CIMB THAI
ธนาคาร ซีไอเอ็มบี ไทย

Basel III - Pillar 3 and

Liquidity coverage ratio (LCR) disclosures

As of December 31, 2021

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Part 1: Disclosure of capital adequacy information (Pillar 3 Disclosures)

1. Introduction

Basel Capital Accord in accordance with Basel Framework consists of three pillars:

- **Pillar 1: Minimum Capital Requirement**

  Pillar 1 defines minimum levels of capital for commercial banks need to provide for credit, market and operational risks.

- **Pillar 2: Supervisory Review Process**

  Pillar 2 requires commercial banks to have sound risk management and processes for assessing overall capital adequacy to cover material risks including risks not captured under Pillar 1.

- **Pillar 3: Market Discipline**

  Pillar 3 aims to encourage market discipline as commercial banks are required to disclose information on capital adequacy and risk exposures so that market participants can assess and use such information in assessing the risk profile of the commercial banks.

To meet Pillar 3 requirements, Bank of Thailand (BOT) requires commercial banks to disclose a set of specified information relating to capital adequacy, risk management process, key infromation on risk exposures that reflects the risk profile of the commercial banks to the market participants in form of Pillar 3 report half-yearly and yearly as at 30 Jun and 31 December within 4 months from the end of each period.

2. Scope of application

This Pillar 3 disclosure report is required by BOT's notification to be disclosed at both Bank (Solo Basis) and Financial Group level (Full Consolidation Basis). For CIMB Thai Financial Group, it consists of the following entities:

1. CIMB Thai Bank Public Company Limited engaged in commercial banking (the parent company)
2. CIMB Thai Auto Co.,Ltd. engaged in leasing/hire-purchase of automobiles
3. World Lease Co.,Ltd. engaged in hire-purchase of motorcycles
4. CT Coll Co.,Ltd. engaged in debt collection service

3. Key prudential metrics

Bank of Thailand ("BOT") announced the BOT's Notification No. SorNorSor. 14/2562 Re: Capital Disclosure Requirements for Commecial Banks (Second Edition) and SorNorSor. 15/2562 Re:Disclosure Requirement on Capital Adequacy for a Financial Group (Second Edition), which will come to effect for accounting periods beginning on and from 1 January 2020, requiring commercial banks to disclosure quantitative of key prudential metrics in respect of both capital and liquidity for capital, commercial banks shall disclose information on capital that reflects the entire impact due to an increase in provisions according to TFRS 9; this framework is based on the BCBS's Pillar 3 disclosure requirements consolidated and enhanced framework (March 2017).

Table 1 Disclosure of quantitative data for key risk indicators

Items		Consolidated		Bank-Only	
		Dec 31, 2021	Jun 30, 2021	Dec 31, 2021	Jun 30, 2021
Available capital (Unit: Million Baht)					
1	Common Equity Tier 1 capital (CET 1)	39,793	38,777	37,892	37,227
1a	Fully loaded ECL[1/] accounting model CET 1	39,793	38,777	37,892	37,227
2	Tier 1 capital (Tier 1)	39,793	38,777	37,892	37,227
2a	Fully loaded ECL accounting model Tier 1	39,793	38,777	37,892	37,227
3	Total capital funds	54,427	53,401	52,601	51,949
3a	Fully loaded ECL accounting model total capital	54,427	53,401	52,601	51,949
Risk-weighted assets (Unit: Million Baht)					
4	Total risk-weighted assets (RWA)	243,490	258,684	241,324	258,462
Risk-based capital ratios as a percentage of RWA (%)					
5	Common Equity Tier 1 ratio (CET 1 ratio)	16.34%	14.99%	15.70%	14.40%
5a	Fully loaded ECL accounting model CET 1 ratio	16.34%	14.99%	15.70%	14.40%
6	Tier 1 ratio	16.34%	14.99%	15.70%	14.40%
6a	Fully loaded ECL accounting model Tier 1 ratio	16.34%	14.99%	15.70%	14.40%
7	Total capital ratio	22.35%	20.64%	21.80%	20.10%
7a	Fully loaded ECL accounting model total capital ratio	22.35%	20.64%	21.80%	20.10%
Capital buffer ratios as a percentage of RWA (%)					
8	Conservation buffer ratio	2.5%	2.5%	2.5%	2.5%

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Items		Consolidated Dec 31, 2021	Consolidated Jun 30, 2021	Bank-Only Dec 31, 2021	Bank-Only Jun 30, 2021
9	Countercyclical buffer ratio	-	-	-	-
10	Higher loss absorbency ratio	-	-	-	-
11	Total capital buffer ratio (the sum of Item 8 to Item 10)	2.5%	2.5%	2.5%	2.5%
12	Common Equity Tier 1 ratio available after meeting the bank's minimum capital requirements [2/]	10.34%	8.99%	9.70%	8.40%
Liquidity Coverage Ratio (LCR) [3/]					
13	Total high-quality liquid assets (Total HQLA) (Unit: Million Baht)	-	-	80,238	76,669
14	Total net cash outflows within 30 Days (Unit: Million Baht)	-	-	51,934	51,879
15	LCR ratio (%)	-	-	155%	148%
	BOT's LCR minimum requirement (%)			100%	100%

[1/] Expected credit losses (ECL) according to the Thai Financial Reporting Standard No.9 - Financial Instruments (TFRS 9).

[2/] Common Equity Tier 1 ratio available after meeting the bank's minimum capital requirements: it may not necessarily be the difference between CET 1 ratio (item 5) and the minimum CET 1 ratio requirement of 4.5% because CET 1 ratio may be used to meet the bank's minimum Tier 1 ratio requirement of 6% and/or the minimum total capital ratio requirement of 8.5%.

[3/] To comply with BOT's notification No.SorNorSor.2/2561 dated January 25, 2018 the Bank disclosure Liquidity Coverage Raito (LCR) on the Bank's website https://www.cimbthai.com/th/personal/who-we-are/investor-relations/financial-information/pillar-three-disclosures.html

4. Capital

4.1 Capital Structure

As at 31 December 2021, CIMB Thai Financial Group's total capital fund under Basel III was THB 54,427 million consisting of Common Equity Tier 1 (CET 1) capital of THB 39,793 million, Tier 1 capital of THB 39,793 million, and Tier 2 capital of THB 14,634 million. For Bank level, consisting of Common Equity Tier 1 capital of THB 37,892 million, Tier 1 capital of THB 37,892 million, and Tier 2 capital of THB 14,709 million and Totaling THB 52,601 million of total capital fund.

The capital components of the Bank and Financial Group comprise of:

Common Equity Tier 1 capital

- Issued and paid-up share capital
- Premium on share capital
- Statutory reserve
- Retained earnings after appropriations
- Accumulated other comprehensive income
  - Revaluation surplus on Land Building and Condominium Appraisal
  - Revaluation surplus (deficit) on change in value of investments
  - Difference from the translation of financial statements
  - Cash flow hedge reserves
  - Gains on financial liabilities designated at fair value relating to own credit risk
- Deducted from CET 1 capital
  - Deferred tax assets
  - Intangible assets
  - Impact on revision of employee benefits based on actuarial calculation

Tier 2 capital

- General provisions mean Expected credit loss for financial assets with an insignificant increase in credit risk (performing) and for financial assets with a significant increase in credit risk (under-performing), not exceeding 1.25% of credit risk-weighted assets.

- The Bank issued MYR 390 million of subordinated debentures pursuant to Tier 2 subordinated debenture programme to overseas investors. The debenture has qualifying capital instruments under Basel III, which could be fully counted as capital. The Bank has an approval from the Bank of Thailand to count the subordinated debenture as Tier 2 capital according to the correspondence For Kor Kor. 221/2561.
- The Bank issued MYR 550 million of subordinated debentures pursuant to Tier 2 subordinated debenture programme to overseas investors. The debenture has qualifying capital instruments under Basel III, which could be fully counted as capital. The Bank has an approval from the Bank of Thailand to count the subordinated debenture as Tier 2 capital according to the correspondence For Kor Kor. 527/2562.
- The Bank issued MYR 660 million of subordinated debentures pursuant to Tier 2 subordinated debenture programme to overseas investors. The debenture has qualifying capital instruments under Basel III, which could be fully counted as capital. The Bank has an approval from the Bank of Thailand to count the subordinated debenture as Tier 2 capital according to the correspondence For Nor Sor1. 81/2564.

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Table 2 Capital Structure

Unit: Million Baht

As at	Consolidated		Bank-Only	
	Dec 31, 2021	Jun 30, 2021	Dec 31, 2021	Jun 30, 2021
1. Tier 1 Capital	39,793	38,777	37,892	37,227
1.1 Common Equity Tier 1 capital	39,793	38,777	37,892	37,227
1.1.1 Paid-up share capital (ordinary shares)	17,411	17,411	17,411	17,411
1.1.2 Premium on share capital	10,146	10,146	10,146	10,146
1.1.3 Statutory Reserve	574	536	574	536
1.1.4 Net profit after appropriation	12,700	11,778	10,095	9,371
1.1.5 Other Comprehensive Income	1,032	998	1,075	1,041
1.1.5.1 Accumulated Other Comprehensive Income	1,075	1,041	1,075	1,041
1.1.5.2 Other owner changes items	(43)	(43)	-	-
1.1.6 Any adjustments that are not allowed to have impacts on capital	336	152	336	152
1.1.6.1 Cash flow hedge reserves	(105)	(243)	(105)	(243)
1.1.6.2 Gains on financial liabilities designated at fair value relating to own credit risk	441	395	441	395
1.1.7 Items to be deducted from CET 1	(2,406)	(2,244)	(1,745)	(1,431)
1.1.7.1 Net losses	-	-	-	-
1.1.7.2 Remeasurements of post-employment benefit obligations	(85)	(294)	(59)	(242)
1.1.7.3 Intangible assets	(965)	(891)	(918)	(836)
1.1.7.4 Deferred tax asset	(1,356)	(1,060)	(769)	(352)
1.2 Additional Tier 1 capital	-	-	-	-
2. Tier 2 capital	14,634	14,624	14,709	14,722
2.1 Qualifying Tier 2 capital instruments	12,388	12,262	12,388	12,262
2.2 General provisions	2,246	2,361	2,321	2,460
3. Total capital funds	54,427	53,401	52,601	51,949

4.2 Capital Adequacy

Capital adequacy is critical for sound risk management and mitigation. This includes capital adequacy under both normal and stress ("extreme but plausible events") conditions. Stress test results are used for capital management and to prescribe the action plans to ensure that the Bank will meet the minimum regulatory capital requirements. For the annual capital management plan, Internal Capital Targets shall be set above the minimum regulatory capital requirements and used as early warning indicators to monitor and ensure compliance with the regulatory capital requirements.

The Bank calculates capital charges for credit risk, market risk, and operational risk in accordance with BOT's notification. The Bank obtained BOT's approval to adopt the approaches for capital calculation as follows:

Risk Type	Approach
1. Credit Risk	Standardised Approach (SA)
2. Market Risk	Standardised Approach (SA)
3. Operational Risk	Basic Indicator Approach (BIA)

Table 3 Minimum capital requirements classified by risk types

Unit: Million Baht

As at	Consolidated		Bank-Only	
	Dec 31, 2021	Jun 30, 2021	Dec 31, 2021	Jun 30, 2021
Credit Risk	15,274	16,058	15,780	16,728
1. Performing Assets	14,757	15,430	15,279	16,122
1.1 Claims on sovereigns and central banks, multilateral development banks (MDBs) and public sector entities (PSEs) whose risk weight is comparable to that of sovereigns	44	48	44	48
1.2 Claims on financial institutions, and public sector entities (PSEs) whose risk weight is comparable to that of financial institutions and securities companies	1,549	1,544	1,546	1,541
1.3 Claims on corporate and public sector entities (PSEs) whose risk weight is comparable to that of corporate Entities	6,647	7,335	9,079	9,994
1.4 Claims on retail	3,527	3,674	1,420	1,511
1.5 Claims on residential mortgage exposures	2,409	2,289	2,409	2,289
1.6 Other assets	581	540	781	739
2. Non-Performing Assets	517	628	501	606
Market Risk	3,315	3,822	3,315	3,822
1. Interest rate risk	3,076	3,589	3,076	3,589
2. Equity price risk	-	-	-	-
3. Foreign exchange rate risk	239	233	239	233
4. Commodity price risk	-	-	-	-
Operational Risk	2,107	2,108	1,417	1,419
Total minimum capital requirement [1/]	20,696	21,988	20,512	21,969
Total minimum capital buffer [2/]	6,087	6,467	6,033	6,462
Total minimum capital requirement and capital buffer	26,783	28,455	26,545	28,431
Total Risk Weight Assets	243,490	258,684	241,324	258,462

[1/] Minimum capital requirement are calculated based on the minimum regulatory requirement at 8.5%

[2/] Minimum capital buffer under Basel III as accordance to BOT's Notification No. SorNorSor 12/2555 Re: the BOT required the Commercial Banks to increase capital conservation buffer of 2.5%

As at 31 December 2021, the financial group's CET 1 ratio, Tier 1 ratio, and Total capital ratio were at 16.34%, 16.34%, and 22.35%, respectively, while the Bank's ratio were at 15.70%, 15.70%, and 21.80%, respectively. All ratios are higher than minimum capital requirement and capital buffer of Bank of Thailand (BOT).

Table 4 Total capital adequacy ratio

Unit: %

As at	Consolidated		Bank-Only		Minimum capital requirement ratio [1/]	Minimum capital requirement and capital buffer ratio [2/]
	Dec 31, 2021	Jun 30, 2021	Dec 31, 2021	Jun 30, 2021		
CET 1 capital to risk-weighted assets	16.34	14.99	15.70	14.40	4.50	7.00
Tier 1 capital to risk-weighted assets	16.34	14.99	15.70	14.40	6.00	8.50
Total capital to risk-weighted assets	22.35	20.64	21.80	20.10	8.50	11.00

[1/] Minimum capital requirement ratio, according to the BOT's Notification No. SorNorSor 12/2555

[2/] Minimum capital requirement and capital buffer ratio as accordance to BOT's Notification No. SorNorSor 12/2555 Re: the BOT required the Commercial Banks to increase capital conservation buffer of 2.5%.

5. Risk Management Overview

A robust and effective risk management system is critical for the Bank to achieve continued profitability and sustainable growth in shareholder value amidst today's globalised and inter-linked financial and economic environment.

The Bank embraces risk management as an integral part of our business, operations, and decision-making processes. In ensuring that we achieve optimum returns whilst operating within a sound business environment, the risk management teams are involved at the early stage of the risk-taking process by providing independent inputs, including relevant valuations, credit evaluations, new product assessments and quantification of capital requirements. These inputs enable the business units to assess the risk-vs-reward of their propositions, thus enabling risk to be priced appropriately in relation to the return.

Generally, the objective of our risk management activities are to:

(i) identify the various risk exposures and capital requirements;

(ii) ensure risk-taking activities are consistent with risk policies and the aggregated risk positions are within the risk appetite as approved by the Board of Directors; and

(iii) create shareholder value through a sound risk management framework.

RISK MANAGEMENT AND CONTROL FRAMEWORK

The Board recognises that sound risk management is an integral part of the Bank's business, operations, and decision-making process, and are critical in ensuring the Bank's success and sustainable growth.

The emphasis on a strong risk management culture is the foundation of the control mechanisms within the Bank's Enterprise-Wide Risk Management (EWRM) framework. The framework consists of an on-going process of identifying and assessing, measuring, managing and controlling, as well as monitoring and reporting material risks affecting the achievement of the Bank's strategic business objectives. It provides the Board and its management with tools to anticipate and manage both the existing and potential risks, taking into consideration the changing risk profile as dictated by changes in business strategies, the external environment and/or regulatory environment.

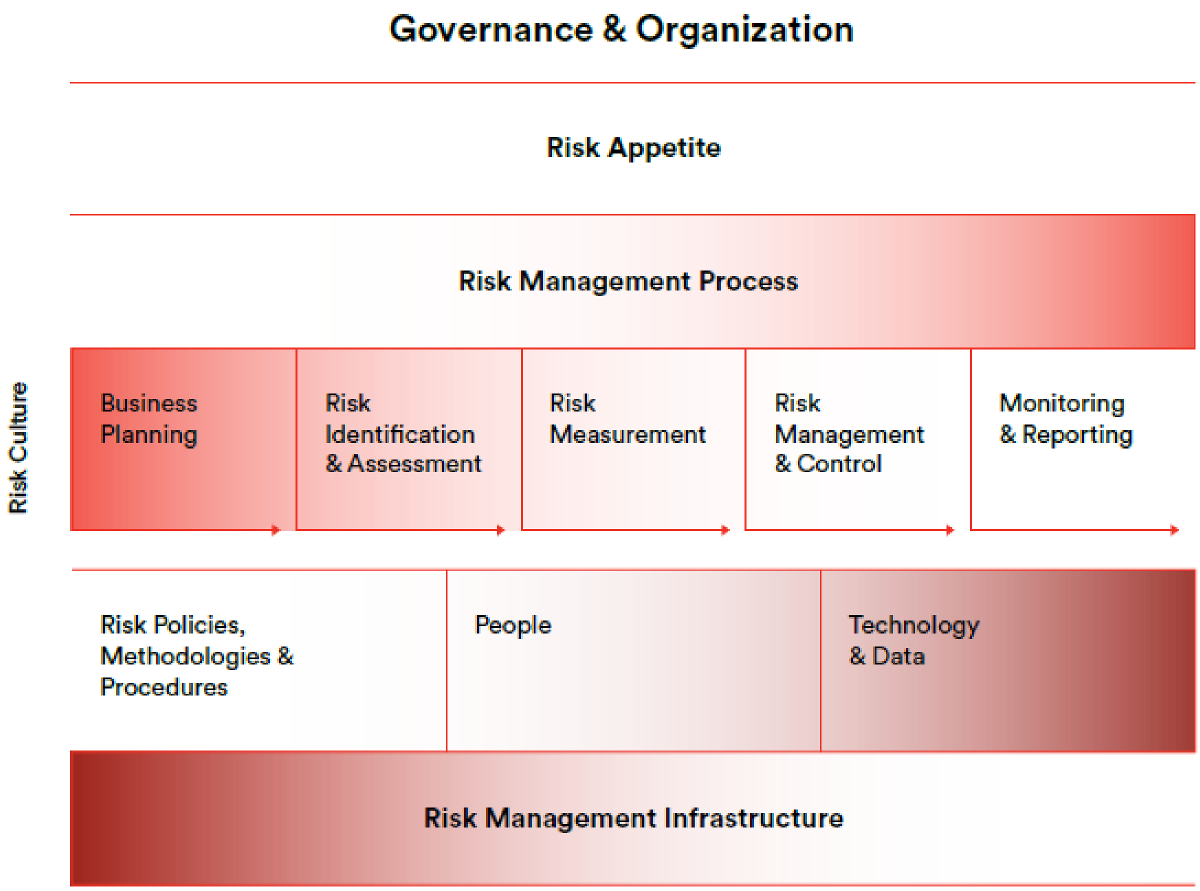
To further enhance the cultivation of risk management culture, the Bank employs the three lines of defence model in implementing the EWRM framework, providing risk management accountability across the Bank. The business units, as the first line of defence, is primarily responsible for risk management on day-to-day basis by taking appropriate actions to mitigate risk through effective controls. Risk and other control functions within the second line of defence provide oversight and perform independent monitoring of business activities with reporting to the Board and management to ensure that the Bank conducts business and operates within the approved risk appetite, and is in compliance with regulations. Corporate Assurance Division as the third line of defence, provides independent assurance of the adequacy and effectiveness of the internal controls and risk management processes. The Board has also established the Board Risk and Compliance Committee, whose responsibilities, amongst others, include overseeing the effective implementation of the EWRM framework.

ENTERPRISE-WIDE RISK MANAGEMENT FRAMEWORK

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

The design of the EWRM framework incorporates a complementary “top-down strategic” and “bottom-up tactical” risk management approach.

Key components of the EWRM framework are presented below:



Risk Culture: The Bank embraces risk management as an integral part of our culture and decision-making processes. The three lines of defence approach is embodied in t risk management philosophy, whereby risks are managed at the point of risk-taking activity. There is clear accountability of risk ownership across the Bank.

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

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

Risk Management Process

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

Risk Management Infrastructure

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

- **Technology and Data**: Appropriate technology and sound data management support risk management activities.

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

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

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

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

Roles and Responsibilities of Functions in Risk Managment as follows:

1. Non-Retail Credit Risk Management (NRCR) is responsible to perform a thorough credit risk assessment and evaluate credit applications according to the minimum standard requirement in credit analysis and lending business within bank's Credit Policy and Procedure and/or other regulations, provide credit recommendation to the respective Committee or credit decision as per delegated authority (JDA), and oversight the credit risk intensity in order to ensure of maintaining credit quality and healthy portfolio while preemptively prevent/mitigate credit risk including Non-retail credit risk analytics both static and dynamic portfolio to enable senior management/Board to actively monitor the risk profile with reliable, timely and relevant information for appropriate actions to be taken, if necessary. Moreover, NRCR is responsible to develop internal rating and scoring models for both credit decision (approve/decline) and Internal Rating Based (IRB) purposes.

2. Retail Credit Risk Management is responsible to monitor and prepare Asset Quality Report of retail loan of the Bank and subsidiaries in the financial group in order to clearly identify and understand the respective portfolio's risk drivers across relevant credit cycle and to analyse and reporting of the risk profile to relevant committees of the Bank. Retail Credit Risk Management is also responsible to manage Retail Business Rules to be standardized credit decision, align with Bank Credit Risk Policy and Bank of Thailand regulation, including credit risk model implementation for both Retail and Non Retail customers.

3. Market Risk Management is responsible to analyse and identify market risk in trading activities, to evaluate market risk position and monitor on approved Market Risk Limits and report to Management and relevant units and to perform Escalation Procedure per Bank's policy.

4. Asset and Liability Management is responsible to measure, monitor, and control the liquidity risk and IRRBB under the Asset Liability Management Committee (ALCO)'s or BOD's policies.

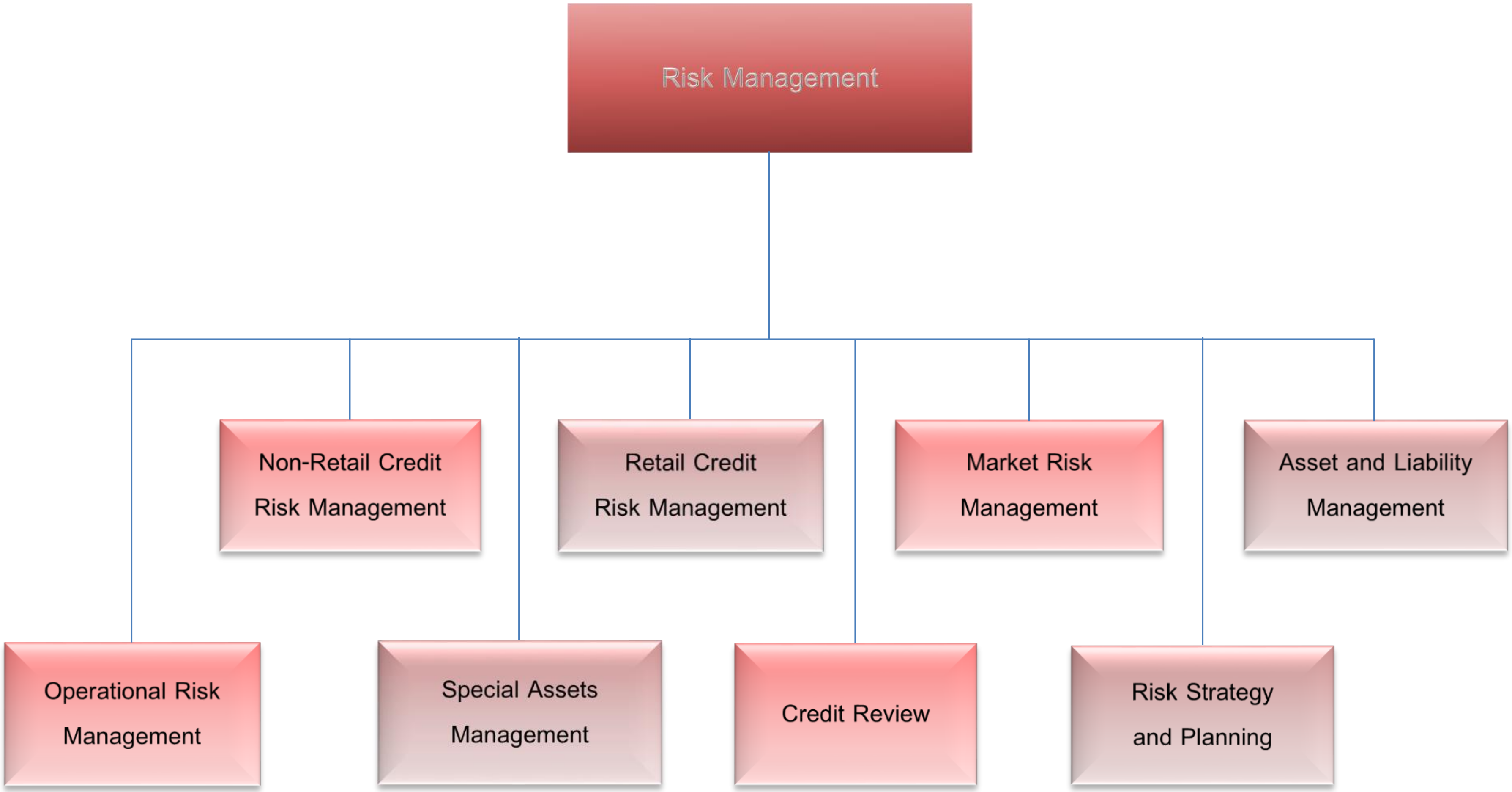
5. Operational Risk Management is responsible to study, review, monitor and develop Operational Risk Framework and plan to be in line with the Bank of Thailand Policy Statement and the Bank's business plan. The scope of Operational Risk is also including technology & cyber risk, fraud risk, and business continuity.

6. Special Assets Management is responsible to manage non-retail's distressed assets which comprise of direct account management of distressed accounts, proper recovery strategy, i.e. restructuring or legal proceedings, is to be determined and proposed once the account is transferred and management of NPAs, which includes properties, obtained via debt to assets swap and closed branches. Beside maintenance of NPAs to be ready for disposal, clear marketing plan and approach are to be set up for disposal of NPAs to enhance efficient use of the bank's resources and capital, and must be in accordance with both local and group regulations.

7. Credit Review is responsible to perform a review function that provides credit assurance oriented towards the review of credits, credit-like transactions and contingent liabilities to ensure that credit approval and administration processes are in line with the Credit Risk Policy and procedures, and the accuracy of loan classification and provisioning according to BOT's Policy Guidelines.

8. Risk Strategy and Planning is responsible for supporting Head, Risk Management in the development of plans and strategies for the Risk team. The team drives and manages strategic project, including establishing and monitoring project plans, resolving issues, and managing project participants/ team members.

Risk Management Organization



6. Risk Assessment for each risk

6.1 Strategic Risk

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

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

6.2 Credit Risk

6.2.1 Credit Risk Management

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

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

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

- Credit Approval

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

JDA approval level is determined by group exposure, global group rating, and loan-to-collateral value to help alleviate Credit Committee's burden and shorten the approval process. In case any customer does not fall into the matrix, approval by Credit Committee shall be sought.

- Collateral Policy

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

- Non-performing Loan (NPL)

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

In addition, the Bank has set policies and procedures for credit risk to prevent and minimize risk that may occur in the future, which can be summarizes as follows:

- Debt Monitoring Guidelines and Follow-up Procedures

The Bank has set up guidelines for closely managing and monitoring watch-list and problem loan accounts in order to speedily resolve problem loans and standardise the problem loan monitoring process. The guidelines prescribe a monitoring process for watch-list accounts which will be revised periodically to ensure their effectiveness and relevance. In addition to mandatory debt classification in accordance with the Bank of Thailand's guidelines, we have established additional qualitative criteria for early classification of debts with signs of deterioration prior to default. For pre-NPL accounts to be effectively managed, the early warning process and early warning indicators have been set up as guidelines for relationship managers to take early action in identifying accounts with potential problems and develop proper action plan to solve the problems in a timely manner, so that risk to the Bank can be mitigated. The accounts with potential problems are put under watch list and classified by degree of their problems and risk level into three groups, i.e. watch list – low, watch list – medium and watch list – high. The accounts under watch list – low and watch list – medium shall remain as performing (stage1) class while those under watch list – high are classified as under-performing (stage2). These watch-list accounts as well as NPL accounts with exposure more than THB 10 million are regularly reported to Asset Quality Committee (AQC) on a monthly basis.

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

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

- Debt Restructuring Policy

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

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

- Policy on Asset Classification and Loan Loss Provision

The Bank has complied with the Bank of Thailand's regulations as prescribed in the Bank of Thailand Notification No. SorNorSor 23/2561 re: Regulations on Asset Classification and Provisioning of Financial Institutions dated 13 December 2018, thereby classification and provision is required for financial assets and exposure from loan commitments and financial guarantee contracts. Such financial assets and commitments are classified into three types, comprising (1) Non-performing, (2) Under-performing, and (3) Performing. Provision is also required for expected credit loss (ECL). This is in accordance with Thai Financial Reporting Standard No. 9 (TFRS9) re: financial instruments, effective from 1 January 2020 onwards.

For the calculation of capital adequacy to risk weighted assets by using SA approach both Bank level and Full Consolidated level. The provisions to be set aside for assets and off-balance sheet items shall be classified as follows:

- General Provision includes reserves for assets and obligations with an insignificant increase in credit risk (Perfoming) and reserves for assets and obligations with a significant increase in credit risk (Under-performing) excluding any provision held against assets classified as pass which is already counted as specific provision. The general provision shall be in accordance with the Notification of the Bank of Thailand Re: Regulations on Assets Classification and Provisioning of Financial Institutions.
- Specific Provision means a provision ascribed to identified deterioration of any particular assets and off-balance sheet items, including allowance for a decrease occurred from financial instruments that measured at fair value through profit or loss (FVTPL), financial instruments that measured at fair value through other comprehensive income (FVOCI)

and allowance for expected credit loss but excluding general provision that has already been included in Tier 2 capital.

- Non-performing claims mean claims on assets classified as non-performing and purchased or originated credit impaired under the Notification of the Bank of Thailand on Asset Classifidation and Provisioning of Financial Institutions.

- Definition of Default and Impairment of Assets

1. Default of Payment

The Bank set Accounting Policy related to Income Recognition whenever customers had overdue accrued interest income for more than three months since the due date or stage 3 loan account follow definition of TFRS 9 will be recognize at effective interest rate of the carrying amount after impairment.

2. Impairment of assets

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

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

Assets that have an indefinite useful life, for example goodwill, are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the hgher 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.

- Policy for Intra-Group Transaction of the Financial Group

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

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

Table 5 Outstanding of on-balance sheet assets and off-balance sheet items before credit risk mitigation

Unit: Baht million

As at	Consolidated		Bank Only	
	Dec 31, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
1. On-balance sheet assets	337,898	347,757	332,561	343,318
1.1 Loans and accrued interest receivables, net [1/]	211,724	223,789	206,583	219,521
1.2 Investments in debt securities, net [2/]	74,174	61,467	74,172	61,465
1.3 Deposits and accrued interests, net [3/]	5,581	4,940	5,387	4,771
1.4 Derivative assets	46,419	57,561	46,419	57,561
2. Off-balance sheet items [4/]	4,160,973	3,705,507	4,170,598	3,718,607
2.1 Aval of bills, financial guarantees and Letter of credits	1,134	781	1,134	781
2.2 OTC derivatives [5/]	4,147,685	3,686,311	4,147,685	3,686,311
2.3 Undrawn committed line	12,154	18,415	21,779	31,515

[1/] Including undue interest receivables, net of deferred income, unamortised modification gain (loss) and expected credit loss and including loans and accrued interest receivalbes of interbank and money market, net

[2/] Including investment in loan, which excluding accrued interest receivables and net of allowances for revaluation securities and expected credit loss

[3/] Including undue interest receivables and net of expected credit loss

[4/] Before using credit conversion factor

[5/] Including equity-related derivatives

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Table 6 Outstanding of on-balance sheet assets and off-balance sheet items before credit risk mitigation classified by country or geographic area of debtors

Consolidated

Unit: Baht million

As at	Dec 31, 2021								
	On-balance sheet assets					Off-balance sheet items [3/]			
	Total	Net loans [1/]	Net investments in debt securities [2/]	Deposits (including accrued interests) [3/]	Derivative assets	Total	Aval of bills, financial guarantees and letter of credits	OTC derivatives [4/]	Undrawn committed line
1. Thailand	321,707	216,792	74,174	1,420	29,321	1,883,832	1,134	1,870,545	12,153
2. Asia Pacific (excluding Thailand)	7,041	213	-	619	6,209	433,783	-	433,782	1
3. North America and Latin America	5,075	-	-	1,880	3,195	743,285	-	743,285	-
4. Africa and Middle East	9	-	-	1	8	2,240	-	2,240	-
5. Europe	9,344	-	-	1,658	7,686	1,097,833	-	1,097,833	-
6. Oceania	3	-	-	3	-	-	-		-
Total	343,179	217,005	74,174	5,581	46,419	4,160,973	1,134	4,147,685	12,154
Less General provision	(5,281)	(5,281)	-	-	-	-	-	-	-
Total	337,898	211,724	74,174	5,581	46,419	4,160,973	1,134	4,147,685	12,154

[1/] Including undue interest receivables, net of deferred income, unamortised modification gain (loss) and expected credit loss and including loans and accrued interest receivalbes of interbank and money market, net

[2/] Including investment in loan, which excluding accrued interest receivables and net of allowances for revaluation securities and expected credit loss

[3/] Including undue interest receivables and net of expected credit loss

[4/] Before using credit conversion factor

[5/] Including equity-related derivatives

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Consolidated

Unit: Baht million

As at	Dec 31, 2020								
	On-balance sheet assets					Off-balance sheet items [3]			
	Total	Net loans [1]	Net investments in debt securities [2]	Deposits (including accrued interests) [3]	Derivative assets	Total	Aval of bills, financial guarantees and letter of credits	OTC derivatives [4]	Undrawn committed line
1. Thailand	322,141	227,460	61,467	2,398	30,816	1,604,423	781	1,585,229	18,413
2. Asia Pacific (excluding Thailand)	11,708	626	-	1,164	9,918	460,576	-	460,574	2
3. North America and Latin America	6,917	-	-	647	6,270	632,584	-	632,584	-
4. Africa and Middle East	24	-	-	-	24	2,240	-	2,240	-
5. Europe	11,250	-	-	717	10,533	1,005,684	-	1,005,684	-
6. Oceania	1,159	1,145	-	14	-	-	-	-	-
Total	353,199	229,231	61,467	4,940	57,561	3,705,507	781	3,686,311	18,415
Less General provision	(5,442)	(5,442)	-	-	-	-	-	-	-
Total	347,757	223,789	61,467	4,940	57,561	3,705,507	781	3,686,311	18,415

[1] Including undue interest receivables, net of deferred income, unamortised modification gain (loss) and expected credit loss and including loans and accrued interest receivalbes of interbank and money market, net

[2] Including investment in loan, which excluding accrued interest receivables and net of allowances for revaluation securities and expected credit loss

[3] Including undue interest receivables and net of expected credit loss

[4] Before using credit conversion factor

[5] Including equity-related derivatives

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Unit: Baht million

As at	Dec 31, 2021								
	On-balance sheet assets					Off-balance sheet items [3/]			
	Total	Net loans [1/]	Net investments in debt securities [2/]	Deposits (including accrued interests) [3/]	Derivative assets	Total	Aval of bills, financial guarantees and letter of credits	OTC derivatives [4/]	Undrawn committed line
1. Thailand	**314,944**	210,225	74,172	1,226	29,321	**1,893,457**	1,134	1,870,545	21,778
2. Asia Pacific (excluding Thailand)	**7,040**	212	-	619	6,209	**433,783**	-	433,782	1
3. North America and Latin America	**5,075**	-	-	1,880	3,195	**743,285**	-	743,285	-
4. Africa and Middle East	**9**	-	-	1	8	**2,240**	-	2,240	-
5. Europe	**9,344**	-	-	1,658	7,686	**1,097,833**	-	1,097,833	-
6. Oceania	**3**	-	-	3	-	**-**	-	-	-
Total	336,415	210,437	74,172	5,387	46,419	4,170,598	1,134	4,147,685	21,779
Less General provision	**(3,854)**	(3,854)	-	-	-	**-**	-	-	-
Total	332,561	206,583	74,172	5,387	46,419	4,170,598	1,134	4,147,685	21,779

[1/] Including undue interest receivables, net of deferred income, unamortised modification gain (loss) and expected credit loss and including loans and accrued interest receivalbes of interbank and money market, net

[2/] Including investment in loan, which excluding accrued interest receivables and net of allowances for revaluation securities and expected credit loss

[3/] Including undue interest receivables and net of expected credit loss

[4/] Before using credit conversion factor

[5/] Including equity-related derivatives

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Unit: Baht million

As at	Dec 31, 2020								
	On-balance sheet assets					Off-balance sheet items [3/]			
	Total	Net loans [1/]	Net investments in debt securities [2/]	Deposits (including accrued interests) [3/]	Derivative assets	Total	Aval of bills, financial guarantees and letter of credits	OTC derivatives [4/]	Undrawn committed line
1. Thailand	315,974	221,464	61,465	2,229	30,816	1,617,523	781	1,585,229	31,513
2. Asia Pacific (excluding Thailand)	11,708	626	-	1,164	9,918	460,576	-	460,574	2
3. North America and Latin America	6,917	-	-	647	6,270	632,584	-	632,584	-
4. Africa and Middle East	24	-	-	-	24	2,240	-	2,240	-
5. Europe	11,250	-	-	717	10,533	1,005,684	-	1,005,684	-
6. Oceania	1,159	1,145	-	14	-	-	-	-	-
Total	347,032	223,235	61,465	4,771	57,561	3,718,607	781	3,686,311	31,515
Less General provision	(3,714)	(3,714)	-	-	-	-	-	-	-
Total	343,318	219,521	61,465	4,771	57,561	3,718,607	781	3,686,311	31,515

[1/] Including undue interest receivables, net of deferred income, unamortised modification gain (loss) and expected credit loss and including loans and accrued interest receivalbes of interbank and money market, net

[2/] Including investment in loan, which excluding accrued interest receivables and net of allowances for revaluation securities and expected credit loss

[3/] Including undue interest receivables and net of expected credit loss

[4/] Before using credit conversion factor

[5/] Including equity-related derivatives

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Table 7 Outstanding of on-balance sheet assets and off-balance sheet items before credit risk mitigation classified by the remaining maturity

Unit: Baht million

As at	Consolidated							
	Dec 31, 2021				Dec 31, 2020			
	Maturity not exceeding 1 year	Maturity exceeding 1 year	General provision	Total	Maturity not exceeding 1 year	Maturity exceeding 1 year	General provision	Total
1. On-balance sheet assets	69,433	273,746	(5,281)	337,898	62,740	290,459	(5,442)	347,757
1.1 Loans and accrued interest receivables, net [1/]	33,311	183,694	(5,281)	211,724	31,928	197,303	(5,442)	223,789
1.2 Investments in debt securities, net [2/]	10,177	63,997	-	74,174	6,381	55,086	-	61,467
1.3 Deposits and accrued interests, net [3/]	5,581	-	-	5,581	4,940	-	-	4,940
1.4 Derivative assets	20,364	26,055	-	46,419	19,491	38,070	-	57,561
2. Off-balance sheet items [4/]	2,352,269	1,808,704	-	4,160,973	2,063,703	1,641,804	-	3,705,507
2.1 Aval of bills, financial guarantees and Letter of credits	1,134	-	-	1,134	781	-	-	781
2.2 OTC derivatives [5/]	2,342,729	1,804,956	-	4,147,685	2,048,927	1,637,384	-	3,686,311
2.3 Undrawn committed line	8,406	3,748	-	12,154	13,995	4,420	-	18,415

[1/] Including undue interest receivables, net of deferred income, unamortised modification gain (loss) and expected credit loss and including loans and accrued interest receivalbes of interbank and money market, net

[2/] Including investment in loan, which excluding accrued interest receivables and net of allowances for revaluation securities and expected credit loss

[3/] Including undue interest receivables and net of expected credit loss

[4/] Before using credit conversion factor

[5/] Including equity-related derivatives

Unit: Baht million

As at	Bank Only							
	Dec 31, 2021				Dec 31, 2020			
	Maturity not exceeding 1 year	Maturity exceeding 1 year	General provision	Total	Maturity not exceeding 1 year	Maturity exceeding 1 year	General provision	Total
1. On-balance sheet assets	82,413	254,002	(3,854)	332,561	89,965	257,067	(3,714)	343,318
1.1 Loans and accrued interest receivables, net [1/]	46,487	163,950	(3,854)	206,583	59,322	163,913	(3,714)	219,521
1.2 Investments in debt securities, net [2/]	10,175	63,997	-	74,172	6,381	55,084	-	61,465
1.3 Deposits and accrued interests, net [3/]	5,387	-	-	5,387	4,771	-	-	4,771
1.4 Derivative assets	20,364	26,055	-	46,419	19,491	38,070	-	57,561
2. Off-balance sheet items [4/]	2,361,894	1,808,704	-	4,170,598	2,076,803	1,641,804	-	3,718,607
2.1 Aval of bills, financial guarantees and Letter of credits	1,134	-	-	1,134	781	-	-	781
2.2 OTC derivatives [5/]	2,342,729	1,804,956	-	4,147,685	2,048,927	1,637,384	-	3,686,311
2.3 Undrawn committed line	18,031	3,748	-	21,779	27,095	4,420	-	31,515

[1/] Including undue interest receivables, net of deferred income, unamortised modification gain (loss) and expected credit loss and including loans and accrued interest receivalbes of interbank and money market, net

[2/] Including investment in loan, which excluding accrued interest receivables and net of allowances for revaluation securities and expected credit loss

[3/] Including undue interest receivables and net of expected credit loss

[4/] Before using credit conversion factor

[5/] Including equity-related derivatives

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Table 8 Outstanding balance of financial instruments * before credit risk mitigation and provisions (General provision and Specific provision)

Unit: Baht million

Consolidated						
Dec 31, 2021						
Items	Exposures		Provisions [2/]	Reserve value of the position using the SA mehtod [2/]		Net exposures [3/]
	Defaulted exposures [1/]	Non-defaulted exposures [1/]		General provision	Specific provision	
1. Loans and accrued interest receivables [4/]	8,419	211,645	8,340	5,281	3,059	211,724
2. Investment in debt Securities [5/]	-	74,174	-	-	-	74,174
3. Deposits and accrued interests [6/]	-	5,581	-	-	-	5,581
4. Loan commitment and financial guarantee contract [7/]	690	22,234	969	153	816	21,955
Total	9,109	313,634	9,309	5,434	3,875	313,434

* Recognized impairment in accordance with TFRS 9 Re: Financial Instruments

[1/] The Bank uses the SA method: defaulted exposures and non-defaulted exposures as according to the Bank of Thailand Notification Re: Regulations for Classification and Provision of Financial Institutions

[2/] Refers to the allowance for expected credit loss as defined in TFRS 9. For financial instruments measured at fair value through other comprehensive income. The reserve value is not required as stipulated in TFRS 7 Re: Financial Instruments Disclosure. The outstanding value of such financial instruments is shown in net amount of reserve value.

[3/] Net exposure = Exposure - Provsion

[4/] Including undue interest receivables, net of deferred income, unamortised modification gain (loss) and expected credit loss and including loans and accrued interest receivalbes of interbank and money market, net

[5/] Excluding accrued interest receivables and net of allowances for revaluation, and excluding Investment in loan

[6/] Including undue interest receivables

[7/] Before using credit conversion factor

Unit: Baht million

Items	Exposures		Provisions [2/]	Reserve value of the position using the SA mehtod [2/]		Net exposures [3/]
	Defaulted exposures [1/]	Non-defaulted exposures [1/]		General provision	Specific provision	
Consolidated						
Dec 31, 2020						
1. Loans and accrued interest receivables [4/]	11,218	221,525	8,954	5,442	3,512	223,789
2. Investment in debt Securities [5/]	-	61,467	-	-	-	61,467
3. Deposits and accrued interests [6/]	-	4,940	-	-	-	4,940
4. Loan commitment and financial guarantee contract [7/]	820	29,081	704	25	679	29,197
Total	12,038	317,013	9,658	5,467	4,191	319,393

* Recognized impairment in accordance with TFRS 9 Re: Financial Instruments

[1/] The Bank uses the SA method: defaulted exposures and non-defaulted exposures as according to the Bank of Thailand Notification Re: Regulations for Classification and Provision of Financial Institutions

[2/] Refers to the allowance for expected credit loss as defined in TFRS 9. For financial instruments measured at fair value through other comprehensive income. The reserve value is not required as stipulated in TFRS 7 Re: Financial Instruments Disclosure. The outstanding value of such financial instruments is shown in net amount of reserve value.

[3/] Net exposure = Exposure - Provsion

[4/] Including undue interest receivables, net of deferred income, unamortised modification gain (loss) and expected credit loss and including loans and accrued interest receivalbes of interbank and money market, net

[5/] Excluding accrued interest receivables and net of allowances for revaluation, and excluding Investment in loan

[6/] Including undue interest receivables

[7/] Before using credit conversion factor

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Unit: Baht million

Items	Exposures		Provisions [2/]	Reserve value of the position using the SA mehtod [2/]		Net exposures [3/]
	Defaulted exposures [1/]	Non-defaulted exposures [1/]		General provision	Specific provision	
Bank Only						
Dec 31,2021						
1. Loans and accrued interest receivables [4/]	8,088	205,276	6,781	3,854	2,927	206,583
2. Debt Securities [5/]	-	74,172	-	-	-	74,172
3. Deposits and accrued interests [6/]	-	5,387	-	-	-	5,387
4. Loan commitment and financial guarantee contract [7/]	690	31,858	975	160	815	31,573
Total	8,778	316,693	7,756	4,014	3,742	317,715

* Recognized impairment in accordance with TFRS 9 Re: Financial Instruments

[1/] The Bank uses the SA method: defaulted exposures and non-defaulted exposures as according to the Bank of Thailand Notification Re: Regulations for Classification and Provision of Financial Institutions

[2/] Refers to the allowance for expected credit loss as defined in TFRS 9. For financial instruments measured at fair value through other comprehensive income. The reserve value is not required as stipulated in TFRS 7 Re: Financial Instruments Disclosure. The outstanding value of such financial instruments is shown in net amount of reserve value.

[3/] Net exposure = Exposure - Provsion

[4/] Including undue interest receivables, net of deferred income, unamortised modification gain (loss) and expected credit loss and including loans and accrued interest receivalbes of interbank and money market, net

[5/] Excluding accrued interest receivables and net of allowances for revaluation, and excluding Investment in loan

[6/] Including undue interest receivables

[7/] Before using credit conversion factor

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Unit: Baht million

Items	Exposures		Provisions [2/]	Reserve value of the position using the SA mehtod [2/]		Net exposures [3/]
	Defaulted exposures [1/]	Non-defaulted exposures [1/]		General provision	Specific provision	
Bank Only – Dec 31,2020						
1. Loans and accrued interest receivables [4/]	10,821	215,767	7,067	3,714	3,353	219,521
2. Debt Securities [5/]	-	61,465	-	-	-	61,465
3. Deposits and accrued interests [6/]	-	4,771	-	-	-	4,771
4. Loan commitment and financial guarantee contract [7/]	820	42,181	704	25	679	42,297
Total	11,641	324,184	7,771	3,739	4,032	328,054

* Recognized impairment in accordance with TFRS 9 Re: Financial Instruments

[1/] The Bank uses the SA method: defaulted exposures and non-defaulted exposures as according to the Bank of Thailand Notification Re: Regulations for Classification and Provision of Financial Institutions

[2/] Refers to the allowance for expected credit loss as defined in TFRS 9. For financial instruments measured at fair value through other comprehensive income. The reserve value is not required as stipulated in TFRS 7 Re: Financial Instruments Disclosure. The outstanding value of such financial instruments is shown in net amount of reserve value.

[3/] Net exposure = Exposure - Provsion

[4/] Including undue interest receivables, net of deferred income, unamortised modification gain (loss) and expected credit loss and including loans and accrued interest receivalbes of interbank and money market, net

[5/] Excluding accrued interest receivables and net of allowances for revaluation, and excluding Investment in loan

[6/] Including undue interest receivables

[7/] Before using credit conversion factor

Table 9 Outstanding of loans including accrued interests and investments in debt securities before credit risk mitigation classified by country or geographic area of debtors and by asset classification specified by the Bank of Thailand

Unit: Baht million

Consolidated										
Dec 31, 2021										
country or geographic area	Loans and accrued interest receivables [1/]					Investment in debt securities [2/]				
	Performing (Stage 1)	Under-performing (Stage 2)	Non-performing (Stage 3)	Purchased or originated crdit-impaired	Total	Performing (Stage 1)	Under-performing (Stage 2)	Non-performing (Stage 3)	Purchased or originated crdit-impaired	Total
Thailand	192,625	18,807	8,362	58	219,852	74,174	-	-	-	74,174
Asia Pacific (exclude Thailand)	19	193	-	-	212	-	-	-	-	-
North America and Latin America	-	-	-	-	-	-	-	-	-	-
Africa and Middle East	-	-	-	-	-	-	-	-	-	-
Europe	-	-	-	-	-	-	-	-	-	-
Oceania	-	-	-	-	-	-	-	-	-	-
Total	192,644	19,000	8,362	58	220,064	74,174	-	-	-	74,174

[1/] Including undue interest receivables, net of deferred income, unamortised modification gain (loss) and expected credit loss and including loans and accrued interest receivalbes of interbank and money market, net

[2/] Excluding accrued interest receivables and net of allowances for revaluation, and excluding Investment in loan

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Unit: Baht million

Consolidated										
Dec 31, 2020										
country or geographic area	Loans and accrued interest receivables [1/]					Investment in debt securities [2/]				
	Performing (Stage 1)	Under-performing (Stage 2)	Non-performing (Stage 3)	Purchased or originated crdit-impaired	Total	Performing (Stage 1)	Under-performing (Stage 2)	Non-performing (Stage 3)	Purchased or originated crdit-impaired	Total
Thailand	202,240	17,829	10,786	58	230,913	61,326	141	-	-	61,467
Asia Pacific (exclude Thailand)	73	238	373	-	684	-	-	-	-	-
North America and Latin America	-	-	-	-	-	-	-	-	-	-
Africa and Middle East	-	-	-	-	-	-	-	-	-	-
Europe	-	-	-	-	-	-	-	-	-	-
Oceania	-	1,145	-	-	1,145	-	-	-	-	-
Total	202,313	19,212	11,159	58	232,742	61,326	141	-	-	61,467

[1/] Including undue interest receivables, net of deferred income, unamortised modification gain (loss) and expected credit loss and including loans and accrued interest receivalbes of interbank and money market, net

[2/] Excluding accrued interest receivables and net of allowances for revaluation, and excluding Investment in loan

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Unit: Baht million

Bank Only										
Dec 31, 2021										
country or geographic area	Loans and accrued interest receivables [1/]					Investment in debt securities [2/]				
	Performing (Stage 1)	Under-performing (Stage 2)	Non-performing (Stage 3)	Purchased or originated crdit-impaired	Total	Performing (Stage 1)	Under-performing (Stage 2)	Non-performing (Stage 3)	Purchased or originated crdit-impaired	Total
Thailand	190,980	14,085	8,030	58	213,153	74,172	-	-	-	74,172
Asia Pacific (exclude Thailand)	19	193	-	-	212	-	-	-	-	-
North America and Latin America	-	-	-	-	-	-	-	-	-	-
Africa and Middle East	-	-	-	-	-	-	-	-	-	-
Europe	-	-	-	-	-	-	-	-	-	-
Oceania	-	-	-	-	-	-	-	-	-	-
Total	190,999	14,278	8,030	58	213,365	74,172	-	-	-	74,172

[1/] Including undue interest receivables, net of deferred income, unamortised modification gain (loss) and expected credit loss and including loans and accrued interest receivalbes of interbank and money market, net

[2/] Excluding accrued interest receivables and net of allowances for revaluation, and excluding Investment in loan

Unit: Baht million

Bank Only										
Dec 31, 2020										
country or geographic area	Loans and accrued interest receivables [1/]					Investment in debt securities [2/]				
	Performing (Stage 1)	Under-performing (Stage 2)	Non-performing (Stage 3)	Purchased or originated crdit-impaired	Total	Performing (Stage 1)	Under-performing (Stage 2)	Non-performing (Stage 3)	Purchased or originated crdit-impaired	Total
Thailand	200,582	13,729	10,390	58	224,759	61,324	141	-	-	61,465
Asia Pacific (exclude Thailand)	73	238	373	-	684	-	-	-	-	-
North America and Latin America	-	-	-	-	-	-	-	-	-	-
Africa and Middle East	-	-	-	-	-	-	-	-	-	-
Europe	-	-	-	-	-	-	-	-	-	-
Oceania	-	1,145	-	-	1,145	-	-	-	-	-
Total	200,655	15,112	10,763	58	226,588	61,324	141	-	-	61,465

[1/] Including undue interest receivables, net of deferred income, unamortised modification gain (loss) and expected credit loss and including loans and accrued interest receivalbes of interbank and money market, net

[2/] Excluding accrued interest receivables and net of allowances for revaluation, and excluding Investment in loan

Table 10 Provisions (General provision and Specific provision) and bad debt write-offs for loans including accrued interests and investments in debt securities classified by country or geographic area

Consolidated

Unit: Baht million

As at	Dec 31, 2021				Dec 31, 2020			
	Loans and accrued interest receivables [1/]			Investment in debt securities Specific provision [2/]	Loans and accrued interest receivables [1/]			Investment in debt securities Specific provision [5/]
	Reserve value of the position using the SA method [3/]		Write-off during period		Reserve value of the position using the SA method [3/]		Write-off during period	
	General provision [4/]	Specific provision			General provision [4/]	Specific provision		
Thailand		3,059	1,839	1		3,454	2,903	1
Asia Pacific (exclude Thailand)		-	371	-		58	-	-
North America and Latin America		-	-	-		-	-	-
Africa and Middle East		-	-	-		-	-	-
Europe		-	-	-		-	-	-
Oceania		-	-	-		-	-	-
Total	5,281	3,059	2,210	1	5,442	3,512	2,903	1

[1/] Including provisions and write-offs for outstanding amounts and accrued interest receivables of interbank and money market

[2/] Excluded Investment in loan

[3/] Expected credit loss

[4/] Disclosed in total amounts

[5/] Included Investment in loan

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Unit: Baht million

As at	Dec 31, 2021				Dec 31, 2020			
	Loans and accrued interest receivables [1/]			Investment in debt securities Specific provision [2/]	Loans and accrued interest receivables [1/]			Investment in debt securities Specific provision [5/]
	Reserve value of the position using the SA method [3/]		Write-off during period		Reserve value of the position using the SA method [3/]		Write-off during period	
	General provision [4/]	Specific provision			General provision [4/]	Specific provision		
Thailand		2,927	797	1		3,295	1,560	1
Asia Pacific (exclude Thailand)		-	371	-		58	-	-
North America and Latin America		-	-	-		-	-	-
Africa and Middle East		-	-	-		-	-	-
Europe		-	-	-		-	-	-
Oceania		-	-	-		-	-	-
Total	3,854	2,927	1,168	1	3,714	3,353	1,560	1

[1/] Including provisions and write-offs for outstanding amounts and accrued interest receivables of interbank and money market

[2/] Excluded Investment in loan

[3/] Expected credit loss

[4/] Disclosed in total amounts

[5/] Included Investment in loan

Table 11 Outstanding of loans and accrued interest receivables * before credit risk mitigation classified by type of business and by asset classification specified by the Bank of Thailand

Consolidated

Unit: Baht million

As at	Dec 31, 2021				
	Performing (Stage 1)	Under-performing (Stage 2)	Non-performing (Stage 3)	Purchased or originated credit-impaired	Total
Agricultural and mining	5,222	339	37	-	5,598
Manufacturing and commerce	26,378	3,878	2,421	15	32,692
Real estate and construction	9,573	3943	1,070	-	14,586
Public utilities and services	23,041	3,432	1,104	36	27,613
Housing loans	76,707	2,015	2,888	-	81,610
Financial Intermediaries	9,079	-	-	-	9,079
Personal consumption	42,644	5,393	842	7	48,886
Total	192,644	19,000	8,362	58	220,064

* Including undue interest receivables, net of deferred income, unamortised modification gain (loss) and expected credit loss and including loans and accrued interest receivalbes of interbank and money market, net

Consolidated

Unit: Baht million

As at	Dec 31, 2020				
	Performing (Stage 1)	Under-performing (Stage 2)	Non-performing (Stage 3)	Purchased or originated credit-impaired	Total
Agricultural and mining	5,697	1,755	-	-	7,452
Manufacturing and commerce	26,257	4,564	3,470	14	34,305
Real estate and construction	14,509	659	1,162	1	16,331
Public utilities and services	23,844	3,745	1,548	36	29,173
Housing loans	72,652	3,026	4,003	-	79,681
Financial Intermediaries	8,748	500	-	-	9,248
Personal consumption	50,606	4,963	976	7	56,552
Total	202,313	19,212	11,159	58	232,742

* Including undue interest receivables, net of deferred income, unamortised modification gain (loss) and expected credit loss and including loans and accrued interest receivalbes of interbank and money market, net

Bank Only

Unit: Baht million

As at	Dec 31, 2021				
	Performing (Stage 1)	Under-performing (Stage 2)	Non-performing (Stage 3)	Purchased or originated credit-impaired	Total
Agricultural and mining	5,222	339	37	-	5,598
Manufacturing and commerce	26,378	3,878	2,421	15	32,692
Real estate and construction	9,573	3943	1,070	-	14,586
Public utilities and services	23,041	3,432	1,104	36	27,613
Housing loans	76,702	2,015	2,887	-	81,604
Financial Intermediaries	35,948	-	-	-	35,948
Personal consumption	14,135	671	511	7	15,324
Total	190,999	14,278	8,030	58	213,365

* Including undue interest receivables, net of deferred income, unamortised modification gain (loss) and expected credit loss and including loans and accrued interest receivalbes of interbank and money market, net

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Unit: Baht million

As at	Dec 31, 2020				
	Performing (Stage 1)	**Under-performing (Stage 2)**	**Non-performing (Stage 3)**	**Purchased or originated credit-impaired**	**Total**
Agricultural and mining	5,697	1,755	-	-	7,452
Manufacturing and commerce	26,257	4,564	3,470	14	34,305
Real estate and construction	14,509	659	1,162	1	16,331
Public utilities and services	23,844	3,745	1,548	36	29,173
Housing loans	72,646	3,026	4,003	-	79,675
Financial Intermediaries	41,688	500	-	-	42,188
Personal consumption	16,014	863	580	7	17,464
Total	**200,655**	**15,112**	**10,763**	**58**	**226,588**

* Including undue interest receivables, net of deferred income, unamortised modification gain (loss) and expected credit loss and including loans and accrued interest receivalbes of interbank and money market, net

Table 12 Provisions (general and specific provisions) and bad debt write-offs for loans and accrued interests * classified by type of business

Consolidated

Unit: Baht million

As at	Dec 31, 2021			Dec 31, 2020		
	Reserve value of the position using the SA method [1/]		Write-off during period	Reserve value of the position using the SA method [1/]		Write-off during period
	General provision [2/]	Specific provision		General provision [2/]	Specific provision	
Agricultural and mining		24	-		1	-
Manufacturing and commerce		1,566	504		1,746	143
Real estate and construction		233	-		221	56
Public utilities and services		325	4		368	730
Housing loans		588	158		832	113
Personal consumption		323	1,544		344	1,861
Total	5,281	3,059	2,210	5,442	3,512	2,903

* Including loans and accrued interests of interbank and money market items

[1/] Expected credit loss

[2/] Disclosed in total amounts

Bank Only

Unit: Baht million

As at	Dec 31, 2021			Dec 31, 2020		
	Reserve value of the position using the SA method [1/]		Write-off during period	Reserve value of the position using the SA method [1/]		Write-off during period
	General provision [2/]	Specific provision		General provision [2/]	Specific provision	
Agricultural and mining		24	-		1	-
Manufacturing and commerce		1,566	504		1,746	143
Real estate and construction		233	-		221	56
Public utilities and services		325	4		368	730
Housing loans		588	158		832	113
Personal consumption		191	502		185	518
Total	3,854	2,927	1,168	3,714	3,353	1,560

* Including loans and accrued interests of interbank and money market items

[1/] Expected credit loss

[2/] Disclosed in total amounts

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Table 13 Reconciliation of changes in provisions (General provision and Specific provision) for loans including accrued interests *

Consolidated

Unit: Baht million

As at	Dec 31, 2021			Dec 31, 2020		
	Reserve value of the position using the SA method [1/]			Reserve value of the position using the SA method [1/]		
	General provision	Specific provision	Total	General provision	Specific provision	Total
Balance, beginning of year	5,442	3,512	8,954	5,714	4,919	10,633
Increases / decreases of provisions during the year [2/]	(159)	1,755	1,596	(267)	1,491	1,224
Write-offs during the year	(2)	(2,208)	(2,210)	(5)	(2,898)	(2,903)
Balance, end of year	5,281	3,059	8,340	5,442	3,512	8,954

* Including provisions and write-offs for outstanding amounts and accrued interest receivables of interbank and money market

[1/] Expected credit loss

[2/] Excluding allowance for expected credit loss on financial instruments measured at FVOCI

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Unit: Baht million

As at	Dec 31, 2021			Dec 31, 2020		
	Reserve value of the position using the SA method [1/]			Reserve value of the position using the SA method [1/]		
	General provision	Specific provision	Total	General provision	Specific provision	Total
Balance, beginning of year	3,714	3,353	7,067	5,082	4,423	9,505
Increases / decreases of provisions during the year [2/]	142	740	882	(1,363)	485	(878)
Write-offs during the year	(2)	(1,166)	(1,168)	(5)	(1,555)	(1,560)
Balance, end of year	3,854	2,927	6,781	3,714	3,353	7,067

* Including provisions and write-offs for outstanding amounts and accrued interest receivables of interbank and money market

[1/] Expected credit loss

[2/] Excluding allowance for expected credit loss on financial instruments measured at FVOCI

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Table 14 Outstanding of on-balance sheet assets and off-balance sheet items for credit risk under the SA approach classified by type of assets

Unit: Baht million

As at	Consolidated					
	Dec 31, 2021			Dec 31, 2020		
	On-balance sheet assets	Off-balance sheet items *	Total	On-balance sheet assets	Off-balance sheet items *	Total
1. Performing Assets	363,513	87,381	450,894	366,138	70,707	436,845
1.1 Debtors that are sovereigns and central banks, multilateral development banks (MDBs) and public sector entities (PSEs) whose risk weight is comparable to that of sovereigns	45,728	2,386	48,114	31,643	6,341	37,984
1.2 Debtors that are financial institutions, and public sector entities (PSEs) whose risk weight is comparable to that of financial institutions and securities companies	30,972	58,070	89,042	32,149	35,476	67,625
1.3 Debtors that are corporate and public sector entities (PSEs) whose risk weight is comparable to that of corporate entities	79,688	25,998	105,686	82,742	27,763	110,505
1.4 Retail	55,014	927	55,941	63,794	1,127	64,921
1.5 Residential mortgage loan	76,643	-	76,643	73,466	-	73,466
1.6 Other assets	75,468	-	75,468	82,344	-	82,344
2. Non-Performing Assets	5,363	23	5,386	7,712	66	7,778
Total	368,876	87,404	456,280	373,850	70,773	444,623

* Off-balance-sheet items (including Repo and Reverse Repo transactions) after multiplying with Credit Conversion Factor (CCF), net of specific provision

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Unit: Baht million

As at	Bank Only					
	Dec 31, 2021			Dec 31, 2020		
	On-balance sheet assets	Off-balance sheet items *	Total	On-balance sheet assets	Off-balance sheet items *	Total
1. Performing Assets	358,650	89,306	447,956	364,441	70,707	435,148
1.1 Debtors that are sovereigns and central banks, multilateral development banks (MDBs) and public sector entities (PSEs) whose risk weight is comparable to that of sovereigns	45,726	2,386	48,112	31,642	6,341	37,983
1.2 Debtors that are financial institutions, and public sector entities (PSEs) whose risk weight is comparable to that of financial institutions and securities companies	30,778	58,070	88,848	31,981	35,476	67,457
1.3 Debtors that are corporate and public sector entities (PSEs) whose risk weight is comparable to that of corporate entities	106,378	27,923	134,301	118,059	27,763	145,822
1.4 Retail	21,962	927	22,889	25,344	1,127	26,471
1.5 Residential mortgage loan	76,638	-	76,638	73,460	-	73,460
1.6 Other assets	77,168	-	77,168	83,955	-	83,955
2. Non-Performing Assets	5,164	23	5,187	7,470	66	7,536
Total	363,814	89,329	453,143	371,911	70,773	442,684

* Off-balance-sheet items (including Repo and Reverse Repo transactions) after multiplying with Credit Conversion Factor (CCF), net of specific provision

6.2.2 Credit Risk Rating

Currently, the Bank uses rating from External Credit Assessment Institutions ("ECAIs") such as Standard & Poor's, Moody's Investors Service, Fitch Ratings, Fitch Ratings (Thailand) Co., Ltd. and TRIS Rating Co., Ltd. or used Country risk classification of OECD, in case of no Country Risk Rating from ECAIs, to set risk weight of obligors who are sovereign, central bank, government agencies or financial institution by based on their country risk rating.

For calculation of credit risk-weighted assets for claims on corporate. The Bank set risk weight from credit rating given by ECAIs as follows:

Group of Obligors	External Credit Assessment Institutions
▪ Thai corporate (excluding debt instrument issued by private sector)	Fitch Ratings (Thailand) Co., Ltd. and TRIS Rating Co., Ltd.
▪ Foreign corporate ▪ Debt instrument issued by private sector	Standard & Poor's, Moody's Investors Service, Fitch Ratings, Fitch Ratings (Thailand) Co., Ltd. and TRIS Rating Co., Ltd.

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Table 15 Outstanding of on-balance sheet assets and off-balance sheet items * net of value of credit risk mitigation for each type of assets classified by risk weight under the SA Approach

Consolidated

Unit: Baht million

As at	Dec 31, 2021											
	Risk Weights for Exposures with Rating					Risk Weights for Exposures without Rating						
Risk weights	0%	20%	50%	100%	150%	0%	20%	35%	50%	75%	100%	150%
Performing Assets	73,472	25,437	23,331	22,138	463	109,841	89	72,870	-	58,998	64,256	-
1. Debtors that are sovereigns and central banks, multilateral development banks (MDBs) and public sector entities (PSEs) whose risk weight is comparable to that of sovereigns	73,458	-	-	-	346							
2. Debtors that are financial institutions, and public sector entities (PSEs) whose risk weight is comparable to that of financial institutions and securities companies	14	12,977	2,070	14,597	0.2							
3. Debtors that are corporate and public sector entities (PSEs) whose risk weight is comparable to that of corporate entities	-	12,460	21,261	7,541	116						57,356	
4. Retail										55,109	166	
5. Residential mortgage loan								72,870		3,773		
6. Other assets						109,841	89			116	6,734	
Non-Performing Assets [1/]	-	-	-	-	-	21	-	-	857	55	2,131	2,321
รวม	73,472	25,437	23,331	22,138	463	109,862	89	72,870	857	59,053	66,387	2,321
Capital deduction prescribed by the BOT	2,321											

[1/] For the part with no CRM whose risk weights depend on the ratio of provisions to total exposures

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Consolidated

Unit: Baht million

As at	Dec 31, 2020											
	Risk Weights for Exposures with Rating					Risk Weights for Exposures without Rating						
Risk weights	0%	20%	50%	100%	150%	0%	20%	35%	50%	75%	100%	150%
Performing Assets	59,971	18,153	28,568	22,015	469	100,268	168	70,946	-	66,443	69,844	-
1. Debtors that are sovereigns and central banks, multilateral development banks (MDBs) and public sector entities (PSEs) whose risk weight is comparable to that of sovereigns	59,952	-	-	-	359							
2. Debtors that are financial institutions, and public sector entities (PSEs) whose risk weight is comparable to that of financial institutions and securities companies	19	9,004	3,161	12,814	2							
3. Debtors that are corporate and public sector entities (PSEs) whose risk weight is comparable to that of corporate entities	-	9,149	25,407	9,201	108						63,713	
4. Retail										63,792	199	
5. Residential mortgage loan								70,946		2,520		
6. Other assets						100,268	168			131	5,932	
Non-Performing Assets [1/]	-	-	-	-	-	45	-	-	1,033	104	3,502	3,094
รวม	59,971	18,153	28,568	22,015	469	100,313	168	70,946	1,033	66,547	73,346	3,094
Capital deduction prescribed by the BOT	1,642											

[1/] For the part with no CRM whose risk weights depend on the ratio of provisions to total exposures

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Unit: Baht million

As at	Dec 31, 2021											
	Risk Weights for Exposures with Rating					Risk Weights for Exposures without Rating						
Risk weights	0%	20%	50%	100%	150%	0%	20%	35%	50%	75%	100%	150%
Performing Assets	73,470	25,243	23,331	22,138	463	109,191	89	72,864	-	25,946	95,221	-
1. Debtors that are sovereigns and central banks, multilateral development banks (MDBs) and public sector entities (PSEs) whose risk weight is comparable to that of sovereigns	73,456	-	-	-	346							
2. Debtors that are financial institutions, and public sector entities (PSEs) whose risk weight is comparable to that of financial institutions and securities companies	14	12,783	2,070	14,597	0.2							
3. Debtors that are corporate and public sector entities (PSEs) whose risk weight is comparable to that of corporate entities	-	12,460	21,261	7,541	116						85,971	
4. Retail										22,057	166	
5. Residential mortgage loan								72,864		3,773		
6. Other assets						109,191	89			116	9,084	
Non-Performing Assets [1/]	-	-	-	-	-	21	-	-	830	55	1,962	2,319
Total	73,470	25,243	23,331	22,138	463	109,212	89	72,864	830	26,001	97,183	2,319
Capital deduction prescribed by the BOT	1,687											

[1/] For the part with no CRM whose risk weights depend on the ratio of provisions to total exposures

Bank Only

Unit: Baht million

As at	Dec 31, 2020											
	Risk Weights for Exposures with Rating					Risk Weights for Exposures without Rating						
Risk weights	0%	20%	50%	100%	150%	0%	20%	35%	50%	75%	100%	150%
Performing Assets	59,969	17,984	28,568	22,015	469	99,534	168	70,940	-	27,993	107,507	-
1. Debtors that are sovereigns and central banks, multilateral development banks (MDBs) and public sector entities (PSEs) whose risk weight is comparable to that of sovereigns	59,950	-	-	-	359							
2. Debtors that are financial institutions, and public sector entities (PSEs) whose risk weight is comparable to that of financial institutions and securities companies	19	8,835	3,161	12,814	2							
3. Debtors that are corporate and public sector entities (PSEs) whose risk weight is comparable to that of corporate entities	-	9,149	25,407	9,201	108						99,031	
4. Retail										25,342	199	
5. Residential mortgage loan								70,940		2,520		
6. Other assets						99,534	168			131	8,277	
Non-Performing Assets [1/]	-	-	-	-	-	45	-	-	994	104	3,310	3,084
Total	59,969	17,984	28,568	22,015	469	99,579	168	70,940	994	28,097	110,817	3,084
Capital deduction prescribed by the BOT	921											

[1/] For the part with no CRM whose risk weights depend on the ratio of provisions to total exposures

6.2.3 Credit Risk Mitigation

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

Credit risk mitigation methods for calculation of the Bank's capital adequacy are as follows:

- Financial collaterals: Financial collaterals comprising cash, deposits, bonds, treasury bills, etc., are used by the Bank for credit risk mitigation by the financial collateral simple method.
- On-balance sheet netting: The Bank has in place standard loan agreement which can be offset with deposits of the same contract party and global master repurchase agreement with repo-style transaction with any institutional counterparties.
- Credit guarantee and derivatives: The Bank capitalizes on guarantors for credit risk mitigation in case that the guarantor is government, central bank, governmental agencies, and financial institutions with lower risk weight than the debtor.

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Table 16 Outstanding of secured portion* for each type of assets under the SA approach classified by type of collateral

Unit: Baht million

As at	Consolidated				Bank Only			
	Dec 31, 2021		Dec 31, 2020		Dec 31, 2021		Dec 31, 2020	
	Eligible financial collateral	Guarantee & credit derivatives	Eligible financial collateral	Guarantee & credit derivatives	Eligible financial collateral	Guarantee & credit derivatives	Eligible financial collateral	Guarantee & credit derivatives
Performing Assets	44,903	22,112	25,957	23,485	44,903	22,112	25,957	23,485
1. Debtors that are sovereigns and central banks, multilateral development banks (MDBs) and public sector entities (PSEs) whose risk weight is comparable to that of sovereigns	-	-	2,941	-	-	-	2,941	-
2. Debtors that are financial institutions, and public sector entities (PSEs) whose risk weight is comparable to that of financial institutions and securities companies	37,299	22,098	19,179	23,466	37,299	22,098	19,179	23,466
3. Debtors that are corporate and public sector entities (PSEs) whose risk weight is comparable to that of corporate entities	6,946	6	2,922	5	6,946	6	2,922	5
4. Retail	658	8	915	14	658	8	915	14
5. Residential mortgage loan	-	-	-	-	-	-	-	-
6. Other assets	-	-	-	-	-	-	-	-
Non-Performing Assets	5	16	8	37	5	16	8	37
Total	44,908	22,128	25,965	23,522	44,908	22,128	25,965	23,522

* Credit risk mitigation excludes securitization. Values after on-balance sheet and off-balance sheet netting

6.3 Market Risk

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

6.3.1 Market Risk in Trading Book

Market risk in trading book of the Bank and its financial group as follow:

1. Interest rate risk

Interest rate risks of transactions in the trading book are under the supervision of the RMC under the framework prescribed by the Board. The calculation of fair value for trading transactions is performed on a daily basis in order to monitor the mark-to-market profits and losses. Daily risk status reports are also independently produced by Risk Management. The one basis point shift (PV01) limit, Greek limit, Value-at-Risk (VaR) limit and stop loss trigger are set to control the risks associated with movements in interest rates which might affect the revenue and capital reserves of the Bank. Furthermore, stress test is periodically conducted, the results of which are thoroughly analysed.

2. Foreign exchange risk

In managing risk from changes in foreign exchange and maintaining risk at the level prescribed by the Bank’s policy, the Bank tries to match the currency of the funding source with that of loans, or to employ derivative instruments for foreign exchange risk hedging. Risk limits are determined by product and risk type using such approaches as FX net open position limit, Greek limit, Value-at-Risk (VaR) limit and stop loss trigger. Daily mark-to-market on the foreign exchange is also conducted. Furthermore, stress test is periodically conducted, the results of which are thoroughly analysed.

3. Market risk of equity securities and commodity related transactions

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

4. Market risk of other market risk underlyings

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

Minimum capital requirement for market risk in trading book

Currently, the Bank uses Standardised Approach for calculating the minimum capital requirement for market risk in trading book for both Bank level and Full Consolidated level. Details of market risk capital as at 31 December 2021 and 30 June 2021 are as follows:

Table 17 Minimum Capital Requirement for each type of market risk under SA Approach

Unit: Baht million

Minimum Capital Requirement for Market Risk	Consolidated		Bank only	
	Dec 31, 2021	Jun 30, 2021	Dec 31, 2021	Jun 30, 2021
Interest rate risk	3,076	3,589	3,076	3,589
Equity price risk	-	-	-	-
Foreign exchange rate risk	239	233	239	233
Commodity price risk	-	-	-	-
Total minimum capital requirements for market risk by SA	**3,315**	**3,822**	**3,315**	**3,822**

6.3.2 Interest Rate Risk in Banking Book

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

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

The Bank manages the exposure of fluctuations in interest rates through policies established by the ALCO. IRRBB undertaken by the Bank is governed by an established risk appetite approved by the Board that defines the acceptable level of risk to be assumed by the Bank. The ALCO is the Board's delegated committee which reports to the BRCC. With the support from Asset and Liability Management (ALM) under Risk Management and Capital and Balance Sheet Management (CBSM) under Finance, the ALCO is responsible for the review and monitoring of the balance sheet, business and hedging strategies, and the overall interest rate risk profile to ensure that such risk profile is within the established risk appetite. Treasury is responsible for day-to-day management of exposure and gapping activities, including execution of hedging strategies.

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

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

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

Table 18 Impact of interest rate change* on net earnings

Unit: Baht million

Currency	Consolidated		Bank only	
	Dec 31, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
THB	(357)	(453)	(529)	(336)
USD	85	24	85	24
EUR	0	(1)	0	(1)
Others	(97)	0	(97)	0
Total impact of interest rate change	**(369)**	**(430)**	**(541)**	**(313)**
% of Target Net interest income	-5.1%	-3.3%	-4.9%	-3.6%

* Under assumption of interest rate increase of 100 bps

6.3.3 Equity Investment in the Banking Book

The Bank has no policy to increase investment in equity securities. The current exposures of equity investment are from a result of Mergers & Acquisitions which is an insignificant amount.

Changes in accounting policies relating to financial instruments:

From 1 January 2020, all equity instruments held must be irrevocably classified to measurement at fair value through other comprehensive income without subsequent recycling to

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profit or loss. Dividends from such investment continue to be recognized in statement of comprehensive income as other operating income.

Details of Equity exposures in the banking book, both Bank level and Full Consolidated level for the position as at 31 December 2021 and 2020 are as follows:

Table 19 Equity exposures in the Banking Book

Unit: Baht million

Equity exposures	Consolidated		Bank Only	
	Dec 31, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
1. Equity (both domestic and overseas)				
1.1 Marketable equity securities	59	52	59	52
1.2 Other equities	49	26	2,953	2,959
2. Gains (losses) of sale of equities in the reporting period	6	-	6	-
3. Revaluation surplus (deficit) on investments in equity instruments designated at fair value through other comprehensive income (FVOCI)	(190)	(223)	(190)	(223)
4. Minimum capital requirements for equity exposures classified by SA approach	9	7	256	256

6.4 Operational risk

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

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

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

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

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

1. Risk and Control Self-Assessment: RCSA

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

2. Loss Event Data Reports: LED

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

3. Key Risk Indicators: KRI

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

4. Control Issue Management: CIM

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

5. New Product Approval Process

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

6. Complaint Management Process

The Bank is aware of reputation risk and importance of customer satisfaction. It has thus set up an independent centralised complaint management unit, i.e. Customer Experience Management (CX), which works closely with customer touchpoints and other units to efficiently govern handling of customers' complaints and queries. The Customer Complaint Handling Policy and Procedures have been established to set out the standard framework and mechanism for dealing with customers' complaints in accordance with local regulatory requirements and CIMB Group standards. This would ensure that all complaints are handled objectively by relevant subject matter experts in a fair and timely manner.

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

Since 2020 with the COVID-19 outbreak, the Bank has released debt relief programmes for loan customers financially impacted by the pandemic. CX has been involved in this process in terms of managing and facilitating customer communication and also managing customers' complaints relating to the programmes. This has aimed to assure that the customers' requests, their voices and concern issues would be considered and handled on a timely and sustainable basis.

7. Business Continuity Plan: BCP

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

8. Internal Audit and Compliance

The Bank has established Corporate Assurance and Compliance as independent units to assist Audit Committee (AC) and Board Risk and Compliance Committee (BRCC) in auditing and monitoring the business operation. Corporate Assurance is an independent function performing internal audit, directly reporting to the AC. Corporate Assurance provides assurance and advisory services to assist the AC and management in the effective discharge of their responsibilities in establishing effective controls, assessing risks, recommending measures to mitigate those risks and assuring proper governance process. Compliance, which reports directly to the BRCC, is tasked with overseeing and monitoring the Bank's business operation to ensure compliance with all relevant laws and regulatory requirements.

6.5 Liquidity risk

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

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

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

The responsibility for liquidity risk management and control is delegated to the Asset and Liability Management Committee (ALCO) which meets at least once a month to discuss the liquidity risk and funding profile/plan of the Bank. ALCO is responsible for the overall management and oversight of liquidity and review/recommendation of liquidity risk management policy before seeking approval from the Board. It is also in charge of reviewing liquidity risk tolerance before seeking approval from the Board. Asset and Liability Management (ALM), which is responsible for monitoring of the liquidity risk profile, works closely with Treasury in the surveillance of market conditions. Business units are responsible for establishing and maintaining strong business relationship with their respective depositors and key funding sources. Treasury performs global fund dealing on a necessity or contingency basis. The Bank has to prudently manage the liquidity position to meet daily operation needs. We regularly measure and forecast the respective cash flows arising from the maturity profiles of assets, liabilities, off-balance sheet commitments and derivatives over a variety of time horizons under business-as-usual and stress conditions. As regards companies in the Bank's financial business group, liquidity risk management will be centralised. To support their liquidity, the Bank may consider and approve liquidity lines to them within the respective credit lines approved by the Board.

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

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

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7. Composition of capital disclosure requirements under BCBS

Table 20 Disclosure information for main features of regulatory capital instruments

Subject		Details	Details	Details
1	Issuer	CIMB Thai Bank PCL.	CIMB Thai Bank PCL.	CIMB Thai Bank PCL.
2	Unique identifier	ISIN code: MYBPN1800035	ISIN code: MYBPN1900082	ISIN code: MYBPN2100039
BOT's regulatory treatment				
3	Instrument type (Common Equity Tier 1 / Additional Tier 1 / Tier 2 capital)	Tier 2 capital	Tier 2 capital	Tier 2 capital
4	Qualified in accordance with Basel III requirements	Yes	Yes	Yes
5	If not qualified in accordance with Basel III requirements (please specify)	-	-	-
6	Transitional phase out or fully countable	Fully countable but gradual reduction on capital calculation and amortised reduction 20% in the last five years before maturity	Fully countable but gradual reduction on capital calculation and amortised reduction 20% in the last five years before maturity	Fully countable but gradual reduction on capital calculation and amortised reduction 20% in the last five years before maturity

Subject		Details	Details	Details
7	Eligible at Bank only (Solo) /Group (Full conso)l /Group & Bank only	Group & Bank only	Group & Bank only	Group & Bank only
8	Amount recognized in regulatory capital (unit : Million Baht)	3,158 Million Baht	4,088 Million Baht	5,142 Million Baht
9	Par value of instrument – (unit : Malaysia Ringgit (MYR))	MYR100	MYR100	MYR100
10	Accounting classification	Liabilities - amortised cost	Liabilities - amortised cost	Liabilities - amortised cost
11	Original date of issuance	March 29, 2018	July 8, 2019	July 12, 2021
12	Perpetual or dated	Dated	Dated	Dated
13	Original maturity date	March 29, 2028	July 6, 2029	July 12, 2031
14	Issuer call subject to prior supervisory approval	Issuer call subject to prior supervisory approval	Issuer call subject to prior supervisory approval	Issuer call subject to prior supervisory approval

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Subject		Details	Details	Details
15	Optional call date, contingent call dates and redemption amount	subordinated debentures pursuant to tier 2 subordinated debenture programme to overseas investors / The debenture has a tenor of 10 years and the Bank may exercise its right to early redeem the debenture after 5 years subject to approval by the Bank of Thailand / first date of the redemption rights is on March 29, 2023 / redeem amount of MYR 390 million.	subordinated debentures pursuant to tier 2 subordinated debenture programme to overseas investors / The debenture has a tenor of 10 years and the Bank may exercise its right to early redeem the debenture after 5 years subject to approval by the Bank of Thailand / first date the redemption rights is on July 8, 2024 / redeem amount of MYR 550 million.	subordinated debentures pursuant to tier 2 subordinated debenture programme to overseas investors / The debenture has a tenor of 10 years and the Bank may exercise its right to early redeem the debenture after 5 years subject to approval by the Bank of Thailand / first date the redemption rights is on July 12, 2026 / redeem amount of MYR 660 million.
16	Subsequent call dates, if applicable	-	-	-
	Coupons / dividends			
17	Fixed or floating dividend/coupon	Fixed rate	Fixed rate	Fixed rate
18	Coupon rate and any related index	5.20% per annum	4.15% per annum	3.90% per annum

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Subject		Details	Details	Details
19	Existence of a dividend stopper	No dividend stopper	No dividend stopper	No dividend stopper
20	Fully discretionary, partially discretionary or mandatory	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No incentive to redeem	No incentive to redeem	No incentive to redeem
22	Noncumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger	-	-	-
25	If convertible, fully or partially	-	-	-
26	If convertible, conversion rate	-	-	-
27	If convertible, specify instrument type convertible into	-	-	-
28	If convertible, specify issuer of instrument it converts into	-	-	-
29	Write-down feature	Yes	Yes	Yes

Subject		Details	Details	Details
30	If write-down, write-down trigger(s)	Contractual write-down upon the occurrence of the following trigger events: Trigger events for CIMB Thai 1) the Bank cannot continue its business in any manner such as having insufficient assets to make repayment to its depositors and creditors, its capital funds having dropped to the extent that its depositors and creditors will be adversely affected, or not being able to increase capital by themselves, etc, and 2) The BOT and/or any other empowered government agency decide to grant financial	Contractual write-down upon the occurrence of the following trigger events: Trigger events for CIMB Thai 1) the Bank cannot continue its business in any manner such as having insufficient assets to make repayment to its depositors and creditors, its capital funds having dropped to the extent that its depositors and creditors will be adversely affected, or not being able to increase capital by themselves, etc, and 2) The BOT and/or any other empowered government agency decide to grant financial	Contractual write-down upon the occurrence of the following trigger events: Trigger events for CIMB Thai 1) the Bank cannot continue its business in any manner such as having insufficient assets to make repayment to its depositors and creditors, its capital funds having dropped to the extent that its depositors and creditors will be adversely affected, or not being able to increase capital by themselves, etc, and 2) The BOT and/or any other empowered government agency decide to grant financial

Subject		Details	Details	Details
		assistance to the Bank such as in the form of capital injection <u>Trigger events of CIMB Bank Berhad (“CIMB Bank”)</u>, whichever is earlier: 1) Bank Negara Malaysia (“BNM”) and the Malaysia Deposit Insurance Corporation (“PIDM”) have notified CIMB Bank in writing that they are of the view that the principal write off of the Subordinated Debt is an essential requirement to prevent CIMB Bank from becoming non-viable; <u>or</u> 2) BNM and PIDM publicly announces that a decision has been made by BNM, PIDM or	assistance to the Bank such as in the form of capital injection <u>Trigger events of CIMB Bank Berhad (“CIMB Bank”)</u>, whichever is earlier: 1) Bank Negara Malaysia (“BNM”) and the Malaysia Deposit Insurance Corporation (“PIDM”) have notified CIMB Bank in writing that they are of the view that the principal write off of the Subordinated Debt is an essential requirement to prevent CIMB Bank from becoming non-viable; <u>or</u> 2) BNM and PIDM publicly announces that a decision has been made by BNM, PIDM or	assistance to the Bank such as in the form of capital injection <u>Trigger events of CIMB Bank Berhad (“CIMB Bank”)</u>, whichever is earlier: 1) Bank Negara Malaysia (“BNM”) and the Malaysia Deposit Insurance Corporation (“PIDM”) have notified CIMB Bank in writing that they are of the view that the principal write off of the Subordinated Debt is an essential requirement to prevent CIMB Bank from becoming non-viable; <u>or</u> 2) BNM and PIDM publicly announces that a decision has been made by BNM, PIDM or

Subject		Details	Details	Details
		any other federal or state government in Malaysia, to provide a capital injection or equivalent support to CIMB Bank, without which CIMB Bank would cease to be viable	any other federal or state government in Malaysia, to provide a capital injection or equivalent support to CIMB Bank, without which CIMB Bank would cease to be viable	any other federal or state government in Malaysia, to provide a capital injection or equivalent support to CIMB Bank, without which CIMB Bank would cease to be viable
31	If write-down, full or partial	fully or partially	fully or partially	fully or partially
32	If write-down, permanent or temporary	Permanent	Permanent	Permanent
33	If temporary write-down, description of write-up mechanism	-	-	-
34	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Immediately senior to (1) All classes of equity securities of the Issuer, including holders of preference shares, if any; (2) Tier 1 Instruments; (3) such instruments which by their terms rank junior to the Subordinated	Immediately senior to (1) All classes of equity securities of the Issuer, including holders of preference shares, if any; (2) Tier 1 Instruments; (3) such instruments which by their terms rank junior to the Subordinated	Immediately senior to (1) All classes of equity securities of the Issuer, including holders of preference shares, if any; (2) Tier 1 Instruments; (3) such instruments which by their terms rank junior to the Subordinated

Subject		Details	Details	Details
		Debt, and will rank pari passu without any preference among themselves and with all other outstanding unsecured and subordinated debt issued by the Issuer that qualifies as Tier 2 capital, present and future.	Debt, and will rank pari passu without any preference among themselves and with all other outstanding unsecured and subordinated debt issued by the Issuer that qualifies as Tier 2 capital, present and future.	Debt, and will rank pari passu without any preference among themselves and with all other outstanding unsecured and subordinated debt issued by the Issuer that qualifies as Tier 2 capital, present and future.

Table 21 Disclosure of capital during a transitional period according to the Basel III guidelines

Unit: Million Baht

Value of Capital, Inclusions, Adjustments and Deductions for the Period of	Consolidated		Bank only		Net balance of items to be phased out from capital in the future 1/
	Dec 31, 2021	Jun 30, 2021	Dec 31, 2021	Jun 30, 2021	
Tier 1 capital	39,793	38,777	37,892	37,227	
1. Common Equity Tier 1 capital (CET 1)	39,793	38,777	37,892	37,227	
1.1 Paid-up share capital (ordinary shares)	17,411	17,411	17,411	17,411	
1.2 Premium on share capital	10,146	10,146	10,146	10,146	
1.3 Statutory reserve	574	536	574	536	
1.4 Net profit after appropriation	12,700	11,778	10,095	9,371	
1.5 Accumulated other comprehensive income	1,368	1,150	1,411	1,193	
1.5.1 Revaluation surplus on land, building or condominium appraisal	1,858	1,341	1,858	1,341	
1.5.2 Revaluation surplus (deficit) on change in value of investments	(417)	(131)	(417)	(131)	
1.5.3 Difference from the translation of financial statements	(30)	(17)	(30)	(17)	
1.5.4 Other items of owner changes	(43)	(43)	-	-	
1.6 Regulatory deductions to CET 1 capital	(2,406)	(2,244)	(1,745)	(1,431)	
1.6.1 Remeasurements of post-employment benefit obligations	(85)	(294)	(59)	(242)	
1.6.2 Intangible assets	(965)	(891)	(918)	(836)	
1.6.3 Deferred tax assets	(1,356)	(1,060)	(769)	(352)	
2. Additional Tier 1 capital	-	-	-	-	
Tier 2 capital	14,634	14,624	14,709	14,722	
1. Qualifying Tier 2 capital instruments	12,388	12,262	12,388	12,262	
2. General provisions	2,246	2,361	2,321	2,460	
Total Capital	54,427	53,401	52,601	51,949	

1/ starting from 1 January 2018 onwards, no remaining net balance of items to be included in or deducted from capital under Basel III guideline because all items are 100% included in or deducted

Table 22 Disclosure information for reconciliation of composition of capital (Full consolidation only)

Table 22.1 Balance sheet as in published financial statements with under the regulatory scope of consolidation *

Unit: Million Baht

Items related to the capital fund for the period December 2021	Balance sheet as in published financial statements	Balance sheet under the regulatory scope of consolidation	Reference
Assets			
1. Cash	818	818	
2. Interbank and money market items, net	9,456	9,456	
3. Financial assets measured at fair value through profit or loss	31,303	31,303	
4. Derivative assets	46,419	46,419	
5. Investment, net	74,281	74,281	
6. Loans and accrued interest receivables			
6.1 Loans to customers	222,041	222,041	
6.2 Less Deferred revenue	(10,147)	(10,147)	
6.3 Add Accrued interest receivable and undue interest receivable	4,295	4,295	
Total loans and accrued interest receivables	216,189	216,189	
6.4 Less Allowance for expected credit losses	(8,340)	(8,340)	
○ Qualified as Capital		(2,246)	A 1/
○ Non-qualified as Capital		(6,094)	
Loans and accrued interest receivables, net	207,849	207,849	
7. Customers' liability under acceptance	-	-	
8. Properties for sale, net	1,158	1,158	
9. Premises, equipment and right of use assets, net	3,727	3,727	
10. Right of use assets, net	208	208	
11. Intangible assets, net	965	965	B
12. Deferred tax assets	1,356	1,356	C
13. Credit support assets on derivatives	13,660	13,660	

Items related to the capital fund for the period December 2021	Balance sheet as in published financial statements	Balance sheet under the regulatory scope of consolidation	Reference
14. Accounts receivables from sell of financial assets measured at fair value through profit or loss and investments	5,806	5,806	
15. Other assets, net	1,508	1,508	
Total assets	**407,249**	**407,249**	
Liabilities			
16. Deposits	182,167	182,167	
17. Interbank and money market items, net	55,397	55,397	
18. Liability payable on demand	432	432	
19. Financial liabilities measured at fair value through profit or loss	17,744	17,744	
20. Derivative liabilities	42,708	42,708	
21. Debt issues and borrowings	29,466	29,466	
○ Qualified as Capital		12,388	D [2/]
○ Non-qualified as Capital		17,078	
22. Bank's liability under acceptance	-	-	
23. Lease liabilities	211	211	
24. Provisions	2,640	2,640	
25. Deferred tax liabilities	-	-	
26. Credit support liabilitirs on derivatives	14,886	14,886	
27. Accounts payable from purchase of financial assets measured at fair value through profit or loss and investments	5,457	5,457	
28. Other liabilities	4,003	4,003	
Total liabilities	355,111	355,111	
Equity			
29. Share capital			
29.1 Registered - ordinary shares	17,411	17,411	
29.2 Issued and paid-up share capital - ordinary shares	17,411	17,411	E

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Items related to the capital fund for the period December 2021	Balance sheet as in published financial statements	Balance sheet under the regulatory scope of consolidation	Reference
30. Premium on share capital	10,146	10,146	F
31. Accumulated other comprehensive income	1,101	1,101	
31.1 Revaluation surplus on assets	1,969	1,969	
o Qualified as Capital		$\boxed{1,858}$	G [3/]
o Non-qualified as Capital		111	
31.2 Revaluation surplus (deficit) on change in value of investments	(417)	(417)	H
31.3 Remeasurements of post-employment benefit obligations	(85)	(85)	I
31.4 Profit (loss) arising from translating the financial statement of a foreign operation	(30)	(30)	J
31.5 Gains (losses) on fair value of hedging instruments for cash flow hedges	105	105	K
31.6 Gains on financial liabilities designated at fair value relating to own credit risk	(441)	(441)	L
32. Accretion of equity interest in subsidiary	(43)	(43)	M
33. Retained earnings			
33.1 Appropriated – Statutory reserve	574	574	N
33.2 Unappropriated	14,214	14,214	
o Net profit after appropriation to capital		$\boxed{12,700}$	O
o Non-qualified as Capital		1,514	
Total equity	43,403	43,403	
Total liabilities and equity	398,514	398,514	

* Balance sheet as in published financial statements and under the regulatory scope of consolidation has no difference

[1/] Expected credit losses from performing and under-performing loan under TFRS 9 can be counted as Tier 2 but not exceeding 1.25% of credit risk-weighted ssets

[2/ /] Long-term subordinated debt instruments has qualified under Basel III can be fully countable as Tier 2 capital subject to prior BOT approval

[3/] Surplus on assets revaluation can be counted as capital only for items that the BOT has approved

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Table 22.2 Disclosure of the reconciliation of capital funds

Unit: Million Baht

Items related to the capital fund for the period December 2021	Composition of regulatory capital guidelines reported by the financial group	Source of reference in financial statements under the consolidated supervision
Tier 1 capital	39,793	
1. Common Equity Tier 1 capital	39,793	
1.1 Paid-up share capital (ordinary shares)	17,411	E
1.2 Share premium	10,146	F
1.3 Statutory reserve	574	N
1.4 Net profit after appropriation	12,700	O
1.5 Accumulated other comprehensive income	1,075	
1.5.1 Revaluation surplus on land, building or condominium appraisal	1,858	G
1.5.2 Revaluation surplus (deficit) on change in value of investments	(417)	H
1.5.3 Difference from the translation of financial statements	(30)	J
1.5.4 Cash flow hedge reserves	105	K
1.5.5 Gains on financial liabilities designated at fair value relating to own credit risk	(441)	L
1.6 Other items of owner changes	(43)	M
1.7 Regulatory adjustments to Common Equity Tier 1 capital	336	K & L
1.8 Regulatory deductions to Common Equity Tier 1 capital	(2,406)	
1.8.1 Remeasurements of post-employment benefit obligations	(85)	I
1.8.2 Intangible assets	(965)	B
1.8.3 Deferred tax assets	(1,356)	C
2. Additional Tier 1 capital	-	
Tier 2 capital	14,634	
Qualifying Tier 2 capital instruments	12,388	D
General provisions	2,246	A
Total capital fund	54,427	

Part 2: Liquidity coverage ratio disclosure standards

According to the Bank of Thailand releases of the BOT's Notification no. Sor.Nor.Sor. 9/2558 re: Liquidity Coverage Ratio: LCR which refers to Basel III: The Liquidity Coverage Ratio and liquidity risk monitoring tools: January 2013 by Basel Committee on Banking Supervision (BCBS). The LCR requirement aims for commercial banks to have adequate liquidity to support short-term severe liquidity stress scenarios by requiring commercial banks to maintain unencumbered High-Quality Liquid Assets (HQLA) to cover total net cash outflows over the next 30 calendar days under severe liquidity stress scenarios prescribed by the Bank of Thailand. The minimum requirement of LCR was set at 60% on 1 January 2016 and rise in equal annual steps to reach 100% on 1 January 2020, in additional to the compliance of the liquidity risk management guideline.

In 2020, the Bank of Thailand has an amendment LCR guideline according to BOT's Notification No. SorNorSor. 4/2563 Re: Liquidity Coverage Ratio: LCR (Second Edition) to comply with the credit counterparty types, assets types and financial obligations under the classification and provisioning criteria that have been improved.

According to the BCBS's LCR disclosure standards: January 2014 (revised version: March 2014), the LCR Disclosure is to improve the transparency of regulatory liquidity requirements, reinforce the sound principles, enhance market discipline besides internal control and supervision by the Bank of Thailand, and reduce uncertainty in the markets as the LCR is implemented.

Bank of Thailand ("BOT") announced the BOT's Notification No. Sor.Nor.Sor. 2/2561 re: Liquidity Coverage Ratio disclosure standards dated 25 January 2018 which requires disclose information at "Bank" level on a half-yearly and yearly basis. The first disclosure is based on data as of 30 June 2018 for the first half of 2018 results which need to be published on the Bank's website within 4 months from the end of each period.

CIMB Thai Bank Public Company Limited performs the LCR disclosure, which comprises of:

(1) Liquidity Coverage Ratio (LCR)

(2) Total high-quality liquid assets (Total HQLA)

(3) Total net cash outflows over the next 30 calendar days (Total net cash outflows)

1. Liquidity Coverage Ratio: LCR

Unit: Million Baht

	4Q/2021 * (average)	4Q/2020 * (average)
(1) Total High Quality Liquid Assets (Total HQLA)	80,238	82,955
(2) Total Net Cash Outflow within 30 Days (Total net cash outflows)	51,934	52,419
(3) LCR (%)	155	159
BOT's LCR minimum requirement (%)	100	100

* computation by simple average based on average data of each quarter

2. LCR figures comparison

Unit: %

	2021 * (average)	2020 * (average)
3rd Quarter	149	149
4th Quarter	155	159

* computation by simple average based on average data of each quarter

3. Guideline and detail information of Liquidity Coverage Ratio

The bank maintains LCR according to Bank of Thailand's standard to ensure that the bank has sufficient HQLA to survive a significant stress scenario lasting for 30 days. The bank set LCR at 60% on 1 January 2016 and rise in equal annual steps to reach 100% on 1 January 2020.

$$\text{LCR} = \frac{\text{Stock of High-Quality Liquid Assets (HQLA)}}{\text{Total Net cash outflows over the next 30 calendar days}}$$

Average LCR of the 4th Quarter 2021 was 155% which was higher than the minimum requirement of Bank of Thailand at 100%. The computation was from average LCR at month-end of October 2021 at 161.1%, November 2021 at 156.0% and December 2021 at 146.7%. The compositions of LCR are:

1. **High-quality liquid assets (HQLA)** refer to the good quality assets which are high liquid, low risk, unencumbered and can be easily and immediately converted into cash at little or no significant loss of value under stress scenario. However, each of HQLA has hair cut rate to adjust and cap the limit of holding based on Bank of Thailand.

Average HQLA of the 4th quarter of 2021 was THB 80,238 million (92% was HQLA level 1 including cash and balance at BOT and Government Bond). The computation was to average the balances of HQLA during October to December 2021

2. **Net Cash Outflow (Net COF)** means the total expected cash outflows minus total expected cash inflows in the specified stress scenario for the subsequent 30 calendar days. Total expected cash inflows are expected to flow in under the scenario up to an aggregated cap of 75% of total expected cash outflows.

Total net cash outflows over the next 30 calendar days	=	Total expected cash outflows	-	Min {total expected cash inflows; 75% of total expected cash outflows}

Average expected net cash outflows of the 4th quarter 2021 was THB 51,934 million which was to average the balances of net cash outflows for subsequent 30 calendar days during October to December 2021. Total expected cash outflows are mostly from deposit withdrawal and borrowing which calculated by the run-off rate as BOT's definitions while total expected cash inflows are majored from performing loan repayment and maturing in deposit placement and debt intrument which calculated by the inflow rates as BOT's definitions as well.

Moreover, the bank assesses and anlyses the liquidity gap and funding concentration on regularly basis. This is to ensure that is the bank has sufficient liquidity for business operation and also continuously develops the analytical measurements to align with the international standards and the business strategies as well.