Baht	Total Million Baht
Interbank and money market (Asset)					
Sovereign	1,572	-	-	-	1,572
Investment grade	7,095	-	-	-	7,095
Non-investment grade	595	-	-	-	595
No rating	-	-	-	-	-
<u>Less</u> Allowance for expected credit losses	-	-	-	-	-
Net carrying amount	9,262	-	-	-	9,262
Investments					
Sovereign	68,417	-	-	-	68,417
Investment grade	3,863	-	-	-	3,863
Non-investment grade	1,892	-	-	-	1,892
No rating	-	-	1	-	1
Gross carrying amount	74,172	-	1	-	74,173
<u>Less</u> Allowance for expected credit losses	-	-	(1)	-	(1)
Net carrying amount	74,172	-	-	-	74,172
Loans and accrued interest receivables					
Good	87,962	3,765	-	-	91,727
Satisfactory	1,798	7,749	33	-	9,580
Impaired	-	-	3,864	58	3,922
No rating	97,364	2,764	4,133	-	104,261
Gross carrying amount	187,124	14,278	8,030	58	209,490
<u>Less</u> Allowance for expected credit losses	(928)	(1,115)	(3,257)	(24)	(5,324)
Net carrying amount before excess provision	186,196	13,163	4,773	34	204,166
Credit support assets on derivatives					
Sovereign	2,892	-	-	-	2,892
Investment grade	10,768	-	-	-	10,768
Non-investment grade	-	-	-	-	-
No rating	-	-	-	-	-
Carrying amount	13,660	-	-	-	13,660
Accounts receivables from sell of financial assets measured at fair value through profit or loss and investments					
Sovereign	5,782	-	-	-	5,782
Investment grade	24	-	-	-	24
Non-investment grade	-	-	-	-	-
No rating	-	-	-	-	-
Carrying amount	5,806	-	-	-	5,806
Other assets					
Sovereign	208	-	-	-	208
Investment grade	46	-	-	-	46
Non-investment grade	282	-	-	-	282
No rating	272	-	-	-	272
Gross carrying amount	808	-	-	-	808
<u>Less</u> Allowance for expected credit losses	(58)	-	-	-	(58)
Net carrying amount	750	-	-	-	750

	Separate 2021				
	Financial assets with an insignificant increase in credit risk Million Baht	Financial assets with a significant increase in credit risk Million Baht	Credit- impaired financial assets Million Baht	Purchased or originated credit- impaired financial assets Million Baht	Total Million Baht
Loans commitments and financial guarantees					
Good	8,825	112	-	-	8,937
Satisfactory	68	336	-	-	404
Impaired	-	-	345	-	345
No rating	2,057	4	-	-	2,061
Gross carrying amount	10,950	452	345	-	11,747
<u>Less</u> Allowance for expected credit losses	(136)	(24)	(815)	-	(975)
Net carrying amount	10,814	428	(470)	-	10,772

3.1.3 Liquidity risk

Liquidity risk is the risk that the Group will be unable to pay its debts and obligations when due because of an inability to convert assets into cash, or because of its failure to procure enough funds.

The Treasury group of the Bank is responsible for liquidity management, including procurement of both short and long-term sources of funds, and debt security investment management. The overall liquidity risk management is under the responsibility of the Asset and Liability Management Committee, who monitor and control risk, using tools to manage liquidity risk, such as minimum liquidity asset requirements, liquidity gap, liquidity ratio and liquidity risk limits.

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The period to maturity calculated from the statements of financial position date of financial instruments outstanding as at 31 December 2022 and 2021 were as follows:

Transaction	Consolidated 2022					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	920	-	-	-	-	920
Interbank and money market items	7,383	13,332	-	-	-	20,715
Financial assets measured at fair value through profit or loss	-	855	2,211	19,297	-	22,363
Derivative assets	-	42,459	23,348	14,477	-	80,284
Investments	-	20,882	41,021	43,122	52	105,077
Loans to customers and accrued interest receivables	8,047 ⁽¹⁾	38,286	71,154	122,550	-	240,037
Credit support assets on derivatives	16,241	-	-	-	-	16,241
Accounts receivables from sell of financial assets measured at fair value through profit or loss and investments	-	9,040	-	-	-	9,040
Other assets	-	715	110	-	73	898
Total financial assets	32,591	125,569	137,844	199,446	125	495,575
Financial liabilities						
Deposits	122,423	94,817	19,454	-	-	236,694
Interbank and money market items	24,615	21,979	313	-	-	46,907
Liabilities payable on demand	172	-	-	-	-	172
Financial liabilities measured at fair value through profit or loss	-	1,825	9,502	9,834	-	21,161
Derivative liabilities	-	41,634	21,638	13,575	-	76,847
Debt issued and borrowings	-	1,845	5,479	13,496	-	20,820
Lease liabilities	-	64	117	10	-	191
Credit support liabilities on derivatives	29,708	-	-	-	-	29,708
Accounts payables from purchase of financial assets measured at fair value through profit or loss and investments	-	10,567	-	-	-	10,567
Other liabilities	-	506	-	-	-	506
Total financial liabilities	176,918	173,237	56,503	36,915	-	443,573

⁽¹⁾ As at 31 December 2022, portions of loans classified as maturity-at-call in the consolidated financial statements, of Baht 3,372 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 2021					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	818	-	-	-	-	818
Interbank and money market items	5,581	3,875	-	-	-	9,456
Financial assets measured at fair value through profit or loss	-	1,702	2,227	27,374	-	31,303
Derivative assets	-	20,135	12,485	13,799	-	46,419
Investments	-	10,175	35,937	28,061	109	74,282
Loans to customers and accrued interest receivables	9,370 ⁽¹⁾	29,151	63,907	113,761	-	216,189
Credit support assets on derivatives	13,660	-	-	-	-	13,660
Accounts receivables from sell of financial assets measured at fair value through profit or loss and investments	-	5,806	-	-	-	5,806
Other assets	-	646	237	1	84	968
Total financial assets	29,429	71,490	114,793	182,996	193	398,901
Financial liabilities						
Deposits	98,227	82,073	1,867	-	-	182,167
Interbank and money market items	24,460	30,899	38	-	-	55,397
Liabilities payable on demand	432	-	-	-	-	432
Financial liabilities measured at fair value through profit or loss	-	1,496	3,414	12,834	-	17,744
Derivative liabilities	-	19,230	13,022	10,456	-	42,708
Debt issued and borrowings	-	11,200	4,507	13,759	-	29,466
Lease liabilities	-	80	130	2	-	212
Credit support liabilities on derivatives	14,886	-	-	-	-	14,886
Accounts payables from purchase of financial assets measured at fair value through profit or loss and investments	-	5,457	-	-	-	5,457
Other liabilities	-	396	-	-	-	396
Total financial liabilities	138,005	150,831	22,978	37,051	-	348,865

⁽¹⁾ As at 31 December 2021, portions of loans classified as maturity-at-call in the consolidated financial statements, of Baht 3,572 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 2022					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	920	-	-	-	-	920
Interbank and money market items	7,079	13,332	-	-	-	20,411
Financial assets measured at fair value through profit or loss	-	855	2,211	19,297	-	22,363
Derivative assets	-	42,459	23,348	14,477	-	80,284
Investments	-	20,882	41,019	43,122	52	105,075
Loans to customers and accrued interest receivables	8,048 ⁽¹⁾	39,167	65,527	120,124	-	232,866
Credit support assets on derivatives	16,241	-	-	-	-	16,241
Accounts receivables from sell of financial assets measured at fair value through profit or loss and investments	-	9,040	-	-	-	9,040
Other assets	-	568	110	-	74	752
Total financial assets	32,288	126,303	132,215	197,020	126	487,952
Financial liabilities						
Deposits	123,163	94,817	19,454	-	-	237,434
Interbank and money market items	24,615	21,979	313	-	-	46,907
Liabilities payable on demand	172	-	-	-	-	172
Financial liabilities measured at fair value through profit or loss	-	1,825	9,502	9,834	-	21,161
Derivative liabilities	-	41,634	21,638	13,575	-	76,847
Debt issued and borrowings	-	1,845	5,479	13,496	-	20,820
Lease liabilities	-	63	82	1	-	146
Credit support liabilities on derivatives	29,708	-	-	-	-	29,708
Accounts payables from purchase of financial assets measured at fair value through profit or loss and investments	-	10,567	-	-	-	10,567
Other liabilities	-	506	-	-	-	506
Total financial liabilities	177,658	173,236	56,468	36,906	-	444,268

⁽¹⁾ As at 31 December 2022, portions of loans classified as maturity-at-call in the separate financial statements, of Baht 3,372 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	Separate 2021					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	818	-	-	-	-	818
Interbank and money market items	5,387	3,875	-	-	-	9,262
Financial assets measured at fair value through profit or loss	-	1,702	2,227	27,374	-	31,303
Derivative assets	-	20,135	12,485	13,799	-	46,419
Investments	-	10,175	35,935	28,061	109	74,280
Loans to customers and accrued interest receivables	9,370 ⁽¹⁾	35,067	52,947	112,106	-	209,490
Credit support assets on derivatives	13,660	-	-	-	-	13,660
Accounts receivables from sell of financial assets measured at fair value through profit or loss and investments	-	5,806	-	-	-	5,806
Other assets	-	486	237	1	84	808
Total financial assets	29,235	77,246	103,831	181,341	193	391,846
Financial liabilities						
Deposits	98,839	82,073	1,867	-	-	182,779
Interbank and money market items	24,460	30,899	38	-	-	55,397
Liabilities payable on demand	432	-	-	-	-	432
Financial liabilities measured at fair value through profit or loss	-	1,496	3,414	12,834	-	17,744
Derivative liabilities	-	19,230	13,022	10,456	-	42,708
Debt issued and borrowings	-	11,200	4,507	13,759	-	29,466
Lease liabilities	-	71	96	2	-	169
Credit support liabilities on derivatives	14,886	-	-	-	-	14,886
Accounts payables from purchase of financial assets measured at fair value through profit or loss and investments	-	5,457	-	-	-	5,457
Other liabilities	-	396	-	-	-	396
Total financial liabilities	138,617	150,822	22,944	37,051	-	349,434

⁽²⁾ As at 31 December 2021, portions of loans classified as maturity-at-call in the separate financial statements, of Baht 3,572 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.

3.1.4 Fair value risk

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

Transaction	Consolidated			
	2022		2021	
	Book value Million Baht	Fair value Million Baht	Book value Million Baht	Fair value Million Baht
Financial assets				
Cash	920	920	818	818
Interbank and money market items, net	20,715	20,715	9,456	9,456
Financial assets measured at fair value through profit or loss	22,363	22,363	31,303	31,303
Derivatives assets	80,284	80,284	46,419	46,419
Investments, net	105,076	105,282	74,281	74,899
Loans to customers and accrued interest receivables, net	231,840	230,244	207,849	206,326
Credit support assets on derivatives	16,241	16,241	13,660	13,660
Accounts receivables from sell of financial assets measured at fair value through profit or loss and investments	9,040	9,040	5,806	5,806
Other assets	841	836	1,108	1,105
Total financial assets	487,320	485,925	390,700	389,792
Financial liabilities				
Deposits	236,694	236,963	182,167	182,179
Interbank and money market items	46,907	46,907	55,397	55,397
Liability payable on demand	172	172	432	432
Financial liabilities measured at fair value through profit or loss	21,161	21,161	17,744	17,744
Derivatives liabilities	76,847	76,847	42,708	42,708
Debt issued and borrowings	20,820	20,613	29,466	29,488
Lease liabilities	191	191	212	212
Credit support liabilities on derivatives	29,708	29,708	14,886	14,886
Accounts payables from purchase of financial assets measured at fair value through profit or loss and investments	10,567	10,567	5,457	5,457
Other liabilities	506	506	396	396
Total financial liabilities	443,573	443,635	348,865	348,899

Transaction	Separate			
	2022		2021	
	Book value Million Baht	Fair value Million Baht	Book value Million Baht	Fair value Million Baht
Financial assets				
Cash	920	920	818	818
Interbank and money market items, net	20,411	20,411	9,262	9,262
Financial assets measured at fair value through profit or loss	22,363	22,363	31,303	31,303
Derivatives assets	80,284	80,284	46,419	46,419
Investments, net	105,074	105,280	74,279	74,897
Loans to customers and accrued interest receivables, net	226,408	225,115	202,709	201,327
Credit support assets on derivatives	16,241	16,241	13,660	13,660
Accounts receivables from sell of financial assets measured at fair value through profit or loss and investments	9,040	9,040	5,806	5,806
Other assets	752	747	808	805
Total financial assets	481,493	480,401	385,064	384,297
Financial liabilities				
Deposits	237,434	237,703	182,779	182,790
Interbank and money market items	46,907	46,907	55,397	55,397
Liability payable on demand	172	172	432	432
Financial liabilities measured at fair value through profit or loss	21,161	21,161	17,744	17,744
Derivatives liabilities	76,847	76,847	42,708	42,708
Debt issued and borrowings	20,820	20,613	29,466	29,488
Lease liabilities	146	146	169	169
Credit support liabilities on derivatives	29,708	29,708	14,886	14,886
Accounts payables from purchase of financial assets measured at fair value through profit or loss and investments	10,567	10,567	5,457	5,457
Other liabilities	506	506	396	396
Total financial liabilities	444,268	444,330	349,434	349,467

3.2 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 29 to the financial statements.

4 Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(a) Allowance for 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, undrawn credit line 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's building, equipment and intangible assets. Management will revise the depreciation charge where useful lives and residual values are different than previously estimated, or it will write off or write down technically obsolete or assets that have been abandoned or sold.

(f) Provision for post retirement benefits and pension fund

The Group has a commitment on provision of post-retirement benefits and pension funds for employees. The present value of employee benefit liabilities recognised in the statement of financial position is determined on the present value of estimated future cash outflows for staff. The assumptions used in determining the net year cost for employee benefits includes the salary and years of services of respective employees which are payable in the future and discount rate. Any changes in these assumptions will impact the cost recorded for employee benefits.

5 Classification of financial assets and financial liabilities

The following table analyses the carrying amounts of the financial assets and liabilities by category and by statement of financial position heading.

Transaction	Consolidated					
	2022					
	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	Total Million Baht
Financial assets						
Cash	-	-	-	-	920	920
Interbank and money market items, net	-	-	-	-	20,715	20,715
Financial assets measured						
at fair value through profit or loss	12,471	9,892	-	-	-	22,363
Derivative assets	80,284	-	-	-	-	80,284
Investments, net	-	-	68,724	51	36,301	105,076
Loans to customers and accrued						
interest receivables, net	-	-	-	-	231,840	231,840
Credit support assets on derivatives	-	-	-	-	16,241	16,241
Accounts receivables from sell of financial						
assets measured at fair value through profit						
or loss and investments	-	-	-	-	9,040	9,040
Other assets	-	-	-	-	910	910
Total financial assets	92,755	9,892	68,724	51	315,967	487,389
Financial liabilities						
Deposits	-	-	-	-	236,694	236,694
Interbank and money market items	-	-	-	-	46,907	46,907
Liabilities payable on demand	-	-	-	-	172	172
Financial liabilities measured						
at fair value through profit or loss	-	21,161	-	-	-	21,161
Derivative liabilities	76,847	-	-	-	-	76,847
Debt issued and borrowings	-	-	-	-	20,820	20,820
Lease liabilities	-	-	-	-	191	191
Credit support liabilities on derivatives	-	-	-	-	29,708	29,708
Accounts payables from purchase of financial						
assets measured at fair value through profit						
or loss and investments	-	-	-	-	10,567	10,567
Other liabilities	-	-	-	-	506	506
Total financial liabilities	76,847	21,161	-	-	345,565	443,573

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Transaction	Consolidated					
	2021					
	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	Total Million Baht
Financial assets						
Cash	-	-	-	-	818	818
Interbank and money market items, net	-	-	-	-	9,456	9,456
Financial assets measured at fair value through profit or loss	16,872	14,431	-	-	-	31,303
Derivative assets	46,419	-	-	-	-	46,419
Investments, net	-	-	50,322	107	23,852	74,281
Loans to customers and accrued interest receivables, net	-	-	-	-	207,849	207,849
Credit support assets on derivatives	-	-	-	-	13,660	13,660
Accounts receivables from sell of financial assets measured at fair value through profit or loss and investments	-	-	-	-	5,806	5,806
Other assets	-	-	-	-	968	968
Total financial assets	63,291	14,431	50,322	107	262,409	390,560
Financial liabilities						
Deposits	-	-	-	-	182,167	182,167
Interbank and money market items	-	-	-	-	55,397	55,397
Liabilities payable on demand	-	-	-	-	432	432
Financial liabilities measured at fair value through profit or loss	-	17,744	-	-	-	17,744
Derivative liabilities	42,708	-	-	-	-	42,708
Debt issued and borrowings	-	-	-	-	29,466	29,466
Lease liabilities	-	-	-	-	212	212
Credit support liabilities on derivatives	-	-	-	-	14,886	14,886
Accounts payables from purchase of financial assets measured at fair value through profit or loss and investments	-	-	-	-	5,457	5,457
Other liabilities	-	-	-	-	396	396
Total financial liabilities	42,708	17,744	-	-	288,413	348,865

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Transaction	Separate					Total Million Baht
	2022					
	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	-	-	-	-	920	920
Interbank and money market items, net	-	-	-	-	20,411	20,411
Financial assets measured						
at fair value through profit or loss	12,471	9,892	-	-	-	22,363
Derivative assets	80,284	-	-	-	-	80,284
Investments, net	-	-	68,724	51	36,299	105,074
Loans to customers and accrued						
interest receivables, net	-	-	-	-	226,408	226,408
Credit support assets on derivatives	-	-	-	-	16,241	16,241
Accounts receivables from sell of financial						
assets measured at fair value through profit						
or loss and investments	-	-	-	-	9,040	9,040
Other assets	-	-	-	-	752	752
Total financial assets	92,755	9,892	68,724	51	310,071	481,493
Financial liabilities						
Deposits	-	-	-	-	237,434	237,434
Interbank and money market items	-	-	-	-	46,907	46,907
Liabilities payable on demand	-	-	-	-	172	172
Financial liabilities measured						
at fair value through profit or loss	-	21,161	-	-	-	21,161
Derivative liabilities	76,847	-	-	-	-	76,847
Debt issued and borrowings	-	-	-	-	20,820	20,820
Lease liabilities	-	-	-	-	146	146
Credit support liabilities on derivatives	-	-	-	-	29,708	29,708
Accounts payables from purchase of financial						
assets measured at fair value through profit						
or loss and investments	-	-	-	-	10,567	10,567
Other liabilities	-	-	-	-	506	506
Total financial liabilities	76,847	21,161	-	-	346,260	444,268

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Transaction	Separate 2021				Amortized Cost Million Baht	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		
Financial assets						
Cash	-	-	-	-	818	818
Interbank and money market items, net	-	-	-	-	9,262	9,262
Financial assets measured at fair value through profit or loss	16,872	14,431	-	-	-	31,303
Derivative assets	46,419	-	-	-	-	46,419
Investments, net	-	-	50,322	107	23,850	74,279
Loans to customers and accrued interest receivables, net	-	-	-	-	202,709	202,709
Credit support assets on derivatives	-	-	-	-	13,660	13,660
Accounts receivables from sell of financial assets measured at fair value through profit or loss and investments	-	-	-	-	5,806	5,806
Other assets	-	-	-	-	808	808
Total financial assets	63,291	14,431	50,322	107	256,913	385,064
Financial liabilities						
Deposits	-	-	-	-	182,779	182,779
Interbank and money market items	-	-	-	-	55,397	55,397
Liabilities payable on demand	-	-	-	-	432	432
Financial liabilities measured at fair value through profit or loss	-	17,744	-	-	-	17,744
Derivative liabilities	42,708	-	-	-	-	42,708
Debt issued and borrowings	-	-	-	-	29,466	29,466
Lease liabilities	-	-	-	-	169	169
Credit support liabilities on derivatives	-	-	-	-	14,886	14,886
Accounts payables from purchase of financial assets measured at fair value through profit or loss and investments	-	-	-	-	5,457	5,457
Other liabilities	-	-	-	-	396	396
Total financial liabilities	42,708	17,744	-	-	288,982	349,434

6 Interbank and money market items, net (assets)

	Consolidated	
	2022	2021
	Million Baht	Million Baht
Domestic:		
Bank of Thailand	3,011	1,225
Commercial banks	1,249	185
Specialised financial institutions	23	10
Other financial institutions	5,912	3,601
Total domestic items	10,195	5,021
<u>Add</u> Accrued interest receivable	2	2
<u>Less</u> Allowance for expected credit losses	-	-
Domestic items, net	10,197	5,023
Foreign:		
USD	10,019	3,547
JPY	64	51
EURO	13	217
Other currencies	381	617
Total foreign items	10,477	4,432
<u>Add</u> Accrued interest receivable	41	1
<u>Less</u> Allowance for expected credit losses	-	-
Foreign items, net	10,518	4,433
Domestic and foreign items, net	20,715	9,456

	Separate	
	2022	2021
	Million Baht	Million Baht
Domestic:		
Bank of Thailand	3,011	1,225
Commercial banks	968	1
Other financial institutions	5,912	3,601
Total domestic items	9,891	4,827
<u>Add</u> Accrued interest receivable	2	2
<u>Less</u> Allowance for expected credit losses	-	-
Domestic items, net	9,893	4,829
Foreign:		
USD	10,019	3,547
JPY	64	51
EURO	13	217
Other currencies	381	617
Total foreign items	10,477	4,432
<u>Add</u> Accrued interest receivable	41	1
<u>Less</u> Allowance for expected credit losses	-	-
Foreign items, net	10,518	4,433
Domestic and foreign items, net	20,411	9,262

7 Financial assets measured at fair value through profit or loss

7.1 Financial assets for trading

	Consolidated and Separate	
	2022 Fair value Million Baht	2021 Fair value Million Baht
Government and state enterprise securities	9,049	13,018
Private enterprise debt securities	3,422	3,854
Total	12,471	16,872

7.2 Financial assets designated at fair value through profit or loss

	Consolidated and Separate	
	2022 Fair value Million Baht	2021 Fair value Million Baht
Government and state enterprise securities	9,892	14,431

8 Derivatives

8.1 Trading derivatives

Fair value and notional amount classified by type of risk

	Consolidated and Separate					
	2022			2021		
	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	52,540	55,454	2,343,991	28,125	28,338	1,973,243
Interest rate	23,312	19,282	2,956,830	15,831	12,751	2,080,172
Others	2,442	329	35,843	1,557	1,142	39,248
Total	78,294	75,065	5,336,664	45,513	42,231	4,092,663

8.2 Derivative for hedging

8.2.1 Fair value hedge

The amounts relating to items designated as hedging instruments and hedge ineffectiveness are as follows:

	Consolidated and Separate				
	2022				
	Fair value				
				Changes in	Hedge
	Asset	Liability	Notional	Fair value used for	ineffectiveness
Million Baht	Million Baht	amount	calculating hedge	recognised in	
		Million Baht	ineffectiveness	profit or loss	
			Million Baht	Million Baht	
Interest rate	215	161	19,170	(1)	(85)
Total	215	161	19,170	(1)	(85)
	Consolidated and Separate				
	2021				
	Fair value				
				Changes in	Hedge
	Asset	Liability	Notional	Fair value used for	ineffectiveness
Million Baht	Million Baht	amount	calculating hedge	recognised in	
		Million Baht	ineffectiveness	profit or loss	
			Million Baht	Million Baht	
Interest rate	56	44	15,075	22	15
Total	56	44	15,075	22	15

The amounts relating to items designated as hedged items are as follows:

	Consolidated and Separate					
	2022					
	Carrying amount					
	Asset Million Baht	Liability Million Baht	Asset Million Baht	Liability Million Baht	Line item in the statements of financial position in which the hedged item is included Million Baht	Change in fair value used for calculating hedge ineffectiveness Million Baht
Hedged items						
THB fixed rate bonds	19,897	-	62	-	Investment, net	69
Total	19,897	-	62	-		69

Consolidated and Separate						
2021						
Carrying amount		Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item		Line item in the statements of financial position in which the hedged item is included	Change in fair value used for calculating hedge ineffectiveness	
Asset	Liability	Asset	Liability			
Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Hedged items						
THB fixed rate bonds	11,509	-	(7)	- Investment, net		(7)
Total	11,509	-	(7)	-		(7)

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.

8.2.2 Cash flow hedge

Consolidated and Separate						
2022						
Fair Value		Notional amount	Changes in Fair value used for calculating hedge ineffectiveness	Cash flow hedge reserve	Cost of hedging reserve	
Asset	Liability					
Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Exchange rate	1,697	1,621	32,362	55	317	(274)
Interest rate	78	-	21,200	(19)	50	-
Total	1,775	1,621	53,562	36	367	(274)

Consolidated and Separate						
2021						
Fair Value		Notional amount	Changes in Fair value used for calculating hedge ineffectiveness	Cash flow hedge reserve	Cost of hedging reserve	
Asset	Liability					
Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Exchange rate	818	433	33,520	137	156	(56)
Interest rate	32	-	2,450	30	32	-
Total	850	433	35,970	167	188	(56)

The following table shows a reconciliation of the components of equity that relate to cash flow hedge relationships:

Consolidated and Separate	
Cash flow hedge reserve	
	2022
	Million Baht
	2021
	Million Baht
Beginning balance	132
Effective portion of changes in fair value	178
Cost of hedging reserve	(217)
Ending balances	93

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, bonds, 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.

9 Investments, net

9.1 Classified by type of investment

	Consolidated	
	2022	2021
	Amortised cost Million Baht	Amortised cost Million Baht
Investments in debt instruments measured at amortized cost		
Government and state enterprise securities	36,301	23,852
Private debt securities	1	1
Total	36,302	23,853
<u>Less</u> Allowance for expected credit losses	(1)	(1)
Total	36,301	23,852

	Consolidated	
	2022	2021
	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	56,636	44,567
Private debt securities - Domestic	9,349	5,755
Private debt securities - Foreign	2,739	-
Total	68,724	50,322
<u>Less</u> Allowance for expected credit losses	-	-
Total	68,724	50,322

	Consolidated			
	2022		2021	
	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	14	1	59	4
Domestic non-marketable equity securities	37	12	48	8
Total	51	13	107	12
Investments, net	105,076	13	74,281	12

	Separate	
	2022	2021
	Amortised cost Million Baht	Amortised cost Million Baht
Investments in debt instruments measured at amortized cost		
Government and state enterprise securities	36,299	23,850
Private debt securities	1	1
Total	36,300	23,851
<u>Less</u> Allowance for expected credit losses	(1)	(1)
Total	36,299	23,850

	Separate	
	2022	2021
	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	56,636	44,567
Private debt securities – Domestic	9,349	5,755
Private debt securities - Foreign	2,739	-
Total	68,724	50,322
Less Allowance for expected credit losses	-	-
Total	68,724	50,322

	Separate			
	2022		2021	
	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	14	1	59	4
Domestic non-marketable equity securities	37	12	48	8
Total	51	13	107	12
Investments, net	105,074	13	74,279	12

As at 31 December 2022 and 2021, the Bank had investments pledged as collateral, as mentioned in note 42 to the financial statements.

Investments in equity instruments designated at fair value through other comprehensive income that are derecognised for the year ended 31 December 2022 and 2021 are as follows:

	Consolidated and Separate			
	2022			
	Fair value at the date of the derecognition Million Baht	Dividends received Million Baht	Retained earnings due to the derecognition Million Baht	Explanation for the derecognition
Investments in equity instruments designated at fair value through other comprehensive income that are derecognized	46	-	2	Sale
Total	46	-	2	
	Consolidated and Separate			
	2021			
	Fair value at the date of the derecognition Million Baht	Dividends received Million Baht	Retained earnings due to the derecognition Million Baht	Explanation for the derecognition
Investments in equity instruments designated at fair value through other comprehensive income that are derecognized	1	-	(6)	Sale
Total	1	-	(6)	

9.2 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	
	2022	2021
	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)	(22)
Investments representing shareholdings in which the Group hold more than 10%, net	-	-

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

As at 31 December 2022 and 2021, the Group had the following investments in companies, having problems relating to financial positions and operating results:

	Consolidated and Separate							
	2022				2021			
	Number of companies	Cost Million Baht	Allowance for revaluation Million Baht	Book value Million Baht	Number of companies	Cost Million Baht	Allowance for revaluation Million Baht	Book value Million Baht
Business continuity and/or weak financial status and operating performance	49	35	(33)	2	49	35	(33)	2
Defaulted debt securities	18	1	(1)	-	18	1	(1)	-
	67	36	(34)	2	67	36	(34)	2

10 Investments in subsidiaries, net

Company name	Nature of business	Type of securities	Percentage of holding		Separate	
			2022	2021	Cost method	
			%	%	2022	2021
					Million Baht	Million Baht
Subsidiaries - included in consolidated financial statements						
CIMB Thai Auto Co., Ltd.	Leasing/hire-Purchase of automobile	Common stock	99.99	99.99	2,328	2,328
Worldlease Co., Ltd.	Hire-purchase and motorcycles	Common stock	99.99	99.99	567	567
CT Coll Co., Ltd.	motorcycle trading	Common stock	-	99.99	-	9
	Debt collection					
Investments in subsidiaries, net					2,895	2,904

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 22 July 2021, CT Coll Company Limited has decrease registered its capital at the Department of Business Development from the registered capital of Baht 39 million to the remaining Baht 10 million by reducing the par value from the original price of Baht 100 per share to the remaining value of Baht 25 per share, totaling 385,000 share according to the Annual General Meeting of Shareholders approval on 30 April 2021. The Company return capital of Baht 29 million to its shareholders. Subsequently, on 31 August 2021, Extra General Shareholders Meeting No. 1/2021 passes resolution to approve the dissolution of the Company and appoint the Company's liquidator. The dissolution of the Company had been registered with the Ministry of Commerce on the same date. On 29 September 2022, the company registered the completeness of liquidation and returned capital to the Bank in the same day.

11 Loans and accrued interest receivables, net

11.1 Classified by loan type

	Consolidated		Separate	
	2022	2021	2022	2021
	Million Baht	Million Baht	Million Baht	Million Baht
Bank overdrafts	3,816	4,400	3,816	4,400
Loans	175,469	160,256	175,444	160,980
Bills	21,213	13,669	48,803	39,784
Hire-purchase receivables	34,730	33,535	-	-
Others	29	34	29	34
Total loans to customers	235,257	211,894	228,092	205,198
<u>Add</u> Accrued interest receivable and undue interest receivable	4,780	4,295	4,774	4,292
Total loans to customers and accrued interest receivable	240,037	216,189	232,866	209,490
<u>Less</u> Allowance for expected credit losses (Note 12)	(8,197)	(8,340)	(6,458)	(6,781)
Loans to customer and accrued interest receivables, net	231,840	207,849	226,408	202,709

11.2 Classified by location of receivables

	Consolidated		Separate	
	2022	2021	2022	2021
	Million Baht	Million Baht	Million Baht	Million Baht
Domestic	234,475	211,697	227,310	205,001
Foreign	782	197	782	197
Total	235,257	211,894	228,092	205,198

11.3 Classified by classification

The Group classified loans by classification as summarised below:

	Consolidated	
	2022	2021
	Loans and accrued interest receivable Million Baht	Million Baht
Financial assets with an insignificant increase in credit risk	215,064	188,770
Financial assets with a significant increase in credit risk	16,677	19,000
Credit-impaired financial assets	8,249	8,361
Purchased or originated credit-impaired financial assets	47	58
Total	240,037	216,189
	Separate	
	2022	2021
	Loans and accrued interest receivable Million Baht	Million Baht
Financial assets with an insignificant increase in credit risk	213,514	187,124
Financial assets with a significant increase in credit risk	11,563	14,278
Credit-impaired financial assets	7,742	8,030
Purchased or originated credit-impaired financial assets	47	58
Total	232,866	209,490

11.4 Credit-impaired financial assets

As at 31 December 2022 and 2021, the Group had the following credit-impaired financial according to Thai Financial Reporting Standard 9 excluded accrued interest receivables as summarised below:

	Consolidated		Separate	
	2022	2021	2022	2021
	Million Baht	Million Baht	Million Baht	Million Baht
Credit-impaired financial assets before allowance for expected credit losses	7,803	7,923	7,321	7,612

11.5 Hire purchase and finance lease receivables

Subsidiaries had receivables under hire purchase agreements and financial leases, 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				
2022				
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	11,514	28,361	2,563	42,438
<u>Less</u> Unearned finance income	(2,891)	(4,674)	(143)	(7,708)
Present value of minimum lease payments receivable	8,623	23,687	2,420	34,730
<u>Less</u> Allowance for expected credit losses				(1,837)
Net receivables under hire-purchase agreements and financial leases				32,893

Consolidated				
2021				
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	11,382	27,956	1,776	41,114
<u>Less</u> Unearned finance income	(2,885)	(4,568)	(126)	(7,579)
Present value of minimum lease payments receivable	8,497	23,388	1,650	33,535
<u>Less</u> Allowance for expected credit losses				(1,644)
Net receivables under hire-purchase agreements and financial leases				31,891

11.6 Movement in gross carrying amount of loans to customers

Consolidated					
2022					
	Financial assets with an insignificant increase in credit risk	Financial assets with a significant increase in credit risk	Credit-impaired financial assets	Purchased or originated credit-impaired financial assets	Total
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Balance as at 1 January 2022	188,770	19,000	8,361	58	216,189
Change due to reclassification	(7,250)	2,923	4,327	-	-
Newly acquired or purchased financial assets	124,184	6,764	13	-	130,961
Derecognised financial assets	(62,031)	(8,931)	(609)	-	(71,571)
Write-offs	-	(5)	(1,626)	(10)	(1,641)
Change due to collection and modification	(28,609)	(3,074)	(938)	(1)	(32,622)
NPLs sale	-	-	(1,279)	-	(1,279)
Balance as at 31 December 2022	215,064	16,677	8,249	47	240,037
Consolidated					
2021					
	Financial assets with an insignificant increase in credit risk	Financial assets with a significant increase in credit risk	Credit-impaired financial assets	Purchased or originated credit-impaired financial assets	Total
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Balance as at 1 January 2021	200,367	19,213	11,159	58	230,797
Change due to reclassification	(10,341)	6,233	4,108	-	-
Newly acquired or purchased financial assets	105,747	5,625	2	-	111,374
Derecognised financial assets	(84,411)	(10,392)	(791)	-	(95,594)
Write-offs	-	(2)	(2,208)	-	(2,210)
Change due to collection and modification	(22,581)	(1,668)	(796)	-	(25,045)
NPLs sale	(11)	(9)	(3,113)	-	(3,133)
Balance as at 31 December 2021	188,770	19,000	8,361	58	216,189
Separate					
2022					
	Financial assets with an insignificant increase in credit risk	Financial assets with a significant increase in credit risk	Credit-impaired financial assets	Purchased or originated credit-impaired financial assets	Total
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Balance as at 1 January 2022	187,124	14,278	8,030	58	209,490
Change due to reclassification	(2,482)	(352)	2,834	-	-
Newly acquired or purchased financial assets	109,850	6,675	13	-	116,538
Derecognised financial assets	(60,096)	(7,164)	(354)	-	(67,614)
Write-offs	-	(5)	(662)	(10)	(677)
Change due to collection and modification	(20,882)	(1,869)	(840)	(1)	(23,592)
NPLs sale	-	-	(1,279)	-	(1,279)
Balance as at 31 December 2022	213,514	11,563	7,742	47	232,866

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	Separate 2021				
	Financial assets with an insignificant increase in credit risk Million Baht	Financial assets with a significant increase in credit risk Million Baht	Credit- impaired financial assets Million Baht	Purchased or originated credit-impaired financial assets Million Baht	Total Million Baht
Balance as at 1 January 2021	198,709	15,113	10,763	58	224,643
Change due to reclassification	(5,612)	2,918	2,694	-	-
Newly acquired or purchased financial assets	91,507	5,559	2	-	97,068
Derecognised financial assets	(76,728)	(8,504)	(518)	-	(85,750)
Write-offs	-	(2)	(1,165)	-	(1,167)
Change due to collection and modification	(20,741)	(797)	(633)	-	(22,171)
NPLs sale	(11)	(9)	(3,113)	-	(3,133)
Balance as at 31 December 2021	187,124	14,278	8,030	58	209,490

12 Allowance for expected credit losses

	Consolidated 2022					
	Financial assets with an insignificant increase in credit risk Million Baht	Financial assets with a significant increase in credit risk Million Baht	Credit- impaired financial assets Million Baht	Purchased or originated credit-impaired financial assets Million Baht	Surplus allowance Million Baht	Total Million Baht
Balance as at 1 January 2022	1,488	1,890	3,389	24	1,549	8,340
Change due to reclassification	111	(728)	617	-	-	-
Change due to new estimation of credit loss	(558)	1,290	1,993	-	-	2,725
Newly acquired or purchased financial assets	569	55	5	-	-	629
Derecognised financial assets	(165)	(371)	(437)	-	-	(973)
Write-offs	-	(5)	(1,626)	(10)	-	(1,641)
NPLs sale	-	-	(883)	-	-	(883)
Balance as at 31 December 2022	1,445	2,131	3,058	14	1,549	8,197

	Consolidated 2021					
	Financial assets with an insignificant increase in credit risk Million Baht	Financial assets with a significant increase in credit risk Million Baht	Credit- impaired financial assets Million Baht	Purchased or originated credit-impaired financial assets Million Baht	Surplus allowance Million Baht	Total Million Baht
Balance as at 1 January 2021	1,891	1,482	3,491	24	2,065	8,953
Change due to reclassification	297	(916)	619	-	-	-
Change due to new estimation of credit loss	(897)	1,652	3,222	-	-	3,977
Newly acquired or purchased financial assets	396	57	2	-	-	455
Derecognised financial assets	(195)	(380)	(259)	-	-	(834)
Write-offs	-	(2)	(2,208)	-	-	(2,210)
Surplus allowance amortisation	-	-	-	-	(516)	(516)
NPLs sale	(4)	(3)	(1,478)	-	-	(1,485)
Balance as at 31 December 2021	1,488	1,890	3,389	24	1,549	8,340

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	Separate 2022					
	Financial assets with an insignificant increase in credit risk Million Baht	Financial assets with a significant increase in credit risk Million Baht	Credit- impaired financial assets Million Baht	Purchased or originated credit-impaired financial assets Million Baht	Surplus allowance Million Baht	Total Million Baht
Balance as at 1 January 2022	928	1,115	3,257	24	1,457	6,781
Change due to reclassification	71	(419)	346	-	-	(2)
Change due to new estimation of credit loss	(336)	512	852	-	-	1,028
Newly acquired or purchased financial assets	407	44	5	-	-	456
Derecognised financial assets	(138)	(52)	(55)	-	-	(245)
Write-offs	-	(5)	(662)	(10)	-	(677)
NPLs sale	-	-	(883)	-	-	(883)
Balance as at 31 December 2022	932	1,195	2,860	14	1,457	6,458

	Separate 2021					
	Financial assets with an insignificant increase in credit risk Million Baht	Financial assets with a significant increase in credit risk Million Baht	Credit- impaired financial assets Million Baht	Purchased or originated credit-impaired financial assets Million Baht	Surplus allowance Million Baht	Total Million Baht
Balance as at 1 January 2021	1,060	708	3,332	24	1,943	7,067
Change due to reclassification	228	(608)	380	-	-	-
Change due to new estimation of credit loss	(475)	1,034	2,272	-	-	2,831
Newly acquired or purchased financial assets	290	49	2	-	-	341
Derecognised financial assets	(171)	(63)	(85)	-	-	(319)
Write-offs	-	(2)	(1,166)	-	-	(1,168)
Surplus allowance amortisation	-	-	-	-	(486)	(486)
NPLs sale	(4)	(3)	(1,478)	-	-	(1,485)
Balance as at 31 December 2021	928	1,115	3,257	24	1,457	6,781

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.

Since 1 January 2022, the Group did not amortise the surplus reserve in order to reserve for possible losses that may be occurred from the COVID-19 pandemic in accordance with the Notification of the Bank of Thailand (BOT) no. SorNorSor 23/2561 on guidelines for loan staging and the setting of allowance for financial institutions, dated 31 October 2018 no. 5.8, which stated that the financial institutions may apply any guidelines that are more stringent than BOT's statements to classify loan stages or reserve an allowance on assets and financial commitment, or to derecognise assets.

13 Properties for sale, net

Properties for sale represent properties from debtors as a result of debt restructuring, properties obtained as a result of a successful bid for the mortgaged assets of debtors at auction.

Consolidated				
	As at 1 January 2022 Million Baht	Additions Million Baht	Disposals Million Baht	As at 31 December 2022 Million Baht
Asset from debt repayment				
Immovable - Assessed by external appraiser	871	327	(199)	999
Movable	227	2,293	(2,139)	381
Total	1,098	2,620	(2,338)	1,380
Others	206	-	(76)	130
Total properties for sale	1,304	2,620	(2,414)	1,510
<u>Less</u> Allowance for impairment	(146)	(776)	665	(257)
Properties for sale, net	1,158	1,844	(1,749)	1,253
Consolidated				
	As at 1 January 2021 Million Baht	Additions Million Baht	Disposals Million Baht	As at 31 December 2021 Million Baht
Asset from debt repayment				
Immovable - Assessed by external appraiser	805	72	(6)	871
Movable	278	2,417	(2,468)	227
Total	1,083	2,489	(2,474)	1,098
Others	159	86	(39)	206
Total properties for sale	1,242	2,575	(2,513)	1,304
<u>Less</u> Allowance for impairment	(160)	(919)	933	(146)
Properties for sale, net	1,082	1,656	(1,580)	1,158
Separate				
	As at 1 January 2022 Million Baht	Additions Million Baht	Disposals Million Baht	As at 31 December 2022 Million Baht
Asset from debt repayment				
Immovable - Assessed by external appraiser	871	327	(199)	999
Total	871	327	(199)	999
Others	206	-	(76)	130
Total properties for sale	1,077	327	(275)	1,129
<u>Less</u> Allowance for impairment	(73)	(59)	8	(124)
Properties for sale, net	1,004	268	(267)	1,005

	Separate			
	As at 1 January 2021 Million Baht	Additions Million Baht	Disposals Million Baht	As at 31 December 2021 Million Baht
Asset from debt repayment				
Immovable - Assessed by external appraiser	805	72	(6)	871
Total	805	72	(6)	871
Others	159	86	(39)	206
Total properties for sale	964	158	(45)	1,077
<u>Less</u> Allowance for impairment	(55)	(19)	1	(73)
Properties for sale, net	909	139	(44)	1,004

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.

14 Premises and equipment, net

	Consolidated												
	Cost/appraisal value						Accumulated depreciation						
	As at 1 January 2022	Additions	Transfer In/(out)	Transfer to properties for sale	Disposals/ 31 December written off	As at 31 December 2022	As at 1 January 2022	Additions	Transfer In/(out)	Transfer to properties for sale	Disposals/ 31 December written off	As at 31 December 2022	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	Million Baht
Land													
Cost	368	-	-	-	-	368	-	-	-	-	-	-	368
Revaluation surplus (latest revaluation in 2021)	2,120	-	-	-	-	2,120	-	-	-	-	-	-	2,120
Buildings and Building Improvement													
Cost	2,034	7	11	-	(26)	2,026	(1,452)	(70)	-	-	24	(1,498)	528
Revaluation surplus (latest revaluation in 2021)	750	-	-	-	-	750	(548)	(17)	-	-	-	(565)	185
Vehicle	140	27	-	-	(54)	113	(107)	(16)	-	-	54	(69)	44
Equipment	1,858	77	12	-	(207)	1,740	(1,441)	(167)	-	-	194	(1,414)	326
Assets under installation and/or construction	5	46	(19)	-	-	32	-	-	-	-	-	-	32
Exchange differences	(5)	(6)	-	-	-	(11)	5	6	-	-	-	11	-
Total	7,270	151	4	-	(287)	7,138	(3,543)	(264)	-	-	272	(3,535)	3,603

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	Consolidated												
	Cost/appraisal value						Accumulated depreciation						
	As at 1 January 2021	As at 31 December 2021	Transfer to properties for sale	Disposals/ written off	As at 31 December 2021	As at 1 January 2021	As at 31 December 2021	Transfer to properties for sale	Disposals/ written off	As at 31 December 2021	As at 1 January 2021	As at 31 December 2021	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	Million Baht
Land													
Cost	412	-	-	(44)	-	368	-	-	-	-	-	-	368
Revaluation surplus (latest revaluation in 2021)	1,568	601	-	(49)	-	2,120	-	-	-	-	-	-	2,120
Devaluation of asset (latest revaluation in 2021)	(18)	-	-	18	-	-	-	-	-	-	-	-	-
Buildings and Building Improvement													
Cost	2,084	13	28	(45)	(46)	2,034	(1,440)	(77)	(15)	43	37	(1,452)	582
Revaluation surplus (latest revaluation in 2021)	1,079	(303)	-	(26)	-	750	(906)	341	-	17	-	(548)	202
Devaluation of asset (latest evaluation in 2021)	(14)	14	-	-	-	-	9	(9)	-	-	-	-	-
Vehicle	158	14	-	-	(32)	140	(116)	(21)	-	-	30	(107)	33
Equipment	1,874	83	31	(13)	(117)	1,858	(1,424)	(161)	17	13	114	(1,441)	417
Assets under installation and/or construction	-	66	(61)	-	-	5	-	-	-	-	-	-	5
Exchange differences	(4)	(1)	-	-	-	(5)	4	1	-	-	-	5	-
Total	7,139	487	(2)	(159)	(195)	7,270	(3,873)	74	2	73	181	(3,543)	3,727

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	Separate												
	Cost/appraisal value						Accumulated depreciation						
	As at 1 January 2021	Additions	Transfer In/(out)	Transfer to properties for sale	Disposals/ written off	As at 31 December 2022	As at 1 January 2021	Additions	Transfer In/(out)	Transfer to properties for sale	Disposals/ written off	As at 31 December 2022	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	Million Baht
Land													
Cost	368	-	-	-	-	368	-	-	-	-	-	-	368
Revaluation surplus (latest revaluation in 2021)	2,120	-	-	-	-	2,120	-	-	-	-	-	-	2,120
Buildings and Building Improvement													
Cost	2,034	7	11	-	(26)	2,026	(1,452)	(70)	-	-	24	(1,498)	528
Revaluation surplus (latest revaluation in 2021)	750	-	-	-	-	750	(548)	(17)	-	-	-	(565)	185
Vehicle	119	22	-	-	(46)	95	(87)	(14)	-	-	44	(57)	38
Equipment	1,629	28	12	-	(189)	1,480	(1,283)	(135)	-	-	179	(1,239)	241
Assets under installation and/or construction	5	46	(19)	-	-	32	-	-	-	-	-	-	32
Exchange differences	(5)	(6)	-	-	-	(11)	5	6	-	-	-	11	-
Total	7,020	97	4	-	(261)	6,860	(3,365)	(230)	-	-	247	(3,348)	3,512

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	Separate												
	Cost/appraisal value						Accumulated depreciation						
	As at 1 January 2021	Additions	Transfer In/(out)	Transfer to properties for sale	Disposals/31 written off	As at December 2021	As at 1 January 2021	Additions	Transfer In/(out)	Transfer to properties for sale	Disposals/31 written off	As at December 2021	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	Million Baht
Land													
Cost	412	-	-	(44)	-	368	-	-	-	-	-	-	368
Revaluation surplus (latest revaluation in 2021)	1,568	601	-	(49)	-	2,120	-	-	-	-	-	-	2,120
Devaluation of asset (latest revaluation in 2021)	(18)	-	-	18	-	-	-	-	-	-	-	-	-
Buildings and Building Improvement													
Cost	2,084	13	28	(45)	(46)	2,034	(1,440)	(77)	(15)	43	37	(1,452)	582
Revaluation surplus (latest revaluation in 2021)	1,079	(303)	-	(26)	-	750	(906)	341	-	17	-	(548)	202
Devaluation of asset (latest revaluation in 2021)	(14)	14	-	-	-	-	9	(9)	-	-	-	-	-
Vehicle	134	14	-	-	(29)	119	(95)	(18)	-	-	26	(87)	32
Equipment	1,634	60	33	(13)	(85)	1,629	(1,262)	(134)	15	13	85	(1,283)	346
Assets under installation and/or construction	-	66	(61)	-	-	5	-	-	-	-	-	-	5
Exchange differences	(4)	(1)	-	-	-	(5)	4	1	-	-	-	5	-
Total	6,875	464	-	(159)	(160)	7,020	(3,690)	104	-	73	148	(3,365)	3,655

15 Right-of-use assets, net

As at 31 December 2022 and 2021, right-of-use asset balance are as follows:

	Consolidated		Separate	
	2022	2021	2022	2021
	Million Baht	Million Baht	Million Baht	Million Baht
Properties	113	150	72	111
IT Equipment	70	54	70	54
Vehicles	4	4	-	-
Total	187	208	142	165
	Consolidated		Separate	
	2022	2021	2022	2021
	Million Baht	Million Baht	Million Baht	Million Baht
Depreciation charge of right-of-use assets				
Properties	91	101	58	66
IT Equipment	19	15	19	15
Vehicles	3	2	-	-
Total	113	118	77	81
Addition to the right-of-use assets during the year	113	43	69	26
Total cash outflow for leases	(116)	(120)	(79)	(82)

16 Intangible assets, net

	Consolidated		
	Expenditures in connection with development and improvement of process and computer systems - under development	Process, computer systems and computer software	Total
	Million Baht	Million Baht	Million Baht
At 1 January 2021			
Cost	79	2,582	2,661
<u>Less</u> Accumulated amortisation	-	(1,552)	(1,552)
<u>Less</u> Accumulated impairment	-	(139)	(139)
Net book amount	79	891	970
For the year ended 31 December 2021			
Opening net book amount	79	891	970
Additions	252	124	376
Transfer (out)/ in	(207)	207	-
Write off	-	(82)	(82)
Amortisation charge	-	(294)	(294)
Impairment charge	-	(5)	(5)
Closing net book amount	124	841	965
At 31 December 2021			
Cost	124	2,510	2,634
<u>Less</u> Accumulated amortisation	-	(1,664)	(1,664)
<u>Less</u> Accumulated impairment	-	(5)	(5)
Net book amount	124	841	965
For the year ended 31 December 2022			
Opening net book amount	124	841	965
Additions	228	87	315
Transfer (out)/ in	(282)	278	(4)
Write off	-	(9)	(9)
Amortisation charge	-	(310)	(310)
Closing net book amount	70	887	957
At 31 December 2022			
Cost	70	2,792	2,862
<u>Less</u> Accumulated amortisation	-	(1,900)	(1,900)
<u>Less</u> Accumulated impairment	-	(5)	(5)
Net book amount	70	887	957

	Separate		
	Expenditures in connection with development and improvement of process and computer systems - under development Million Baht	Process, computer systems and computer software Million Baht	Total Million Baht
At 1 January 2021			
Cost	79	2,493	2,572
<u>Less</u> Accumulated amortisation	-	(1,512)	(1,512)
<u>Less</u> Accumulated impairment	-	(139)	(139)
Net book amount	79	842	921
For the year ended 31 December 2021			
Opening net book amount	79	842	921
Additions	252	109	361
Transfer (out)/ in	(207)	207	-
Write off	-	(82)	(82)
Amortisation charge	-	(277)	(277)
Impairment charge	-	(5)	(5)
Closing net book amount	124	794	918
At 31 December 2021			
Cost	124	2,405	2,529
<u>Less</u> Accumulated amortisation	-	(1,606)	(1,606)
<u>Less</u> Accumulated impairment	-	(5)	(5)
Net book amount	124	794	918
For the year ended 31 December 2022			
Opening net book amount	124	794	918
Additions	228	80	308
Transfer (out)/ in	(282)	278	(4)
Write off	-	(9)	(9)
Amortisation charge	-	(292)	(292)
Closing net book amount	70	851	921
At 31 December 2022			
Cost	70	2,738	2,808
<u>Less</u> Accumulated amortisation	-	(1,882)	(1,882)
<u>Less</u> Accumulated impairment	-	(5)	(5)
Net book amount	70	851	921

17 Deferred income taxes

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	Consolidated		Separate	
	2022	2021	2022	2021
	Million Baht	Million Baht	Million Baht	Million Baht
Deferred tax assets:	2,319	1,931	1,673	1,312
Deferred tax liabilities:	(618)	(575)	(580)	(543)
Deferred tax assets (net)	1,701	1,356	1,093	769

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

	Consolidated					
	Provision Million Baht	Allowance for impairment of properties foreclosed Million Baht	Allowance for expected credit loss Million Baht	Deferred income Million Baht	Others Million Baht	Total Million Baht
Deferred tax assets						
At 1 January 2022	528	33	883	92	395	1,931
(Credited) charged to profit or loss	(39)	23	99	(17)	359	425
Tax (credited) charged relation to components of the other comprehensive income	(32)	-	-	-	(5)	(37)
At 31 December 2022	457	56	982	75	749	2,319
Deferred tax assets						
At 1 January 2021	407	32	922	66	197	1,624
Charged (credited) to profit or loss	128	1	(39)	26	139	255
Tax (credited) charged relation to components of the other comprehensive income	(7)	-	-	-	59	52
At 31 December 2021	528	33	883	92	395	1,931

	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 2022	16	492	67	575
Charged (credited) to profit or loss	45	(15)	21	51
Tax charged relation to components of the other comprehensive income	-	-	(8)	(8)
At 31 December 2022	61	477	80	618
Deferred tax liabilities				
At 1 January 2021	516	371	103	990
Credited to profit or loss	(391)	(10)	(3)	(404)
Tax (credited) charged relation to components of the other comprehensive income	(109)	131	(33)	(11)
At 31 December 2021	16	492	67	575

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	Separate					
	Provision Million Baht	Allowance for impairment of properties foreclosed Million Baht	Allowance for expected credit loss Million Baht	Deferred income Million Baht	Others Million Baht	Total Million Baht
Deferred tax assets						
At 1 January 2022	498	19	491	91	213	1,312
(Credited) charged to profit or loss	(37)	10	76	(16)	363	396
Tax (credited) charged relation to components of the other comprehensive income	(30)	-	-	-	(5)	(35)
At 31 December 2022	431	29	567	75	571	1,673
Deferred tax assets						
At 1 January 2021	373	12	460	66	11	922
Charged to profit or loss	126	7	31	25	142	331
Tax (credited) charged relation to components of the other comprehensive income	(1)	-	-	-	60	59
At 31 December 2021	498	19	491	91	213	1,312

	Separate			Total Million Baht
	Fair value gain from investment Million Baht	Gain from revaluation of assets Million Baht	Temporary difference Million Baht	
Deferred tax liabilities				
At 1 January 2022	16	492	35	543
Charged (credited) to profit or loss	45	(15)	15	45
Tax charged relation to components of the other comprehensive income	-	-	(8)	(8)
At 31 December 2022	61	477	42	580
Deferred tax liabilities				
At 1 January 2021	516	371	65	952
(Credited) charged to profit or loss	(391)	(10)	3	(398)
Tax (credited) charged relation to components of the other comprehensive income	(109)	131	(33)	(11)
At 31 December 2021	16	492	35	543

18 Other assets, net

	Consolidated		Separate	
	2022 Million baht	2021 Million baht	2022 Million baht	2021 Million baht
Accrued interest and dividend receivables	365	244	365	263
Others assets awaiting account transfer	182	99	260	99
Commission receivables	142	176	14	23
Withholding tax	40	43	40	43
Deposits	96	100	73	84
Prepaid expenses	210	178	194	164
Accounts receivable from sale of non-performing loans	238	389	238	389
Deferred expense from staff loan	113	116	113	116
Advance payment for customer	34	34	34	34
Others	203	187	109	51
Total	1,623	1,566	1,440	1,266
<u>Less</u> Allowance for expected credit losses	(18)	(58)	(18)	(58)
Other assets, net	1,605	1,508	1,422	1,208

19 Deposits

19.1 Classified by type of deposits

	Consolidated		Separate	
	2022 Million baht	2021 Million baht	2022 Million baht	2021 Million baht
Demand	4,906	7,323	5,007	7,324
Savings	117,518	90,904	118,157	91,515
Fixed	113,850	83,389	113,850	83,389
Negotiable certificate of deposit	420	551	420	551
Total deposits	236,694	182,167	237,434	182,779

19.2 Classified by currency and residency of depositors

	Consolidated					
	2022			2021		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Baht	219,264	1,625	220,889	177,407	1,547	178,954
US dollar	15,135	301	15,436	2,467	390	2,857
Other currencies	363	6	369	289	67	356
Total	234,762	1,932	236,694	180,163	2,004	182,167

	Separate					
	2022			2021		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Baht	220,004	1,625	221,629	178,019	1,547	179,566
US dollar	15,135	301	15,436	2,467	390	2,857
Other currencies	363	6	369	289	67	356
Total	235,502	1,932	237,434	180,775	2,004	182,779

20 Interbank and money market items (liabilities)

	Consolidated and Separate	
	2022	2021
	Million Baht	Million Baht
Domestic:		
The Bank of Thailand	313	601
Commercial banks	19,512	28,728
Specialised financial institutions	11	37
Finance, finance and securities, and securities	21,470	16,551
Other financial institutions	4,508	2,861
Total domestic items	45,814	48,778
Foreign:		
US dollar	438	729
Other currencies	655	5,890
Total foreign items	1,093	6,619
Total domestic and foreign items	46,907	55,397

21 Financial liabilities designated at fair value through profit or loss

	Consolidated and Separate	
	2022	2021
	Million Baht	Million Baht
Debenture	5,151	-
Bills of Exchange	16,010	17,744
Total	21,161	17,744

	Consolidated and Separate	
	2022	2021
	Million Baht	Million Baht
Cumulative change in fair values due to a change in credit risk of liabilities recognised in other comprehensive income	639	441
Difference between book values and notional amounts to be settled as the contracts mature	2,278	2,922

As at 31 December 2022 and 2021, financial liabilities designated at fair value through profit or loss consisted of:

- The Bank issued structured debentures (Maxi V-Plus THOR Inverse Floater Structured Debenture) with a maturity of 2 years, which the returns that are inversely to the underlying index level (Interest rate Thai Overnight Repurchase Rate - THOR). The bank will pay interest 4 times per year and will repay full amount of the principal at maturity date.
- The Bank issued accreting structured bills of exchange embedded interest rate swap with predetermined return rate and conditions. The maturity date is between 10 - 23 years (2021: 3 - 23 years). They bear interest rate at 1.78% - 5.18% per annum (2021: 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.

During the period, the Bank has gradually amended a reference index transition from THBFIX to THOR for this Accreting B/E product as the THBFIX reference rate will be terminated in 2022. There is no significant impact from a transition on the financial statements For the year ended 31 December 2022.

22 Debt issued and borrowings

	Consolidated and Separate					
	2022			2021		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Debentures						
Short term debentures maturing in 2022, coupon rate of 0.55% per annum	-	-	-	800	-	800
Short term debentures maturing in 2022, coupon rate of 0.70% per annum	-	-	-	6,210	-	6,210
Short term debentures maturing in 2023, coupon rate of 0.90% - 1.15% per annum	1,135	-	1,135	-	-	-
Subordinated debentures						
Subordinated debentures of RM 390 million, maturing in 2028, coupon rate of 5.20% per annum	-	3,054	3,054	-	3,126	3,126
Subordinated debentures of RM 550 million, maturing in 2029, coupon rate of 4.15% per annum	-	4,307	4,307	-	4,408	4,408
Subordinated debentures of RM 660 million, maturing in 2031, coupon rate of 3.95% per annum	-	5,168	5,168	-	5,289	5,289
Structured debentures						
Structured debentures	1,551	38	1,589	3,522	668	4,190
	2,686	12,567	15,253	10,532	13,491	24,023
Structured bills of exchange						
Structured bills of exchange	1,800	3,767	5,567	1,800	3,643	5,443
	1,800	3,767	5,567	1,800	3,643	5,443
Total	4,486	16,334	20,820	12,332	17,134	29,466

- (a) On 31 December 2022, the bank issued short-term debentures of Baht 1,135 million (2021: Baht 7,010 million), interest rate of 0.90% - 1.15% per annum (2021: 0.55% - 0.70% per annum) with a payment of interest at maturity. The debenture has a tenor 3 - 8 months (2021: 4 - 9 months) and will mature during January 2023 to May 2023 (2021: February 2022 to June 2022).
- (b) As at 31 December 2022, the Bank has Subordinated debentures of Baht 12,529 million (2021: Baht 12,823 million) as follows:
- 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. 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.
 - 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. 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.

- On 12 July 2021, the Bank issued MYR 660 million of subordinated debentures pursuant to tier II subordinated debenture programme, 6,600,000 units of MYR 100 each, interest rate of 3.90% per annum with a payment of interest every six months. The debenture has a tenor of 10 years and is due in 2031. The Bank may exercise its right to early redeem the debenture after 5 years. The Bank has an approval from the Bank of Thailand to count the subordinated debenture as tier II capital according to the correspondence For Nor Sor1. 81/2564.
- (c) As at 31 December 2022, the Bank has structured debentures of Baht 1,589 million (2021: Baht 4,190 million) as follows:
- The Bank has structured debentures (Maxi X-Change) of Baht 356 million (2021: Baht 1,438 million) with 1 - 4 months (2021: 3 months) from respective issuance dates. The Bank will pay interest at maturity date according to the movement of the underlying.
 - The Bank has structured debentures (Fund Link Note) of USD 1 million which equivalent to Baht 38 million and Baht 841 million (2021: Baht 548 million) which will mature in 3 years (2021: 3 years), the return is based on movement of the price of mutual fund.
 - The Bank has structured debentures (The Equity Shark Fin Bull Structured Debenture) of Baht 354 million (2021: Baht 1,536 million). The holder will receive a repayment upon scheduled maturity date subject to a movement of the level of the underlying equity index.
 - As at 31 December 2021, the Bank has credit linked notes (CLN) of USD 20 million which equivalent to Baht 668 million which will mature in 3 years. The holder will receive 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.
- (d) As at 31 December 2022, the Bank had credit linked bill of exchange (CLN) of Baht 5,567 million (2021: Baht 5,443 million) as follows:
- The Bank issued CLN of Baht 1,800 million (2021: 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 (2021: 3.75% - 4.01% per annum) with a payment of interest every 6 months.
 - The Bank issued CLN of USD 109 million or equivalence Baht 3,767 million (2021: USD 109 million or equivalence Baht 3,643 million) which will mature in 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 with a payment of interest every 6 months.

23 Provisions

	Consolidated		Separate	
	2022 Million Baht	2021 Million Baht	2022 Million Baht	2021 Million Baht
Allowance for expected credit losses of				
loan commitments and financial guarantee contracts	743	968	748	975
Provision for contingent loss from legal cases	21	26	16	26
Provision for employee benefits	1,505	1,628	1,379	1,475
Provision for restoration	16	18	12	15
Total provisions	2,285	2,640	2,155	2,491

Provision for employee benefits

	Consolidated		Separate	
	2022 Million Baht	2021 Million Baht	2022 Million Baht	2021 Million Baht
Present value of post-employment benefit obligations	1,505	1,628	1,379	1,475

Movements of provision for pension funds are as follows:

	Consolidated		Separate	
	2022 Million Baht	2021 Million Baht	2022 Million Baht	2021 Million Baht
Beginning balance	1,628	1,805	1,475	1,635
Current service costs	128	157	113	139
Difference on settlement pension benefits	(20)	(1)	-	(1)
Interest costs	34	30	31	27
Others adjustment	(5)	-	3	-
Remeasurements:				
(Gains) losses from changes of;				
- Financial assumptions	(126)	(220)	(112)	(191)
- Experience	(36)	4	(38)	7
<u>Less</u> Pension benefits paid during the year	(98)	(147)	(93)	(141)
Ending balance	1,505	1,628	1,379	1,475

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

	Consolidated		Separate	
	2022 Million Baht	2021 Million Baht	2022 Million Baht	2021 Million Baht
Current service costs	128	157	113	139
Difference on settlement pension benefits	(20)	(1)	-	(1)
Interest costs	34	30	31	27
Increase (decrease) due to effect of staff transfers	(5)	-	3	-
Total	137	186	147	165

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

	Consolidated and Separate	
	2022	2021
Discount rate	3.60%	2.40%
Salary increase rate	5.00%	5.00%
Pre-retirement mortality rate	75.00% of Thai Mortality Ordinary Table 2017	75.00% of Thai Mortality Ordinary Table 2017
Disability rate	10.00% of pre-retirement mortality rate	10.00% of pre-retirement mortality rate
Pre-retirement withdrawal rate	Employees who are eligible for pension benefit: Flat 2.865% of Thai Withdrawal Table, Other employees: 75% of Thai Withdrawal Table	Employees who are eligible for pension benefit: Flat 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	
	2022	2021	2022	2021	2022	2021
Weighted average discount rate	0.5%	0.5%	Decrease by 3.21%	Decrease by 3.63%	Increase by 3.42%	Increase by 3.87%
Weighted average rate of salary increase	1.0%	1.0%	Increase by 7.47%	Increase by 8.35%	Decrease by 6.71%	Decrease by 7.44%

	Separate					
	Impact on defined benefit obligation					
	Change in assumption		Increase in assumption		Decrease in assumption	
	2022	2021	2022	2021	2022	2021
Weighted average discount rate	0.5%	0.5%	Decrease by 3.11%	Decrease by 3.49%	Increase by 3.31%	Increase by 3.72%
Weighted average rate of salary increase	1.0%	1.0%	Increase by 7.25%	Increase by 8.03%	Decrease by 6.53%	Decrease by 7.19%

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 period.

As at 31 December 2022, the weighted average duration of the defined benefit obligation is 8.31 years (31 December 2021: 9.64 years).

Expected maturity analysis of undiscounted benefits:

	Consolidated			
	2022			
	Less than a year Million Baht	Between 1 - 5 years Million Baht	Over 5 years Million Baht	Total Million Baht
Retirement benefits	160	485	1,318	1,963

	Consolidated			
	2021			
	Less than a year Million Baht	Between 1 - 5 years Million Baht	Over 5 years Million Baht	Total Million Baht
Retirement benefits	143	463	1,368	1,974

	Separate			
	2022			
	Less than a year Million Baht	Between 1 - 5 years Million Baht	Over 5 years Million Baht	Total Million Baht
Retirement benefits	147	457	1,179	1,783

	Separate			
	2021			
	Less than a year Million Baht	Between 1 - 5 years Million Baht	Over 5 years Million Baht	Total Million Baht
Retirement benefits	136	433	1,206	1,775

24 Other liabilities

	Consolidated		Separate	
	2022	2021	2022	2021
	Million Baht	Million Baht	Million Baht	Million Baht
Other liabilities awaiting accounts transfer	1,695	911	1,695	911
Accrued interest	506	396	506	396
Accrued expense	1,600	1,438	1,461	1,280
Corporate income tax payable	109	502	38	398
Withholding tax payable	61	48	56	42
Output VAT payable	77	89	14	13
Defer income from insurance contracts	116	236	62	158
Others	419	383	70	96
Total	4,583	4,003	3,902	3,294

Advance received from electronic payment

In accordance with the BoT notification number Sor Nor Chor 7/2561 dated 16 April 2018, regarding to Regulations on Service Business relating to Electronic Money (E-Money) and Sor Nor Chor 2/2562 dated 20 December 2019 regarding to Regulations on Service Business relating to Electronic Fund Transfer (EFT), the Bank had advances received from electronic transactions as at 31 December 2022, presented as liabilities in the amount of Baht 657,661 (31 December 2021 : Nil).

25 Offsetting of financial assets and financial liabilities

Consolidated and Separate						
2022						
Effects of offsetting on the statement of financial position			Related amounts not offset			
Gross amount Million Baht	Amount to be offset on the statement of financial position Million Baht	Net amount on the statement of financial statement Million Baht	Amounts subject to master netting arrangements Million Baht	Financial instrument collateral Million Baht	Net amount Million Baht	
Financial assets						
Purchase of securities with resale agreement transactions	5,764	-	5,764	-	(5,463)	301
Derivative assets	80,284	-	80,284	(48,017)	(23,930)	8,337
Total	86,048	-	86,048	(48,017)	(29,393)	8,638
Financial liabilities						
Sales of securities with resale agreement transactions	(19,612)	-	(19,612)	19,605	-	(7)
Derivative liabilities	(76,847)	-	(76,847)	48,018	14,290	(14,539)
Total	(96,459)	-	(96,459)	67,623	14,290	(14,546)
Consolidated and Separate						
2021						
Effects of offsetting on the statement of financial position			Related amounts not offset			
Gross amount Million Baht	Amount to be offset on the statement of financial position Million Baht	Net amount on the statement of financial statement Million Baht	Amounts subject to master netting arrangements Million Baht	Financial instrument collateral Million Baht	Net amount Million Baht	
Financial assets						
Purchase of securities with resale agreement transactions	3,603	-	3,603	-	(3,454)	149
Derivative assets	46,419	-	46,419	(26,595)	(11,427)	8,397
Total	50,022	-	50,022	(26,595)	(14,881)	8,546
Financial liabilities						
Sales of securities with resale agreement transactions	(26,222)	-	(26,222)	25,566	-	(656)
Derivative liabilities	(42,708)	-	(42,708)	26,595	11,589	(4,524)
Total	(68,930)	-	(68,930)	52,161	11,589	(5,180)

Master netting arrangements - not currently offset in financial statements

- Derivative

Agreements with derivative counterparties are based on ISDA agreement. Under the terms of these arrangements, only where certain credit events occur (such as default), the net position owing/ receivable to a single counterparty in the same currency will be taken as owing and all the relevant arrangements terminated. As the Group does not presently have a legally enforceable right of set-off, these amounts have not been offset in the statement of financial position.

- Repurchase agreement

The Bank entered into a securities sales and purchase agreement with its counterparties. This involved a TBMA/ISMA resales and repurchase agreement. The GMRA requires the borrower to transfer ownership of the collateral to the lender at the contract's inception. This way, if the borrower defaults on a payment, the lender doesn't have to force the borrower to return the collateral but can seize it directly. However, since this item concerns a collateral loan, the Bank showed this item separately in the financial statements.

26 Share capital

	Consolidated and Separate			
	2022		2021	
	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

27 Dividend payments

On 12 April 2022, the Annual General Meeting of Shareholders approved a resolution to pay dividends for the year 2021 at the rate of Baht 0.01 per share for 34,822,261,748 shares, totaling Baht 348 million. The bank has already paid the dividends to shareholders on 10 May 2022.

On 7 May 2021, the Bank paid a dividend from the operating results of 2020 at the rate of Baht 0.005 per share, totaling Baht 174 million according to the Annual General Meeting of Shareholders approval on 12 April 2021.

28 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 2022, the Bank had total statutory reserve of Baht 684 million (2021: Baht 574 million).

29 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)	31 December 2022 Million Baht	Total capital to risk assets %	31 December 2021 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	684		574	
Unappropriated surplus	15,911		12,700	
Other reserves	771		1,032	
Deduction on Tier I capital fund	(2,092)		(2,070)	
Total Tier I capital fund	42,830	16.19	39,793	16.34
<u>Tier II</u>				
Long-term subordinated debentures	12,388		12,388	
Reserve for loan classified as pass	2,523		2,246	
Total Tier II capital fund	14,911	5.64	14,634	6.01
Total capital funds	57,741	21.82	54,427	22.35

Capital funds (Separate)	31 December 2022 Million Baht	Total capital to risk assets %	31 December 2021 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	684		574	
Unappropriated surplus	11,908		10,095	
Other reserves	813		1,075	
Deduction on Tier I capital fund	(1,448)		(1,409)	
Total Tier I capital fund	39,514	15.07	37,892	15.70
<u>Tier II</u>				
Long-term subordinated debentures	12,388		12,388	
Reserve for loan classified as pass	2,591		2,321	
Total Tier II capital fund	14,979	5.71	14,709	6.10
Total capital funds	54,493	20.78	52,601	21.80

As at 31 December 2022, the Bank's regulatory capital after deducting capital add-on arising from single lending was Baht 54,493 million (2021: Baht 52,601 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 2021 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.

30 Share-based payments

Long Term Incentive Plan (LTIP)

The LTIP was implemented by CIMB Group Holdings Berhad in June 2021. The LTIP awards ordinary shares and share options to eligible employees of CIMB Group Holdings Berhad and its subsidiaries, which includes eligible employees of the Bank. The eligibility of participation in the LTIP shall be at the discretion of the LTIP Committee of CIMB Group Holdings Berhad, and the awarded shares and share options will be vested in stages at predetermined dates subject to continued employment and performance conditions.

The weighted average fair value of shares and share options granted during the period was MYR 5.36 per share and MYR 0.75 per share option (2021: MYR 4.65 per share and MYR 0.45 per share option)

Equity Ownership Plan (EOP)

The EOP was introduced in March 2011 where the Bank will grant ordinary shares of CIMB Group Holdings Berhad to eligible employees.

The eligibility of participation in the EOP shall be at the discretion of the Group Nomination and Remuneration Committee of CIMB Group Holdings Berhad, and the granted shares will be released in stages at predetermined dates subject to continued employment.

Upon termination of employment other than retirement, disability or death, any unreleased shares will be disposed at market price, and the proceeds from disposal will be returned to the Bank. In the event of retirement, disability or death of the eligible employee, the shares will be assigned to the employee or designated beneficiary on the date of retirement, disability or death.

The weighted average fair value of shares granted in this financial period year, which were purchased over a specified year before awarding to the eligible employees of the Bank was MYR 5.07 per share (2021: MYR 4.20 per share).

Movement in the number of share options granted under the LTIP and their related weighted average exercise prices are as follows:

	Consolidated and Separate	
	2022	2021
	Number of share options thousand units	Number of share options thousand units
Beginning of financial year	17,803	-
Awarded during financial year	697	18,348
Expired or Forfeited during financial year	-	(545)
End of financial year	18,500	17,803
The weighted exercise price (MYR/share)	5.63	4.96

Movement in the number of ordinary shares granted under the EOP and the LTIP are as follows:

	Consolidated and Separate	
	2022	2021
	Number of ordinary shares thousand units	Number of ordinary shares thousand units
Beginning of financial year	2,054	1,429
Awarded during financial year	368	1,636
Released during financial year	(558)	(1,011)
End of financial year	1,864	2,054

For the year ended 31 December 2022, the Bank has expenses for share-based payments amounting to Baht 53 million (2021: Baht 41 million) and the Bank has share-based payment reserves amounting to Baht 73 million (2021: Baht 43 million).

31 Important positions and performance classified by type of domestic or foreign transactions

31.1 Position classified by type of transaction

	Consolidated					
	2022			2021		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Total assets	495,498	287	495,785	398,163	351	398,514
Interbank and money market items, net (assets)	20,431	284	20,715	9,109	347	9,456
Financial assets measured at fair value through profit or loss	22,363	-	22,363	31,303	-	31,303
Derivative assets	80,284	-	80,284	46,419	-	46,419
Investments, net	105,076	-	105,076	74,281	-	74,281
Loans to customers and accrued interest receivables, net	231,840	-	231,840	207,849	-	207,849
Deposits	236,694	-	236,694	182,165	2	182,167
Interbank and money market items (liabilities)	46,907	-	46,907	55,397	-	55,397
Financial liabilities measured at fair value through profit or loss	21,161	-	21,161	17,744	-	17,744
Derivative liabilities	76,847	-	76,847	42,708	-	42,708
Debt issued and borrowings	20,820	-	20,820	29,466	-	29,466

	Separate					
	2022			2021		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Total assets	491,442	287	491,729	394,528	351	394,879
Interbank and money market items, net (assets)	20,127	284	20,411	8,915	347	9,262
Financial assets measured at fair value through profit or loss	22,363	-	22,363	31,303	-	31,303
Derivative assets	80,284	-	80,284	46,419	-	46,419
Investments, net	105,074	-	105,074	74,279	-	74,279
Investments in subsidiaries, net	2,895	-	2,895	2,904	-	2,904
Loans to customers and accrued interest receivables, net	226,408	-	226,408	202,709	-	202,709
Deposits	237,434	-	237,434	182,777	2	182,779
Interbank and money market items (liabilities)	46,907	-	46,907	55,397	-	55,397
Financial liabilities measured at fair value through profit or loss	21,161	-	21,161	17,744	-	17,744
Derivative liabilities	76,847	-	76,847	42,708	-	42,708
Debt issued and borrowings	20,820	-	20,820	29,466	-	29,466

31.2 Performance classified by type of transaction

	Consolidated					
	2022			2021		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Interest income	12,856	-	12,856	12,645	-	12,645
Interest expenses	(3,252)	-	(3,252)	(2,694)	-	(2,694)
Net interest income	9,604	-	9,604	9,951	-	9,951
Net fee and services income	1,453	-	1,453	1,406	-	1,406
Other operating income	2,545	(1)	2,544	2,805	(2)	2,803
Other operating expenses	(7,842)	(9)	(7,851)	(7,841)	(10)	(7,851)
Expected credit losses	(2,094)	-	(2,094)	(3,457)	-	(3,457)
Profit (losses) before income tax expenses	3,666	(10)	3,656	2,864	(12)	2,852
	Separate					
	2022			2021		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Interest income	10,110	-	10,110	9,387	-	9,387
Interest expenses	(3,251)	-	(3,251)	(2,693)	-	(2,693)
Net interest income	6,859	-	6,859	6,694	-	6,694
Net fee and services income	857	-	857	921	-	921
Other operating income	2,220	(2)	2,218	2,366	(2)	2,364
Other operating expenses	(6,053)	(9)	(6,062)	(5,841)	(10)	(5,851)
Expected credit losses	(949)	-	(949)	(2,536)	-	(2,536)
Profit (losses) before income tax expenses	2,934	(11)	2,923	1,604	(12)	1,592

32 Interest income

	Consolidated		Separate	
	2022 Million Baht	2021 Million Baht	2022 Million Baht	2021 Million Baht
Interbank and money market items	192	18	191	17
Investments and trading transactions	421	360	421	360
Investments in debt instruments	1,624	1,048	1,624	1,048
Loans	7,003	7,166	7,630	7,917
Hire purchase and financial lease income	3,354	4,008	-	-
Others	262	45	244	45
Interest income	12,856	12,645	10,110	9,387

33 Interest expenses

	Consolidated		Separate	
	2022 Million Baht	2021 Million Baht	2022 Million Baht	2021 Million Baht
Deposits	1,402	1,299	1,402	1,299
Interbank and money market item	286	206	286	206
Contribution fee to the Deposit Protection Agency	22	20	22	20
Contribution fee to FIDF	578	545	578	545
Debt securities issued				
- Subordinated debentures	440	466	440	466
- Structured bills of exchange	75	58	75	58
- Structured debentures	40	26	40	26
- Debentures	69	31	69	31
Others	340	43	339	42
Interest expenses	3,252	2,694	3,251	2,693

34 Net fees and services income

	Consolidated		Separate	
	2022 Million Baht	2021 Million Baht	2022 Million Baht	2021 Million Baht
Fees and service incomes				
Acceptances, aval and guarantees	51	53	51	53
ATM fees	12	15	12	15
Insurance brokerage income	1,337	1,331	634	795
Underwriting fees	331	261	331	261
Collection fees	44	45	-	-
Goods and services payment fees	70	77	32	11
Others	216	241	177	187
Fees and service income	2,061	2,023	1,237	1,322
Fees and service expenses				
Collection fees	(205)	(208)	(205)	(208)
ATM fees	(22)	(26)	(22)	(26)
Brokerage fees	(99)	(101)	(99)	(101)
Others	(282)	(282)	(54)	(66)
Fees and service expenses	(608)	(617)	(380)	(401)
Net fees and service income	1,453	1,406	857	921

35 Gains on financial instruments measured at fair value through profit or loss

	Consolidated and Separate	
	2022	2021
	Million Baht	Million Baht
Gains (losses) on tradings and foreign exchange transactions		
Foreign currencies and foreign exchange rate derivatives	(1,281)	1,128
Interest rate derivatives	2,728	(710)
Debt instruments	1,856	2,407
Equity instruments	19	9
Others	8	26
Gains on tradings and foreign exchange transactions	3,330	2,860
Gains (losses) on financial instruments designated at fair value through profit or loss		
Net changes in fair values		
Investments in debt instrument	(1,698)	(2,334)
Bills of exchange	793	1,417
Debentures	-	76
Losses from derecognition, including interest receivable and payable only those not included in net changes in fair values	(258)	(882)
Losses on financial instruments designated at fair value through profit or loss	(1,163)	(1,723)
Gains from hedge accounting	(83)	14
Total	2,084	1,151

36 (Losses) gains on investments, net

	Consolidated	
	2022	2021
	Million Baht	Million Baht
(Losses) gains from derecognition		
Investments measured at fair value through other comprehensive income	(951)	322
(Losses) gains on investments, net	(951)	322
	Separate	
	2022	2021
	Million Baht	Million Baht
(Losses) gains from derecognition		
Investments measured at fair value through other comprehensive income	(951)	322
Gain from disposal of investment in subsidiary	3	-
(Losses) gains on investments, net	(948)	322

37 Other operating income

	Consolidated		Separate	
	2022 Million Baht	2021 Million Baht	2022 Million Baht	2021 Million Baht
Gain on sales of premises and equipment	25	10	25	10
Gain on sales of properties for sales	82	86	59	10
Bad debt recovery	1,121	1,168	697	735
Dividend income	13	12	13	12
Other income	168	54	287	124
Other operating income	1,409	1,330	1,081	891

38 Expected credit losses

	Consolidated		Separate	
	2022 Million Baht	2021 Million Baht	2022 Million Baht	2021 Million Baht
Modification (gain) loss of loan	(63)	216	(65)	8
Loans to customers and accrued interest receivable	2,381	3,082	1,239	2,366
Credit line commitments and financial guarantees	(226)	158	(227)	161
Others	2	1	2	1
Expected credit losses	2,094	3,457	949	2,536

39 Corporate income tax

	Consolidated		Separate	
	2022 Million Baht	2021 Million Baht	2022 Million Baht	2021 Million Baht
Current tax:				
Current tax on profits for the year	1,112	1,070	945	887
Prior period adjustments	7	-	4	-
Total current tax	1,119	1,070	949	887
Deferred tax:				
Increase in deferred tax assets	(425)	(255)	(396)	(331)
Decrease (increase) in deferred tax liabilities	51	(403)	45	(398)
Total deferred tax	(374)	(658)	(351)	(729)
Total tax charge	745	412	598	158

CIMB Thai Bank Public Company Limited
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The tax on the Group's profit before tax differs from the theoretical amount as follows:

	Consolidated		Separate	
	2022	2021	2022	2021
	Million Baht	Million Baht	Million Baht	Million Baht
Profit before tax	3,656	2,852	2,923	1,592
Tax calculated at a tax rate of 20%	731	570	585	318
Tax effect of:				
Income not subject to tax	(2)	(2)	(3)	(2)
Expenses not deductible for tax purpose	12	15	12	13
Other adjustments	4	2	4	2
Recognised of unrecognised deferred tax assets	-	(173)	-	(173)
Total tax charge	745	412	598	158
The weighted average applicable tax rate (%)	20.4	14.4	20.5	9.9

The tax (charge)/credit relating to component of other comprehensive income is as follows:

	Consolidated					
	2022			2021		
	Before tax	Tax credit	After tax	Before tax	Tax credit	After tax
	Million Baht	(charge) Million Baht	Million Baht	Million Baht	(charge) Million Baht	Million Baht
Fair value gains (losses):						
Investments in debt instruments	25	(5)	20	(840)	170	(670)
Investments in equity instruments	(10)	-	(10)	30	(1)	29
Revaluation surplus on assets	-	-	-	653	(131)	522
Cash flow hedges	(39)	8	(31)	(166)	33	(133)
Remeasurements of post-employment benefit obligation	162	(32)	130	216	(7)	209
Other comprehensive income (expenses)	138	(29)	109	(107)	64	(43)
Current tax		1,119			1,070	
Deferred tax		(374)			(658)	
		<u>745</u>			<u>412</u>	

	Separate					
	2022			2021		
	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	25	(5)	20	(840)	170	(670)
Investments in equity instruments	(10)	-	(10)	30	(1)	29
Revaluation surplus on assets	-	-	-	653	(131)	522
Cash flow hedges	(39)	8	(31)	(166)	33	(133)
Remeasurements of post-employment benefit obligation	150	(30)	120	184	(1)	183
Other comprehensive income (expenses)	126	(27)	99	(139)	70	(69)
Current tax		949			887	
Deferred tax		(351)			(729)	
		<u>598</u>			<u>158</u>	

In addition, deferred income tax for the year ended 31 December 2022 is Baht 15 million (2021 : Baht 9.7 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.

40 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 2022, Baht 124 million and Baht 107 million was contributed to the fund by the Group and the Bank (2021 : Baht 131 million and Baht 113 million, respectively).

41 Earnings per share

	Consolidated		Separate	
	2022	2021	2022	2021
Basic earnings per share				
From continuing operations attributable to the ordinary equity holders of the Bank (Million Baht)	3,033	2,441	2,447	1,434
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share (Million shares)	34,822	34,822	34,822	34,822
Total basic earnings per share attributable to the ordinary equity holders of the Bank (Baht per share)	0.09	0.07	0.07	0.04

There are no potential dilutive ordinary shares in issue for the year ended 31 December 2022 and 2021.

42 Encumbrance of assets

Assets used as collateral

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

	Consolidated	
	2022	2021
	Million Baht	Million Baht
Securities sold under repurchase	19,731	25,730
Utilities usage	6	7
Insurance broker business	2	2
Total	19,739	25,739
	Separate	
	2022	2021
	Million Baht	Million Baht
Securities sold under repurchase	19,731	25,730
Utilities usage	6	7
Total	19,737	25,737

43 Commitments and contingent liabilities

43.1 Commitments

As at 31 December 2022 and 2021, significant commitments of the Bank consist of:

	Consolidated					
	2022			2021		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Avals to bills:						
Avals to bills	250	-	250	8	-	8
Liability under unmatured import bills:						
Liability under unmatured import bills	-	208	208	-	653	653
Letters of credit:						
Letters of credit	-	417	417	2	1,124	1,126
Other commitments:						
Forward and spot contracts						
- Bought	-	941,951	941,951	-	771,743	771,743
- Sold	-	859,513	859,513	-	704,536	704,536
Cross currency and interest rate swap contract						
- Bought	-	295,639	295,639	-	275,384	275,384
- Sold	-	278,980	278,980	-	255,063	255,063
Interest rate swap contracts						
- Fixed rate receiver	963,168	412,198	1,375,366	744,411	185,408	929,819
- Floating rate receiver	1,062,060	577,881	1,639,941	884,599	298,201	1,182,800
Interest rate option						
- Bought	800	-	800	-	-	-
Foreign exchange option						
- Put option sales contracts	-	-	-	-	4	4
- Call option purchase contracts	-	-	-	-	34	34
- Call option sales contracts	-	270	270	-	-	-
Credit derivatives						
- Bought	1,800	3,767	5,567	1,800	4,311	6,111
- Sold	1,800	3,767	5,567	1,800	4,311	6,111
Fund Option						
- Bought	-	884	884	-	409	409
- Sold	-	884	884	-	409	409
Equity option						
- Bought	170	367	537	767	359	1,126
- Sold	170	367	537	767	359	1,126
Bond forward						
- Bought	-	-	-	-	-	-
- Sold	21,868	-	21,868	23,956	-	23,956
Undrawn bank overdrafts	11,973	-	11,973	13,043	-	13,043
Undrawn credit line	13,351	565	13,916	8,942	2	8,944
Other guarantees	6,861	147	7,008	7,919	1,062	8,981
Other commitments	2,084,021	3,377,180	5,461,201	1,688,004	2,501,595	4,189,599
Total commitments	2,084,271	3,377,805	5,462,076	1,688,014	2,503,372	4,191,386

	Separate					
	2022			2021		
	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	250	-	250	8	-	8
Liability under unmatured import bills:						
Liability under unmatured import bills	-	208	208	-	653	653
Letters of credit:						
Letters of credit	-	417	417	2	1,124	1,126
Other commitments:						
Forward and spot contracts						
- Bought	-	941,951	941,951	-	771,743	771,743
- Sold	-	859,513	859,513	-	704,536	704,536
Cross currency and interest rate swap contract						
- Bought	-	295,639	295,639	-	275,384	275,384
- Sold	-	278,980	278,980	-	255,063	255,063
Interest rate swap contracts						
- Fixed rate receiver	963,168	412,198	1,375,366	744,411	185,408	929,819
- Floating rate receiver	1,062,060	577,881	1,639,941	884,599	298,201	1,182,800
Interest rate option						
- Bought	800	-	800	-	-	-
Foreign exchange option						
- Put option sales contracts	-	-	-	-	4	4
- Call option purchase contracts	-	-	-	-	34	34
- Put option purchase contracts	-	270	270	-	-	-
Credit derivatives						
- Bought	1,800	3,767	5,567	1,800	4,311	6,111
- Sold	1,800	3,767	5,567	1,800	4,311	6,111
Fund Option						
- Bought	-	884	884	-	409	409
- Sold	-	884	884	-	409	409
Equity option						
- Bought	170	367	537	767	359	1,126
- Sold	170	367	537	767	359	1,126
Bond forward						
- Bought	-	-	-	-	-	-
- Sold	21,868	-	21,868	23,956	-	23,956
Undrawn bank overdrafts	11,973	-	11,973	13,043	-	13,043
Undrawn credit line	23,356	565	23,921	18,947	2	18,949
Other guarantees	6,861	147	7,008	7,919	1,062	8,981
Other commitments	2,094,026	3,377,180	5,471,206	1,698,009	2,501,595	4,199,604
Total commitments	2,094,276	3,377,805	5,472,081	1,698,019	2,503,372	4,201,391

43.2 Contingent liabilities

As at 31 December 2022, the Group and the Bank had contingent liabilities in connection with court cases in which they were being sued as defendants in court with the sum of claims amounting to Baht 230 million and Baht 221 million, respectively (2021: Baht 310 million and Baht 310 million, respectively) in the ordinary course of business. Management of the Group and the Bank has appropriately recorded the provision for possible losses and of the view that, when resolved, will not materially affect the Group and the Bank.

43.3 Commitments under long-term leases

As at 31 December 2022 and 2021, the Group has commitments under long-term leases as follows:

Lease periods	Consolidated		Separate	
	2022 Million Baht	2021 Million Baht	2022 Million Baht	2021 Million Baht
Not over than 3 years	83	96	57	73
Total	83	96	57	73

43.4 Other commitments

As at 31 December 2022 and 2021, the Group and the Bank has other commitments in the form of various agreements relating to computer system and software development. The Group and the Bank is obligated to pay Baht 44 million and Baht 21 million, respectively.

44 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	
	2022	2021	2022	2021
	Million Baht	Million Baht	Million Baht	Million Baht
Subsidiaries				
Revenue:				
Interest income	-	-	628	752
Fees income	-	-	120	73
Gain on disposal of investment in subsidiary	-	-	3	-
Expenses:				
Premises expense	-	-	(1)	-
Parent company				
Revenue:				
Interest income	98	-	98	-
Fees income	3	7	3	7
Expenses:				
Interest expenses	366	425	366	425
Fees expenses	184	150	184	150
Other expenses	7	14	7	14
Dividend payment	330	-	330	-
Companies under common control				
Revenue:				
Interest income	1	-	1	-
Fees income	13	26	13	26
Expenses:				
Interest expenses	3	2	3	2
Fees expenses	4	14	4	14
Joint venture of the group parent company				
Revenue:				
Fees income	238	359	238	359
Expenses:				
Interest expenses	2	3	2	3
Fees expenses	-	1	-	1
Premises expense	(9)	(8)	(9)	(8)

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The outstanding balances of significant related party transactions as at 31 December 2022 and 2021 are as follows:

Consolidated								
2022								
	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
<u>Parent company</u>								
CIMB Bank Berhad	-	5,077	3	2,539	-	9,225	-	663
	-	5,077	3	2,539	-	9,225	-	663
<u>Companies under common control</u>								
CIMB Bank Plc, Cambodia	-	189	-	-	-	65	-	-
CIMB Islamic Bank Bhd	-	-	-	-	-	1	-	-
CIMB Niaga	-	-	-	7	-	-	-	-
iCIMB (MSC) Sdn Bhd	-	-	-	-	-	-	-	66
PT Bank CIMB Niaga Tbk	-	3	-	-	-	13	-	-
Sathorn Asset Management Co., Ltd.	-	-	-	1	975	-	-	4
	-	192	-	8	975	79	-	70
<u>Joint venture of the group parent company</u>								
CGS-CIMB Securities(Thailand) Co., Ltd.	-	-	-	33	-	199	-	-
Principal Asset Management Co., Ltd	-	-	-	10	-	789	-	2
	-	-	-	43	-	988	-	2
<u>Other related persons or parties</u>	28	-	591	-	1,771	-	-	2
	28	-	591	-	1,771	-	-	2
Consolidated								
2021								
	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
<u>Parent company</u>								
CIMB Bank Berhad	-	212	3	1,442	-	9,573	-	895
	-	212	3	1,442	-	9,573	-	895
<u>Companies under common control</u>								
CIMB Bank Plc, Cambodia	-	256	-	-	-	29	-	-
CIMB Islamic Bank Bhd	-	-	-	-	-	2	-	-
iCIMB (MSC) Sdn Bhd	-	-	-	-	-	-	-	27
PT Bank CIMB Niaga Tbk	-	2	-	-	-	22	-	-
Sathorn Asset Management Co., Ltd.	-	-	-	1	797	-	-	8
	-	258	-	1	797	53	-	35
<u>Joint venture of the group parent company</u>								
CGS-CIMB Securities(Thailand) Co., Ltd.	-	-	-	-	-	737	-	-
Principal Asset Management Co., Ltd	-	-	-	20	-	830	-	2
	-	-	-	20	-	1,567	-	2
<u>Other related persons or parties</u>	537	-	877	-	445	-	-	1
	537	-	877	-	445	-	-	1

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		Separate 2022						
	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
<u>Subsidiary companies</u>								
CIMB Thai Auto Co., Ltd.	27,554	-	-	37	202	-	-	-
Worldlease Co., Ltd.	40	-	-	42	537	-	-	-
	27,594	-	-	79	739	-	-	-
<u>Parent company</u>								
CIMB Bank Berhad	-	5,077	3	2,539	-	9,225	-	663
	-	5,077	3	2,539	-	9,225	-	663
<u>Companies under common control</u>								
CIMB Bank Plc, Cambodia	-	189	-	-	-	65	-	-
CIMB Islamic Bank Bhd	-	-	-	-	-	1	-	-
CIMB Niaga	-	-	-	7	-	-	-	-
iCIMB (MSC) Sdn Bhd	-	-	-	-	-	-	-	66
PT Bank CIMB Niaga Tbk	-	3	-	-	-	13	-	-
Sathorn Asset Management Co., Ltd.	-	-	-	1	975	-	-	4
	-	192	-	8	975	79	-	70
<u>Joint venture of the group parent company</u>								
CGS-CIMB Securities(Thailand) Co., Ltd.	-	-	-	33	-	199	-	-
Principal Asset Management Co., Ltd	-	-	-	10	-	789	-	2
	-	-	-	43	-	988	-	2
<u>Other related persons or parties</u>	28	-	591	-	1,771	-	-	2
	28	-	591	-	1,771	-	-	2

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		Separate						
		2021						
	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.	26,128	-	-	6	243	-	-	-
Worldlease Co., Ltd.	740	-	-	7	355	-	-	-
CT Coll Co., Ltd.	-	-	-	-	13	-	-	-
	26,868	-	-	13	611	-	-	-
Parent company								
CIMB Bank Berhad	-	212	3	1,442	-	9,573	-	895
	-	212	3	1,442	-	9,573	-	895
Companies under common control								
CIMB Bank Plc, Cambodia	-	256	-	-	-	29	-	-
CIMB Islamic Bank Bhd	-	-	-	-	-	2	-	-
iCIMB (MSC) Sdn Bhd	-	-	-	-	-	-	-	27
PT Bank CIMB Niaga Tbk	-	2	-	-	-	22	-	-
Sathorn Asset Management Co., Ltd.	-	-	-	1	797	-	-	8
	-	258	-	1	797	53	-	35
Joint venture of the group parent company								
CGS-CIMB Securities(Thailand) Co., Ltd.	-	-	-	-	-	737	-	-
Principal Asset Management Co., Ltd	-	-	-	20	-	830	-	2
	-	-	-	20	-	1,567	-	2
Other related persons or parties	531	-	877	-	442	-	-	1
	531	-	877	-	442	-	-	1

As at 31 December 2022 and 2021, the Bank has commitments in financial derivatives with related parties as follows:

		2022		
		Consolidated and Separate		
		Domestic Million Baht	Foreign Million Baht	Total Million Baht
Parent company				
Interest rate swap contracts				
- Fixed rate receiver		6,750	933	7,683
- Floating rate receiver		6,540	3,553	10,093
Forward and spot contracts				
- Bought		-	5,932	5,932
- Sold		-	661	661
Cross currency and interest rate swap contracts				
- Bought		-	12,529	12,529
Credit derivatives				
- Sold		1,800	3,767	5,567
Joint venture of the group parent company				
Forward and spot contracts				
- Sold		-	3	3
Equity option				
- Bought		170	-	170

	2021		
	Consolidated and Separate		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht
<u>Parent company</u>			
Interest rate swap contracts			
- Fixed rate receiver	24,250	1,470	25,720
- Floating rate receiver	8,190	5,247	13,437
Forward and spot contracts			
- Bought	-	13,529	13,529
Cross currency and interest rate swap contracts			
- Bought	-	6,702	6,702
- Sold	-	581	581
Credit derivatives			
- Sold	1,800	4,311	6,111
<u>Joint venture of the group parent company</u>			
Forward and spot contracts			
- Sold	-	2	2
Equity option			
- Bought	767	-	767

Directors and key management compensations

For the year ended 31 December 2022 and 2021, compensations paid to directors and key management personnel are as follows:

	Consolidated		Separate	
	2022 Million Baht	2021 Million Baht	2022 Million Baht	2021 Million Baht
Short-term employee benefits	512	463	487	451
Long-term employee benefits	20	21	19	20
Share-based payments	54	41	54	41
Director and management remuneration	586	525	560	512

The details of share based payment are as follows:

	Consolidated and Separate	
	2022 thousand units	2021 thousand units
<u>Long Term Incentive Plan (LTIP)</u>		
Shares of CIMB Group Holdings Berhad	151	1,332
Share options of CIMB Group Holdings Berhad	697	18,348
<u>Equity Ownership Plan (EOP)</u>		
Shares of CIMB Group Holdings Berhad	217	304

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.

45 Financial information by segment

Financial information related to the Group's performance is reviewed regularly by the Group's management. The segmentation is summarised as follows:

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.

For financial information related to the Group's financial position which is reviewed regularly by the Group's management. The segmentation is summarised as follows:

Bank business

The Bank business is the banking operations of CIMB Thai Bank Public Company Limited.

Hire-purchase business

The hire-purchase business consists of two subsidiaries, CIMB Thai Auto Company Limited and Worldlease Company Limited, which operate leasing/hire-purchase of automobile business and hire-purchase of motorcycles and motorcycle trading business, respectively.

Others

Others include CT Coll Company Limited which operates debt collection business. The company is registered the completeness of liquidation with the Ministry of Commerce on 29 September 2022.

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Financial information presented in the consolidated financial statements as at 31 December 2022 and 2021 are as follows:

Consolidated					
2022					
	Consumer banking Million Baht	Wholesale banking Million Baht	Others Million Baht	Elimina- tions Million Baht	Total Million Baht
Net interest income from external	6,435	2,204	966	-	9,605
Net fees and service income (expense)	1,121	392	(60)	-	1,453
Other operating income	1,693	805	168	(123)	2,543
Other operating expenses	(4,350)	(1,010)	(2,611)	120	(7,851)
Expected credit losses	(2,434)	(14)	341	13	(2,094)
Income tax expenses	(502)	(485)	242	-	(745)
Net profit (loss) for the period	1,963	1,892	(954)	10	2,911

Consolidated					
2021					
	Consumer banking Million Baht	Wholesale banking Million Baht	Others Million Baht	Elimina- tions Million Baht	Total Million Baht
Net interest income from external	7,234	1,842	875	-	9,951
Net fees and service income (expense)	1,186	262	(42)	-	1,406
Other operating income	1,731	1,015	131	(73)	2,804
Other operating expenses	(5,964)	(1,609)	(351)	73	(7,851)
Expected credit losses	(2,679)	(573)	(255)	50	(3,457)
Income tax expenses	(218)	(135)	(59)	-	(412)
Net profit for the period	1,290	802	299	50	2,441

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	Bank business		Hire-purchase business		Other businesses		Eliminations		Consolidated	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Total assets	491,729	394,879	35,294	33,960	-	13	(31,238)	(30,338)	495,785	398,514
Interbank and money market Items, net (assets)	20,411	9,262	1,044	793	-	13	(740)	(612)	20,715	9,456
Financial assets measured at fair value through profit or loss	22,363	31,303	-	-	-	-	-	-	22,363	31,303
Investments, net	105,074	74,279	2	2	-	-	-	-	105,076	74,281
Loans and accrued interest receivables, net	226,408	202,709	32,929	31,924	-	-	(27,497)	(26,784)	231,840	207,849
Deposits	237,434	182,779	-	-	-	-	(740)	(612)	236,694	182,167
Interbank and money market Items (liabilities)	46,907	55,397	27,590	26,865	-	-	(27,590)	(26,865)	46,907	55,397
Financial liabilities measured at fair value through profit or loss	21,161	17,744	-	-	-	-	-	-	21,161	17,744
Debt issued and borrowings	20,820	29,466	-	-	-	-	-	-	20,820	29,466

46 Fair value

46.1 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: 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 2022 and 2021.

Consolidated and Separate				
2022				
	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	-	22,363	-	22,363
Investments in debt instruments measured at fair value through other comprehensive income	-	68,724	-	68,724
Investments in equity instruments designated at fair value through other comprehensive income	14	-	37	51
Derivative assets	-	80,284	-	80,284
Total assets	14	171,371	37	171,422
Liabilities				
Financial liabilities measured at fair value through profit or loss	-	21,161	-	21,161
Derivatives liabilities	-	76,847	-	76,847
Total liabilities	-	98,008	-	98,008
Consolidated and Separate				
2021				
	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	-	31,303	-	31,303
Investments in debt instruments measured at fair value through other comprehensive income	-	50,322	-	50,322
Investments in equity instruments designated at fair value through other comprehensive income	59	-	48	107
Derivative assets	-	46,419	-	46,419
Total assets	59	128,044	48	128,151
Liabilities				
Financial liabilities measured at fair value through profit or loss	-	17,744	-	17,744
Derivatives liabilities	-	42,708	-	42,708
Total liabilities	-	60,452	-	60,452

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The following table presents the financial assets and liabilities that are not measured at fair value which have fair value at 31 December 2022 and 2021:

Consolidated				
2022				
	Level 1	Level 2	Level 3	Total
	Million Baht	Million Baht	Million Baht	Million Baht
Assets				
Cash	920	-	-	920
Interbank and money market items, net	14,572	6,143	-	20,715
Investments in debt instruments measured at amortized cost	-	36,507	-	36,507
Loans to customers and accrued interest receivables, net	-	230,244	-	230,244
Credit support assets on derivatives	-	16,241	-	16,241
Accounts receivable from sell of financial assets measured at fair value through profit or loss and investments	-	9,040	-	9,040
Other assets	-	836	-	836
Total assets	15,492	299,011	-	314,503
Liabilities				
Deposits	-	236,963	-	236,963
Interbank and money market items	-	46,907	-	46,907
Liability payable on demand	-	172	-	172
Debt issued and borrowings	-	20,613	-	20,613
Lease liabilities	-	191	-	191
Credit support liabilities on derivatives	-	29,708	-	29,708
Accounts payable from purchase of financial assets measured at fair value through profit or loss and investments	-	10,567	-	10,567
Total liabilities	-	345,121	-	345,121
Consolidated				
2021				
	Level 1	Level 2	Level 3	Total
	Million Baht	Million Baht	Million Baht	Million Baht
Assets				
Cash	818	-	-	818
Interbank and money market items, net	5,581	3,875	-	9,456
Investments in debt instruments measured at amortized cost	-	24,470	-	24,470
Loans to customers and accrued interest receivables, net	-	206,326	-	206,326
Credit support assets on derivatives	-	13,660	-	13,660
Accounts receivable from sell of financial assets measured at fair value through profit or loss and investments	-	5,806	-	5,806
Other assets	-	1,105	-	1,105
Total assets	6,399	255,242	-	261,641
Liabilities				
Deposits	-	182,179	-	182,179
Interbank and money market items	-	55,397	-	55,397
Liability payable on demand	-	432	-	432
Debt issued and borrowings	-	29,488	-	29,488
Lease liabilities	-	212	-	212
Credit support liabilities on derivatives	-	14,886	-	14,886
Accounts payable from purchase of financial assets measured at fair value through profit or loss and investments	-	5,457	-	5,457
Total liabilities	-	288,051	-	288,051

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Separate				
2022				
	Level 1	Level 2	Level 3	Total
	Million Baht	Million Baht	Million Baht	Million Baht
Assets				
Cash	920	-	-	920
Interbank and money market items, net	14,268	6,143	-	20,411
Investments in debt instruments measured at amortized cost	-	36,505	-	36,505
Loans to customers and accrued interest receivables, net	-	225,115	-	225,115
Credit support assets on derivatives	-	16,241	-	16,241
Accounts receivable from sell of financial assets measured at fair value through profit or loss and investments	-	9,040	-	9,040
Other assets	-	747	-	747
Total assets	15,188	293,791	-	308,979
Liabilities				
Deposits	-	237,703	-	237,703
Interbank and money market items	-	46,907	-	46,907
Liability payable on demand	-	172	-	172
Debt issued and borrowings	-	20,613	-	20,613
Lease liabilities	-	146	-	146
Credit support liabilities on derivatives	-	29,708	-	29,708
Accounts payable from purchase of financial assets measured at fair value through profit or loss and investments	-	10,567	-	10,567
Total liabilities	-	345,816	-	345,816
Separate				
2021				
	Level 1	Level 2	Level 3	Total
	Million Baht	Million Baht	Million Baht	Million Baht
Assets				
Cash	818	-	-	818
Interbank and money market items, net	5,387	3,875	-	9,262
Investments in debt instruments measured at amortized cost	-	24,468	-	24,468
Loans to customers and accrued interest receivables, net	-	201,327	-	201,327
Credit support assets on derivatives	-	13,660	-	13,660
Accounts receivable from sell of financial assets measured at fair value through profit or loss and investments	-	5,806	-	5,806
Other assets	-	805	-	805
Total assets	6,205	249,941	-	256,146
Liabilities				
Deposits	-	182,790	-	182,790
Interbank and money market items	-	55,397	-	55,397
Liability payable on demand	-	432	-	432
Debt issued and borrowings	-	29,488	-	29,488
Lease liabilities	-	169	-	169
Credit support liabilities on derivatives	-	14,886	-	14,886
Accounts payable from purchase of financial assets measured at fair value through profit or loss and investments	-	5,457	-	5,457
Total liabilities	-	288,619	-	288,619

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 in debt instruments measured at amortized cost

The determination of fair value for investments in debt instruments measured at amortized cost 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, accounts receivable from sell of financial assets measured at fair value through profit or loss and investments, 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.

Lease liabilities

The carrying amounts of lease liabilities presented in the statement of financial position approximate fair values.

Other liabilities

Other liabilities - Credit support liabilities on derivatives, accounts payable from purchase of financial assets measured at fair value through profit or loss and investments, the fair value presented in the statement of financial position approximate fair values.

46.2 Valuation techniques used to derive Level 2 fair values

Level 2 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.

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

	Consolidated and Separate Investments in equity instruments designated at fair value through other comprehensive income	
	2022 Million Baht	2021 Million Baht
Opening balance	48	26
Gains recognised in other comprehensive income	(11)	23
Disposal	-	(1)
Closing balance	37	48

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		Unobservable inputs	Range of Inputs	
	2022 Million Baht	2021 Million Baht		2022 Million Baht	2021 Million Baht
Investments in equity instruments designated at fair value through other comprehensive income	37	48	Net Asset Value	0.00 - 24	0.00 - 22

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

	Unobservable inputs	Movement	Change in fair value			
			2022	2021	2022	2021
			Increase in assumptions	Decrease in assumptions	Increase in assumptions	Decrease in assumptions
Investments in equity instruments designated at fair value through other comprehensive income	Net Asset Value	0.50%	Increase by 0.50%	Decrease by 0.50%	Increase by 0.50%	Decrease by 0.50%

47 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 2022, 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 14.62% (2021: 25.41%) of the Group total outstanding loans, relief measures provided to retail segment were approximately 11.59% (2021: 18.24%) of the Group total outstanding loans while relief measures provided to Commercial Lending segment were approximately 3.03% (2021: 7.17%) of the Group total outstanding loans.