

For Your Better
**Financial
Well-being**



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VISION

**To become the recommended bank
of choice by our customers**

MISSION

**To improve our customers'
life-long financial well-being**



Message from the Chairman of the Board of Directors

Amid challenging circumstances posed by the COVID-19 pandemic, which has unprecedentedly disrupted the global economy like never before, people have to adjust to new ways of living; the same way businesses have to alter their operations to survive.

TMB and Thanachart Bank are acutely aware of the consequence of such a crisis. With the Bank's adherence to the core philosophy of "Make REAL Change", we are eager to support and cooperate with all organizations to help everyone get through this crisis together. In 2020, TMB and Thanachart Bank launched relief programs for customers who had financial struggles according to guidelines from the Bank of Thailand's approach and provided customers with special support to ensure timely and appropriate assistance. This is to help customers return to normal life.

Apart from a constant endeavor to support our customers, TMB and Thanachart Bank have continued to pursue merger completion. Over the past year, the integration progress has gone smoothly and is expected to be completed in mid-2021 as planned. As this merger is marked another significant milestone for the banking industry, TMB received the "Deal of the Year Awards" from the Stock Exchange of Thailand and the Money & Banking Magazine. Meanwhile, the integration was planned based on the benefits and value of shareholders, customers, employees, and all stakeholders of the two banks. With an aim for a smooth and successful integration, the Bank has combined complementary strengths and capabilities of both banks for full potential. This is to develop and introduce a new way of banking, which will not limit to merely offering financial products and services but also providing financial literacy and financial solutions made to fit and fulfill the needs of customers throughout their life journeys. The goal is to build better Financial Well-being for customers and Thai people across the nation.

As the integration process is carried out as planned, the merger will allow TMB and Thanachart Bank to become a larger banking group, which will play an increasingly critical role in developing Thailand's economic and financial sector. Thus, the credit rating agencies underpinned the merged bank's positive development and potential, resulting in higher credit ratings since 2019, a pleasing development. Last year, the credit rating agency S&P Global Ratings upgraded the long-term rating by one notch from BBB- to BBB on 24 August 2020. The improvement in credit ratings has signified the merged entity's strength and readiness to weather economic challenges.

In addition, throughout the Bank's journey, the Bank has been trying to pursue to thrive alongside social and environmental development. TMB has placed its great emphasis on maintaining sustainable operations by complying with best practices and sustaining good corporate governance, especially during the past several years that the Bank has put in place a responsible lending policy with great concern to the society and environment. As a result, TMB earned numerous awards, for example, being ranked no. 1 at Fair Finance Thailand for two consecutive years. Fair Finance Thailand is an index for assessing fair finance to create sustainable banking in Thailand. Besides, TMB was on the list of Thailand Sustainability Investment (THSI) 2020 for three consecutive years.

In terms of social contribution, TMB and Thanachart Bank have continued their commitments to giving back to society through two major initiatives: FAI-FAH and Punboon. FAI-FAH project aims to empower young people and sustainably build a healthy society through FAI-FAH centers. The program also encourages employees of the two banks to volunteer in lending their knowledge to support community development through over 30 projects in 2020. Punboon is a website that gathers over 120 foundations across the country in one place to fulfill the needs of modern society. With this platform, the donation can be made via online and offline channels. On top of that, the donation recipients can receive a donation receipt report in the form of e-Donation, an approach that makes donation more convenient, faster, and safer.

Lastly, I would like to express my gratitude to shareholders, customers, business partners and all of our stakeholders for their continued supports. I believe that the Bank's commitment and determination to bring about financial initiatives and innovations and to Make REAL Change in Thailand's banking industry to reach the ultimate goal of improving customers' Financial Well-being will strengthen the organization and be a driving force toward sustainable development. Year 2021 will be another significant year as the merger of TMB and Thanachart Bank will be completed. With the management team and employees' dedication, the merged bank will continue to offer the best-in-class financial products and services and yield the utmost benefits to shareholders, customers, employees and Thai society.



Mr. Ekniti Nitithanprapas
Chairman of the Board



Message from the Chief Executive Officer

2020 is the year the world, including Thailand, had faced a significant crisis brought on by the COVID-19 pandemic. Amid challenging and unprecedented circumstances, we had seen collaborations of all sectors from the government, businesses, financial industry, and the public banding together to solve the problems, support each other and nurture those affected by the pandemic. We show solidarity toward a common goal: helping everyone and Thailand get through the crisis together.

The key mission TMB and Thanachart Bank have always upheld is to be a financial institution that contributes to developing Thailand's financial systems and delivering value to all stakeholders. In this crisis, we have been eager to cooperate with everyone and taken up on policies introduced by the government and the Bank of Thailand (BoT), especially providing financial assistance to all customer segments affected by the pandemic. We would like to be a part of Thailand in the fight against the COVID-19 crisis.

Join the Fight Against COVID-19

In the midst of the ravaging pandemic leading to a national lockdown, the management team and all employees at TMB and Thanachart Bank had devoted their efforts in adapting their ways of working to the changing realities where customers and employees' safety and hygiene are placed as the top priority. Simultaneously, we sped up other service channels' enhancements to resolve constraints caused by restricted branch services. The key goal is to deliver financial products and services to our customers and business partners uninterrupted. Above all, the Bank must be accessible and assist customers impacted by the pandemic in a timely manner.

The TMB and Thanachart Bank's debt relief program "Tang Lak" was introduced to provide relief measures for all loan customers affected by the COVID-19 in the form of payment holiday for principal and interest, a reduction of interest payment, an extension of installment periods, and soft loan facilities. The Bank has provided debt relief measures for over 750,000 customers comprising commercial customers, SMEs, and retail customers and under the moratorium program, the outstanding loan accounted for approximately 40% of the Bank's total loan portfolio. As of the end of 2020, after the expiration of the program term and customers gradually exiting the program, the loans under relief program has dropped to approximately 15% of the total loan portfolio, of which 2% were customers remaining in the 1st phase while 13% were those who rolled over into the 2nd phase for additional assistances.

Apart from the debt relief measures, the Bank waived the front-end fee of all mutual funds of TMBAM Eastspring and Thanachart Fund Eastspring, the Bank's associated companies. The effort is an additional measure to ease financial burdens on our customers.

In other words, assisting customers during the COVID-19 has become one of the 2020's core missions of TMB and Thanachart Bank, together with pursuing the merger plan and strengthening financial position to prepare for the 2021's economic headwinds.

Pursue Merger Synergies and Strengthen the Financial Position

Despite the limitations set by the COVID-19 situations, TMB and Thanachart Bank could achieve the merger plan which was our key mission in 2020. As part of the merger plan, the Bank has met a series of financial targets ranging from realizing merger synergies and heightening financial strength to prepare for impending COVID-19 impacts. Regarding the operational target, the Bank has proceeded with the integration milestones aimed at completing the two banks' merger on schedule.

The 2020's performance reflects the success of the synergy realization. The balance sheet synergy from the optimization of deposit and loan mix contributed to a 100.3% growth in net interest income compared to last year, while NIM rose to 3.00% from 2.81% last year despite multiple interest rate cuts. The cost synergy realization has increased because of operating efficiency and major cost-saving from the merger, resulting in improved operating expense management. The cost to income ratio dropped to 46% from 51% in the same period last year. PPOP, therefore, remained strong at THB 37,266 million or rose by 90% year over year.

For the efforts to strengthen financial position in preparation for the COVID-19 impact, the Bank has decided to significantly elevate provision level by setting aside THB 24,831 million of provision or the credit cost at 179% from 125% last year even though the NPL ratio in 2020 remained relatively low at 2.50% compared to 2.35% in 2019. As a result, the NPL coverage ratio, which indicates risk cushion, rose to 134% from 120% as of last year.

The Bank consistently ensures high liquidity and robust capital base in which the liquidity coverage ratio (LCR), a rate that shows the sufficiency of liquid assets to support liquidity needs under severe liquidity stress scenarios in 2020, moved between 170%-220%, well above the BoT's minimum requirement at 100%. Capital adequacy was among the top tier in the Thai banking industry. As of December 2020, CAR and Tier 1 rose to 19.6% and 15.5% from 18.9% and 14.6% last year. The capital ratios were well above the Bank of Thailand's minimum requirement of 11.0% and 8.5%, respectively.

In terms of integration development, many parts had progressed well beyond the planned target, especially integrating channels and customer service systems of the two banks. Among the integration plans are the co-location branch strategy, in which the implementation was put in place in 114 branches last year. A series of integration also includes the improvements of the application TMB TOUCH, which was developed to support Thanachart Bank's loan and credit card payment, cardless withdrawal functions at any TMB and Thanachart Bank's ATMs, and subscription or redemption of mutual funds from Thanachart Fund Eastspring through TMB's open architecture. Another area we value is our employees. The Bank had smoothly transferred staff from Thanachart Bank to TMB as planned. The management team has laid great emphasis upon communicating with both TMB and Thanachart Bank employees. This is to promote staff's alignment with corporate cultures and goals and foster unity as employees are key forces and hearts to drive the post-merger bank operations.

The integration progress was a key factor contributing to Bank's credit rating upgrade in the past year. S&P Global, the international rating agency, has raised the TMB's rating from BBB- to BBB considering the Bank's substantial progress on the integration plan and the improved systemic importance of the merged bank.

Make REAL Change for Better Financial Well-being of Thai People

To overcome the COVID-19 crisis in 2020, it would not have been possible without the support from our customers, communities, trust from existing shareholders, and the dedication of all TMB and Thanachart Bank employees who have been committed to their work to the fullest and their ability to adapt to multiple challenges posed by the COVID-19 situations. As a result, the Bank can continue to deliver financial products and services to customers uninterrupted. The Bank gave back to society with its continual effort to create values through the FAI-FAH program to achieve sustainable community development, as the Bank has been committed to for years. We also sent our assistance to hospitals and foundations in the form of donations and medical equipment handouts aiming to support frontline workers who have been battling the COVID-19 pandemic.

Lastly, I would like to thank you once again for contributing to our growth and always supporting our transformative journey. The year 2021 will bring another significant change for TMB and Thanachart Bank as the two banks' merger will complete. With our preparation in 2020, I am confident that we can achieve merger synergies as planned and set forth to build healthy business growth with great concern to the society and environment. We will create a new way of banking that will Make REAL Change by promoting financial literacy, providing financial solutions that fit the customers' needs throughout their life journey, building seamless financial experience, and improving the Thai people's financial well-being across the nation.



Mr. Piti Tantakasem
Chief Executive Officer

For Your Better
**Financial
Well-being**



We CARE To Make REAL Change For Customers' Financial Well-being

TMB and Thanachart Bank have embarked on a historic journey of Thailand's banking industry with the merger set forth since the announcement in 2019. The integration synergizes the two banks' complementary and unique strengths to establish a new bank with stronger potential for vigorous growth and increased ability to develop and deliver a comprehensive range of financial products and services that better meet customer needs. The synergy will provide customers with more holistic and streamlined service channels and bolster the Bank's mission to improve customers' financial well-being in a sustainable way.

In 2020, the world had grappled with the COVID-19 crisis and economic slump, and Thailand is no exception. The pandemic has directly impacted businesses and consumers, and changed the way people live where people have progressed into a new normal way of life. The combination of TMB and Thanachart Bank's strengths have brought about a more robust capability, enabling the banks to firmly overcome challenging conditions while steadfastly assisting customers of both banks to help them get through tough times together.

While pursuing a complete integration in 2021, TMB continues to operate with the vision and mission to Make REAL Change to improve Thai people's financial well-being.

Building better financial well-being of customers is a foundation to help TMB customers achieve financial and life freedom. Such effort is TMB's ultimate goal to transform Thai people's lives where they can enjoy a healthy lifetime financial well-being via our new way of banking.

TMB believes that helping customers achieve good financial well-being starts with attention and comprehension of their needs. As everyone has different preferences and demands, a more personalized approach is needed to deliver best-fit products and services besides financial knowledge throughout the life journeys through the Bank's service channels. The effort is in line with TMB's pledge to provide great customer experiences.

In the wake of global uncertainty caused by the COVID-19 crisis, TMB continues to develop financial solutions to fulfill customer needs and is ready to handle whatever challenges may arise. TMB has set the aim to establish good financial well-being pillars for customers:



Dimension 1 – Mindful Spending & Start/Maximize Saving.

Encourage customer to have financial discipline, prudent spending, and regular savings as well as promoting alternative financial options to help customers maximize return through a wide array of saving opportunities.

Dimension 2 – Healthy Borrowing.

Provide appropriate borrowing plans to maintain a healthy balance between increased liquidity and debt challenges. This dimension also covers a wide selection of lending options such as credit card, cash card, personal loan, and collateral loan. Over the course of last year, the Bank had launched several relief measures to support those impacted by the COVID-19 crisis and add liquidity in the form of a payment holiday or extension of the repayment period.

Dimension 3 – Investing for Future.

Assist customers to earn higher returns than deposit rates. Investors must carefully research before the investment and choose a plan in a way that matches their risk tolerance while comprehensively understanding investment funds. The Bank's investment advisors are ready to provide investment advice at every branch.

Dimension 4 – Sufficient Protection.

Since the onset of the COVID-19 pandemic, people increasingly start to realize the importance of health and life insurances. Having appropriate insurance plans in line with each stage of life has become necessary, especially for those with family or responsibilities, as it can provide protection from unexpected expenses and help their loved ones stay afloat financially when life goes awry.

These are the four key financial well-being pillars TMB believes in laying a meaningful foundation for Thai people's financial well-being to help customers achieve the ultimate life goals.

Retail Banking

Dimension 1 – Mindful Spending & Start/Maximize Saving

Savings and mindful spending are the cornerstone of financial well-being. TMB offers a broad range of essential financial products to respond to customer needs covering different lifestyles and circumstances to ensure maximum return and perfect-fit solutions suited to diverse needs.

TMB ALL FREE

Enjoy Life with ALL FREE

TMB continues to make strides to improve customers' financial well-being every single day via TMB deposit products. And once again, TMB has set a new bar for saving products by providing access to complimentary accident insurance as an extra benefit to TMB ALL FREE users. The insurance provides full coverage for the cost of treatment up to Baht 3,000 per incident for an unlimited number of accidents plus no advance payment. To be eligible for the benefit, customers have to maintain an outstanding balance in the account at least Baht 5,000 every day in the month. Complimentary accident insurance will be granted in the following month. And this year, TMB ALL FREE introduced innovative features where customers can get more with TMB ALL FREE digital debit card plus no entrance fee and annual fee. No need to carry a card; customers can enjoy improved safety, the same benefits, and a true ALL FREE digital life.



TMB WOW

Use More "WOW" More

Our customers are our priority. TMB has developed a loyalty program, "TMB WOW," as a way to express our gratitude. Throughout the years, TMB WOW has been on a non-stop mission to deliver enhanced privileges to customers. The reward points called "WOW" are given to customers from making transactions or achieving missions specified by the Bank. Customers can use the points as discounts at the store, prizes or convert them to cash via Pay with WOW, where 1 WOW point is equal to 1 Baht. Customers can simply redeem points by activating Pay with WOW feature on TMB TOUCH, and they can be spent through TMB ALL FREE debit card. The WOW points will be credited as cash rewards equivalent to the debit card spending amount. The reward point collection royalty program is set to break limitations the current traditional loyalty program system has where reward points must be redeemed in line with conditions specified by the store or at a limit number of prizes. Today, earning WOW points is an alternative way of pocketing cash where you can use freely as you desire.



TMB TOUCH

Simplify and Secure Your Life

TMB is strongly committed to responding to the fast-paced and convenient digital lifestyle in every aspect of life, particularly financial transaction which has become an indispensable activity in everyday life. Thus, we have developed a mobile banking app, “TMB TOUCH,” to simplify financial transactions in the most convenient and secure manner. The app will enable customers to streamline their money matters anywhere, anytime, every day. Over the past year, TMB had made several improvements to make the application use easier, faster, more convenient, and better suited to customer needs than ever before. The improvements are as follows:

- New user interface upgrade to deliver a more contemporary, brighter and more engaging look.
- Add fast lane feature as a first main page once logging-in. The fast lane gathers frequently-used transactions, enabling customers to make transactions more conveniently and speedy.
- Activate TMB ALL FREE digital debit card with no entrance and annual fee.
- Advance ATM cardless withdrawal feature where customers can withdraw cash from both TMB and Thanachart ATMs nationwide.



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Absolute Visa Signature

One Card For All Lifestyles

A high-tier credit card designed to satisfy customer needs who increasingly become online shoppers, especially during the COVID-19 pandemic where a drastic shift was witnessed in shopping behaviors. The credit card offers superior privileges where cardholders can earn 2x points for every Baht 10 via online shopping on top of a full-refund claim up to Baht 5,000 per incident or Baht 10,000 per year for lost items or items that do not match the agreed specification. Besides, cardholders will also be exempted from the 2.5% FX markup charge on foreign currency purchases. The card also provides liquidity services with So GooOD feature that offers an installment plan at 0% interest for 3 months for a minimum spending amount of Baht 1,000. These aforementioned privileges have considerably contributed to a 25% growth in online credit card spending from the previous year. This is another testimony of the Bank’s commitment to providing in-demand benefits for customers for sustainable financial well-being.



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Dimension 2 – Healthy Borrowing

TMB and Thanachart Bank aims to provide customers with well-suited borrowing plans to increase their liquidity and keep them afloat from emerging debt challenges through a broad spectrum of borrowing options made to fit customer needs. TMB and Thanachart Bank launched debt relief measures to support customers affected by the COVID-19.

Debt relief program “Tang Lak”

TMB and Thanachart Bank are concerned about customers hit by the COVID-19 pandemic and economic crises in 2020. The Banks launched the debt relief program “Tang Lak” to mitigate impacts all loan customers had through several support measures, i.e., payment holiday, reduction of minimum installment payment, reduction of interest payment, and an increase in extra credit limit with a special interest rate. The program was to empower customers during the continued crisis and help them get back on their feet and ready to move forward firmly again when the situation eases up. The program will help build a foundation of healthy financial well-being.

Thanachart DRIVE

Cash Your Car - Debt Consolidation

With the combining strengths of products and services between TMB and Thanachart Bank, Thanachart DRIVE loan is another solution offered to TMB customers in addition to Tang Lak debt relief program. Thanachart DRIVE introduced a new program, “Cash Your Car – Debt Consolidation,” to support customers affected by the COVID-19 pandemic and economic slowdown who suffered income loss and struggled to cover high expenses and cope with debt from car loan, credit card to personal loan. Customers can use the credit limit of the “Cash Your Car” program as a consolidated loan to pay off existing debts. Customers under the program can enjoy the following benefits:

- Lower interest rate, lower monthly installments
- Convenient installment plan, one-stop installment payment
- On-track debt repayment and stay financially buoyed up
- Receive a credit limit as high as the car appraisal value

The program aims to alleviate customers’ burdens and add liquidity while assisting our customers with their life goals.



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Dimension 3 – Investing for Future

Besides earning consistent yields through savings, TMB has introduced alternative investment options for better and higher returns with carefully selected mutual funds. The Bank's investment experts are willing to provide investment advice and expand customer's investment portfolio through digital channels, a way that amps up investing convenience.

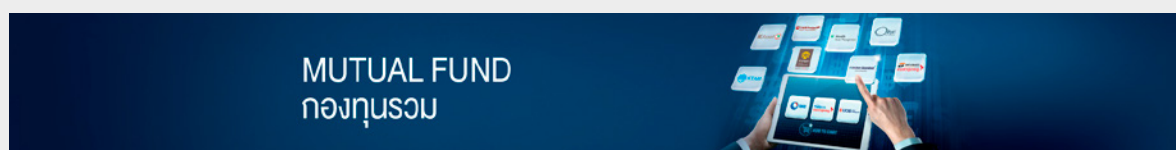
Mutual Fund

Strategize Investment Portfolio to Beat the Market

The COVID-19 pandemic has momentarily impacted the investment market in March 2020, causing a sharp drop in asset prices and a disheartening effect among investors to achieve long-term investment goals. The Bank has sought cooperation from partnered asset management firms: TMBAM Eastspring, Thanachart Eastspring, and UOBAM (Thailand) to offer customers a waived front-end-fee from May to July 2020. In the midst of changing economic conditions and people's lifestyles, technology has come into play in people's lives and has brought a greater investment opportunities in new businesses such as global technology and innovation firms as well as in companies that have the good governance and focus on environmental standards. This effort has been a confidence boost among investors and accounted for over Baht 90,000 million from late March to November. The Bank has launched several upgrades to its TMB TOUCH application to streamline the investment process and facilitate customers on opening a mutual fund account and TMB Smart Port service easily by themselves online. As a result, in 2020, TMB has recorded a skyrocketing growth of 140% in mutual fund subscription and redemption on TMB TOUCH compared to 2019.



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Dimension 4 – Sufficient Protection

It's TMB's aspiration for our customers to have sufficient protection for each life-stage, in both non-life and life insurances, to reduce burden of unexpected expenses from unexpected event.

TMB พร้อมสู้ไปกับคุณ...ประกันภัย ค้ำครอง COVID-19
พิเศษ เมื่อซื้อผ่านแอป TOUCH
รับส่วนลดสูงสุด **50%** เริ่มตั้งแต่เพียง 75 บาท (จำกัด 1 ส่วนสิทธิ์)

COVID-19 related insurance

TMB recognizes the importance of protecting Thai families, especially during the COVID-19 pandemic that brought challenges to all sectors. TMB has partnered with insurance firms and introduced COVID-19 health insurance to quell anxiety in the forms of COVID-19 health coverage. Customers can receive coverage via online channels or health insurance that provides coverage of inpatient and outpatient care. A series of insurances is offered to provide peace of mind and sufficient protection designed to fit different customer groups.

Pay Light High Protect 20/10 CI Plus

All-in-One Coverage

Apart from specific coverage plans, TMB has developed “Pay Light High Protect 20/10 CI Plus,” an insurance product made to fit all needs with all-in-one coverage in one product. With this plan, customers can enjoy a life coverage of up to 20 times the annual premium paid and coverage for up to 50 critical illnesses with customers’ preferable premium amount. To beat the pain point of health insurance as a non-rebate payment option, an attitude that bars customers from getting one, TMB offered a 100% rebate after completing the contract. The provision and introduction of new products and services reflect TMB’s firm commitment to building the Thai people’s financial well-being.

ครบ จัด หนัก

สร้างความมั่นใจให้ชีวิตคุณและครอบครัว
ด้วยหลักประกันความคุ้มครองสูง

ประกันชีวิต เพย์ ไลท์ ไฮ โพรTECT 20/10 (Series)



The Treasure

Wealth Management for You and Your Loved Ones

Amid challenges from economic uncertainties, TMB has joined hands with Thanachart Bank and insurance firm, introducing a new means of insurance designed to cater to different needs regarding high life coverage or guaranteed return from year one to the age of 88. Customers can leverage the product as an effective tool to manage their wealth, from passing on an inheritance to their loved ones or creating a passive income for retirement. As a result, the insurance plan “The Treasure” is well received by Thanachart Bank customers right from the beginning and still remains in demand.

วางแผนชีวิตลูกหลานให้มั่นคง
ส่งต่อมรดกเพื่ออนาคตที่มั่งคั่ง
ประกันชีวิต เดอะ ทเรซัวร์

เดอะทเรซัวร์ (The Treasure) คือผลิตภัณฑ์ประกันชีวิตที่ให้ความคุ้มครองและผลตอบแทนสูง



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Total Financial Well-being Solution

TMB Payroll

Power up All Aspects of Life

In 2020, TMB launched a pilot program to offer corporate employees new privileges under TMB's payroll solution. TMB initiated the payroll services to 22 companies aiming to establish healthy financial well-being of employees in all Aspects of Life, which include:

- 1 Build financial discipline through tax management with a duo privilege package: insurance cashback offers and mutual fund tax exemption benefits.
- 2 Encourage investment opportunities with TMB Smart Port, a platform that provides automatic investment plans for a secure and prosperous future.
- 3 Promote appropriate borrowing approaches with wide-ranging interest offers such as cashback offers for on-time personal loan repayment or mortgage interest cut for when purchasing a life insurance product. The goal is to help alleviate the interest burden and provide financial protection to their loved ones from unexpected events.
- 4 Add extra coverage to existing welfare that provides additional peace of mind for customers and their families and up to 10% extra cashback deal when purchasing non-life insurance specified by the Bank.

These programs are excellently received among employees of participating companies, underscoring TMB's intention to Make REAL Change and establish better financial well-being with every solution it offers.

Aside from the unique features of payroll services enabling corporate employees to receive salaries through TMB account and all-in-one management command with comprehensive benefits, the Bank also offers additional privileges in the form of seminars to equip customers with valuable and practical financial knowledge. This includes a seminar on financial literacy, "Tax Talk: A Complete Guide to Maximize the 2020 Tax Season," by the Bank's investment gurus, who provided knowledge of investment, insurance products, tax rebate strategies to furnish customers with a comprehensive guide on tax planning, and a series of products to fulfill their needs. Financial literacy is the most crucial component to obtain sustainable financial well-being.



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บัญชีเงินเดือน TMB
ช่วยให้คุณบริหารเงินได้ครบจบในที่เดียว
พร้อมสิทธิประโยชน์ที่ครอบคลุม
จาก TMB | Thanachart
เพื่อชีวิตทางการเงินที่ดีขึ้น

Corporate Banking and SME

We at TMB and Thanachart aspire to be Thai companies' trusted partner that support our clients to grow sustainably thru our existing product offering and digital solutions. Our experienced relationship manager and new digital solution enable our customers to achieve better financial growth.

- Offering sufficient funding to improve cash flow and continuous business expansion.
- Improving operational efficiency by providing the simplified, cost saving, and convenient financial transaction solutions.
- Providing support to provide better financial well-being among employees and business stakeholders.

Corporate Banking

Payroll Plus

All-in-One Digital Employee Engagement Solution

Payroll Plus is the all-in-one solution that allows our customers to efficiently support their core asset, their employees. Payroll Plus allows companies to pay salary thru digital banking platform and gives flexibility for corporate employees to receive salaries thru their preferable bank accounts. In addition to the basic payroll function, Payroll Plus offers the following four benefits:

Plus 1: Employee Benefit

Privileges for employees who receive salary via TMB's bank account to improve their financial well-being such as benefit from TMB ALL FREE account to transact with no fees, benefit from competitive saving rate from TMB No Fix, and benefit from mutual funds and insurance products.

Plus 2: Group Insurance

Employees can enjoy benefits of competitive 'Group insurance' that covers health and personal accidental insurance with a monthly payment option

Plus 3: Provident Funds

NEW 'Provident funds' that are managed and handled by fund experts

Plus 4: Digital HRM

'Digital HR management platform' that allows customers to manage HR management (e.g. payroll, leave management, etc.)



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Business ONE

Digital Banking Platform for Corporate and SME customers

Business ONE provides customers with all-in-one digital banking platform that allows customers to manage all their business needs from anywhere, anytime

- ONE Platform: With over twice the number of features over the previous platform, Business ONE seamlessly connects customers to all major financial services from domestic and international transfer, Credit, Foreign Exchange, and Supply Chain in one platform. It has also been designed with new and intuitive user interface which also support multiple devices (PC, Tablet, and mobile)
- ONE to Control: Business ONE allows customer to have full control of their business from one single platform. From new Payment Assistant to new Live search function, customer will be able to perform their financial transactions, faster and more efficient
- ONE to Command: more than just traditional internet banking platform, Business ONE turns data into meaningful business insights for our customers. Smart dashboard allows customers to have real-time cash flow projection which allow them to efficiently manage their cash flow to support the growth of their business.



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SME Customers



SME Relief Program

COVID-19 SME Relief Program

During the COVID-19 pandemic, the Bank offered relief programs and the knowledge enhancement program to support our SME customers. The goal is to help SME businesses overcome the crisis, survive, and able to get back on business sustainably.

The SME support includes:

Financial

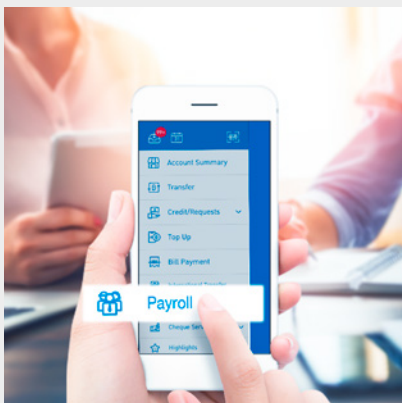
- 6-month loan payment holiday for principal and interest during 23 April to 23 October 2020
- Soft Loan program to increase liquidity.

Non-financial

- Series of online knowledge sharing to SME customers how to survive during the crisis



Scan เพื่อศึกษาข้อมูลเพิ่มเติม



Smart Payroll

Online Payroll service via mobile application – BIZ TOUCH

Smart Payroll enables SME to increase their efficiency, reduce cost and time spent by

- Save Time - Set up group payment of up to 50 receiving employee accounts in one time
- Save Cost - No transaction fee when making group payment with SME One Bank current account
- More Convenience - Perform transaction 24 hours a day, anywhere and anytime



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Credit Life

SME Credit Life and Insurance Package

To keep the family afloat when life puts an unexpected situation in the breadwinner's path, SME can stay worry-free from confiscation of business with SME Credit Life and Insurance Package which provides benefits to SME as followings:

- Paying off debt immediately upon death or disability
- Offering a variety of coverage plans from fixed coverage, reduced coverage, or lower debt to capital ratio to provide family with financial support.



Scan for more information

Corporate Social Responsibility

by TMB and Thanachart

Let's Make REAL Change to Inspire Youths and Communities

The year 2020 has marked a significant change following TMB and Thanachart Bank's synergy, which not only brings about business performance improvement but also inspires the sustainable changes among youth and communities, reflecting the "Make REAL Change" Philosophy. "FAI-FAH" has continued as the TMB and Thanachart's core corporate social responsibility program to inspire youth and community. The word FAI-FAH means the power of inspiration with the following descriptions:



FAI = The power inherent in every child & community

FAH = The power of "Giving" from TMB and Thanachart volunteers



FAI-FAH for Youth

Today, there are five FAI-FAH learning centers: FAI-FAH Pradiphat, FAI-FAH Pracha-Uthit, FAI-FAH Chan, FAI-FAH Bangkok Noi, and FAI-FAH Samutprakarn. FAI-FAH centers aim to encourage community children aged 12-17 years old to spend their free time to learn art and life skills at no cost. The goal is to empower youth to develop themselves, their families, and their communities sustainably.

Amid the worrying COVID-19 pandemic from March to June of last year, all five FAI-FAH learning centers had temporarily shifted from offline to online classes to ensure children's continuous learning and development. The centers also provided financial literacy knowledge for children through online activities. The program aims to educate children on good financial discipline to cut down their and families' unnecessary expenses.




What’s more, the FAI-FAH Pracha-Uthit and FAI-FAH Samutprakarn had temporarily turned into sharing centers in June to serve as the inspirational venues for sharing equipment and educational materials where children and parents can borrow home for free. The program has inspired children to make good use of their free time during the long school holiday and reduce family financial burdens.

Besides, amid this year’s crisis, children at FAI-FAH centers have taken part as givers through the activity “Help Kids Make REAL Change,” initiated to inspire young people to learn about the spirit of “giving and sharing.” The FAI-FAH children harnessed the skills gained at the FAI-FAH centers to design and develop products for sale. All remaining revenue after expenses will be donated to TMB Foundation to support social causes and public charities.

FAI-FAH for Community

- The COVID-19 situation this year has brought in several special programs to help communities facing hardship. The team has initiated the activity “Face Shield to Save the Nation,” where the Thai general public including TMB and Thanachart employees and FAI-FAH children come together to make face shields, turning crisis into solidarity in a collective fight against the COVID-19. A total of 8,000 face shields were given to healthcare workers at hospitals in Bangkok and upcountry who direly needed protective gear.
- To reflect the philosophy of “Make REAL Change,” this year, two banks’ synergy has led to one unifying force: “ONE Volunteer Spirit,” which seeks to inspire communities through sustainability programs. The programs had engaged TMB and Thanachart volunteers across the country to provide community members with expertise and know-how to Make REAL Change and sustainably achieve community goals. In 2020 alone, a total of 30 teams delivered 30 community projects, from Branch Teams, Automotive Lending Teams, Talents Teams, and newly-introduced Passionate Teams, came together to make REAL change by inspiring communities with sustainable development, encouraging active defense strategy to mitigate COVID-19 impacts.

FAI-FAH, a core corporate special responsibility program by TMB and Thanachart, is committed to moving forward to inspire the youths and communities, reflecting our bank philosophy of Make REAL Change. Follow our programs: www.tmbfoundation.or.th



TMB and Thanachart's Royal Kathin Robe Presentation



In 2020, TMB and Thanachart Bank were graciously bestowed by His Majesty King Maha Vajiralongkorn Phra Vajiraklaochaoyuhua to offer the Royal Kathin Robes to monks who have completed a three-month rain retreat at a royal temple, Wat Woranat Banphot in Nakhon Sawan. This year marked a special occasion as customers, business partners, and the employees of the two banks collectively donated THB 17.81 million to Wat Woranat Banphot. In this regard, Wat Woranat Banphot set aside the donation of THB 5 million to Sataban Saengsawang Foundation under the patronage of Her Royal Highness Princess Soamsawali Krom Muen Suddhanarinatha for the construction of a new school building for children with special needs and procurement of ventilators worth THB 2.2 million to Sawanpracharak Hospital in Nakhon Sawan and Buddhachinaraj Phitsanulok Hospital in Phitsanulok. This one great charitable cause has furthered into three benignities.

The Annual Thai Red Cross Fair 2020



Under the exceptional circumstances of the COVID-19 pandemic in Thailand, the Thai Red Cross Fair of year 2020 was held online. TMB and Thanachart Bank realize a prominent charitable role of “The Thai Red Cross Society” as a place people turn for helps in times of disaster or difficulties. The two banks had helped raise funds to support this cause by selling 200,000 Thai Red Cross lottery tickets via the two banks’ distribution channels and donated total of THB 6.5 million to the Thai Red Cross Society at the Annual Thai Red Cross Fair 2020.

Awards 2020



1. SET AWARDS 2020

Category Deal of the Year Awards
By SET and MONEY & BANKING Magazine

2. SET AWARDS 2020

Category Thailand Sustainability Investment : Financials
By SET and MONEY & BANKING Magazine

3. Fair Finance Award

Category Rank no.1 Fair Finance assessment based on
Fair Finance International Guideline
By Fair Finance Thailand

4. The Asian Banker Thailand Country Awards 2020 ThanachartDRIVE

Category Excellence in Retail Financial Services :
Best Automobile Loan Product
By The Asian Banker Magazine

5. The Asset Triple A Country Awards 2020

Category Digital Agriculture Solution: Best Digital Financial
Inclusion Project
By Asset Publishing and Research Limited

6. The Asset Triple A Country Awards 2020

Category ME by TMB: Best Digital Insurance Experience Thailand
By Asset Publishing and Research Limited

7. The Asset Triple A Country Awards 2020

Category ME by TMB: Best Biometrics Project Thailand
By Asset Publishing and Research Limited

8. Marketeer No.1 Brand Thailand 2019-2020 ThanachartDRIVE

Category No.1 Brand : Auto Hire Purchase Loan
By Marketeer Magazine

9. Red Hat APAC Innovation Awards 2020

Category Digital Transformation IIA: Cloud-Native Development
By Red Hat, Inc., the world's leading provider of open source solutions

10. BSA Building Safety Award 2020

Category BSA Building Safety Award : DIAMOND
By THE BUILDING INSPECTORS ASSOCIATION

11. International Finance Awards 2019

Category TMB Smart Port: Most Innovation Investment
Management Bank
By International Finance Magazine

Financial Highlight

Amid the COVID-19 situation in 2020, TMB and Thanachart Bank have maintained the focus on the execution of the merger mission together with strengthening financial positions in preparation for economic headwinds that may arise in 2021. Long-term aspiration remains unchanged as we will continue to develop a new way of banking to improve Thais' Financial Well-being.



Synergy realization was on track and helped lessen COVID-19 impact on core operating performance

- With balance sheet synergy realized from the optimization of deposit and loan structure, NIM improved.

FY 2019		FY 2020
2.81%	▶	3.00%

- Reflecting cost synergy realization from improving efficiency and cost saving, cost to income ratio decreased.

FY 2019		FY 2020
51%	▶	46%

- Pre-provision operating profit (PPOP) increased ▲ **90%** from year 2019 to THB 37,266 million.

Asset quality was prudently managed. Risk cushion was lifted in preparation for uncertainties.

- TMB and Thanachart has prudently manage asset quality and proactively resolved NPLs. NPL ratio as a result remained relatively low.

FY 2019		FY 2020
2.35%	▶	2.50%

- In preparation for year 2021, provision was significantly raised, resulting in stronger coverage ratio.

FY 2019		FY 2020
120%	▶	134%



Liquidity and capital adequacy were consistently maintained at robust level.

In 2020, LCR* stayed in the range of **170% – 220%** well above the BoT's minimum requirement of 100%.

CAR improved from year 2019 to **19.6%** higher than BoT's minimum requirement of 11.0%.

Tier I ratio improved from year 2019 to **15.5%** higher than BoT's minimum requirement of 8.5%.

Credit rating was upgraded by S&P Global Rating

- Key drivers were from well-executed integration process and the higher systemic importance after merger.

BBB- ▶ **BBB**

Note: *LCR – Liquidity Coverage Ratio reflects the stock of liquid assets to support liquidity needs under severe liquidity stress scenarios

Historical Financial Performance

TMB consolidated financial statement has included Thanachart Bank's financial results as its subsidiary, starting 4 December 2019 onward.

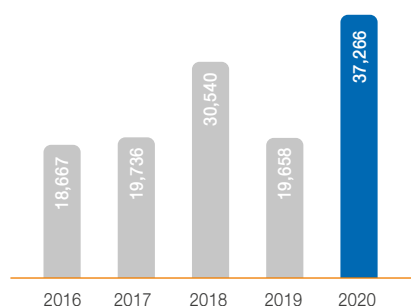
Consolidated financial statements

(Unit: THB million)

Selected statements of profit or loss and other comprehensive income items	2020*	2019**	2018	2017	2016
Interest income	72,321	39,837	35,128	34,713	35,631
Interest expenses	18,515	12,972	10,632	9,979	10,870
Net interest income	53,805	26,865	24,497	24,734	24,761
Net fees and service income and other operating income	14,986	12,956	23,545	12,705	10,462
Total operating income	68,791	39,821	48,042	37,439	35,223
Other operating expenses	31,623	20,674	17,475	17,792	16,589
Impairment loss on loans and debt securities	0	10,337	16,100	8,915	8,649
Expected credit loss	24,831	0	0	0	0
Income tax	2,223	1,588	2,866	2,004	1,740
Profit for the year	10,115	7,222	11,601	8,728	8,244
Equity holders of the Bank	10,112	7,222	11,601	8,687	8,226
Non-controlling interest	3	0	0	41	18
Total other comprehensive income for the year, net of income tax	310	1,287	-48	164	1,596
Total comprehensive income for the year	10,424	8,509	11,554	8,892	9,841
Basic earnings per share (THB/Share)	0.1049	0.1485	0.2646	0.1982	0.1879
Selected statements of financial position items					
Loans to customers and accrued interest receivables	1,401,458	1,394,108	687,015	644,342	594,356
Total assets	1,808,332	1,858,190	891,713	843,872	797,316
Deposits	1,373,408	1,398,112	649,568	611,430	598,948
Total liabilities	1,603,582	1,663,379	792,934	754,016	713,468
Total equity	204,750	194,811	98,779	89,856	83,848
Equity attributable to equity holders of the Bank	204,713	194,777	98,779	89,856	83,723
Non-controlling interest	37	35	0	0	125

Income generation ability

■ Pre-provision operating profit (PPOP) (Unit: THB million)

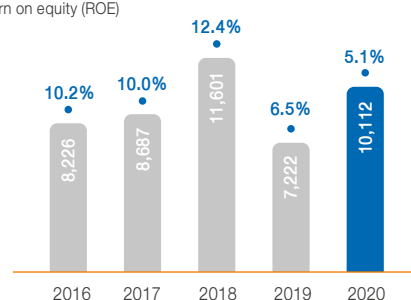


Note: 2018 results included gain from selling 65% of TMBAM shares

Profitability

■ Net profit to equity holders of the Bank (Unit: THB million)

● Return on equity (ROE)



Consolidated financial statements

Key financial ratios	2020*	2019**	2018	2017	2016
Profitability					
Return on equity (ROE)	5.1%	6.5%	12.4%	10.0%	10.2%
Return on assets (ROA)	0.5%	0.7%	1.4%	1.1%	1.0%
Cost to income ratio ^{1/}	45.8%	50.6%	36.4%	47.3%	46.9%
Net interest margin (NIM)	3.00%	2.81%	2.94%	3.13%	3.17%
Liquidity					
Loan to deposit (LDR) ^{2/}	101%	100%	106%	105%	99%
Current and saving accounts to total deposits (CASA) ^{3/}	86%	70%	88%	86%	80%
Capital adequacy					
Tier I ratio (Tier I)	15.5%	14.6%	13.5%	13.3%	12.9%
Capital adequacy ratio (CAR)	19.6%	18.9%	17.3%	17.4%	18.3%
Asset quality					
NPL ratio	2.50%	2.35%	2.76%	2.35%	2.53%
NPL coverage ratio	134%	120%	152%	143%	143%
Others					
Book value per share (THB/Share)	2.12	2.02	2.25	2.05	1.91
Number of employees (TMB and Thanachart Bank)	17,012	19,432	8,373	8,547	8,980
Number of branches	733	895	416	431	452
Number of ATMs and ADMs	4,372	4,837	2,891	2,841	2,783

Note: * TFRS 9 Adoption

** Statement of comprehensive income consolidated TBANK's result for 28 days (4-31 December 2019), Statement of financial position included TBANK's results as of 31 December 2019

^{1/} Excluded extra ordinary items and credit related items

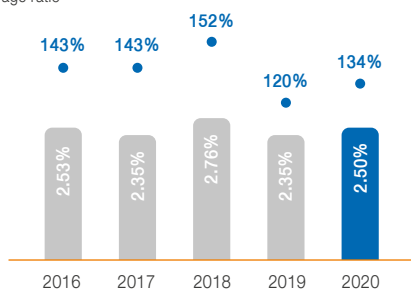
^{2/} Excluded interbank and money market items

^{3/} FY2019-2020 CASA included No-Fixed, ME and Ultra Saving and excluded NCD, FY2016-2018 CASA included No-Fixed, ME and excluded NCD and FCD

Asset quality

■ NPL ratio

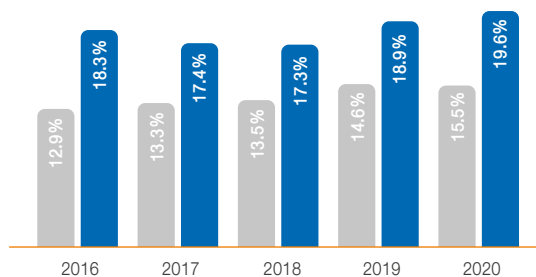
● Coverage ratio



Capital adequacy

■ Tier I ratio

■ Capital adequacy ratio



Board of Directors



1. Mr. Ekniti Nitithanprapas

- Chairman of the Board

2. Mr. Suphadej Poonpipat

- Vice Chairman of the Board
- Vice Chairman of the Board of Executive Directors

3. Mr. Philippe G.J.E.O. Damas

- Director
- Chairman of the Board of Executive Directors
- Chairman of the Nomination, Remuneration and Corporate Governance Committee

4. Mr. Praisun Wongsmith

- Independent Director
- Chairman of the Audit Committee

5. Mr. Willem Frederik Nagel

- Independent Director
- Chairman of the Risk Oversight Committee
- Member of the Nomination, Remuneration and Corporate Governance Committee
- Member of the IT Oversight Committee

6. Mr. Chumpol Rimsakorn

- Director
- Chairman of the Credit Committee
- Member of the Board of Executive Directors
- Member of the Nomination, Remuneration and Corporate Governance Committee



7. Mr. Teeranun Srihong

- Independent Director
- Chairman of the IT Oversight Committee
- Member of the Nomination, Remuneration and Corporate Governance Committee
- Member of the Risk Oversight Committee

8. Mr. Yokporn Tantisawetrat

- Director
- Member of the Credit Committee
- Member of the Risk Oversight Committee

9. Mr. Somjate Moosirilert

- Director
- Member of the Board of Executive Directors
- Member of the Nomination, Remuneration and Corporate Governance Committee

10. Mr. Prinya Hom-anek

- Independent Director
- Member of the Audit Committee
- Member of the Risk Oversight Committee
- Member of the IT Oversight Committee

11. Mr. Michal Jan Szczurek

- Director
- Member of the Board of Executive Directors
- Member of the IT Oversight Committee

12. Mrs. Chananyarak Phetcharat

- Independent Director
- Member of the Audit Committee
- Member of the IT Oversight Committee

13. Mr. Piti Tantakasem

- Director and Chief Executive Officer
- Member of the Board of Executive Directors
- Member of the Credit Committee
- Member of the Risk Oversight Committee
- Member of the IT Oversight Committee



Mr. Ekniti Nitithanprapas

Age 49 years old

Chairman of the Board

Date of Appointment – February 13, 2020

Education and Training Course

- Ph.D. (Economics/Macroeconomics and International Finance), Claremont Graduate University, USA
- M.S. (Economics/Policy Economics), University of Illinois at Urbana-Champaign, USA
- Bachelor of Economics (Honors), Thammasat University
- Year 2020, Cyber Resilience Leadership: Tone from the Top, and Year 2019, Cyber Resilience, Bank of Thailand
- Year 2019, Oxford Programme on Negotiation in Bangkok, SAID Business School of Oxford University, UK
- Role of Chairman Program (class 45/2019), Board Matters and Trends (class 4/2017), Role of the Nomination and Governance Committee Program (class 8/2016), Financial Statements for Directors (class 29/2015), Corporate Governance for Capital Market Intermediaries (class 4/2015), and Director Certification Program (class 93/2007), Thai Institute of Directors Association (IOD)
- The Program for Senior Executives on Justice Administration (class 24/2019), Judicial Training Institute
- Year 2011, The Civil Service Executive Development Program, Office of the Civil Service Commission
- Advanced Certificate Course in Public Administration and Law for Executive (class 9/2010), The College of Politics and Governance, King Prajadhipok's Institute
- Year 2009, Financial Markets and New Financial Instruments, International Monetary Fund Institute
- 2020 Cybersecurity and privacy for BOD, Personal Data Protection Act, and Economic and Sectoral Outlook: A High-Frequency Data Perspective, TMB Bank Plc.

Positions in Other Listed Companies

2015 – Present

- Director and Member of the Risk Management Committee, IRPC Plc.

Positions in Non-Listed Companies

Feb 2020 – Present

- Chairman of the Board, Thanachart Bank Plc.
- 2020 – Present
- Governing Board of Tax Inspectors without Borders, OECD & UNDP.
- 2018 – Present
- Director General, The Revenue Department

Work Experience

2018 – Jan 2020

- Chairman, Krung Thai Bank Plc.

2018 – 2019

- Chairman, Thai Airways International Plc.

2015 – 2018

- Director General, State Enterprise Policy Office (SEPO)
- Chairman, National Credit Bureau Co., Ltd.
- Director and Member of the Nomination, Compensation and Corporate Governance Committee, The Siam Commercial Bank Plc.

2014 – 2015

- International Economic Policy Advisor, Fiscal Policy Office, Ministry of Finance
- Director and Chairman of the Risk Management Committee, Krungthai Asset Management Plc.

2013 – 2015

- Director, TSFC Securities Plc.
- Director and Chairman of the Board of Executive Directors, Export-Import Bank of Thailand

2012 – 2014

- Deputy Director-General, Fiscal Policy Office, Ministry of Finance

2010 – 2012

- Minister (Economics and Finance), Office of Economics and Financial Affairs for U.K. and Europe, Royal Thai Embassy, U.K., Fiscal Policy Office, Ministry of Finance

2006 – 2011

- Member of the Board of Directors, KTZmico Securities Company
- 2008 – 2009
- Member of the Board of Directors, Small and Medium Enterprise Development Bank of Thailand



Mr. Suphadej Poonpipat

Age 70 years old

Vice Chairman of the Board

- Vice Chairman of the Board of Executive Directors

Date of Appointment - December 3, 2019

Education and Training Course

- Master of Science, University of Wisconsin, USA
- Bachelor of Business Administration and Accounting, Chulalongkorn University
- Senior Executive Program Certificate, Capital Market Academe (CMA)
- Role of the Compensation Committee, Role of the Chairman Program, Financial Institutions Governance Program, and Director Accreditation Program, Thai Institute of Directors Association (IOD)
- Thailand in the New Global Landscape, Thanachart Training and Development Co., Ltd. collaboration with Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Anti Corruption for Executives 1/2014, Anti-Corruption for Executives 2017, and Block Chain Technology 2018, Thanachart Bank Plc.
- 2020 Cybersecurity and privacy for BOD, Personal Data Protection Act, and Economic and Sectoral Outlook: A High-Frequency Data Perspective, TMB Bank Plc.

Positions in Other Listed Companies

MBK Plc.

2018 - Present

- Chairman of the Executive Committee

2015 - Present

- Chairman of the Nomination and the Compensation Committee

2006 - Present

- Vice Chairman

Patum Ricemill and Granary Plc.

2016 - Present

- Chairman of the Good Corporate Governance Committee

2012 - Present

- Chairman

Thanachart Capital Plc.

2007 - Present

- Vice Chairman and Chairman of the Executive Committee

2006 - Present

- Director

Positions in Non-Listed Companies

Thanachart Insurance Plc.

2019 - Present

- Vice Chairman

2005 - Present

- Director and Chairman of the Executive Committee

Thanachart Bank Plc.

Dec 2019 - Present

- Vice Chairman of the Board of Executive Directors

2005 - Present

- Vice Chairman

2014 - Present

- Chairman, MBK Life Assurance Plc.

2006 - Present

- Director, Siam Piwat Holding Co., Ltd.

2005 - Present

- Director, MBK Resort Plc.

2003 - Present

- Director, Siam Piwat Co., Ltd.

Work Experience

2015 - 2019

- Chairman, DMS Property Investment Private Co., Ltd.

2014 - 2019

- Chairman, Thanachart Insurance Plc.

Thanachart Bank Plc.

2016 - 2019

- Member of the Succession Committee and Chief Executive Officer

2005 - Dec 2019

- Chairman of the Executive Committee

Thanachart Capital Plc.

2013 - 2018

- Chairman of the Risk Management Committee

2010 - 2018

- Chief Executive Officer

2007 - 2018

- Director, Royal Orchid Hotel (Thailand) Plc.
- Director, Thai Royal Orchid Real Estate Co., Ltd.

MBK Plc.

2003 - 2018

- Vice Chairman of the Executive Committee

2002 - 2015

- Member of the Nomination and the Compensation Committee

2011 - 2017

- Chairman of the Executive Committee, Patum Ricemill and Granary Plc.

2011 - 2015

- Director, DMS Property Investment Private Co., Ltd.

2003 - 2015

- Director, Plan Estate Co., Ltd.



Mr. Philippe G.J.E.O. Damas

Age 70 years old

Director

- Chairman of the Board of Executive Directors
- Chairman of the Nomination, Remuneration and Corporate Governance Committee

Date of Appointment - December 28, 2007

Education and Training Course

- Master of Business Administration (Accounting & International Finance), Columbia University, New York, USA
- Advanced Automatics, Ecole Nationale de l'Aéronautique et de l'Espace, Toulouse, France
- Ingénieur Civil Electricien Mécanicien, Université Libre de Bruxelles, Brussels, Belgium
- Military Service, Belgian Army
- Directors Refresher Program, ING Vysya Bank Ltd. India
- Strategic Board Master Class, Thai Institute of Directors Association (IOD)
- 2020 Cybersecurity and privacy for BOD, Personal Data Protection Act, and Economic and Sectoral Outlook: A High-Frequency Data Perspective, Cyber Resilience Leadership Seminar, Cyber Resilience Awareness, IFRS 9 Implication and Readiness, Inside Information and Data Privacy, Branding and NPS Update, and Sustainability Training, TMB Bank Plc.

Positions in Other Listed Companies

- None -

Positions in Non-Listed Companies

Dec 2019 - Present

- Director, Chairman of the Board of Executive Directors, and Chairman of the Nomination, Remuneration and Corporate Governance Committee, Thanachart Bank Plc.

2019 - Present

- Board member, OBOR Capital Co., Ltd.

2018 - Present

- Board member, Simba Estates Ltd.
- Chairman of the Board and director, Ecopol Pte. Ltd. (Singapore)

2014 - Present

- Board member, Armstrong Asset Management (Singapore)
- Board member, The Blue Circle (Singapore)
- Board member, Sport Sevens (Singapore)

2013 - Present

- Board member, PCMA Holdings Pte. Ltd.
- Board member, PCMI Insurance Brokers Pte. Ltd.

2011 - Present

- Board member, Eurofin Asia (Singapore)

Work Experience

2011 - 2018

- Member of Advisory Board, Pacific Star (Singapore)

2010 - 2018

- Chairman of the Board, Prochem Singapore

2013 - 2014

- Board member, Capstone Partners Asia (Singapore)

2006 - 2012

- Director, ING Mauritius

2006 - 2011

- Vice Chairman of the Board, ING Vysya Bank Ltd. (India)

2008 - 2010

- CEO, Retail and Private Banking Asia, ING Group - Singapore

2005 - 2008

- CEO, Retail and Private Banking Asia, ING Group Private Banking & ING Trust



Mr. Praisun Wongsmith

Age 61 years old

Independent Director

- Chairman of the Audit Committee

Date of Appointment - February 12, 2016

Education and Training Course

- Master of Science (Economics), Oklahoma State University, USA
- Bachelor of Science in Business Administration (Economics/Finance), Oklahoma State University, USA
- Advanced Security Management Program, Thailand National Defence College
- Senior Executive Program Certificate, Capital Market Academy (CMA)
- The Leadership Grid Appreciation Workshop, Grid Teamwork Limited
- Boardroom Success Through Financing and Investment, IT Governance and Cyber Resilience Program, Ethical Leadership Program, Advanced Audit Committee Program, Boards that Make a Difference, Role of Chairman Program, Director Certification Program, and Director Associate Program, Thai Institute of Directors Association (IOD)
- Business Sustainability in Digital Trend, EY Company Limited
- Bangkok Sustainable Banking Forum 2018, Bank of Thailand
- 2020 Cybersecurity and privacy for BOD, Personal Data Protection Act, and Economic and Sectoral Outlook: A High-Frequency Data Perspective, Cyber Resilience Leadership Seminar, Cyber Resilience Awareness, IFRS 9 Implication and Readiness, Inside Information and Data Privacy, Branding and NPS Update, and Sustainability Training, TMB Bank Plc.

Positions in Other Listed Companies

2018 - Present

- Independent Director and Member of the Audit Committee, S Hotels and Resorts Plc.
- Independent Director and Chairman of the Audit Committee, Jakpaison Estate Plc.

2015 - Present

- Chairman of the Board and Independent Director, Thantawan Industry Plc.

Positions in Non-Listed Companies

Apr 2020 - Present

- Chairman of the Audit Committee, Thanachart Bank Plc.

Dec 2019 - Present

- Independent Director and Member of the Audit Committee, Thanachart Bank Plc.

2018 - Present

- Director, P Advisory Co., Ltd.

2012 - Present

- Director, P.W. Consultants Co., Ltd.

Work Experience

2017 - 2019

- Director, Islamic Bank Asset Management Ltd. (IAM)
- Director, Industrial Estate Authority of Thailand (IEAT)

2016 - 2018

- Director, CAT Telecom Plc.

2016 - 2017

- Advisor to the Minister, Ministry of Industry

2015 - 2016

- Advisor to the Minister, Ministry of Information and Communication Technology

2014 - 2016

- Managing Director, SCMB Co., Ltd.

2012 - 2016

- Chairman of the Executive Committee, SCMB Co., Ltd.

2014 - 2015

- Independent Director and Member of the Audit Committee, Thantawan Industry Plc.
- Chairman of Sub-Committee on Monitoring and Administration on NPL, SME Bank



Mr. Willem Frederik Nagel

Age 64 years old

Independent Director

- Chairman of the Risk Oversight Committee
- Member of the Nomination, Remuneration and Corporate Governance Committee
- Member of the IT Oversight Committee

Date of Appointment – April 23, 2020

Education and Training Course

- Master of Economics, University of Amsterdam
- Bachelor of Economics, University of Amsterdam
- Corporate Governance, Indian Institute of Management Centre for Corporate Governance & Citizenship
- Corporate governance in Banks, balance between Supervisory and management boards
- Regulatory developments
- Changes in the legal environment
- Specific processes and checks regarding AML and FEC
- Performance measurement and remuneration policies
- Whistleblower procedures, confidentiality and protection of individuals
- Audit methodologies
- IFRS9
- BCBS 239
- Hedge accounting, accounting versus economic impact, asymmetries in bank balance sheets
- Privacy, data protection
- 2020 Cybersecurity and privacy for BOD, Personal Data Protection Act, Economic and Sectoral Outlook: A High-Frequency Data Perspective, TMB Bank Plc.

Positions in Other Listed Companies

- None -

Positions in Non-Listed Companies

Apr 2020 - Present

- Independent Director, Chairman of the Risk Oversight Committee, Member of the Nomination, Remuneration and Corporate Governance Committee, and Member of the IT Oversight Committee, Thanachart Bank Plc.

2018 - Present

- Member Supervisory Board, TD Bank NV.

2017 - Present

- Director, Riverbank Management B.V.

Work Experience

2019 - Apr 2020

- Chairman Supervisory Board, MUFG Bank Europe NV.

2017 - Apr 2020

- Member Supervisory Board and Chairman Audit & Risk Committee, MUFG Bank Europe NV.

2011 - 2017

- Member of Executive Board and CRO, ING Group

2011 - 2015

- Member Supervisory Board and Chairman of Risk Committee, NN Insurance, Netherlands

2011 - 2014

- Member of Board and Member Audit Committee, Voya Financial Inc, USA



Mr. Chumpol Rimsakorn

Age 60 years old

Director

- Chairman of the Credit Committee
- Member of the Board of Executive Directors
- Member of the Nomination, Remuneration and Corporate Governance Committee

Date of Appointment – April 7, 2017

Education and Training Course

- Master of Public and Private Management Program, National Institute of Development Administration
- Bachelor of Law, Ramkhamhaeng University
- National Defence College Program, Thailand National Defense College
- Senior Executive Program Certificate, Capital Market Academe (CMA)
- The Executive Program in Energy Literacy for a Sustainable Future, Thailand Energy Academy
- Inspector General Program, The Prime Minister's Office
- Senior Executive Program, Office of the Civil Service Commission
- Advance Master Management, National Institute of Development Administration
- Good Governance for Directors and Executives of State Enterprises and Public Organization, King Prajadhipok's Institute
- Risk Management Program for Corporate Leaders, IT Governance and Cyber Resilience Program, Director Certification Program, Financial Statement for Directors, Role of Chairman Program, and Advanced Audit Committee Program, Thai Institute of Directors Association (IOD)
- Bangkok Sustainable Banking Forum 2018, Bank of Thailand
- 2020 Cybersecurity and privacy for BOD, Personal Data Protection Act, and Economic and Sectoral Outlook: A High-Frequency Data Perspective Cyber Resilience Leadership Seminar, Cyber Resilience Awareness, IFRS 9 Implication and Readiness, Inside Information and Data Privacy, Branding and NPS Update, and Sustainability Training, TMB Bank Plc.

Positions in Other Listed Companies

2019 - Present

- Member of the Enterprise Risk Management, PTT Plc.

2018 - Present

- Director and Member of the Remuneration Committee Management, PTT Plc.

Positions in Non-Listed Companies

Dec 2019 - Present

- Director, Chairman of the Credit Committee, Member of the Board of Executive Directors, and Member of the Nomination, Remuneration and Corporate Governance Committee, Thanachart Bank Plc.

2018 - Present

- Director, Don Muang Tollway Plc.
- Chairman, Vayupak 1 Mutual Fund Investment Committee
- Chairman, the Queen Sirikit National Convention Center Supervisory Committee
- Chairman, Public Service Obligation Committee
- Chairman, Performance Assessment Committee
- Board Member, Vayupak Mutual Fund Supervisory Committee
- Board Member, Thailand Future Fund Steering Committee

2015 - Present

- Deputy Permanent Secretary, Ministry of Finance

Work Experience

2017 - 2018

- Chairman, Public Debt Restructuring and Domestic Bond Market Development Fund
- Board Member, National Health Security Committee
- Board Member, Emergency Medicine Committee
- Board Member, National Metrology Committee

2016 - 2018

- Director, Member of Audit Committee, and Member of the Law and Regulation Compliance Committee, Electricity Generating Authority of Thailand

2014 - 2018

- Director, Thailand Tobacco Monopoly

2015 - 2017

- Director, Thailand Post Co., Ltd

2015 - 2015

- Director, Thailand Privilege Card Co., Ltd.

2014 - 2015

- Chief Information Officer (CIO), Ministry of Finance
- Inspector General, Ministry of Finance



Mr. Teeranun Srihong

Age 55 years old

Independent Director

- Chairman of the IT Oversight Committee
- Member of the Nomination, Remuneration and Corporate Governance Committee
- Member of the Risk Oversight Committee

Date of Appointment – December 17, 2019

Education and Training Course

- Master of Business Administration, University of Michigan – Ann Arbor, USA
- Bachelor of Engineering (Computer), Chulalongkorn University
- The Joint State – Private Sector Course, Thailand National Defense College
- Advanced Management Program (AMP), Harvard Business School, USA
- Senior Executive Program Certificate, Capital Market Academe (CMA)
- The Executive Program in Energy Literacy for a Sustainable Future, Thailand Energy Academy
- Director Accreditation Program and Director Certification Program, Thai Institute of Directors Association (IOD)
- 2020 Cyber Resilience Leadership: Tone from the Top, Thailand Sustainable Banking 2018, Bank of Thailand
- Thailand Insurance Leadership Program, Office of Insurance Commission (OIC)
- 2020 Cybersecurity and privacy for BOD, Personal Data Protection Act, and Economic and Sectoral Outlook: A High-Frequency Data Perspective, TMB Bank Plc.

Positions in Other Listed Companies

Mar 2020 – Present

- Independent Director, Member of the Audit Committee, Chairman of the Compensation Committee, and Chairman of the New Business Committee, Thai Com Plc.

2019 – Present

- Independent Director, S&P Syndicate Plc.
- Startup Investment Committee, Bangchak Corporation Plc.

2017 – Present

- Advisor, Sansiri Plc.

Positions in Non-Listed Companies

Nov 2020 – Present

- Advisor, REX Co., Ltd.
- Expert (an entrepreneur of the private business), Committee for the Protection of Credit Information

Sep 2020 – Present

- Qualified Director, Sub-Committee of the National Committee on Competitive Advantage

Mar 2020 – Present

- The Qualified Expert Committee on Electronic Transactions Sector or Computer Science Sector of Supervision Committee– Electronic Transactions Development Agency, Ministry of Digital Economy and Society

2019 – Present

- Independent Director, Chairman of the IT Oversight Committee, Member of the Nomination, Remuneration and Corporate Governance Committee, and Member of the Risk Oversight Committee, Thanachart Bank Plc.
- Executive Director, Phuket Deep Sea Port Co., Ltd.
- Experts and Chairman of sub-committee of Risk Management, Pension Fund

2018 – Present

- Chairman, Thailand Management Association
- Director, Arcel Capital Co., Ltd.

2017 – Present

- Director and Managing Director, Celar Consulting Co., Ltd.
- Qualified Director of Economics, The National Digital Economy and Society Commission
- Chairman, Digital Economy Promotion Agency, The Government Complex

Work Experience

2018 – 2020

- Director, Committee to Drive Policy Implementation to Use Big Data, Data Center, and Cloud Computing
- Chairman, Thai Ackro Exchange Co., Ltd.
- Director, The Mall Group Co., Ltd.
- Director, The Mall Shopping Complex Co., Ltd.
- Director, BKT Holding Co., Ltd.
- Director, Northern Railway Park Co. Ltd.

2017 – 2020

- Director, The Committee of Mobilizing Reform according to the Thailand 4.0 Agenda

2019 – 2019

- Chairman of the Risk Oversight Committee, Thanachart Capital Plc.

2018 – 2019

- Director and Member of the Risk Management Committee, Thanachart Capital Plc.
- Director, Advance Power Conversion Co., Ltd.
- Chairman, Sub-committee on Digital Strategy for Capital Market, The Securities and Exchange Commission (SEC)

2017 – 2019

- Director and Member of the Executive Committee, Thanachart Insurance Plc.
- Advisor, The Securities and Exchange Commission, Thailand (SEC)

2017 – 2018

- Director and Member of the Executive Committee, Enter Solution Co., Ltd.
- Advisor, Bangchak Corporation Plc.

2014 – 2018

- Vice Chairman, Thailand Management Association

2016 – 2017

- Chairman, Kasikorn Business – Technology Group Co., Ltd.
- Director, Beacon Venture Capital Co., Ltd.

2013 – 2017

- Director and Managing Director, Kasikornbank Plc.
- Director, Muang Thai Group Holding Co., Ltd.

2014 – 2016

- Chairman, Kasikorn Leasing Co., Ltd.

2013 – 2016

- Chairman, Kasikorn Securities Plc.



Mr. Yokporn Tantisawetrat

Age 65 years old

Director

- Member of the Credit Committee
- Member of the Risk Oversight Committee

Date of Appointment - June 1, 2015

Education and Training Course

- Master of Economics, Thammasat University
- Bachelor of Economics, Chulalongkorn University
- National Defence College Program, Thailand National Defense College
- Advanced Management Program (AMP), Harvard Business School, USA
- Advanced Bank Management Program, Wharton School of the University of Pennsylvania, USA
- Advanced Bank Management Program, Asian Institute of Management
- IT Governance and Cyber Resilience Program, Advanced Audit Committee Program, Director Certification Program, Risk Management Program for Corporate Leaders, and Director Accreditation Program, Thai Institute of Directors Association (IOD)
- Bangkok Sustainable Banking Forum 2018, Bank of Thailand
- Project to build good governance capital market in honor at HM the King, SEC
- 2020 Cybersecurity and privacy for BOD, Personal Data Protection Act, and Economic and Sectoral Outlook: A High-Frequency Data Perspective, Cyber Resilience Leadership Seminar, Cyber Resilience Awareness, IFRS 9 Implication and Readiness, Recovery Planning, Inside Information and Data Privacy, Branding and NPS Update, and Sustainability Training, TMB Bank Plc.

Work Experience

- 2015 - 2019
 - Member of Board of Executive Directors, TMB Bank Plc.
- 2016 - 2017
 - Advisor, The Corporate Governance and Risk Management Committee, AP (Thailand) Plc.
- 2014 - 2015
 - Vice Chairman, Vina Siam Bank, Vietnam
- 2011 - 2015
 - Director, SCB Securities Co., Ltd.
- 2008 - 2015
 - Senior Executive Vice President, Chief Risk Officer, Risk Management Group, Siam Commercial Bank Plc.

Positions in Other Listed Companies

2017 - Present

- Independent Director, AP (Thailand) Plc.

2015 - Present

- Independent Director and Chairman of the Audit Committee, Banpu Power Plc.

Positions in Non-Listed Companies

Dec 2019 - Present

- Director, Member of the Credit Committee, and Member of the Risk Oversight Committee Thanachart Bank Plc.

2016 - Present

- Director, Kirloskar Brothers (Thailand) Limited
- Experts and Chairman of the Audit Committee, Office of the Securities Exchange Commission (SEC)



Mr. Somjate Moosirilert

Age 65 years old

Director

- Member of the Board of Executive Directors
- Member of the Nomination, Remuneration and Corporate Governance Committee

Date of Appointment - December 3, 2019

Education and Training Course

- Master of Management, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Bachelor of Business Administration, Thammasat University
- Senior Executive Program Certificate, Capital Market Academe (CMA)
- Role of the Chairman Program and Corporate Governance for Capital Market Intermediaries, Thai Institute of Directors Association (IOD)
- The Program for Senior Executives on Justice Administration, Judicial Training Institute, Courts of Justice
- TLCA Leadership Development Program (LDP), Thai Listed Company Association, The Stock Exchange of Thailand
- Thailand Sustainable Banking 2018, Bank of Thailand
- Anti Corruption for Executives 1/2014 and Anti-Corruption for Executives 2017, Thanachart Bank Public Company Limited
- 2020 Cybersecurity and privacy for BOD, Personal Data Protection Act, and Economic and Sectoral Outlook: A High-Frequency Data Perspective, TMB Bank Plc.

Positions in Other Listed Companies

Thanachart Capital Plc.

2019 - Present

- Chief Executive Officer

2013 - Present

- Member of the Risk Oversight Committee

2009 - Present

- Director and Member of the Executive Committee

Positions in Non-Listed Companies

Jan 2020 - Present

- Director and Member of the Executive Committee, Ratchathani Leasing Plc.

Dec 2019 - Present

- Chairman, TS Asset Management Co., Ltd.
- Director, Member of the Board of Executive Directors, and Member of the Nomination, Remuneration and Corporate Governance Committee, Thanachart Bank Plc.

2019 - Present

- Director, Thanachart SPV 1 Co., Ltd.
- Director, Thanachart SPV 2 Co., Ltd.

2017 - Present

- Vice Chairman, Thai Listed Company Association

2013 - Present

- Chairman of the Executive Committee, Thanachart Securities Plc.

2010 - Present

- Board Advisor, Association of Thai Securities Companies

2009 - Present

- Chairman, Thanachart Securities Plc.

Work Experience

Thanachart Fund Management Co., Ltd.

2013 - Jan 2020

- Chairman
- 2011 - Jan 2020
- Chairman of the Executive Committee

The Thai Bankers' Association

2018 - 2018

- Director

2016 - 2018

- Advisor

2011 - 2016

- Director

Thanachart Insurance Plc.

2014 - 2018

- Vice Chairman

2013 - 2018

- Vice Chairman of the Executive Committee

2010 - 2018

- Director and Member of the Executive Committee

Thanachart Bank Plc.

2012 - 2018

- Chairman of the Risk Management Committee

2011 - 2018

- Chief Executive Officer and President

2009 - 2018

- Director and Member of the Executive Committee

2011 - 2018

- Chairman and Chairman of the Executive Committee, TS Asset Management Co., Ltd.

2010 - 2018

- Senior Executive Vice President, Thanachart Capital Plc.

Thai Listed Company Association

2015 - 2017

- Vice Chairman Advisor

2011 - 2015

- Director and Vice Chairman

2014 - 2016

- Member of the Steering Committee, Sasin Graduate Institute of Business Administration of Chulalongkorn University



Mr. Prinya Hom-aneek

Age 51 years old

Independent Director

- Member of the Audit Committee
- Member of the Risk Oversight Committee
- Member of the IT Oversight Committee

Date of Appointment - December 17, 2019

Education and Training Course

- Honorary Doctorate Degree of Science, Rajamangala University of Technology Suvarnabhumi
- Master of Business Administration, Assumption University
- Bachelor of Engineering (Electrical Engineering), Chulalongkorn University
- Director Certification Program, Thai Institute of Directors Association (IOD)
- Certified Information System Security Professional (CISSP), International Information System Security Certification Consortium
- Certified Information System Auditor (CISA) and Certified in the Governance of Enterprise IT, ISACA
- Certified Fraud Examiner (CFE), Association of Certified Fraud Examiners
- 2020 Cybersecurity and privacy for BOD, Personal Data Protection Act, and Economic and Sectoral Outlook: A High-Frequency Data Perspective, TMB Bank Plc.

Work Experience

- 2019 - 2019
 - Member of the Risk Oversight Committee, Thanachart Capital Plc.
- 2018 - 2019
 - Independent Director and Member of the Audit Committee, Thanachart Capital Plc.
- 2015 - 2016
 - Qualified Committee, Anti-Money Laundering Office (AMLO)
- 2003 - 2014
 - Managing Director, ACIS Professional Center Company Limited

Positions in Other Listed Companies

- None -

Positions in Non-Listed Companies

Jan 2020 - Present

- Independent Director, Member of the Audit Committee, Member of the Risk Oversight Committee, and Member of the IT Oversight Committee, Thanachart Bank Plc.

2018 - Present

- Director and Member of the Executive Committee, Intelligent Data Analytic Co., Ltd.

2017 - Present

- Director and Secretary, Thailand Information Security Association
- Trainer, Thai Institute of Directors Association

2015 - Present

- Director and Member of the Executive Committee, Cybertron Co., Ltd.
- Advisor, Boonrawd Trading Co., Ltd.

2003 - Present

- Chairman and Member of the Executive Committee, ACIS Professional Center Co., Ltd.



Mr. Michal Jan Szczurek

Age 49 years old

Director

- Member of the Board of Executive Directors
- Member of the IT Oversight Committee

Date of Appointment - December 17, 2019

Education and Training Course

- Master of Economics, Warsaw University
- Bachelor of Economics, Columbia University
- General Management Programme (GMP), European Centre for Executive Development (CEDEP)
- 2020 Cybersecurity and privacy for BOD, Personal Data Protection Act, Economic and Sectoral Outlook: A High-Frequency Data Perspective, TMB Bank Plc.

Work Experience

- 2012 - 2019
 - Chief Executive Officer (Executive), ING Bank N.V., Bucharest Branch
- 2009 - 2012
 - Chief Retail Banking Officer (Executive), TMB Bank Plc.
- 2004 - 2009
 - Head of Retail (Executive), ING Bank N.V., ING Bank Slaski S.A.

Positions in Other Listed Companies

2017 - Present

- Member of Supervisory Board, ING Bank Slaski S.A.

Positions in Non-Listed Companies

Dec 2019 - Present

- Director, Member of the Board of Executive Directors, and Member of the IT Oversight Committee, Thanachart Bank Plc.

2019 - Present

- Head of Challengers and Growth Markets, Asia (Executive), ING Bank N.V., Hong Kong Branch



Mrs. Chananyarak Phetcharat

Age 57 years old

Independent Director

- Member of the Audit Committee
- Member of the IT Oversight Committee

Date of Appointment - April 1, 2020

Education and Training Course

- Master of Management Information System, University of West Virginia, USA
- Bachelor of Business Management (Accounting), Ramkhamhaeng University
- Special Management Program, Marshall University, USA
- Senior Executive Program Certificate, Capital Market Academy (CMA)
- Director Accreditation Program and Director Certification Program, Thai Institute of Directors Association (IOD)
- Enhancing the Competitiveness of Thai Companies, Thailand Listed Company (TLCA) and International Institute for Development Management (IMD) Switzerland
- Berkeley Executive Coaching Certification, Berkeley Executive Coaching institute (BEIC)
- Leadership Succession Program (LSP1), Institute of Research and Development for Public Enterprises
- Executive Development Program (EDP6), Thailand Listed Company Association (TLCA)
- 2020 Cybersecurity and privacy for BOD, Personal Data Protection Act, and Economic and Sectoral Outlook: A High-Frequency Data Perspective, TMB Bank Plc.

Positions in Other Listed Companies

Mc Group Plc.

2019 - Present

- Chief Executive Officer

2015 - Present

- Director and Member of Risk Management Committee

Total Access Communication Plc.

2017 - Present

- Member of the Corporate Governance Committee and Member of Remuneration Committee

2013 - Present

- Chairman of the Corporate Governance Committee

2011 - Present

- Independent Director

Positions in Non-Listed Companies

Apr 2020 - Present

- Independent Director, Member of the Audit Committee, and Member of the IT Oversight Committee, Thanachart Bank Plc.

2015 - Present

- Director, Thailand Listed Company Association

2014 - Present

- Director, DTAC TriNet Co., Ltd.

2003 - Present

- Director, Thaek International Co., Ltd.

Work Experience

2008 - 2019

- Managing Director, DHL Express International (Thailand) Co., Ltd.

- Director, DHL Express (Thailand) Co., Ltd.

2004 - 2008

- Country Manager, Mobile Devices Sector, Motorola (Thailand) Co., Ltd.



Mr. Piti Tantakasem

Age 50 years old

Director and Chief Executive Officer

- Member of the Board of Executive Directors
- Member of the Credit Committee
- Member of the Risk Oversight Committee
- Member of the IT Oversight Committee

Date of Appointment - January 1, 2018

Education and Training Course

- Doctor of Philosophy (Ph.D.), Business Administration, Bangkok University in Collaboration with The University of Nebraska-Lincoln, USA
- Master of Business Administration, The University of North Carolina at Chapel Hill, USA
- Bachelor of Engineering (Industrial Engineering), Chulalongkorn University
- Senior Executive Program Certificate, Capital Market Academy (CMA)
- The Executive Program in Energy Literacy for a Sustainable Future, Thailand Energy Academy
- Chartered Financial Analyst, CFA Institute
- Financial Derivatives, EuroMoney Training
- Executive Education: Building Leading Customer-Centric Organization
- Director Certification Program, Boards that Make a Difference, and Anti-Corruption for Executive Program, Thai Institute of Directors Association (IOD)
- Bangkok Sustainable Banking Forum 2018, Bangkok Sustainable Banking Forum 2019, Bank of Thailand
- 2020 Cybersecurity and privacy for BOD, Personal Data Protection Act, and Economic and Sectoral Outlook: A High-Frequency Data Perspective, Cyber Resilience Leadership Seminar, Cyber Resilience Awareness, IFRS 9 Implication and Readiness, Recovery Planning, Inside Information and Data Privacy, Branding and NPS Update, and Sustainability Training, TMB Bank Plc.

Positions in Other Listed Companies

- None -

Positions in Non-Listed Companies

Dec 2019 - Present

- Director, Member of the Board of Executive Directors, Member of the Credit Committee, Member of the Risk Oversight Committee, and Member of the IT Oversight Committee, Thanachart Bank Plc.

2009 - Present

- Director, National ITMX Co., Ltd.

1996 - Present

- Director, Tiyana Co., Ltd.

Work Experience

PTT Exploration and Production Plc.

2017 - 2017

- Member of the Nomination Committee

2016 - 2017

- Chairman of the Nomination Committee

2015 - 2017

- Member of the Risk Management Committee

2014 - 2017

- Independent Director
- Member of the Corporate Governance Committee

TMB Bank Plc.

2017 - 2017

- Chief Financial Officer

2008 - 2017

- Chief Wholesale Banking Officer

Office of the Public Sector Development Commission (OPDC)

2016 - 2017

- Sub-committee Member, Public Sector Development Commission Sub-committee on Public Finance and Budgeting Development
- Senior Expert Committee, Senior Expert Committee in Organizational Psychology on the Committee of the Public Sector Development Commission

State Railway of Thailand (SRT)

2017 - 2017

- Chairman of Sub-committee, Financial and Accounting Sub-committee

2016 - 2017

- Director
- Honorary Member, Office of the Energy Conservation Promotion Fund Management Sub-committee

2014 - 2016

- Sub-Committee Member, Project Sub-Committee, Thailand Board of Investment (BOI)

2011 - 2015

- Director, TRIS Corporation Limited and TRIS Rating Co., Ltd.

Chief Profile



Mr. Piti Tantasem

Age 50 Years

Chief Executive Officer

Mr. Praphan Anuponggarch

Age 57 Years

President

Education

- Doctor of Philosophy (Ph.D.), Business Administration
Bangkok University in Collaboration with
University of Nebraska-Lincoln, USA
- Master of Business Administration (MBA), Finance
University of North Carolina at Chapel Hill, USA
- Bachelor of Engineering, Industrial Engineering
Chulalongkorn University

Work Experience

- Jan 2018 - Present
Chief Executive Officer
TMB Bank Plc.
- May - Dec 2017
Chief Financial Officer
TMB Bank Plc.
- 2008 - Apr 2017
Chief Wholesale Banking Officer
TMB Bank Plc.
- 2007 - 2008
First Senior Vice President
Head of Large Corporate Client
KASIKORNBANK PCL.

Education

- Master of Business Administration (MBA)
National Institute of Development Administration
- Bachelor of Business Administration (Marketing)
Sukhothai Thammathirat Open University
- Bachelor of Science (Mathematics)
King Mongkut's Institute of Technology Thonburi

Work Experience

- Jan 2020 - present
President
TMB Bank Plc.
- 2019 - Dec 2019
Chief Executive Officer and President
Thanachart Bank Plc.
- 2014 - 2018
Executive Vice President
Automotive Lending
Thanachart Bank Plc.
- 2010 - 2014
Executive Vice President
Secured Lending and Deposits
Thanachart Bank Plc.



Mr. Anuwat Luengtaweekul

Age 57 Years

Chief Retail Banking Officer

Education

- Master of Business Administration (MBA)
Rangsit University
- Bachelor of Science (Accounting)
Kasetsart University

Work Experience

- Jan 2020 - present
Chief Retail Banking Officer
TMB Bank Plc.
- 2018 - 2019
Executive Vice President
Retail and Small Business Banking
Thanachart Bank Plc.
- 2017 - 2018
Executive Vice President
Retail and Small Business Distribution
Thanachart Bank Plc.
- 2009 - 2017
Executive Vice President
Chief Financial Officer
Thanachart Bank Plc.

Mr. Pompert Rasanon

Age 56 Years

Chief Automotive Lending Officer

Education

- Master of Business Administration (MBA)
Phranakhon Rajabhat University
- Bachelor of Business Administration
Ramkhamhaeng University

Work Experience

- Jan 2020 - present
Chief Automotive Lending Officer
TMB Bank Plc.
- 2019 - Dec 2019
Executive Vice President
Automotive Lending
Thanachart Bank Plc.
- 2015 - 2018
Executive Vice President
Sales Network-Automotive Lending
Thanachart Bank Plc.
- 2015 - 2015
Senior Vice President
Sales Network-Automotive Lending
Thanachart Bank Plc.

Mr. Senathip Sripaipan

Age 49 Years

Chief Commercial Banking Officer

Education

- Master of Business Administration (MBA)
University of North Carolina at Chapel Hill, USA
- Master of Science, Computer Information Systems
Assumption University
- Bachelor of Engineering, Engineering
Chulalongkorn University

Work Experience

- Jan 2020 - present
Chief Commercial Banking Officer
TMB Bank Plc.
- 2017 - 2019
Chief Wholesale Banking Officer
TMB Bank Plc.
- 2012 - 2017
Managing Director
S Ventures Co., Ltd.
- 2007 - 2017
Managing Director
Business Navigator Consulting
- 2005 - 2006
Senior Consultant
Bain & Company (Southeast Asia)



Mr. Johannes Franciscus Grisel

Age 61 Years

Chief Risk Officer

Mrs. Prapasiri Kositthanakorn

Age 56 Years

Chief Financial Officer

Mr. Markus Dolenga

Age 50 Years

Chief Technology
and Operating Officer

Education

- Master of Business Administration
Nyenrode University, The Netherlands
- Bachelor of Business Administration
Hogeschool Nyenrode, The Netherlands

Work Experience

- 2018 - Present
Chief Risk Officer
TMB Bank Plc.
- 2017 - 2018
Chief Operation Officer – Risk
ING Bank N.V., Amsterdam
The Netherlands
- 2015 - 2018
Director, Chairman of the Risk Management
Committee, and Member of the Credit Committee,
TMB Bank Plc.
- 2016 - 2017
Head of Corporate Operational Risk Management
ING Bank N.V., Amsterdam
The Netherlands

Education

- Master of Business Administration (MBA)
Assumption University
- Bachelor of Business Administration
(Magna Cum Laude), Assumption University
- Diploma in Auditing, Thammasat University
- Certified Public Accountant

Work Experience

- Apr 2018 - Present
Chief Financial Officer
TMB Bank Plc.
- 1998 - 2018
Partner, PricewaterhouseCoopers Legal
and Tax Consultants Ltd.
- 1994 - 1997
Assistant Vice President
Investment Banking Department
The Industrial Finance Corporation of Thailand
- 1991 - 1994
Assistant Vice President
Corporate Finance Department
Morgan Grenfell Thai Company Limited

Education

- Business Diploma, Industrie-und
Handelskammer, Germany

Work Experience

- Jan 2020 - present
Chief Technology and Operating Officer
TMB Bank Plc.
- May - Dec 2019
Chief Operating Officer
TMB Bank Plc.
- 2016 - 2019
COO Asia, Middle East and India
Jardine Lloyd Thompson Asia
- 2013 - 2015
COO Asia Pacific, Managing Director
Marsh (Singapore) Insurance Brokers Pte Ltd



Mrs. Vijitra Thumpothong

Age 58 Years
Chief People Officer

Mrs. Pittimart Sanguansook

Age 56 Years
Chief Audit Officer

Mrs. Kanchana Rojvatunyu

Age 55 Years
Chief Marketing Officer

Education

- Master of Accounting
Thammasat University
- Bachelor of Accounting
Thammasat University

Work Experience

- Jan 2020 - present
Chief People Officer
TMB Bank Plc.
- 2018 - 2019
Executive Vice President
Chief Human Resources Officer
Thanachart Bank Plc.
- 2011 - 2017
Executive Vice President
Chief Auditor
Thanachart Bank Plc.
- 2007 - 2011
First Senior Vice President
Internal Audit Division Head
Siam Commercial Bank PCL

Education

- Bachelor of Accounting
Thammasat University
- Graduate Diploma in Auditing
Thammasat University

Work Experience

- May 2020 - present
Chief Audit Officer
TMB Bank Plc.
- 2017 - 2020
Chief Finance Officer
Thanachart Bank Plc.
- 2016 - 2017
Senior Vice President (SVP), Finance
Thanachart Bank Plc.
- 2013 - 2016
Senior Vice President (SVP), Accounting
Thanachart Bank Plc.

Education

- Master of Business Administration (MBA)
Sasin Graduate Institute of Business Administration of
Chulalongkorn University
- Master of Science, Asian Institute of Technology
- Bachelor of Science (Physics), Kasetsart University

Work Experience

- Jan 2020 - present
Chief Marketing Officer
TMB Bank Plc.
- 2017 - 2019
Head of Corporate Branding and Communication
TMB Bank Plc.
- 2014 - 2016
Head of Branding and Marketing
Siam Commercial Bank PCL
- 2008 - 2014
Head of Retail Marketing
TMB Bank Plc.

Management Team

As of 31 December 2020

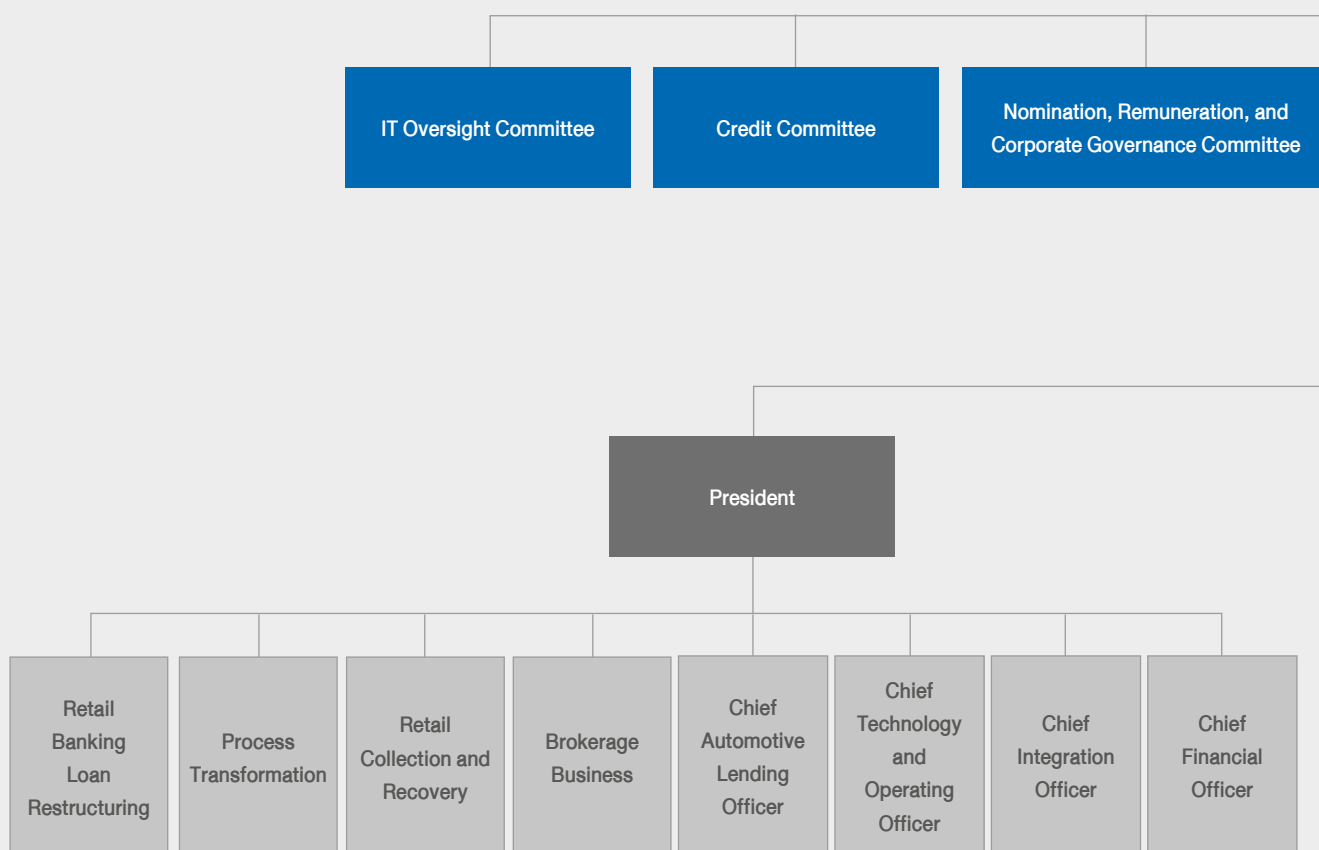
Chief Executive Officer	
Mr. Naris Aruksakunwong	Head of Strategy
Mr. Naris Sathapholdeja	Head of TMB Analytics
Mr. Kriangkrai Phurivitvattana	Head of Corporate Counselor
Mr. Robert Mihai Anghel	Head of Digital
Mr. Vikran Paovarojkit	Head of Special Advisory Banking Services
Mr. Suttichai Tiranuchit	Head of Special Advisory Banking Services - Corporate Banking 1
Mrs. Salin Katinasmith	Head of Special Advisory Banking Services - Corporate Banking 2
Mr. Thanawat Veerachayapornkul	Head of Special Advisory Banking Services - SME
Mr. Prompong Pattanateeradej	Head of Special Advisory Banking Services - Strategy and Portfolio Management
President	
Mr. Niti Sirovetnukul	Head of Retail Collection and Recovery
Mr. Ekasith Saktanakorn	Head of Brokerage Business
Mr. Krittapol Nontakrew	Head of Retail Banking Loan Restructuring
Chief Risk Officer	
Miss Luiza Karolina Rosinska	Head of Risk Policy & Credit Risk Intelligence
Mr. Woraboon Chinwatanakit	Head of Market Risk Management
Mr. Johannes A.C. Duivenvoorden	Head of Corporate Operational Risk Management
Mr. Kittichai Singha	Head of Compliance
Mrs. Suvannee Kam	Head of Legal
Mr. Ekanat Kieatinapasin	Head of Commercial Credit Risk Management
Mrs. Etelka Dallon	Head of Retail Credit Risk Management
Mrs. Chirdprapa Chaladsoontornvatee	Head of Credit Restructuring Underwriting
Mr. Varoon Kanjanapoo	Head of Market Conduct Risk Management
Chief Financial Officer	
Miss Somkid Preechasammakul	Head of Finance Business Partner
Mr. Mate Kanokpibool	Financial Controller
Mr. Andrew Kent Jan	Head of Balance Sheet Management
Mr. Jarachai Boworntammarat	Head of Finance Business Intelligence
Chief Audit Officer	
Mr. Sunthorn Ruckpanich	Head of Audit Oversight and Integration
Chief Automotive Lending Officer	
Mrs. Siripun Prungsin	Head of Automotive Lending Wholesale
Mr. Surasak Aptagama	Head of Automotive Lending Sales Network
Mr. Chatcharit Tungtakengkiat	Head of Automotive Lending Product
Dr. Benjarong Suwankiri	Head of Automotive Lending Business Strategy
Chief Commercial Banking Officer	
Mr. Weerachai Amornrat-Tana	Head of Military Public Sector and Non Profit Organization Relationship Management
Mr. Pirapong Nithikraiwit	Head of Commercial Credit Product
Mrs. Jullada Sukitjavanich	Head of Commercial Banking Segment
Mr. Yongyoot Luangrattanamart	Head of Investment Banking

Mr. Saranya Phuphatana	Head of Global Markets and Transaction Banking
Miss Busarat Bencharongkul	Head of Global Markets and International Transaction Banking Sales
Mrs. Kanokporn Jootar	Head of Domestic Transaction Banking
Mr. Smart Saensuk	Head of Capital Market Origination
Mr. Wisoot Tangadunrat	Head of Commercial Banking Customer Relationship Management
Mr. O-Larn Sukalavanij	Head of Business Banking Customer Relationship Management
Miss Sukanya Treesanaejit	Head of SME Customer Relationship Management
Mrs. Chantachuen Khaomali	Head of Corporate Banking Customer Relationship Management and Partnership Development
Mr. Alexander Nondh Langfeldt	Head of Commercial Banking Customer Relationship Management
Chief Retail Banking Officer	
Mr. Songwut Chaowalit	Head of Branch Banking Distribution
Mrs. Natthawan Apiratanapimolchai	Head of Retail Segment
Ms. Kanokwan Phetpisitchot	Head of Primary Bank Products
Mr. Jaray Jianthanakanon	Head of Retail Lending Products
Miss Nantawan Suri	Head of Retail Omni Channel Strategy and Experience
Mr. Peerapatana Ketboonchoo	Head of Retail Omni Channel Strategy and Incentive and Campaign Management
Mrs. Pachana Rujirek	Head of Retail Alternative Sales Channels
Mr. Isanan Vachiratamma	Head of Small Business Relationship Management
Mr. Jakrpant Jarutirasarn	Head of Small Business Relationship Management
Mr. Yuenyong Songsiridej	Head of Wealth Banking
Mr. Wichak Praditavanij	Head of Retail Advisory and Sales Line
Mr. Sunan Amhiran	Head of Secured Loan Sales
Mrs. Sangsom Songmanee	Head of Secured Loan Sales
Mr. Chavamon Vinjitrongjit	Head of Retail Partnership Business Products
Mrs. Kidakarn Chudsuan	Head of Mutual Fund Products
Chief Technology and Operating Officer	
Mrs. Rattana Arkachaisri	Head of Operations and Services
Mr. Saengsoon Saengprasit	Head of Program Management Office
Mr. Sutthikan Rungsrithong	Head of Information Technology
Ms. Dounjan Saenim	Head of IT Management
Mr. Sahachai Limamphai	Head of Digital Experience Solution
Mr. Boonsong Teachakidatikul	Head of Digital eBanking Service Solution
Mr. Samuel Anthony Dotro	Head of Enterprise Architecture and Security Office
Chief Marketing Officer	
Miss Nuntaporn Tangcharoensiri	Head of Retail Marketing and Customer Experience
Chief Integration Officer	
Miss Waranee Wanrat	Head of Integration Office
Mr. Maximilian Hempel	Head of Integration Office
Mr. Rachakorn Chayapirad	Head of Integration Office



Details of executive officers could be found in the Bank's website www.tmbbank.com in "About TMB" or scan the QR Code

Organization Chart



Date as of December 31, 2020

Board of Directors

Board of Executive Directors

Risk Oversight Committee

Audit Committee

Chief Executive Officer

Chief Audit Officer

Chief Retail Banking Officer

Chief Commercial Banking Officer

Chief Risk Officer

Chief People Officer

Chief Marketing Officer

Strategy

Special Advisory Banking Services

TMB Analytics

Corporate Counselor

Digital

Thai Economy and Banking Industry

Thai Economy in 2020

COVID-19 pandemic dragged Thai economy to the sharpest contraction since Asian financial crisis

In 2020, Thai economy faced severe challenges from COVID-19 pandemic crisis. In the first half of the year, domestic activities got negative impacts from strictly imposed lockdown measures both domestically and internationally, aiming to control the widespread. This could be represented by the numbers of foreign tourists which remained at zero bound for 6 consecutive months (from April to September). Regarding the impact on business sectors, the measure severely affected tourism-related businesses, particularly hotels, restaurants and transports. Likewise, export sectors were negatively affected. This can be stated by the values of Thai merchandise exports in dollar term in the first 6 months dropped by 7.1% compared to the same period last year, due to decelerating growth in trading partners' demands and partly supply chain disruptions in foreign countries especially in automobile industry. This further passed its negative impacts on Thai domestic activities. With respect to private consumption, it decreased by 6.7% in the second quarter due to fragile purchasing powers from temporary shutdowns of those businesses under high risk of outbreaking, posing severe impacts on several businesses' employments. In the second quarter, the numbers of unemployed rose to 730 thousand persons, doubling from the same period last year. According to private investment, it severely contracted in accordance with the plummet in merchandise exports and feeble private consumption. However, government launched relief measures, amounting to THB 100 billion, for those impacted groups, including employees, self-employed, farmers and other fragile groups. With such measures, they helped sustain private consumption and prevent it from a massive decline but could not compensate for suddenly stumbling of other economic activities. Consequently, Thailand' GDP in second quarter contracted at 12.2%, contributing to the drop of 6.9% in the first half.

For the second half of the year, owing to effective disease controlling, the lockdown measures were eased both domestically and internationally. Economic activities thus could resume normal functions, reflected by less contractions in nearly all macroeconomic indicators. Private consumption contracted with a lesser degree in the third quarter and turned to a positive degree at 0.9% in the fourth quarter with supports from gradual improvement in consumer confidences and government's stimulus measures namely half-half copayment scheme, tax rebate scheme and we travel together. In the meantime, private investment registered a less contracting figure of 6.7%, attributing to an improvement in machinery and equipment investment particularly in automobile industry. Furthermore, foreign demands also came with better signals. The value of merchandise exports came with less degree of contraction at 5.0% in line with gradual recovery of trading partners' demands, led by electrical appliances, automobiles, and electronic parts. Nonetheless, tourism sector was continually in weak condition because of persisting international travel restriction. Even though with partly restriction relaxation through Thailand's Special Tourist Visa scheme, the number of inbound tourists still recorded a little figure. With improvement in economic components, Thai economy became less declining in second half of the year with the registered number of 5.2% of its contraction and annually dropped by 6.1% compared to the growth of 2.3% in 2019.

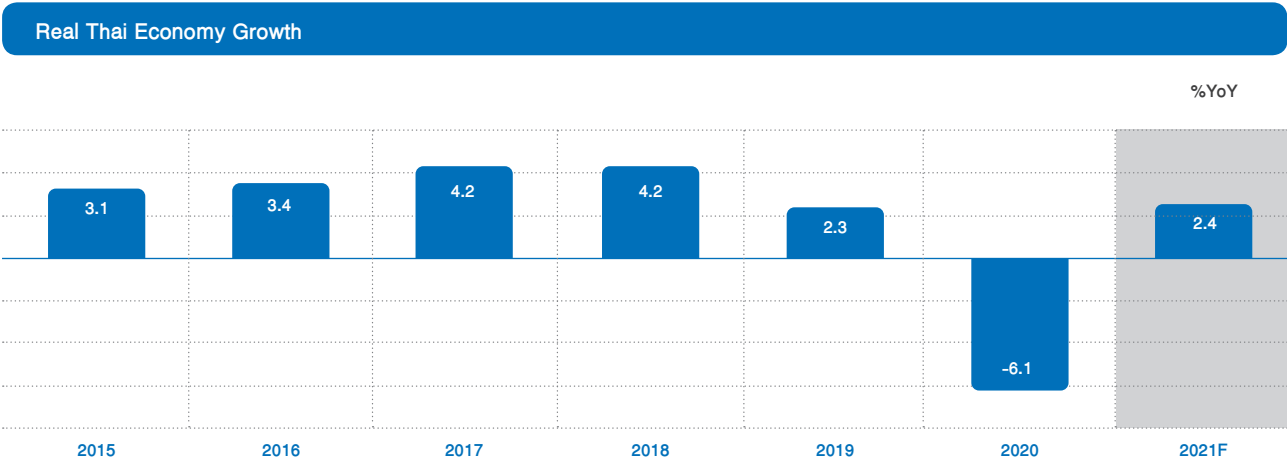
Economic Outlook for 2021

A new round of domestic COVID-19 outbreak put pressure Thailand's recovering path

In 2021, Thai economy is projected to continuously encounter uncertainty and challenges, particularly from the potential new rounds of COVID-19 outbreaks both in Thailand and other countries. Thai economy will thus possess a slower recovery path. Even though, with the positive factors of less restriction in outbreak controlling measures compared to that in last year and inoculations already taking place in several nations leading to the new round outbreak become less severe, there will be a further drag on already feeble economic recovering momentum and turn economy to a weaker recovering path. TMB Analytics accordingly forecasts that

Thai economy in 2021 will steadily expand by 2.4%, of which its main driver would be government spending especially through continuously launched stimulus programs. This is either by extending the executing periods of launched programs last year, namely second phase copayment scheme, we travel together or by introducing new relief measures for broader range of impacted groups, amounting to more than THB 250 billion, such as those labors under 33 Article. It is estimated to sustain, but not accelerate, private consumption growth due to prevailing drags from softer purchasing powers and fragile labor market. The Bank of Thailand thus estimated that the new round of domestic outbreak would pose additional risk on more than 4.7 million labors, who are mostly in hotel businesses, retailers, and restaurants. Furthermore, Public investment is expected to continuously progress, mainly the EEC infrastructure projects which are about to begin the construction phase within this year. This would yield further supports on private investment to move in line with gradual rebound of production capacity in several industries with respect to higher demands in pandemic prevention products and working from home essentials. About merchandise exports, it is projected to turn positive number due to better global trade and investment surroundings. However, it will be with the limited extent of 3.4% growth figure owing to remaining uncertainty in global economic recovery and Thai baht appreciation trend. On the contrary, tourism sector would still encounter the main challenges in foreign tourist rebounds, which significantly depend on border openness in both Thailand and original countries, global COVID-19 situation development as well as effectiveness and availability of vaccine. For Thailand, there is an inoculating target of 50 percent population within 2021. Accordingly, inbound foreign tourists are projected to be only 3.5 million persons for 2021, causing employment and tourism-related businesses to remain in fragile condition.

Regarding financial market, the Monetary policy committee would maintain the policy rate at 0.5% throughout the year to provide supports for Thailand’s economic recovery under high uncertainty and deteriorating qualities in household debts. For Thai baht, it is projected to continue in an appreciating trend due to US dollar depreciation, foreign capital inflows and economic structural issues arising from persisting current account surplus partly due to low domestic investment. TMB Analytics thus projected Thai baht to move between 29.5 to 30.5 baht per dollar in 2021.



Source: NESDB and TMB Analytics

Thai Commercial Banks in 2020

Commercial banks had weaker growth as loan expansion deaccelerated from the COVID-19 crisis that slowed down Thai economy. Credit expanded at a slower pace than deposits. This caused L/D ratio to decrease from 96.5% in 2019 to 87.0%. Liquidity in Thai banking system at year-end stood at THB 4.2 trillion, growing from THB 3.8 trillion from the same period last year. Total assets of domestically registered commercial banks rose 8.2% to THB 19.9 trillion.

Commercial banks' total loans in 2020, stood at THB 14.2 trillion, expanding by 5.2% compared to 2019. Large corporate loan growth expanded at 13.1%, mostly in services, commerce, and manufacturing, because weak bond market and low interest rate induced corporates to move away from corporate debt market. Small and Medium Enterprise (SME) loan contracted due to economic impacts from countrywide lockdown by 2.8%. Consumer loans in all portfolios (mortgage, hire purchase, credit card, personal loans) grew at slower rates.

MLR of the five largest commercial banks were averaged at 5.42% at the end of 2020, dropping from the previous year from rate cuts in which BOT lowered the policy rate from 1.25% to 0.50% at the end of December 2020 to support the economy. Commercial banks lowered their lending rates to mitigate the interest burden of their customers especially for SMEs, who were impacted the most from the economic slowdown. They also cut deposit rates as well. As a result, the spread between MLR and 12-month time deposit rate increased to 495 basis points.

In 2020, commercial banks' deposits grew 21.5% from last year to THB 16.3 trillion mainly from saving deposits. Consequently, the share of current and saving deposits was significantly increased to 73% from 60% of total deposit last year. Five largest banks' average time, current, and saving deposits interest rates dropped following decreases in the policy rate.

Total NPLs (gross NPLs) of commercial banks as of December 2020 increased from THB 465 billion to THB 523 billion from the same period last year. NPL ratio increased by 14 basis point and remained elevated at 3.1%. It was largely driven by NPLs from SMEs loans, especially in manufacturing and service businesses as a result of the economic slowdown. Retail's NPL ratio dropped slightly to 2.8%. The decrease was from mortgage and hire purchase loans due to debt restructuring and measures from commercial banks.

The net profit of commercial banks registered in Thailand stood at THB 132 billion in 2020, decreased by THB 121 billion or 48% from last year due to high provisions against economic risks that increased 42% from the previous year. Net interest income increased from lowering interest payments. Fee and service income declined from money transfer and commission fees.

Trend of Commercial Banks in 2021

Loan and Deposit Trend

The commercial banking industry in 2021 is expected to recover in line with Thai economic recovery from COVID-19 outbreak. This is due to growth in exports which should follow returning international demands. Private consumption should resume this year with supports from government policies. However, tourism might remain weak due to the closure of Thai border, affecting tourism and service businesses.

Corporate loan tends to grow in alignment with demands for working capital, but at a slower rate than growth in 2020. Recovery in bond market should encourage large corporates to return to issue more corporate bonds this year. Loan for SMEs will accelerate from the previous year from economic recovery. Credit quality continues to deteriorate from tourism industry that still faced impacts from a closure of Thai border. Weak economic returns in service and tourism industries cause commercial banks to be more cautious in loan approval especially for SMEs.

Consumer loan, credit card and personal loan are estimated to return this year. Changing behaviors during COVID-19 outbreak and cautious loan approval caused weak loan growth last year. Economic recovery should support growing households' demands for liquidity. However, the credit standard could be tightened amid concerns over households' debt serviceability. In addition, the growth of mortgage loan and car loan should accelerate after a drop in previous year.

Deposits are likely to decelerate partly because of returning economic activities. Also, given a low interest rate level, low returns from deposits will encourage depositors to allocate their savings to other financial products with higher returns than term deposit, which offers low interest rate particularly after policy rate cuts in 2020. Additionally, the slow increase in loan growth together with prevailing high liquidity will not lead to intense deposit competition.

Ongoing Challenges in Banking Business in 2021

1. Digital Banking & Digital Lending

After commercial banks have invested in digital infrastructure to reduce operating costs and provide greater opportunity of wider customer reach, banks now began to utilize detailed data extracted from digital platform to provide a financial product that satisfy customer's needs with prompt response as well as enhancing more efficiency in risk management. The product is digital lending which continued to grow after Bank of Thailand allowed financial institutions both bank and non-bank to acquire licenses to operate. Digital lending help customers with unreliable sources of income to provide substantial supporting evidence to apply for loans. Digital information such as utility bills and online transactions can be used as supporting evidence.

2. National Digital ID (NDID) Platform

National Digital ID is a new online cross-bank identity verification which offers a new choice that the customers do not have to present him/herself right at the bank. In other way, they can however request the original bank, which their identification process with the bank had been already once done, to send the identification data to a new bank instead (Authentication). This will significantly cut the numbers of related documents and redundant working process, especially between the banks. Accordingly, it will reduce operating cost and provide more convenient financial services for people and businesses in a timely manner and with global-standard safety. This thus helps enhancing the ease of doing business in Thailand in another way. In the first phase, the verification platform will be applied only in opening bank accounts and loan approval. Later, in the second phase, it is expected to be wider used in opening portfolio account, mutual fund and insurance services for those foreigners as well as corporate.

3. e-Marketplace Platform

Commercial banks and financial institutions are prone to expand their roles as online platform service providers whose the platform will be a place for exchanging goods and services as well as full digital payment service (e-Marketplace Platform). This is in order to respond to the change in customers' behaviors in online shopping. The BOT has already approved the guideline for the bank and financial institutions engaging in e-marketplace since 2018.

4. National e-Payment

National e-payment is a national agenda so as to promote standardized and modern electronic payment system that will help cutting transaction costs in the economy. Thai commercial banks are therefore expected to continue promoting Prompt Payment (PromptPay) services, EDC usage and expanding QR code payment. In most recent period, Thai government has already utilized more e-Payment platform for tax rebating and cash transferring in welfare scheme for Thais through Prompt Payment system. Moreover, the stock exchange of Thailand has introduced the initiated payment system for capital market, supporting the payments in security transactions between investors and asset management firms. This can satisfy the condition that the original account and the destination ones are in different bank as well as help reducing the systemic risk in payment system. In longer run, there will be further service launched for wider ranges of transactions such as dividend payment for stockholders and security orders payment in mutual fund.

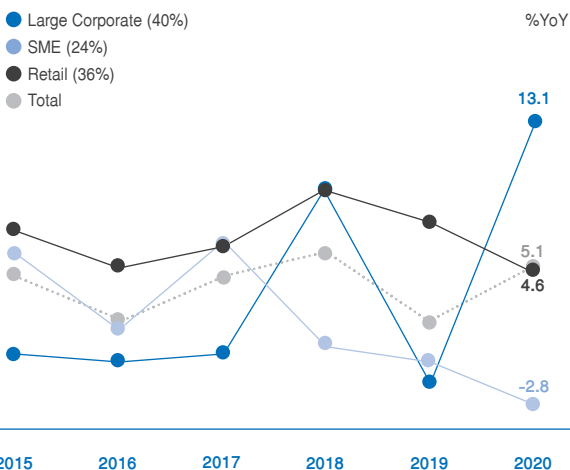
5. Financial Technology

Fund raising through venture capital supports the setups of Fintech firms, which their figures have rose sharply with the capacity of wider service offering ranging from money transfer, payment, investment to insurance services. Incorporating new technology, this enable banks to satisfy their customers' financial service needs with new products in a timely manner. Commercial banks are now interested to invest in blockchain and Defi (Decentralized Financial system) which are considered as non-traditional competitors of the banking system in the future. Looking forwards, the cooperation between bank and Fintech firms will accordingly be prominent. This would result in bringing together the strength of bank in wide customers base and Fintech firm in advance technology capacity to offer better financial services for customers with more efficiency.

6. Regional Partnership and Expansion

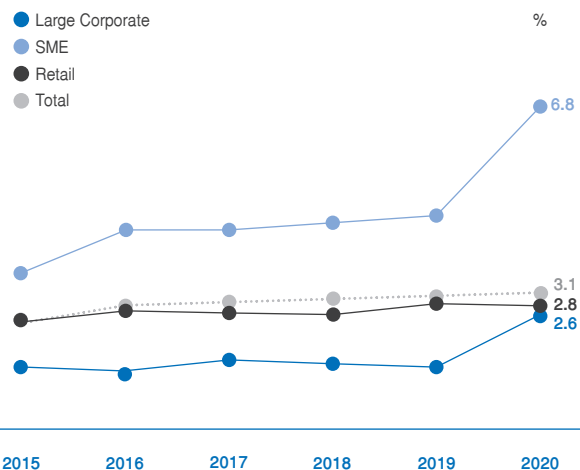
Thai commercial banks began to expand in the ASEAN region through acquisition of foreign banks and financial services. Partnership building among ASEAN banks through the establishment of QABs (Qualified ASEAN Banks) along with the guideline of financial services liberalization will help reducing obstacles for Thai commercial banks in doing business in the region and for those Thai business sectors to gain more easy access in trade and investment within the region.

Banking Industry: Loan Growth



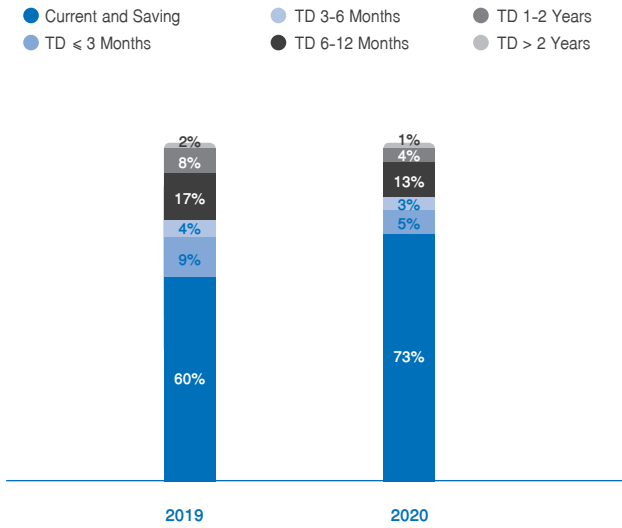
Source: Bank of Thailand

Banking Industry: NPL Ratio



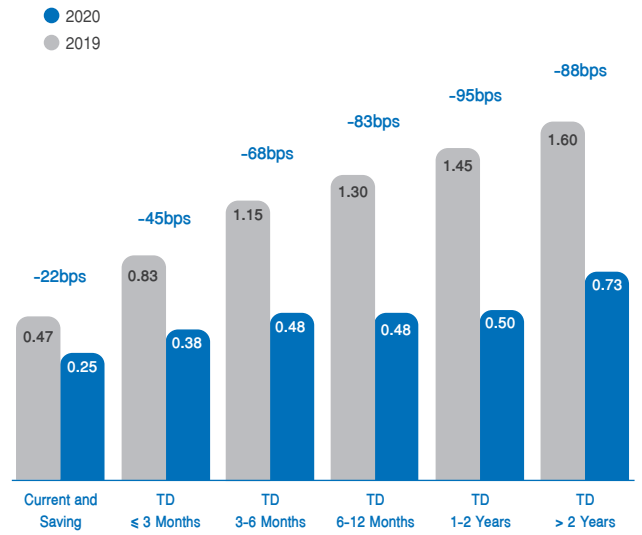
Source: Bank of Thailand

Banking Industry: Composition of Deposits by Maturity



Source: Bank of Thailand

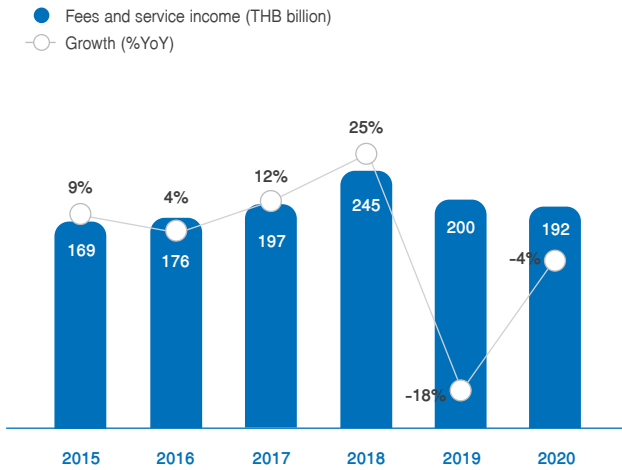
Banking Industry: Average Interest Rate by Maturity



*Average from 5 largest commercial banks' rates

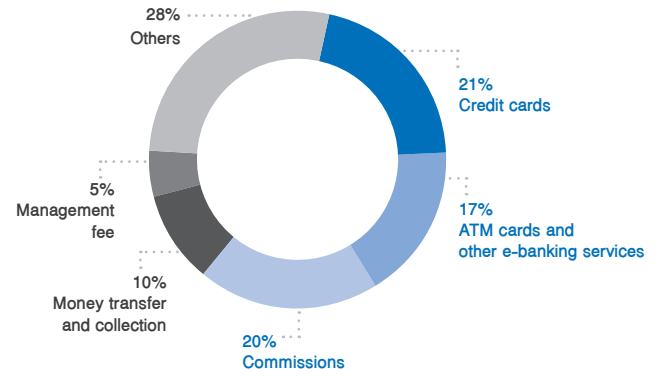
Source: CEIC

Banking Industry: Fee Income



Source: Bank of Thailand

Banking Industry: Fee Income Structure



Source: Bank of Thailand

Strategy and Business

Brand Aspiration

TMB helps people achieve better financial well-being

Our Brand

Make REAL Change

Rooted in core brand DNAs:

- **Challenge status quo** - Question the standard, explore new ideas, push the boundaries
- **Purposeful** - Passionate, meaningful change, create positive impact
- **Strive for the best** - Thirst for excellence, attention to detail, deliver finest solution
- **Genuine** - Fair, transparent, customers' interests at heart
- **Caring** - Listen, empathy, look after, attentive

How We Plan to Deliver - TMB Strategic Intent

Customer Centricity

TMB places emphasis on the customer at a center of business operation by gathering and analysing customer's behaviour in order to develop financial products and services to meet their needs and provide better customer experience. Moreover, TMB also measures customer satisfactory to continuously improve the Bank's products and services. TMB will continue to support our customers in need of help from the impact of the COVID-19.

Build Deposit and Transactional Banking Products Excellence

TMB has used Deposit-led strategy to differentiate customer value proposition in deposit products and transactional banking services. With this strategy, TMB can deepen relationship with customers and understand customers better which will result in TMB becoming main bank of customers.

Build Sustainable and Recurring Non-Interest Income

TMB continued to emphasis on building sustainable non-interest income capability. Building non-interest income capability allows the Bank to effectively manage capital because of the minimal capital requirement compare to credit-related income, for example, bancassurance products and mutual fund products. Moreover, non-interest income will help ensure sustainable bottom line through business cycles. TMB applied business model of distributor and open architecture by searching for suitable business partners and best product to be available on the Bank's shelf. This is to ensure the best offering which cater to variety needs of our customers.

Continue Leading in Auto Loan and Lending Products

After the merger, the Bank has leveraged the strength of TBANK's auto loan which equipped with available personnel, car dealer network, and brand's strength to further expand the business and to cater customer's needs. For example, the offering of TBANK's auto loans to TMB's customers. With comprehensive financial product offerings and services, it enhances the Bank's ability to cope with the change in market environment and competition, and to maintain its leadership position in auto lending.

Optimize Capital Utilization and Liquidity Management

TMB is strongly committed to delivering the level of profit expected by investors and has set the target to earn same level of ROE with top bank performers within the next 3-5 years. To achieve this, the Bank continues to put our focus on selectively growing balance sheet to generate incremental return.

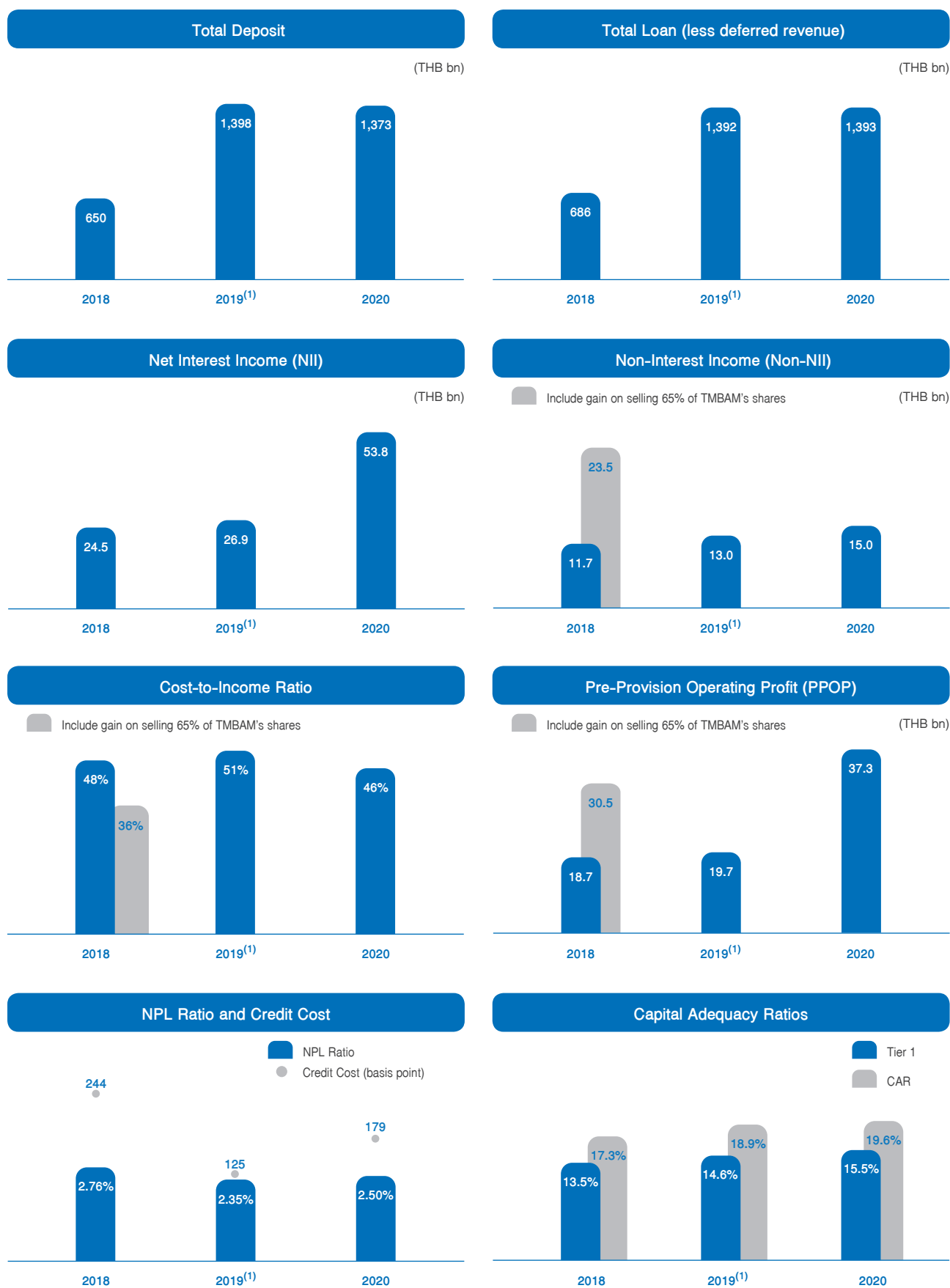
Enhance Digital Capability and Solutions

The current financial transaction is continuously growing in the digital channel due to the shift in customer's behaviour and rapid technological development. To be prompt in these changes, TMB has continually invested in IT infrastructure, cyber security and customer data privacy system, as well as developing staff's competencies, corporate culture in alignment to the digital era and digitalizing business processes to speed up product development cycle and enhance better customer experience.

Capture Synergy Realization

After the merger, the Bank has realized benefits from Balance sheet synergy, investment & cost synergy and Revenue synergy. The integration plan has been progressing and is on track for smooth business transition at EBT in July 2021.

Key Performance Indicators



(1) Consolidated financial statements, included TBANK's P&L 4-31 Dec 2019 / TBANK's financial position as of 31 Dec 2019

TMB Accelerated Growth Journey

To deliver our strategic business model, the Bank followed a five-stage plan to transform TMB into a customer-centric and high-performance organization. The transformation program will affect every aspect of the Bank. It will enhance value for all stakeholders, including customers, shareholders, employees and Thai society.

Stage	Key Highlights	Result
1. Strengthen the foundation 2008 - 2009	<ul style="list-style-type: none"> • Reorganization • End-to-end process improvement • HR transformation • Raised service standards • Enhanced risk management 	<ul style="list-style-type: none"> • Improved overall asset quality • Achieved top quartile employee engagement
2. Acquire good customers 2010 - 2011	<ul style="list-style-type: none"> • Customer base expansion in SME and retail banking • Service and operational excellence • Products and services that match with customers' needs • Physical channel optimization • Brand enhancement 	<ul style="list-style-type: none"> • Successfully grew customer base through improvement of quality services and products which matched with customers' needs • Branch renovation and relocation • Launch of Make THE Difference
3. Differentiate and deepen share of wallet 2012 - 2014	<ul style="list-style-type: none"> • Transactional banking excellence and branded customer experience • Leveraged transactional relationship with customers to offer the right products that answer customers' needs • Better quality of assets (larger proportion of SME lending) • Introduced integrated channel with focus on digital transformation 	<ul style="list-style-type: none"> • Successful release of flagship transactional products • Cross-selling based on customer understanding at industry and segment level • Optimization of loan portfolio • Offer best-in-class E-Channels
4. Induce a game change and enter into new business 2015 - 2018	<ul style="list-style-type: none"> • Focused on building the right digital platform that address customer needs and lifestyles to empower them to make the most of their lives • Developed employee capability and restructure organization to allow the employees to work at their full potential • Potentially entered into new businesses that suit customer needs • Built Data analytic capability to leverage on data enrichment to be able to offer right products and services to the customers at better efficiency 	<ul style="list-style-type: none"> • Infrastructure readiness for digital platform to serve National E-Payment • Prepared IT capability to ensure digital channels stability • Reduced employee corporate layer down from 6 to 5 to improve agility • Introduced customer data roadmap to improve in data completeness, quality and enrichment • Formed a partnership with Eastspring Investments (Singapore) from a deal to sell 65% stake in TMBAM
5. Sustain growth momentum 2019 onwards	<ul style="list-style-type: none"> • Introduce new way of work and revamp key process to ensure simple and easy banking experiences • Complete merger transaction with TBANK to enhance scale and competitiveness • Execute integration plan and synergy realization, including balance sheet optimization and cost synergy realization • Provide debt relief program for customers impacted from COVID-19 so they can continue their business amid the difficult circumstances 	<ul style="list-style-type: none"> • "Agile way of work" to shorten product launch process and build collaboration that would improve efficiency • Enhanced business capability thru better networks and new product development • Completed product suites for investment and lending products • Expanded customer base up to 10 mn customers • Better cost management and C/I • Helped over 750,000 of customers requested for debt relief program

Commercial Banking

Our Intent

TMB has adjusted strategies to be in line with the upcoming merger plan and impacts from the pandemic. TMB continues to commit to be customers' main operating bank and to assist customers to build sustainability and competitiveness into their businesses through value-added products and services.

2020 Summary

In 2020, Commercial Banking continued to grow as a main operating bank for our customers through digital transactional banking and supply chain solutions. In addition, we have advised our customers to unleash their potential and maximize values during the COVID-19 pandemic.

As small and medium businesses were facing unprecedented challenges from the outbreak of COVID-19, TMB had helped to reduce their burden with various customized Relief and Post-relief programs throughout the year, including customized consultation workshops and industry-focused seminars for impacted small businesses. Moreover, TMB has been working closely with strategic partners to minimize the financial burden for their entire supply chain ecosystem through our TMB supply chain programs which includes extending account receivable terms to dealers, shortening payment period to suppliers, and providing special soft loan packages to dealers and suppliers.

TMB has been leveraging on new technologies to help businesses large and small to embrace the 'new normal'. We provide new digital tool called "Business ONE" which was launched in Dec 2020 to help our customers with digital payment and collection services. Business ONE is equipped with various business applications such as generating Digital Invoices, Online Payment Services, and unparalleled Business Management Platform. Business ONE platform will revolutionize large and small businesses to be able to do beyond basic transactional financial services. Some of the key features of Business ONE are advanced credit loan request system, self-authorization, cash flow analysis, as well as the Open API or Open Banking that links Enterprise Resource Planning (ERP), Human Resources (HR) and Customer Relationship Management (CRM) systems in one place.

Plans for 2021

- **Portfolio quality and profitability:** TMB continues to drive sustainable growth by focusing on proactive portfolio management. We continue to gear toward higher risk-adjusted return segment and selectively expand quality customer base in small and mid-sized businesses. We will continue to proactively help businesses that have been or will be impacted by the pandemic through various customized relief programs. In addition, we will ensure credit quality management and risk cost controlling by emphasizing on portfolio optimization and comprehensive credit monitoring to mitigate the risk of non-performing loan (NPL).
- **Digital transactional banking and digital customer engagement:** As the unprecedented pandemic has accelerated digitalization in almost every sphere of Commercial banking, TMB will continue to aggressively provide holistic products and transaction banking services through digital channels including digital payment and collection services and newly launched 'Business ONE', the Digital Business Management Platform that enable the integration of corporates' Enterprise Resource Planning (ERP) systems with banking workflows. We expect more than 100,000 business accounts to be onboarded to Business ONE platform by end of 2021. TMB will continue to deliver seamless and superior customer experience by deploying an optimal mix of human interactions and digital self-service platform.

- **Leader in supply chain connectedness:** TMB continues to develop Supply Chain Financing and offer holistic solutions that meet specific customers' needs to strengthen leadership position in supply chain. We are working with strategic partners who specialized in each industry to create a differentiation in supply chain to provide superior value to customers as well as creating an ecosystem for small and medium-sized customers to join and expand their business network for sustainable growth.

Retail Banking

Our Intent

Become main bank of retail banking customer through delivering Financial Well-being by Trusted-Advisor and aim to create exceptional customer satisfaction with seamless omni-channel experience.

2020 Summary

In 2020, TMB and Thanachart have worked diligently to prepare for the merger. We started to onboard Thanachart staff to TMB in order to align skill as Trusted Advisor, providing professional financial consultation to customers. In parallel, we have prepared to migrate and gradually implemented system change for EBT. All these activities were to provide excellent customer experience, to respond to customers' financial needs, and importantly to improve customers' Financial Well-being while allowing bank to achieve sustainable business growth.

TMB and Thanachart have strived more to innovate variety of products and services to address customers' financial needs. In the past year, our financial offerings aiming to increase customers' Financial Well-being include; **Investment** - To assist customers to build financial stability and wealth, No Fixed served as a saving product that provides both high interest rate and flexibility. Additionally, we have wide selection of Mutual Fund, which we focused on providing most suitable investment advice to customers. One of our innovations was TMB SMART PORT. A portfolio management product that offers asset allocation service with fund selection to retail customers catering base on 5 levels of customers' risk appetite, and automatically re-allocate investment proportion every quarter to reflect market situation. This solution significantly improved the way customers invest by having investment specialist selecting, allocating, and re-balancing portfolio for long-term wealth growth. **Lending Advisory** - To serve as financial tool for customers to acquire asset and their business, we offer consultation and recommend the most appropriate lending products (Home Loan, Auto Loan, Small Business Loan) to customers. Due to COVID-19 in 2020, many lending customers faced a challenging situation. TMB and Thanachart worked diligently to address customers' problem of not being able to pay in-full and on-time as before. In order to help customers impacted from the situation, we launched new Cash Your Car product, and we also set up a special Debt Advisory Team to proactively reach out to customers, provide advisory, and offer most suitable and beneficial options tailored to each customer. Development in retail lending did not limit to product and solution, but also how bank provide most suitable advice to each customer. **Transactional Banking** - To provide convenience in doing daily transactions, our Credit Card provides 1% cash back for every transaction or gives 1 reward points for every 10 Baht spending. TMB All Free is the country's best in class transactional service which offers various useful benefits at free of charge covering all-financial purposes one can possibly gain for daily life. Last year, TMB All Free, well-known for its free banking transaction benefits, uplifted customers' Financial Well-being to another level by offering a free personal accident medical protection of 3,000 Baht per accident (unlimited times) when customers maintain 5,000 Baht balance. This benefit was added on top of existing TMB All Free benefits of 20X personal accident death protection, free overseas travel insurance, and special FX rate for overseas spending. TMB and Thanachart aim to address protection needs of our customers through **Bancassurance** products. We innovated products to address variety of protection needs, including wealth protection

and transfer (Wealthy 3 Gen and The Treasure), life insurance with high coverage (Pay Light High Protection 20/10+CI), health insurance, and protection of assets (car and home). TMB and Thanachart focus on ensuring customers' Financial Well-being is not confined to only wealth aspect, we aspire to develop solutions for customers to use protection as a financial solution to protect themselves and love ones.

Plans for 2021

- Continue to deepen customer relationship with our existing customers by offering relevant and need-base products. We continue to create superior product solutions and promote customers' Financial Well-being through our aspired role as Trusted-Advisor. Our financial solutions and services will be offered at the right time, right place, and most suitable for customers to address their individual and unique financial needs. Furthermore, bank will continuously expand customer base through our flagship products, namely deposit, auto-loan, and credit card
- Prepare and further develop staff's skill of 'Trusted Advisor' to offer best financial advice and solutions, and enhance system to serve customers in 2021 for increasing customers' financial convenience and providing excellent banking experience
- Improve and innovate financial solutions that promote Financial Well-being to cover wider financial needs. **Investment** - To continue adding mutual fund and investment selection, **Lending** - To respond to customers' need for lending while offering advisory that promotes good financial health, **Transactional Banking** - To continue improving TMB All Free and credit card to facilitate daily transactions, **Bancassurance** - To offer protection that most suitable for each life stage and address protection needs for life, health, and asset
- Develop service channels and technology to enable seamless banking experience and security. TMB TOUCH will continue to be the main digital platform that can serve all financial transactions on one application. Moreover, we will further increase capability of our alternative channels, namely Wealth Advisor, Lending Specialist, and Tele-Advisory, to promptly assist and to provide best financial consultation

Automotive Lending

Our Intent

The Automotive Lending Business Unit's direction aims to drive and continually improve towards higher capability and more agile business unit. The AL Business aspires to maintain leadership in Auto Finance by delivering experiences beyond expectation throughout the customers' journey, from applying for loan, requesting after-sale services, and till closing of account; all requests can be made via online channel.

In addition, our mission is "To use our market leading position to shape the future of car retail ecosystem for customers' well-being" by using Platform-Driven Strategy and Data-Driven Strategy to develop the best products, services, and financial innovations to serve customers' throughout every life stage and create seamless Omni channel experience to deliver beyond expectation experience. Moreover, we aim to become customers' main used bank by offering complete coverage of products, services, and financial innovations including car insurance and loan protection with Omni channel for seamless experience throughout the customers' lending period, in line with the Automotive Lending Business's aspiration to "Be the Trusted Market Leader in Auto Finance that leads the change in the Automotive Ecosystem".

2020 Summary

Thailand's 2020 economy slowed down from both direct and indirect factors such as (1) the COVID-19 virus pandemic (2) the historically high household debt (3) impact from international trade war and (4) the instability of geo-politics; all factors caused new car sales to drop 20% from 2019.

Against the backdrop of these challenges, the Automotive Lending Business Unit recognizes the importance of its role to help customers and partners to overcome COVID-19 virus pandemic as well as preparing for the world after the pandemic together. As such, the Bank issues debt relief programs called "Tang Lak" as the fast mitigation measure with comprehensive coverage across the country and for all customers. The Automotive Lending Business Unit reached out to all parts of the automotive eco-system, whether customers, partners, dealers, and corporate clients in order to ensure necessary support and recovery for businesses and livelihood of the eco-system.

Moreover, the Unit has adapted its business and operations to be more resilient to the situation by providing more prudent lending as well as focusing on developing digital platform to cope with changes in customer behavior. Overall of 2020, the Automotive Lending Business Unit maintained leadership in Auto Finance with continued to grow its loan balance and maintained its NPL lower than the industry's average.

Plans for 2021

In year 2021, the auto finance industry will continue to face challenges from Thai economic slowdown against the COVID-19 virus pandemic and high household debt. However, improvements are expected in the second half of year 2021, as the COVID-19 pandemic situation in Thailand improves and the anti-viral vaccine becomes more widely available, adding positive factors back to the Thai economy.

During 2021, Automotive Lending Business Unit strives to maintain its leadership in auto finance business by delivering changes in the Ecosystem with new business platforms and deepening data analysis to understand the true needs of customer as a part of its data-driven strategy.

This includes a revamp of an end-to-end process to fasters serve our customers and partners and a positioning of Cash Your Car (CYC) product as a flagship product for offering to customers. Moreover, the Unit will also focus on building synergy from the merging of Thanachart Bank and TMB Bank and realizing its cross-synergy values by offering automotive lending products to TMB customers and offering TMB products to automotive lending customers. Nonetheless, the Unit commits an unwavering priority to reducing risk costs and increasing recovery rate by improving current scoring models by integrating with more synchronized data. All in all, the Automotive Lending Business unit seeks to delivering best value for our customers under Customer Centricity approach while providing the best Customer Experience.

Risk Management & Key Risk Factors

1. Risk Management

1.1 Overview of TMB's Risk Management

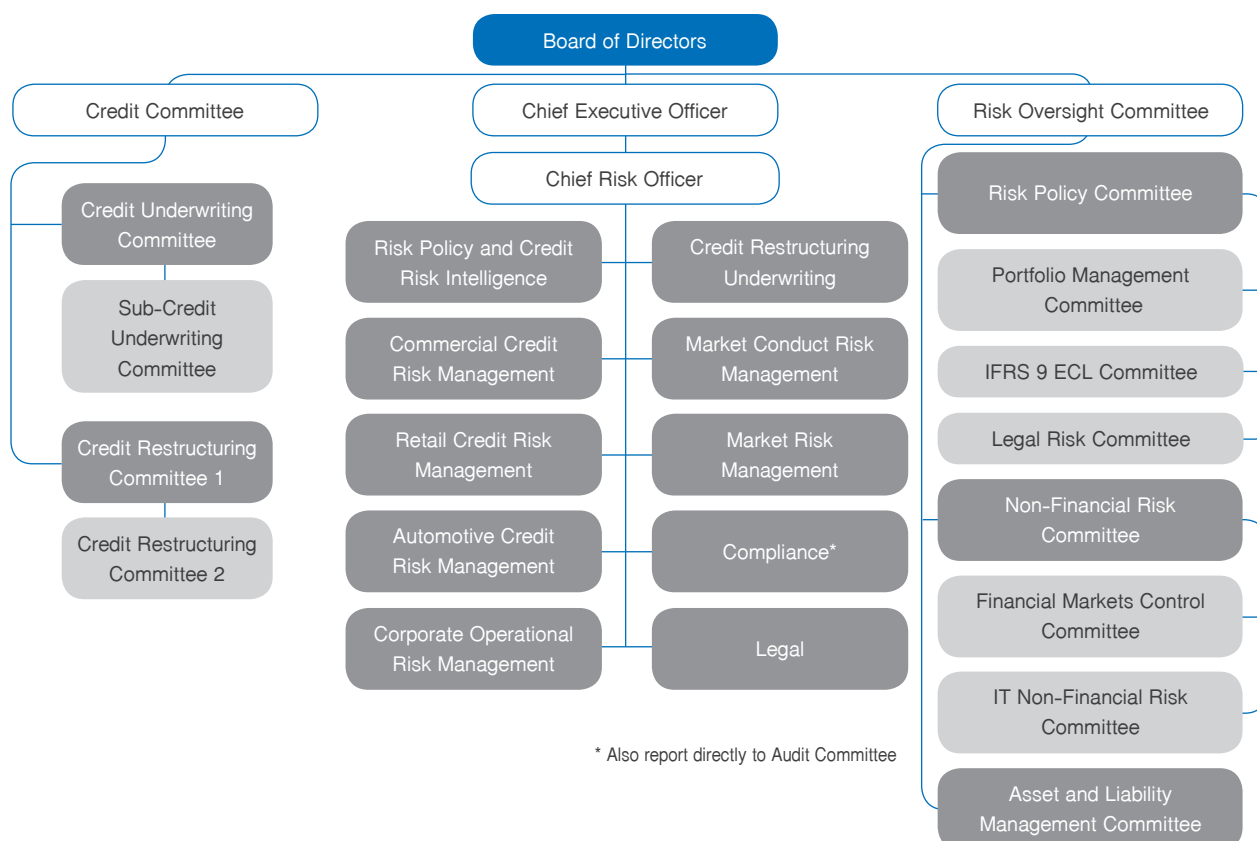
In TMB, risk management is of primary importance in order to create shareholder value by ensuring a sustainable balance between risk and return whilst remaining in compliance with regulatory requirements. The general Risk Management Framework consists of a clear Governance Structure, a consistent Risk Management Process and of the embedding of a Risk Culture in the first Line of Defense. Moreover, Risk measurement is fully integrated in the strategic planning. All of this translates into a straight forward Risk Management strategy in which:

- Products and portfolios are structured, underwritten, priced, approved and managed appropriately and within established risk appetites;
- Compliance with internal and external regulations and guidelines is monitored continuously;
- Our risk profile and risk appetite are transparent and consistent;
- Delegated authorities are consistent with the Bank's overall strategy and risk appetite;
- Communication to internal and external stakeholders on risk management and value creation is transparent.

1.2 Risk Governance Structure

TMB maintains a risk governance structure that is intended to strengthen risk management by ensuring that risk-taking authorities are properly cascaded down from the Board to the appropriate committees and functional levels. Risk issues and the changing regulatory and business environment are managed in an efficient and effective manner. To maintain the independence of the Compliance function, Compliance has a dual reporting line to the Audit Committee and Chief Risk Officer.

TMB Risk Governance Structure



The Board of Directors (BOD) holds ultimate responsibility of bank-wide risk management and delegates authorities to committees as follows:

The Risk Oversight Committee (ROC) is appointed as a sub-committee of the Board, with clear roles and responsibilities as delegated by the Board. The Risk Oversight Committee's role is to fulfill its oversight responsibilities in relation to the bank's risk management framework and to ensure alignment of that framework with the Bank's overall governance framework. To that end the Risk function, on a quarterly basis, compiles the ROC Risk Dashboard that combines key insights from all risk areas into one overview which enables the ROC to perform its activities. Several risk committees provide forums to discuss and decide about specific risk areas:

1. **Risk Policy Committee:** Ensures that credit risk is adequately controlled via a complete and up to date set of policies, frameworks, standards, risk appetite, delegations of authority, procedures and models. In addition, the committee ensures that all inherent risks directly related to Credit products and programs are properly addressed, reported and where possible mitigated.
2. **Portfolio Management Committees:** Ensure that the portfolio performance is on track and properly managed to meet both business and risk related strategic short and long term goals.
3. **IFRS9 ECL Committee:** Considers and approves the level, accuracy and adequacy of provisions under the IFRS9 guiding principles for Expected Credit Loss and determines the necessity of additional management overlay to ensure proper coverage of the portfolio.
4. **Legal Risk Committee:** Considers and approves the proposed legal matters related to ISDA schedules and derivative agreements.
5. **Bank Non-Financial Risk Management Committee and IT Non-Financial Risk Management Committee:** Manage the Non-Financial risks and IT risks of the Bank and its subsidiaries by establishing the Non-Financial Risk strategy, policies and risk appetites and ensure that they are implemented effectively, with the appropriate level of granularity. To ensure sufficient attention to non-financial risk issues across the businesses the bank set up three Business Unit Non-Financial Risk Committees for Retail, Automotive and Commercial Banking that report into the Bank Non-Financial Risk Committee.
6. **Financial Markets Control Committee:** Serves as a cross-functional forum for business, operations, information technology and risk management functions with a primary focus on business practices, risk and control environment and end-to-end value chain of the Bank's Financial Markets undertakings and its product approval and review. The Financial Markets Control Committee reports to Bank Non-Financial Risk Committee.
7. **Asset and Liability Management Committee:** Assists the ROC in all matters related to the asset and liability management, balance sheet management and capital management.

All the risk management related functions are under the leadership of the Chief Risk Officer (CRO). The CRO, as a member of the Bank's Chief Executive Committee (CEC) and reporting directly to the Chief Executive Officer, oversees and promotes the development and implementation of consistent bank-wide risk management. The ROC sets the CRO's annual targets and confirms his performance against these targets.

1.3 Risk Management Process

Risk Management in TMB consists of 4 key risk management processes:

- 1) **Risk Identification:** TMB classifies risks which are arising in daily business activities into 7 key risk areas: Credit Risk, Market Risk (including but not limited to Foreign Exchange Risk and Interest Rate Risk), Liquidity Risk, Non-Financial Risk (comprising Operational Risk, IT Risk, Compliance Risk, Market Conduct Risk and Legal Risk), Strategic Risk, Model Risk and Reputational Risk.

- 2) **Risk Assessment & Measurement:** TMB uses different methods and tools to measure various risk types in both quantitative and qualitative aspects. In addition, TMB also conducts Stress Testing to measure the quality and resilience of the Bank's portfolio and the Bank's capacity towards stress event scenarios.
- 3) **Risk Monitoring and Control:** TMB controls, mitigates and monitors risks by setting key risk indicators, as well as risk appetite at bank-wide, portfolio, product and other levels as may be appropriate.
- 4) **Risk Reporting & Communication:** The status of various risk types as well as actions taken/to be taken are reported to relevant parties/committees and top management on a regular basis. The risk reports cover product level, portfolio level, functional level, and the bank-wide level.

Three Lines of Defense:

Over the last years, TMB has invested significantly in further strengthening a risk management culture where the employees in the Business Units (the 1st line of defense) identify risks, consider the impact, report if necessary and apply appropriate risk mitigation strategies. Investments include training, tooling, processes and policies. Risk Management units under the Chief Risk Officer perform the 2nd line of defense duties of formulating risk strategy and appetite, policies and appropriate risk structures, provide oversight and monitor the 1st line of defense and actively challenge the risk - return trade-off in the Business units. Internal audit as the 3rd line of defense provides independent and objective assurance on the effectiveness of controls and recommends improvements to the governance, risk & control framework.

2. Key Risk Factors

Key risk factors that could arise from the Bank's business operation are as follows.

2.1 Credit Risk

Credit risk is the risk of potential loss as a result of borrowers and/or counterparties failing to meet their financial and contractual obligations in accordance with agreed terms. It arises primarily from granting loans and undertaking contingent liabilities, and also from certain off-balance sheet products such as credit derivatives.

TMB's credit risk management objective is to maximize the Bank's risk-adjusted return by maintaining the credit risk exposure within acceptable levels and by building a sustainable competitive advantage by integrating risk management into business activities and strategic planning.

In recent years, TMB has improved and continues to improve its credit risk management capabilities with investments in people, risk management governance, processes, measurement tools and systems including the development of an economic capital framework, improved risk measurement processes, credit assessment and origination as well as various tools, such as risk rating models, application, behavioral and collection scorecards. The bank also established frameworks which set out credit policies, procedures, and guidelines covering the measurement and management of credit risk. This has been achieved whilst further building a stronger credit culture within TMB, based on thorough knowledge of our borrowers and executed by well-trained staff according to our 3 lines of defense risk management framework. The 3 lines of defense principle helps us to mitigate credit risk within TMB and consists of 3 principles:

- Management and staffs of TMB Bank business units have primary responsibility and accountability for the effective control of credit risks incurred by their business units (“1st line of defense”).
- Credit Risk Management (“2nd line of defense”) supports and where necessary interferes in the 1st line of defense’s risk management activities. The risk management functions are independent of the management and staff that originate the credit risk exposures.
- Audit operates as the “3rd line of defense”. Audit is to provide an independent assurance of the design and effectiveness of internal controls over the credit risks inherent to TMB’s business performance.

2.1.1 Credit Risk Factors

Credit quality

Further improving the quality of TMB’s assets remains an ongoing priority. Stage 3 loans (Non-Performing Loans) arise when debtors fail to repay debts according to an agreed schedule. This may lead to loss of interest income but sometimes also of the principal balance, whether in whole or in part, which thereby will affect TMB’s profitability and capital adequacy.

TMB manages the quality of its credit portfolios by monitoring and reviewing the status of our borrowers and/or counterparties constantly, both at an individual and at portfolio level. Also, here the 3 lines of defense approach is applicable: dedicated Relationship Managers monitor their Commercial Customers at an individual level. For our Retail portfolio, the focus is on portfolio management supported by portfolio management teams. Special attention is paid to problem exposures, which are subject to more frequent reviews and reporting. Early warning triggers, Qualitative Risk Score, and Behavioral Risk Level monitoring are in place to detect customers that may be moving towards an adverse stage or show further deterioration of their performance. Dedicated Credit Restructuring teams and Credit Restructuring Committees are established to restructure problem loans in an effective manner and to provide advice on debt restructuring conditions. TMB sets aside loan loss provision in accordance with guidelines from the Bank of Thailand (BOT). Expected Credit Loss is calculated using PD (probability of default) based on risk level, EAD (exposure at default) based on loan types or debtor types, and LGD (loss given default) based on collateral types.

The Bank’s Risk Appetite Statement (RAS) expresses the type and level of Risk that the bank is willing to tolerate in pursuit of its strategic objectives. The RAS ensures that the Bank’s actual risk exposure is consistent with its strategic objectives and that exposures moving beyond tolerance risk levels are timely identified and acted upon. The RAS serves as input towards TMB Bank’s financial plan. The RAS contains a set of qualitative and quantitative statements which are measured and reported on a monthly basis towards ROC and Chiefs Executive Committee. This RAS also forms the basis of the quarterly Portfolio Management Committees in order to timely address possible boundary breaches.

Impairment in value of physical collateral

A substantial portion of TMB’s loan portfolio is secured by physical collateral and other assets, the value of which may be affected by the overall economic conditions of Thailand. For example, a downturn in the real estate market could result in the principal amount of loans secured by real estate exceeding the loan-to-value proportion compared to that at the time of origination. A decline in the value of collaterals securing loans may result in an increase in the Bank’s allowance for expected credit loss. TMB manages collateral value impairment risk by through the collateral appraisal policy and executes related procedures in accordance with BOT’s regulations. The reappraisal frequency is among other things also driven by the level of risk measured by the borrower’s loan performance.

Credit concentration

Concentration risk in credit portfolios is an important aspect of credit risk management. TMB manages and monitors credit concentration with respect to industries, countries and customers by establishing and managing Bank-wide industry diversification thresholds, country limits and customer concentration to manage both existing and potential exposures within acceptable levels to ensure appropriate diversification of the portfolio and avoid excessive credit risk exposure in certain industries, countries or customer groups. At customer level TMB has established a risk-based Single Exposure Limit and Single Lending Limit to manage the maximum exposure and the maximum limit for single obligor and related lending. Managing concentration risk is an ongoing area of attention in TMB's Credit Risk Management prioritization.

2.1.2 Credit-Related Policy

Staging and provisioning policies

The Bank maintains a loan classification and provisioning framework in line with BOT's notification which requires all banks to set up clearly defined policies and guidelines to comply and align with the new International Financial Reporting Standard 9 (IFRS9). Commercial loans are classified by debtors, whereas consumer or retail loans are classified by accounts separately. If customers use both types of credits, the loans are classified by debtors based on the worst of all accounts. Moreover, in addition to provisions made according to the above mentioned BOT's notification, the Bank proactively reviews and sets aside management overlay when appropriate to cover both Probability of Default (PD) and Loss Given Default (LGD) shifts.

Policy on provision for legal cases

TMB estimates provisions on off-balance sheet items to make appropriate provision in line with BOT's notification regarding Classification and Provision of the Financial Institutions when 1) Legal obligations that result from the Bank's activities and 2) It is likely that the Bank will be liable to make (re) payment for such obligations and 3) Obligations can be reliably estimated.

Stage 3 loans (Non-performing loans)

The Bank is aware that the management of stage 3 and stage 2 (Under-Performing) loans impact the overall bank performance. To ensure independence, the Bank set up a Special Advisory Banking Services (SABS) team (in the 1st line of Defense) which together with Credit Restructuring Underwriting (the 2nd line of Defense) work together towards the objective of SABS to prevent viable clients from flowing to stage 3 based on the principle of proactive advisory and fast track measures to restructure under-performing loans and convert to stage 1 - performing loans, with the objective of Credit Underwriting to ensure quality of debt restructuring at all stages, as well as the accuracy of loan staging. SABS takes care of debtors who start to be under-performing on their credit facilities and fall in "Early Warning Sign (EWS)" or show a significant deterioration in their risk profile. The debtors who are classified as stage 2 require close monitoring. To be more efficient, SABS Manager will co-ordinate/negotiate with debtors to identify debtors' problems and to set appropriate solutions based on the nature of their problem. For example, in case of short term liquidity problem, the bank may consider term extension, restructuring loan facility, and etc. In case of long term problem such as higher competition or lower sale, the bank may consider long-term restructuring (troubled debt restructuring, TDR) based on debt service ability.

To comply with the policy, Documentation Team and Legal & Strategy Team will co-ordinate with SABS team to prepare any document or agreements to properly capture any such arrangements. To monitor the implementation, the Monitoring Team will closely follow up on all actions related to contracts by working along with SABS to ensure that the risk is controlled until the accounts are converted back to normal.

For stage 3 and to set Debt Restructuring Plans which comply with the Bank's Policies and Regulations, all Credit Restructuring Teams will work with the Legal Strategy Team to establish an appropriate plan before negotiating with Debtors. In order to effectively manage the size of stage 3, the Bank may sell or write off stage 3 exposures that are not expected to be able to finalize Debt Restructuring Plans, by portfolios or on a case by case basis.

2.2 Market Risk

Market risk is defined as the potential loss due to changes in the price of market parameters. The main parameters are interest rates, foreign exchange (FX) rates, equity and commodity prices. For risk management purposes, the Bank has established various market risk policies, which set standards and guidelines for market risk management. The business units designated with the responsibility for market risk management accomplish this task under the standards set in the policies, while Market Risk Management independently monitors the bank-wide market risk.

The Bank controls the actual market risk exposures by setting limits within the Bank's risk appetite approved by the Board of Directors. The significant market risks are as follows:

2.2.1 Foreign Exchange Risk

Foreign Exchange Risk means the potential loss of earnings and/or shareholder value of the Bank resulting from changes in foreign exchange rates arising from on- or off-balance-sheet exposures in the Trading or Banking Books. The losses may arise from changes in the valuation of foreign currency positions, including losses from foreign exchange trading transactions, or translations from one currency to another.

The Bank's Global Markets and Transaction Banking department (1st Line of Defence) is responsible for managing foreign exchange positions of the Bank's Trading Book. In addition, Market Risk Management (2nd Line of Defence) puts in place a framework of market risk management measures. These measures are designed to minimize any excessive risk from unfavourable changes in market conditions which may adversely affect the prices or returns on the Bank's trading portfolios related to foreign currencies, with strict limits on:

1. Delta: Defined as the rate of change of the position value with respect to changes in the price of underlying asset.
2. Gamma - Defined as the rate of change of the delta with respect to changes in the price of the underlying asset.
3. Vega - Defined as the rate of change of the option value with respect to the volatility of the underlying asset.

Within these limits, Global Markets and Transaction Banking is responsible for trading and managing the portfolio and optimizing the return on the funds invested. Adherence to the limits is monitored by Market Risk Management.

2.2.2 Interest Rate Risk

Interest rate movements directly affect the Bank's earnings or economic value. Interest rate risk management is undertaken in accordance with the policy framework as approved by the Bank's Board of Directors, by establishing and monitoring various risk curbing limits such as Earnings-at-Risk limit, Economic Value of Equity. The ALCO is delegated by the Board of Directors to oversee the firm-wide structural interest rate risk to stay within the Bank's aggregated interest rate risk limit.

The Bank has adopted interest rate risk management measures to cushion the interest rate volatility, e.g. rebalancing of assets and liabilities or setting of a proper mismatch by considering external and internal factors including interest rate forecasted by TMB Analytics.

2.3 Liquidity Risk

Liquidity risk is the risk that the Bank fails to meet its obligations as and when they fall due as a result of an inability to liquidate assets into cash in time or is unable to raise funds deemed adequate for its operations causing damage to the Bank. The Asset and Liability Management Committee (ALCO) is responsible for the oversight of liquidity management. The primary aim is to provide liquidity to the Bank in order to ensure that the liquidity position in both domestic and foreign currencies are sufficient for the Bank's normal operations as well as for any crisis that may arise and that the Bank's liquidity level is to exceed the minimum as required by Bank of Thailand (BoT) and comply with the risk framework and risk appetite approved by the Risk Oversight Committee and the Board of Directors. The Bank reviews its liquidity management plan and strategy for a normal and critical situation at least once a year, or under special situation due to material changes that may impact the Bank's position. This is to ensure the alignment with the Bank's core policy, the organization structure, the regulations, and the ever-changing market condition. The Bank and each company in the Bank's financial group manage liquidity risk separately.

The Balance Sheet Management (BSM) is the unit of the Bank responsible for overall liquidity management and Capital Markets is responsible for day-to-day liquidity management. Balance Sheet Management is also responsible for liquidity measurement, monitoring and reporting the performance of the liquidity management to the ALCO in order to ensure the Bank's liquidity in compliance with the approved risk appetite and limit. The Market Risk Management is responsible for identifying, monitoring and controlling the liquidity risk. The Bank has a liquidity risk management policy, which is reviewed at least once a year, or when necessary, to ensure that it is appropriate with the prevailing environment.

In order to manage liquidity, the Bank continuously monitors its funding sources and access to capital markets. The Bank recognizes the importance of holding highly liquid assets that can be quickly converted into cash or used as collateral for raising funds.

Most of the Bank's funding was mainly from deposits. The Bank's ongoing quality deposit strategy seeks to further strengthen its financial position and operating results in order to boost depositors' and customers' confidence. Meanwhile, priority is also given to liquidity risk management by maintaining the level of liquid assets, keeping abreast of risk levels on a daily and monthly basis, setting risk indicators and taking proactive steps to contain risks at an acceptable level. In addition, the liquidity contingency plan is prepared for various crisis situations, whereby the roles of the relevant responsible units are defined, as well as funding plans and communication plans to customers, etc.

2.4 Non-Financial Risk

Non-Financial risk is defined as the risk of financial impact and non-financial impact e.g. legal or regulatory sanctions, or reputational damage due to inadequate or failing internal processes, people and systems, a failure to comply with laws, regulations and standards, or external incidents.

TMB adopts the Basic Indicator Approach (BIA) by using gross income as a proxy in the calculation of value equivalent to operational risk-weighted asset (RWA).

Non-Financial Risk Management at the Bank is managed through a governance structure where the Board of Directors holds the ultimate responsibility for bank-wide risk management. The Board has delegated several non-financial risk management related authorities to the Bank Non-Financial Risk Committee (BNFRC) and IT Non-Financial Risk Committee (IT NFRC), both chaired by the CEO, whose responsibilities are to manage the non-financial risks and IT risks of the Bank and its subsidiaries by establishing the Non-financial Risk strategy and policies and by ensuring that they are implemented effectively at all levels with the proper degree of granularity and by overseeing any outstanding risk exposures, adequate follow-up on outstanding risk mitigation actions and the compliance with NFR Policy and Minimum Standards.

The Bank has applied the “Three Lines of Defense” risk governance model aligning with COSO (the Committee of Sponsoring Organizations of the Treadway Commission). The bank has established 3 BUs (Retail Banking, Automotive Lending and Commercial Banking) Non-Financial Risk Committees: BU NFRC, chaired by Business Chiefs, reporting to BNFRC, to emphasize the “Three Lines of Defense” Model at lower level in the organization and enable the management from lower levels to steer the operational & compliance risk management in their respective Business Units.

Under “the Three Lines of Defense” principle, Business and Support Units (BU/SUs) as the 1st Line of Defense, are primarily responsible and accountable for their own operational risk management and controls. Business Operational Risk Management (BORM) is part of the first line of defense and supports Chiefs, product and process owners in performing risk management related activities (e.g. RCSAs. Incident reporting and root cause analysis on incidents). BORM independently test controls. Heads of BORM teams are functionally reporting to Head of CORM.

The Bank has established a dedicated Corporate Operational Risk Management (CORM) function, as the 2nd Line of Defense, reporting to the CRO, to oversee specific non-financial risk management risks, including the following risk areas: processing risk, control risk, unauthorized activity risk, employment practice risk, information (technology) risk, business continuity/disaster recovery risk, (internal and external) fraud risk, personal & personal & physical security risk, and workplace safety risk. CORM developed Non-financial Risk Management Policies (which have been approved by the Board of Directors) to ensure that the non-financial risks are properly identified, assessed, monitored, reported, analyzed, and controlled in a systematic and consistent manner. The policies provide the foundation and common infrastructure for delivering, maintaining, and governing operational risk management.

Compliance is the 2nd Line of Defense function, reporting to the CRO, to oversee Compliance risk, one of the non-financial risk management. Compliance developed the Compliance Policy to ensure that the Compliance risk are properly managed.

Legal and Financial Control are the 2nd Line of Defense function, reporting to the CRO and CFO respectively, to oversee the legal risk and the financial control risk which are also under coverage of the non-financial risks.

Market Conduct Risk Management is the 2nd Line of Defense, reporting to CRO, to supervise and review as an oversight function of business operations and services related to the Pillars of Market Conduct to identify potential risks related to Market Conduct, via each of the business and control processes such as product and service approval, Investment and Product Offering Committees for Mutual Fund, incentive setting, training and communication to staffs and customers, and Risk and Control Self-Assessment (RCSA).

Audit operates as the “3rd Line of Defense”. Their mission is to provide an independent assurance of the design and effectiveness of internal controls established by the first (BU/SUs) and the second (CORM, Compliance, Legal, Financial Control) line of defense. In carrying out this work, Audit provides specific recommendations for improving the governance and the risk & control framework.

The Bank uses several tools and processes to manage the operational risk such as Risk & Control Self-Assessment (RCSA), Risk Appetite Statement (RAS), Key Risk Indicators (KRI), Incident Management, Action Tracking, Product and Service Approval Process (PSAP), Third-party Risk Management, Business Continuity Plan and Disaster Recovery Plan (BCP/DRP), and Key Control Testing (KCT). The Bank uses and implements the GRC system as a tool for incident management and response and PTA identification and to keep track of the status of the actions which come from audit and non-audit findings to ensure that they are monitored and managed efficiently by all relevant parties.

RCSA is a process that helps to identify and assess key risks and controls as well as to determine the mitigating actions. The Bank has also established KRI's at corporate and business level to be a warning signal for all levels of management, enabling them to proactively manage and control their non-financial risks. Incident management is established to enable detection, resolution, analysis of non-financial risk incidents, as well as collection of loss data.

The RAS is determined based on strategy, objectives and historical incident data. The RAS contains a set of quantitative and qualitative statements. The quantitative statements are measurable and are determined by the strategic priorities of the organization. The qualitative expressions of non-financial risk appetite describe the acceptable and unacceptable attitudes and behaviors of the organization as a whole. The process of measuring, monitoring and reporting of RAS is done through the non-financial risk dashboard (NFRD) on a quarterly basis which aims to promote a pro-active risk management response. In case the Bank moves towards or beyond the tolerance level, the responsible units will highlight the issue during NFRD reporting on the Bank Non- Financial Risk Committee (BNFRC), the Risk Oversight Committee (ROC), and the Board of Director (BOD), management and staff are expected to take actions to bring the risk down to within its tolerance level.

To ensure that products and services are offered in a safe and responsible manner, the Product and Service Approval Process (PSAP) is established to set guidelines for sign-off and approval of new products and services. This due diligence process ensures that the potential risks created by the new products and services are properly identified and mitigated, and that the necessary infrastructure and controls are in place to support the new business.

The Bank has established its Third-party Risk Management Policy to set out the principles and standards for the effective identification of major risks created by outsourcing and management of such risks.

The Bank has established its Business Continuity Management (BCM) Policies and Standards to provide guidance and standards for all units to develop a Business Continuity Plan. The Business Continuity Management under Information Security Office (ISO) is set up to oversee the implementation of BCM Policies and Standards, monitor and lead the co-ordination of group-wide BCP initiatives to raise the overall BCP/DRP readiness of the Bank.

The Bank has established the Key Control Testing (KCT) minimum standard to provide guidance and standards for all Business and Support Units in the area of mandatory control testing by BORM functions. KCT is the set of methods and processes used for the key control testing in order to keep non-financial risks related to business activities actively within TMB Bank's risk appetite, ensure the effectiveness of controls and building proactive risk culture.

2.5 Reputational Risk

Reputation can be described as a strategic asset of the bank, which is embedded in its key stakeholders' perceptions towards the whole organization or its business practices or its employees' behaviors and cannot be transferred to and deployed by other banks and competitors.

Reputational risk can be described as the exposure incurred from unexpected incidents or from unanticipated responses to the institution's initiatives, actions, and day-to-day activities, particularly the cases that catch public attention and are negative news. Unexpected incidents range from activities of rogue employees, to questions regarding the suitability of sales practices, to the actions of disgruntled customers, to public regulatory sanctions—all of which can generate negative public reactions.

Unanticipated responses range from negative public reactions (including liquidity implications) based on announcements or activities of the institution, to organized public activities designed to impact institutional decision-making. Those incidents and responses will be result in Bank's negative images or are not confident in a Bank or Bank's products or services. Such events may negatively impact present and future revenue and/or capital of the Bank.

Reputation is one of the impact factors described in the Non-Financial Risk (NFR) Footprint, which provides the guideline on how the bank assesses the reputational impact to the bank's brand/image based on the non-financial risk events. Reputational risk is a key area discussed as part of RCSA activities resulting in risk statements and mitigating controls, documented in control frameworks.

At the end of each year, CORM gathers information based on GRC system looking at reputational risk identified during the year and presents the consolidated result of reputational risk assessment to the Bank's Non-Financial Risk Committee (Bank NFRC) for acknowledgement in the 1st quarter of the following year.

2.6 Strategic Risk

TMB is aware of the possible strategic risk that results from the strategic plans, business plans, strategic implementations and controls which may be inappropriate and/or inconsistent with both internal and external business environments.

TMB's vision is, "To become the recommended bank of choice by our customers". In order to achieve this vision, TMB developed a 5-year rolling strategic plan focusing on a Deposit-Led Strategy and Transactional Banking Excellence. This will create a strong foundation for sustainable growth whilst TMB builds towards achieving market leadership. In addition, realizing synergy value from the merger with Thanachart Bank will also be the strategic priorities of TMB going forward.

The crystallization of our strategy and implementation of both Business As Usual (BAU) and integration activities are reflected in continuous improvements of key financial performances. In order to better manage the strategic risk, TMB improved the processes of performance tracking and strategic risk control. Regular meetings of the management team and business units are held to review performance results together with remedial planning in case of target shortfalls. A strategic risk dashboard has been developed and is updated regularly to keep management informed and aware of the changing strategic risk status. A self-assessment of strategic risk is also regularly evaluated by management.

In all, TMB strongly determined to maintain a high level of strategic risk management. Starting from the process of strategic planning, organization restructuring, staffing and project implementation as well as performance monitoring, all must be in line with the Bank's key strategies. In addition, the strategic plan itself is reviewed regularly to ensure it stays relevant with the changing business environment.

3. External Risk Factors

Apart from key risk factors from daily business activities as mentioned above, unexpected changes in business environment or regulations could also affect the Bank's operating performance as well as shareholders' returns. However, the Bank ensures that such risk factors have been consistently monitored and managed.

3.1 Risk from Economic Condition

The Bank is fully aware of economic uncertainties and put in place a framework to manage the risks. TMB Analytics, the Bank's in-house economic research unit, has played an important role in closely monitoring and assessing the economic conditions as well as cooperating with business units on regular basis. This is to ensure that the Bank's operation is resilient and ready against any unexpected uncertainties. We also provide economic and financial information as well as industry outlook for our clients.

3.2 Risk from Material Changes in Regulations

It is the Bank's obligation to comply with statutory rules and regulations issued by relevant authorities, e.g., Financial Institutions' Businesses Act, Bank of Thailand's Regulations and Notifications, the Securities and Exchanges Act, the Securities Laws and Regulations as issued by the Stock Exchange of Thailand, the Securities and Exchange Commission, Life Insurance Act and Non-Life Insurance Act, Office of Insurance Commission's Regulations and Notifications, the Anti Money Laundering Act, Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing Act and their Royal Decrees. In addition, foreign act which substantial impact to the banking industry has also in place.

Compliance has been established in which responsible for providing advice, recommendations and opinions on various issues, cooperative with the relevant functions within the Bank in order to ensure that the Bank and its subsidiaries are in compliance with applicable statutory laws, rules and regulations as well as the Bank's internal policies and procedures. Substantial issues shall be escalated to the Bank's management and committees to effectively manage compliance risk.

In the year 2020, the Regulators who regulated Financial Institutions have issued guidelines including several regulations for the Financial Institutions. The summary of the significant regulations are as follows:

The Bank of Thailand (BoT)

The Bank of Thailand ("BoT") has issued announcements to revise regulations on interest charge, default on debt and debt amortization in order to ensure that the debtor is in a position to be able to pay the debt. As a result, the Non-Performing Loans (NPL) will not be accelerated. As per loans with installment payments, bank will use the money received from debtor to write off the debt according to the debt amount each period by reducing the interest fee and the principal of the debt that the debtor owed the longest first and then gradually write off the remaining outstanding debt, respectively (Horizontal debt cut), scheduled to take effect next year from July 1, 2021 onwards. In addition, the BoT has issued announcements to revise regulations on Market Conduct by defining the roles, duties and responsibilities of the Board of Directors and senior management of the service provider to be more clear, to make the management more efficient. For example, there are reports on service problems and complaints to the Bank's

management, adjust the guidelines for obtaining consent from customers in case of changing conditions of use of products or services that increase the customer burden or risk. The customer wishing to accept the change must give consent to the service provider. Previously, it was assumed that the customer accepted the change if the service provider did not receive a rejection from the customer within a specified period in order to reduce complaints about offering products or services. In addition, bank will disclose information about comparison, fines or impunity in case of directors or manager or the management authority of the service provider who violates or fails to comply with the official criteria.

In terms of exchange regulation policy, BoT has revised the regulation of foreign exchange controls to make the management of foreign currency more convenient by allowing exporters with income below 1,000,000 US dollars to deposit money abroad for an unlimited period including the liberalization for individual investors to invest in foreign securities by themselves in the amount of 5,000 USD and invest through an unlimited number of local agents, including downgraded the Foreign Currency Deposit Account (FCD) to only one type.

The Securities and Exchange Commission (SEC)

The Securities and Exchange Commission (SEC) has established guidelines for opening accounts for conducting capital market transactions to have a standard form (Single Form) to be the same standard. In addition, there will be an increase in digital adaptation by changing the method of opening accounts and getting to know customers (Know Your Client: KYC) electronically (“e-KYC”) before providing services to customers. Bank shall collect and evaluate a variety of customer data to determine who the customer is. This includes getting to know our clients in depth (Client Due Diligence (CDD) to know their income and sources of income, financial position, knowledge and understanding investment experience and objectives, including the client’s acceptable risk profile in order to provide the service efficiently and can use the digital identity verification and verification system (Digital ID).

The Office of Insurance Commission (OIC)

The Office of Insurance Commission (OIC) has set rules for the insured to receive fair service (market conduct) since policy development and issuance selection of sellers, distribution channels, measures for the offering process, providing information for purchasing policy, after-sales service, complaint management Indemnity with a system that controls sales quality in every channel and a hedging instrument is set to be used in market risk management in order to cope with the fluctuation of financial markets under uncertain economic conditions. It also revised the criteria for maintaining capital funds according to risk based capital (RBC) in line with international standards.

3.3 Emerging Risk

Integration

Integration inevitably brings with it significant changes to many aspects of business. Shifts in the direction of businesses and ways of working can cause unease and confusion among workforces. The Bank, therefore, needs to focus on the smooth transition and integration of employees as much as the business aspects. During 2020, the Bank aligned the policies and procedures of the two banks, established a new corporate culture called ‘I CARE’ that changes the way we work, and captured quick win synergies.

This integration proceeded as planned despite the disruptions caused by COVID-19 and is expected to be completed by July 2021 (EBT: entire business transfer). The Bank has put in place key measures and a medium-term strategic direction to ensure business growth during the post-EBT/COVID-19 recovery, with a view to becoming the recommended bank of choice by our customers.

Cyber resilience

Cybercrime is evolving rapidly and is now an everyday challenge for the finance industry. In addition, cyber criminals see crisis events such as COVID-19 as an opportunity to launch more attacks in a variety of forms, with email, web and SMS phishing being the top threats. To overcome these, we operate a 3 lines of defense model that ensures robust oversight of our cybersecurity capabilities and priorities. The bank invests in IT infrastructure in a variety of forms to establish a reliable system and technical controls to help prevent, detect and react to these threats. Also, the bank extensively shares and collaborates with the cyber threat intelligence community to combat attacks. The bank also has a framework for remote working (working from home) and regularly communicates with employees and customers to build awareness about cyber security during the pandemic.

Technological innovations

While innovation and digitization provide financial institutions with new growth opportunities, banks can be impacted by a lack of preparation for new technologies and financial innovation. New players such as startups, fintech, neobanks and neoinsurers are contributing to a new competitive landscape that in turn is generating fresh ways of collaborating and encouraging further innovations. Moreover, despite the many advancements in terms of technological innovations, regulatory frameworks and guidance are still much needed both to prevent ethical dilemmas and to verify the effectiveness of these models.

The Bank is moving towards a digital centric approach through the implementation of a Digital Transformation program. This encompasses the development of digital branding, agile organization, IT infrastructure and data analytics, as well as the search for suitable digital partnerships that will enhance competitive advantage by keeping up with the rapid pace of the digital era. TMB proactively analyzes and identifies the potential risks and opportunities of technological innovations, such as machine learning, that can help us to better serve value-added solutions to our customers and identify risky customers.

Financial stability

Black swan events such as the COVID-19 pandemic can have a huge impact on businesses across the world. To withstand such events, the Bank must have financial resilience to operate without business disruption despite the economics strains. Since the 2008 financial crisis, the Bank has maintained strong liquidity and capital so that it can operate as normal and absorb volatility and unexpected events in the near term. Going forward, the Bank must prepare and closely monitor its readiness for black swan events to face the dual challenges of sustaining the flow of finance and preserving financial resilience. At the same time, the Bank will continue to assist customers in need of help while navigating moral hazards and managing the overall asset quality of the Bank.

Management Structure

1. Board of Directors

The Board of Directors as of December 31, 2020 consisted of 14 members, 8 holding non-executive directors positions (1 director* during replacement process), 5 independent directors, and 1 holding executive director position.

Name	Position	Date of Appointment	Term of Office (Year-Month)
1. Mr. Ekniti Nitithanprapas ¹	Chairman of the Board	February 13, 2020	11 months
2. Mr. Suphadej Poonpipat	<ul style="list-style-type: none"> Vice Chairman Vice Chairman of the Board of Executive Directors 	December 3, 2019	1 year 1 month
3. Mr. Philippe G.J.E.O. Damas	<ul style="list-style-type: none"> Director Chairman of the Board of Executive Directors Chairman of the Nomination, Remuneration and Corporate Governance Committee 	December 28, 2007	13 years
4. Mr. Praisun Wongsmith	<ul style="list-style-type: none"> Independent director Chairman of the Audit Committee 	February 12, 2016	4 years 11 months
5. Mr. Willem Frederik Nagel	<ul style="list-style-type: none"> Independent director Chairman of the Risk Oversight Committee Member of the Nomination, Remuneration and Corporate Governance Committee Member of the IT Oversight Committee 	April 23, 2020	8 months
6. Mr. Chumpol Rimsakorn	<ul style="list-style-type: none"> Director Chairman of the Credit Committee Member of the Board of Executive Directors Member of the Nomination, Remuneration and Corporate Governance Committee 	April 7, 2017	3 years 9 months
7. Mr. Teeranun Srihong	<ul style="list-style-type: none"> Independent director Chairman of the IT Oversight Committee Member of the Risk Oversight Committee Member of the Nomination, Remuneration and Corporate Governance Committee 	December 17, 2019	1 year 0.5 months
8. Mr. Yokporn Tantisawetrat	<ul style="list-style-type: none"> Director Member of the Risk Oversight Committee Member of the Credit Committee 	June 1, 2015	5 years 7 months
9. Mr. Somjate Moosirilert	<ul style="list-style-type: none"> Director Member of the Board of Executive Directors Member of the Nomination, Remuneration and Corporate Governance Committee 	December 3, 2019	1 year 1 month
10. Mr. Michal Jan Szczurek	<ul style="list-style-type: none"> Director Member of the Board of Executive Directors Member of the IT Oversight Committee 	December 17, 2019	1 year 0.5 month

Name	Position	Date of Appointment	Term of Office (Year-Month)
11. Mr. Prinya Hom-anek	<ul style="list-style-type: none"> • Independent director • Member of the Audit Committee • Member of the Risk Oversight Committee • Member of the IT Oversight Committee 	December 17, 2019	1 year 0.5 month
12. Mrs. Chananyarak Phetcharat	<ul style="list-style-type: none"> • Independent director • Member of the Audit Committee • Member of the IT Oversight Committee 	April 1, 2020	9 months
13. Mr. Piti Tantakasem	<ul style="list-style-type: none"> • Director • Member of the Board of Executive Directors • Member of the Risk Oversight Committee • Member of Credit Committee • Member of the IT Oversight Committee • Chief Executive Officer 	January 1, 2018	3 years

Remark:

* The Bank is under process to nominate person to replace General Nattaphon Nakphanit who resigned from director effective from October 1, 2020

Average term of office for every director in Board of Directors is 2 Years 8 months

Mr. Kriangkrai Phurivitvattana is Secretary to the Board.

The Board meeting shall be held at least once a month, the meeting shall be held on the last Thursday of every month. In case of an urgent case, the Board can arrange a special meeting as deemed necessary.

Amendment of Directors Authorized to Sign to Bind the Bank

Mr. Piti Tantakasem, Chief Executive Officer, authorized to sign with the Bank's seal affixed.

Principles for Directors

1. Understand and execute their oversight role, including understanding the Bank's risk appetite.
2. Exercise their fiduciary duty, duty of loyalty, and duty of care to the Bank under applicable Thai laws and supervisory standards.
3. Avoid conflicts of interest and the appearance of such conflicts, and institute and enforce measures to monitor and avoid potential conflicts by the Bank's personnel in dealings with other persons and organizations.
4. Commit sufficient time and energy to fulfilling their responsibilities.
5. Avoid direct participation in day-to-day management of the Bank except executive director.
6. Secure information from management to enable the Board to fulfill its functions. It is the Board's responsibility to decide what information it wants.
7. Excuse themselves from decisions when they themselves or someone related to or connected with them have a conflict of interest.
8. Provide oversight of the senior management of the Bank by exercising their duty and authority to question and insist upon straightforward explanations from management and receive on a timely basis sufficient information to judge the performance of management.
9. Ensure that the Bank's confidential information and customer information is not given either inadvertently or deliberately to third parties and shall not use the information to seek gains without the Bank's consent or permission by law.

Roles and Responsibilities of the Board of Directors

The Board has delegated the management and day to day running of the Bank to the Chief Executive Officer including implementation of the strategy approved by the Board. The Board plays an important role in determining policies and overseeing the Bank to ensure appropriate and adequacy process and resources to enable operations in accordance with those policies, and to ensure monitoring, control, and audit of the implementation. In addition, The Board approves vision, mission, and strategy and ensure that vision, mission, and strategy are implemented by management. The Board shall review vision, mission, and strategy annually according to the change of economy and business competition. The other authorities and duties of the Board are as follows:

1. Strategy and Policy

- Approve, monitor and update the overall business strategies of the Bank, including on risk governance, risk, sustainability and culture.
- Approve overall budget, and risk appetite.
- Safeguard the longer-term value of the Bank, which include the brand and corporate reputation.
- Approve all credit limits for amounts in excess of the amount delegated to other board committees or management, which delineates cascading levels of authorities.
- Approve all other risk limits and policies as prescribed by the Bank of Thailand and other relevant regulators.
- Determine a calendar each year that sets forth and schedules the issues to be discussed by the Board during the year. Substantive issues such as strategy, financial performance and progress against budget and operational plans, capital planning, actual risk profile, Chief Executive Officer's performance evaluation and operational oversight issues such as product approval process should be prioritized over formalistic issues.
- Approve the authority or the delegation of authority to approve credit, market risk limits, acquisitions, disposals, investments, or realization or creation of a new venture.
- Ensure that the policies adopted by the Bank apply to and are implemented by each of its subsidiaries, or that each subsidiary adopt and implement policies of equivalent effectiveness.

2. Compliance

- Oversee management's actions and consistency with Board policies as part of the checks and balances embodied in sound corporate governance.
- Oversee Bank operation to provide fair service to customers.
- Ensure and oversee a proper and efficient whistleblowing policy and procedure.
- Meet regularly with senior management to review policies, establish communication lines and monitor progress toward corporate objectives.
- Promote Bank safety and soundness, understand the regulatory environment and ensure the Bank maintains an effective relationship with its regulators.
- Provide sound advice to management and recommend sound practices gleaned from other situations.
- Review and, where permissible or required under applicable regulations, consider approval of connected transactions as prescribed by the Securities and Exchange Commission and related party credit limits as prescribed by the Bank of Thailand.
- Oversee Bank disclosure of significant corporate governance to shareholder's meeting and public in order to strengthen the bank's good corporate governance.
- Preside over the business in compliance with the Bank Objectives, Articles of Association and follow the shareholder's resolution
- Oversee a delegation of authority or the lower delegation to operate the bank's business according to the Board's resolution.

3. Organization

- Organize the Board and its committees in a way that promotes efficiency and strategic discussion.
- Establish certain specialized committees to assist the Board in its oversight function and to advise the Board on issues requiring specific technical expertise.
- Periodically assess the effectiveness of its own governance practices, including nomination and election of Board members and management of conflicts of interest, determining where weaknesses exist, and making changes as necessary.
- Develop and maintain an appropriate level of expertise as the Bank grows in size and complexity.
- Select, monitor and where necessary replace key executives, while ensuring that the Bank has an appropriate plan for executive succession and that any intended successor (s) will be qualified, fit and proper to manage the affairs of the Bank.
- Select, evaluate and determine the compensation of the Chief Executive Officer as well as certain key senior executives.
- Ensure that Bank's compensation and benefits programs are appropriate and consistent with the strategic objectives and are compliant with relevant regulations.
- Continuously review the internal structure of the Bank to ensure that there are clear lines of accountability for management throughout the organization.

2. Executives

As of December 31, 2020, the Bank's executives as defined by the Bank and align with definition of SEC are comprised of 39 persons as follows:

Name-Surname	Position
1. Mr. Piti Tantakasem	Chief Executive Officer (CEO)
2. Mr. Praphan Anupongongarch ⁽¹⁾	President
3. Mr. Senathip Sripaipan	Chief Commercial Banking Officer (CCBO)
4. Mr. Anuwat Luengtaweekul ⁽¹⁾	Chief Retail Banking Officer (CRBO)
5. Mr. Johannes Franciscus Grisel	Chief Risk Officer (CRO)
6. Mrs. Prapasiri Kositthanakorn	Chief Financial Officer (CFO)
7. Mr. Markus Dolenga	Chief Technology and Operating Officer (CTOO)
8. Ms. Vijitra Thumpong ⁽¹⁾	Chief People Officer (CPO)
9. Mrs. Kanchana Rojvatunyu ⁽¹⁾	Chief Marketing Officer (CMO)
10. Mr. Pompert Rasanon ⁽¹⁾	Chief Automotive Lending Officer (CALO)
11. Mrs. Pitimart Sanguansook ⁽²⁾	Chief Audit Officer (CAO)
12. Mr. Mate Kanokpibool	Financial Controller
13. Ms. Somkid Preechasammakul	Head of Finance Business Partner
14. Ms. Pimolwan Puarattana-Aroonkorn	Head of Finance Business Partner - CCBO
15. Mr. Thawatchai Trongnamsukki	Head of Finance Business Partner - CRO
16. Ms. Jitrawadee Srivichit	Head of Finance Business Partner - Retail
17. Ms. Preediorn Klungnark	Head of Financial Business Partner - CFO, Corporate Function
18. Mr. Charnwit Akkarapattanakoon ⁽³⁾	Head of Finance Business Partner - Bank wide/Subsidiary and Managerial Report

Name-Surname	Position
19. Ms. Tharinee Totab ⁽³⁾	Head of Finance Business Partner - CALO
20. Ms. Somruetai Tantakitti ⁽⁴⁾	Head of Finance Business Partner - CIO
21. Mr. Andrew Kent Jan	Head of Balance Sheet Management
22. Mr. Chalermchai Paisithmongkol	Head of Central Treasury
23. Mrs. Voraluck Chokchaitam	Head of Asset and Liability Management
24. Mrs. Kwanhatai Sukhumtammarat	Head of Financial Application and Data Management
25. Ms. Waree Thanmongkolswad	Head of Financial Regulatory Management
26. Mrs. Suphavadee Wuthithien	Head of Regulatory Analysis - BoT Reporting
27. Mrs. Kamolmarn Staworn	Head of Regulatory Analysis - Financial Reporting
28. Mr. Prayut Boonlerd	Head of Accounting Control
29. Ms. Rochana Ratant-Ubol	Head of Financial Payment and Control
30. Ms. Siriphon Rattanaumphawan	Head of Financial Governance and Policy
31. Ms. Maline Laoitthi	Head of Finance Business Intelligence and Data Management Centre
32. Mr. Pichan Ruechuzed ⁽⁵⁾	Head of Tax Strategy & Compliance
33. Mr. Jaraschai Boworntammarat ⁽⁶⁾	Head of Finance Business Intelligence
34. Mr. Pakpoom Visawameteekul ⁽⁶⁾	Head of Capital and Balance Sheet Strategy
35. Mr. Surapong Chantasittiporn ⁽³⁾	Head of Business Intelligence Finance Business Intelligence and Data Management Center
36. Mrs. Pimchaya Thammasorn ⁽⁷⁾	Executive Finance Business Partner
37. Ms. Veeraya Mahakhan	Executive Finance Business Partner
38. Ms. Pinyada Yamsiri ⁽⁷⁾	Senior Finance Business Partner
39. Ms. Krittiya Rirklaunrit ⁽⁸⁾	Professional - Finance Business Partner

Remark:

⁽¹⁾Appointment effective on January 1, 2020

⁽²⁾Appointment effective on May 1, 2020

⁽³⁾Appointment effective on July 1, 2020

⁽⁴⁾Appointment effective on October 16, 2020

⁽⁵⁾Appointment effective on September 1, 2020

⁽⁶⁾Appointment effective on April 1, 2020

⁽⁷⁾Appointment effective on August 1, 2020

⁽⁸⁾Appointment effective on September 16, 2020

3. Company Secretary

The Board of Directors has appointed Mr. Naris Aruksakunwong to hold position of Company Secretary. (see more detail about education, work experience, and training course related to company secretary's function in attachment 1)

The Company Secretary's roles and responsibilities are to perform duty in compliance with laws and follow up activities of the Board of Directors and Board Committees, management, and the Bank's to be in line with relevant laws, regulations, and articles of association of the Bank. The Company Secretary is also to support the Board of Directors, board committee, management, and the Bank to implement operation in line with good corporate governance.

The Company Secretary has roles and responsibilities as follows:

1. For the Bank

- 1.1 To monitor and supervise the Bank's overall operation to comply with relevant laws and regulatory requirements including resolution of Board of Directors, resolution of annual general meeting of shareholders.
- 1.2 To file and keep the Bank's important documentation such as certificate, memorandum & articles of association, shareholder register, licenses and power of attorney, etc.
- 1.3 To push for guidelines so that the Bank shall formulate policies, comply with good corporate governance and conduct regular review.
- 1.4 To act as contact person of the Bank.

2. For the Board

- 2.1 To advise the Board of Directors and management on laws and regulations relevant to their duties
- 2.2 To oversee meetings of the Board and board committees established by the Board of Directors to be in line with laws, regulations, articles of association, charters, and best practices
- 2.3 To Manage to serve as the Board's secretary and board committees' secretary as assigned including Chief Executive Committee, record accurate and complete minutes, inform to relevant management the resolution and follow up the resolution implementation
- 2.4 To oversee the changes of directors and examine director's qualifications in case of appointment of new directors and director to replace director who resigned by rotation in line with regulatory requirements and the bank's strategy and business direction, including propose the issue to the Bank of Thailand for endorsement
- 2.5 To review director's qualifications during the directorship period to ensure that the qualifications are always in line with regulatory requirements
- 2.6 To oversee insider information and conflict of interest practices of directors
- 2.7 To facilitate directors' training and development
- 2.8 To provide Board's and Board Committees' performance assessment
- 2.9 To arrange Directors and Officers Liability Insurance (D&O Insurance) for the directors and management.

3. For the Shareholders

- 3.1 To conduct shareholders' meeting to be in line with laws, articles of association and good corporate governance principle, including perform duty of secretary to the shareholders' meeting.
- 3.2 To oversee the right of shareholders and create good relationship with shareholders.

4. Board of Directors' Meeting

In 2020, details of the meeting attendance of the Board of Directors and board committee members are as follows:

Name	Board of Directors	Board of Executive Directors	Audit Committee	Nomination, Remuneration Corporate Governance Committee	Risk Oversight Committee	Credit Committee	IT Oversight Committee
Total no. of meetings in 2020	16	25	13	12	14	21	10
1. Mr. Ekniti Nitithanprapas ⁽¹⁾	15/15						
2. Mr. Suphadej Poonpipat ⁽²⁾	16/16	25/25					
3. General Nattaphon Nakphanit ⁽³⁾	6/10						
4. Mr. Philippe G.J.E.O. Damas ⁽⁴⁾	14/16	25/25		12/12			
5. Mr. Singha Nikornpun ⁽⁵⁾	4/4		4/4				
6. Mr. Prinya Hom-aneek ⁽⁶⁾	16/16		12/13		14/14		10/10
7. Mr. Teeranun Srihong ⁽⁷⁾	16/16			12/12	14/14		10/10
8. Mr. Chumpol Rimsakorn ⁽⁸⁾	16/16	24/25		12/12		21/21	
9. Mr. Michal Jan Szczurek ⁽⁹⁾	16/16	25/25					10/10
10. Mr. Yokporn Tantisawetrat ⁽¹⁰⁾	16/16				14/14	20/21	
11. Mr. Praisun Wongsmith ⁽¹¹⁾	16/16		13/13				
12. Mr. Somjate Moosirilert ⁽¹²⁾	16/16	23/25		12/12			
13. Mr. Willem Frederik Nagel ⁽¹³⁾	11/12			6/8	8/8		5/7
14. Mrs. Chananyarak Phetcharat ⁽¹⁴⁾	11/12		9/9				7/8
15. Mr. Piti Tantakasem ⁽¹⁵⁾	16/16	25/25			13/14	20/21	9/10
Average of 2020 meeting attendance (%)	95.39%	98.00%	98.08%	95.00%	98.57%	96.83%	91.49%

Remarks:

Directors who attended the meetings electronically were as detailed below:

⁽¹⁾Mr. Ekniti Nitithanprapas

- The Board of Directors Meeting No. 4/2020

⁽²⁾Mr. Suphadej Poonpipat

- The Board of Directors Meetings No. 1/2020 (Special Session), No. 3/2020 - No. 6/2020
- The Board of Executive Directors Meetings Special Session No. 1/2020, Special Session No. 2/2020, No. 5/2020 (Special Session), No. 6/2020 - 13/2020, No. 22/2020

⁽³⁾General Nattaphon Narkphanit (resigned from directorship, effective from 1 October 2020)

- The Board of Directors Meetings No. 1/2020 (Special Session), No. 5/2020, No. 6/2020, No. 8/2020

⁽⁴⁾Mr. Philippe G.J.E.O. Damas is a director who does not have residence in Thailand.

- The Board of Directors Meetings No. 4/2020 - 12/2020, No. 2/2020 (Special Session), No. 3/2020 (Special Session), No. 4/2020 (Special Session)
- The Board of Executive Directors Meetings No. 4/2020, Special Session No. 1/2020, Special Session No. 2/2020 No. 5/2020 (Special Session), No. 6/2020 - 23/2020

- The Nomination, Remuneration and Corporate Governance Committee Meetings No. 3/2020 - 12/2020

⁽⁵⁾Mr. Singha Nikornpun (resigned from the independent director position, effective from 1 April 2020)

⁽⁶⁾Mr. Prinya Hom-aneek

- The Board of Directors Meetings No. 1/2020 (Special Session), No. 4/2020, No. 5/2020, No. 7/2020, No. 8/2020, No. 3/2020 (Special Session), No. 11/2020
- The Audit Committee Meetings No. 4/2020 - 8/2020, No. 11/2020
- The Risk Oversight Committee Meetings No. 1/2020 (Special Session), No. 2/2020 (Special Session), No. 4/2020 - 8/2020, No. 11/2020, No. 12/2020
- The IT Oversight Committee Meetings No. 3/2020, No. 4/2020, No. 1/2020 (Special Session), No.5/2020, No. 2/2020 (Special Session)

⁽⁷⁾Mr. Teeranun Srihong

- The Nomination, Remuneration and Corporate Governance Committee Meetings No. 3/2020, No. 4/2020, No. 6/2020 - 8/2020, No. 10/2020 - 12/2020
- The Risk Oversight Committee Meetings No. 1/2020 (Special Session), No. 4/2020, No. 7/2020 - 9/2020, No. 11/2020, No. 12/2020
- The IT Oversight Committee Meetings No. 5/2020

⁽⁸⁾Mr. Chumpol Rimsakorn

- The Board of Directors Meetings No. 1/2020 (Special Session), No. 4/2020 - 6/2020, No. 8/2020
- The Board of Executive Directors Meetings Special Session No. 1/2020, No. 6/2020 - 15/2020
- The Nomination, Remuneration and Corporate Governance Committee Meetings No. 4/2020 - 8/2020
- The Credit Committee Meetings No. 1/2020 (Special Session), No. 4/2020 - 12/2020

⁽⁹⁾Mr. Michal Jan Szczurek

- The Board of Directors Meetings No. 3/2020, No. 1/2020 (Special Session), No. 4/2020, No. 3/2020 (Special Session), No. 11/2020
- The Board of Executive Directors Meetings No. 4/2020, No. 6/2020, Special Session No. 1/2020, Special Session No. 2/2020, No. 7/2020, No. 8/2020, No. 11/2020, No. 16/2020, No. 22/2020
- The IT Oversight Committee Meetings No. 2/2020, No. 3/2020

⁽¹⁰⁾Mr. Yokporn Tantisawetrat

- The Board of Directors Meeting No. 4/2020
- The Risk Oversight Committee Meetings No. 1/2020 (Special Session), No. 2/2020 (Special Session), No. 3/2020
- The Credit Committee Meetings No. 3/2020, No. 1/2020 (Special Session), No. 2/2020 (Special Session), No. 15/2020

⁽¹¹⁾Mr. Praisun Wongsmith

- The Board of Directors Meeting No. 1/2020 (Special Session)
- The Audit Committee Meeting No. 3/2020

⁽¹²⁾Mr. Somjate Moosirilert

- The Board of Directors Meetings No. 4/2020, No. 5/2020
- The Board of Executive Directors Meetings No. 5/2020 (Special Session), Special Session No. 1/2020, Special Session No. 2/2020, No. 7/2020 - 12/2020
- The Nomination, Remuneration and Corporate Governance Committee Meetings No. 4/2020 - 7/2020

⁽¹³⁾Mr. Willem Frederik Nagel is a director who does not have residence in Thailand.

- The Board of Directors Meetings No. 4/2020 - 12/2020, No. 2/2020 (Special Session), No. 3/2020 (Special Session)
- The Nomination, Remuneration and Corporate Governance Committee Meetings No. 5/2020, No. 7/2020 - 11/2020
- The Risk Oversight Committee Meetings No. 5/2020 - 12/2020
- The IT Oversight Committee Meetings No. 4/2020, No. 1/2020 (Special Session), No. 5/2020, No. 2/2020 (Special Session), No. 7/2020

⁽¹⁴⁾Mrs. Chananyarak Phetcharat

- The Board of Directors Meetings No. 5/2020, No. 7/2020
- The Audit Committee Meeting No. 5/2020
- The IT Oversight Committee Meetings No. 4/2020, No. 5/2020, No. 7/2020

⁽¹⁵⁾Mr. Piti Tantakasem

- The Board of Directors Meetings No. 3/2020, No. 1/2020 (Special Session)
- The Board of Executive Directors Meetings No. 6/2020, Special Session No. 2/2020, No. 7/2020
- The Risk Oversight Committee Meetings No. 1/2020 (Special Session), No. 2/2020 (Special Session)
- The Credit Committee Meetings No. 1/2020 (Special Session), No. 2/2020 (Special Session)

5. Remuneration for directors and executives

5.1 Remuneration for directors

The Bank has fairly set the directors' remuneration criteria, compositions and amounts based on Fiduciary Duty at appropriate level. In addition, the directors' remuneration shall be in accordance with accountability and responsibility of the directors compared with the companies in the same industry and similar size.

In addition, directors' remuneration must be sufficient and attractive to nominate qualified directors and retain directors who has knowledge and capability to perform their duty and dedicate themselves to contribute to the Bank. The Nomination, Remuneration and Corporate Governance Committee has reviewed the directors' remuneration on an annual basis, and then propose to the Board for endorsement and also put it in agenda of the Annual General Meeting of Shareholders for approval annually.

Directors' remuneration criteria

1. Monthly fee consists of

- 1.1 Retaining fee: • Director is entitled to the retaining fee for one position only.
- 1.2 Committee fee: • Director is entitled to the committee fee for every board and committee that he/she sits on.

- 2. Attendance fee: • Director is entitled to the attendance fee for every meeting where he/she is present.

Cash remuneration by committee is as follows;

		Remuneration (baht)		
		Retaining Fee (Per Year)	Committee Fee (Per Year)	Attendance Fee (Per Meeting)
Board of Directors	Chairman	1,800,000	1,800,000	40,000
	Vice Chairman	420,000	420,000	35,000
	Member	384,000	384,000	30,000
Board of Executive Directors	Chairman	1,440,000	1,440,000	40,000
	Vice Chairman	420,000	420,000	35,000
	Member	384,000	384,000	30,000
Audit Committee	Chairman	696,000	696,000	32,400
	Member	374,400	374,400	24,600
Nomination, Remuneration and Corporate Governance Committee	Chairman	696,000	696,000	32,400
	Member	374,400	374,400	24,600
Risk Oversight Committee	Chairman	696,000	696,000	32,400
	Member	374,400	374,400	24,600
Credit Committee	Chairman	696,000	696,000	32,400
	Member	374,400	374,400	24,600
IT Oversight Committee	Chairman	696,000	696,000	32,400
	Member	374,400	374,400	24,600

The directors who are the Bank's executives do not receive the remuneration according to the Bank's regulations. As well as, the representative directors who are the executives of ING Bank N.V. will not receive the remuneration under ING's policy.

In case additional remuneration is required for newly formed committees, the Board of Directors shall provide such remuneration and ensure that the total remuneration for the directors shall not exceed THB 45 million as approved by the shareholders' meeting.

In 2020, the Annual General Meeting of Shareholders has approved the distribution of directors' bonus at the rate 0.5 percent of dividend paid among the directors for 2019 operational performance and the Board be granted the authority to set up detail of the allocation. In this regard, the director who is the Bank's executive and the representative directors who are the executives of ING Bank N.V. will not receive the directors' bonus.

In 2020, the directors received remuneration for serving on the Board of Directors and other committees in a total amount of THB 38,711,000 and directors' bonus amount of THB 15,503,174.10 The details are as follows:

Name of directors	Details
1. Mr. Ekniti Nitithanprapas ⁽²⁾ (From February 13, 2020)	Received THB 3,900,000 for serving as the Chairman of the Board of Directors.
2. Mr. Suphadej Poonpipat (From December 3, 2019)	Received THB 2,695,000 for serving as a member of the Board of Directors and the Board of Executive Directors. Received THB 123,041.06 for directors' bonus.
3. General Nattaphon Nakphanit ⁽¹⁾⁽³⁾ (From May 30, 2019 to October 1, 2020)	Received THB 756,000 for serving as a member of Board of Director. Received THB 861,287.45 for directors' bonus.
4. Mr. Philippe G.J.E.O. Damas	Received THB 5,768,800 for serving on the Board of Directors and as Chairman of the Board of Executive Directors and the Nomination, Remuneration and Corporate Governance Committee. Received THB 1,476,492.77 for directors' bonus.
5. Mr. Praisun Wongsmith ⁽⁴⁾	Received THB 2,487,600 for serving on the Board of Directors and as Chairman of the Audit Committee. Received THB 1,476,492.77 for directors' bonus.
6. Mr. Chumpol Rimsakorn	Received THB 4,710,000 for serving on the Board of Directors and as Chairman of the Credit Committee, member of the Board of Executive Directors and member of the Nomination, Remuneration and Corporate Governance Committee. Received THB 1,476,492.77 for directors' bonus.
7. Mr. Teeranun Srihong (From December 17, 2019)	Received THB 4,109,000 for serving on the Board of Directors and as Chairman of IT Oversight Committee, member of the Nomination, Remuneration and Corporate Governance Committee and member of the Risk Oversight Committee. Received THB 61,520.53 for directors' bonus.
8. Mr. Yokporn Tantisawetrat	Received THB 2,833,200 for serving on the Board of Directors and as member of the Risk Oversight Committee and member of the Credit Committee. Received THB 1,476,492.77 for directors' bonus.
9. Mr. Somjate Moosirilert (From December 3, 2019)	Received THB 2,991,600 for serving on the Board of Directors and as member of the Board of Executive Directors and member of the Nomination, Remuneration and Corporate Governance Committee. Received THB 123,041.06 for directors' bonus.
10. Mr. Prinya Hom-anek (From December 17, 2019)	Received THB 3,256,800 for serving on the Board of Directors and as member of the Audit Committee, member of the Risk Oversight Committee and member of the IT Oversight Committee. Received THB 61,520.53 for directors' bonus.
11. Mrs. Chananyarak Phetcharat ⁽⁵⁾ (From April 1, 2020)	Received THB 1,861,200 for serving on the Board of Directors and as member of the Audit Committee and member of the IT Oversight Committee.
12. Mr. Singha Nikornpun ⁽¹⁾⁽⁶⁾ (To March 31, 2020)	Received THB 693,600 for serving on the Board of Directors and as Chairman of the Audit Committee. Received THB 1,476,492.77 for directors' bonus.
13. Mr. Prasong Poontaneat ⁽¹⁾ (From June 20, 2018 to December 31, 2019)	Received THB 2,214,739.17 for directors' bonus.
14. General Apirat Kongsompong ⁽¹⁾ (From November 14, 2018 To May 3, 2019)	Received THB 492,164.26 for directors' bonus.
15. Mr. Siripong Sombatsiri ⁽¹⁾ (To December 16, 2019)	Received THB 1,414,972.24 for directors' bonus.

Name of directors	Details
16. Mr. Vaughn Nigel Richtor ⁽¹⁾ (To December 3, 2019)	Received THB 1,353,451.71 for directors' bonus.
17. Mr. Christopher John King ⁽¹⁾ (To December 16, 2019)	Received THB 1,414,972.24 for directors' bonus.
18. Mr. Willem Frederik Nagel ⁽⁷⁾ (From April 23, 2020)	Received THB 2,648,200 for serving on the Board of Directors and as Chairman of the Risk Oversight Committee, member of the Nomination, Remuneration and Corporate Governance Committee, member of IT Oversight Committee.
19. Mr. Michal Jan Szczurek (From December 17, 2019)	Not entitled to receive the monetary remuneration and directors' bonus as per the criteria of ING Bank N.V.
20. Mr. Piti Tantakasem	Not entitled to receive the monetary remuneration and directors' bonus as per the criteria of the Bank.

Remark:

⁽¹⁾Not currently a board member

⁽²⁾Mr. Ekniti Nitithanprapas was appointed as a director and the Chairman of the Board of Directors, effective from February 13, 2020.

⁽³⁾General Nattaphon Nakphanit resigned from directorship, effective from October 1, 2020.

⁽⁴⁾Mr. Praisun Wongsmith was appointed as the Chairman of the Audit Committee to replace Mr. Singha Nikornpun, effective from April 1, 2020.

⁽⁵⁾Mrs. Chananyarak Phetcharat was appointed as an independent director of the Board of Directors, effective from April 1, 2020.

⁽⁶⁾Mr. Singha Nikornpun resigned from an independent director position and the Chairman of the Audit Committee, effective from April 1, 2020.

⁽⁷⁾Mr. Willem Frederik Nagel was appointed as an independent director of the Board of Directors, effective from April 23, 2020.

Other remuneration and benefits

No other benefits

5.2 Remuneration for Executive Officers

During the fiscal year ended December 31, 2020, the Bank's 39 executives as defined by the Bank and align with definition of SEC received remuneration in a total amount of THB 320 million, consisting of salary, bonus, provident fund and other benefits. ("executives as defined by the Bank and align with definition of SEC" refer to manager or the next four executives succeeding the manager, the persons holding equivalent position to the fourth executive and shall include the persons holding the position of manager or equivalent in accounting or finance department and staff who may know the financial information before public.)

6. Personnel

6.1 Number of Employees

As of December 31, 2020, TMB Bank had a total number of 8,838 employees and Thanachart Bank had a total number of 8,174 employees. Therefore, the total number of employees on consolidated basis were 17,012 persons.

The number of employees (TMB Bank and Thanachart Bank) can be broken down by group as follows.

Group	2020 No. of employees (persons)
Chief Executive Officer (CEO)	337
President	1,161
Chief Automotive Lending Officer (CALO)	1,659

Group	2020 No. of employees (persons)
Chief Technology and Operating Officer (CTOO)	2,604
Chief Integration Officer (CIO)	23
Chief Financial Officer (CFO)	291
Chief Retail Banking Officer (CRBO)	8,694
Chief Commercial Banking Officer (CCBO)	1,165
Chief Risk Officer (CRO)	645
Chief People Officer (CPO)	146
Chief Marketing Officer (CMO)	158
Chief Audit Officer (CAO)	129
Total	17,012

Staff's total number during the past three years (including Thanachart Bank's employees)

Total number of employees (persons)	2020	2019	2018
As of December 31	17,012 persons	19,432 persons	8,373 persons

6.2 Key labor disputes (TMB bank-only data)

As of December 31, 2020

Type of case	No. of cases	Status
1. Lawsuit brought by the Bank against employees	1	Cases are under the Court's proceedings.
1.1 Violated Employment Contract	1	
• Case not yet finalized	1	
• Case finalized	-	
2. Lawsuit brought by employees against the Bank	13	Cases are under the Court's proceedings.
2.1 Unfair termination of employment	11	
• Case not yet finalized	2	
• Case finalized	9	
2.2 Change in employment conditions	1	Cases are under the Court's proceedings.
• Cannot yet finalized	-	
• Case finalized	1	
2.3 Pay for annual leave	1	Cases are under the Court's proceedings.
• Cannot yet finalized	1	
• Case finalized	-	

Staff's compensation

The Bank is well aware that employees are its valued resources and key contributors towards its success and achievement. Therefore, the Bank gives priority to the boosting of the employees' morale and ensure that they receive compensation based on their performance, skills and competence, as well as other welfare and benefits that are reasonable, fair and comparable to other financial institutions'.

Total compensation and types of compensation for employees

The Bank has compensation scheme in the form of base salary and variable pay depending on the business achievement. The industry benchmarking is conducted among financial institutions to ensure the competitiveness. The Bank has continued to review and update the information to ensure proper compensation package including the required working tools to be aligned with the scope of work and responsibilities, regardless of the corporate title or ranking. Corporate operational risk is also taken into consideration for total compensation. The overall compensation scheme is designed to drive the “Pay for Performance” culture depending on the performance of the Bank and employees.

In 2020, total compensation for the employees given in the forms of salary, cost of living allowance, other allowance that related to work, variable pay by performance and others accounted for THB 8,576 million (TMB bank-only data).

In 2020, the Bank received approval from the Extraordinary General Meeting of Shareholders No. 1/2019 on 23 September 2019 to issue newly issued ordinary shares for TMB Stock Retention Program, with the aim of talent retention. The offer for sale of the newly issued shares in this structure would cover the span of 3 years (2020 - 2022).

Other subsidies

The Bank provides other forms of subsidies to employees on several occasions, e.g. grants for staff's wedding, child's birth, ordination, Islamic pilgrimage, and scholarship for staff's children. The Bank also grants gratuity to the employees in case they themselves or any of their family members have passed away.

Provident fund

The Bank and Employees have jointly established The Registered Provident Fund of TMB Bank Public Company Limited which is managed by The Board of Directors of The Registered Provident Fund of TMB Bank Public Company Limited that comprised of employers, which come from the appointment and employees which come from the election from the member. The fund is managed with Employee's Choice which contribution at 5% - 10% of the staff's salary is paid by the Bank into the Fund and The Bank's employee may choose to pay their own portion into the Fund at the rate of 2% - 15% of their salary.

Other welfares and fringe benefits

- **Medical care** - The Bank provides medical services to staff through health insurance company with efficient and convenient service standards and cover dental treatment. The Bank also provides annual health checkup for all levels of staffs in term of health preventive care. Since 2016 the medical check-up program was properly provided by considering the range of ages and risk opportunity that might occur from work environment in some functions. The Bank also provides in-house medical clinic at the Head Office and other office of the bank with many employees operating with specialized physicians to give medical treatment and health consultancy, with a few beds for sick staffs and initial medical care during the work hours.
- **Group life insurance, severe diseases insurance, personal accident insurance, and medical financial support for accident from work** - The Bank provides options for staffs to choose the health insurance program to suit with their needs. These insurance programs are aimed at strengthening the employees' security while working with the Bank. The insurance is also covered 24 hours for both working hours and over time. Including the preparation of life insurance to staffs who work in areas including four most risky southern provinces namely Yala, Pattani, Narathiwat and Songkhla, as well as the medical financial support in case of accident that might be occurred from work.
- **Welfare loans** - The Bank has been providing staff welfare loans that are referred to processes and product which are provided to customers, as well as encourage employees to adhere to the financial discipline. Besides, emergency loan is provided to ease staff's difficulty.

- **Canteen** - The Bank has provided the canteen at its Head Office where employees can enjoy quality food and drinks in a low price and nice environment.
- **Fitness** - The Bank supports and provides a fitness facility free of charge at Head Office, this will help to improve their health and well-being and promote a healthy workplace.

Human Resources Development with the Business Plan Alignment

Training roadmap for the Bank's staffs has been designed to strengthen Core and Leadership Competency for our people. We customized training contents and topics to fit staff and executive at all levels through analyzing key behaviors and skills required for the Bank's employees at different proficiency levels.

As of December 2020, the Bank provided training courses for staff in various course for developing their knowledge and skill. The training course classified as below (TMB bank-only data).

Overall staff training 2020	Average hour
Men	12
Women	16
Overall training by average hour	15

Employee training 2020 by employee level	Average hour	
	Men	Women
Top management	4	5
Middle management	12	7
Junior management	17	23
Non-management	11	15

Employee training by type of training in 2020	Number of courses	Number of training	Number of staff attend
Internal	33	63	2,069
External	16	16	53
E-Learning	93	112	142,222
Total	142	191	144,344

Employee training by course in 2020	Number of courses	Number of training	Number of staff attend
Branch area	45	56	34,182
Commercial area	2	3	850
License related area	58	90	43,634
Other	37	42	65,678
Total	142	191	144,344

Average training hours 15 hours per person

Corporate Governance

1. Corporate Governance Policy

The Board of Directors is well aware of the importance and benefits of good Corporate Governance and thereby set out the written Corporate Governance Policy which applied SEC's Corporate Governance Code for Listed Companies. In this regard, the relevant regulations and industry code of conduct also incorporated in. The policy content focus on the good corporate governance and international standard, proper conduct the Bank business with efficiency, integrity, absence of fraud and corruption, transparency and accountability to enhance confidence of shareholders, investors, stakeholders, society and all related parties. The policy is posted on the Bank's website for information of the Bank's employees and for public. (Detail is indicated in topic "Other Corporate Governance Practice")

The policy covers in key principles as following.

Part 1 Rights of shareholders

The Bank places importance on protection of the rights of the shareholders and encourages the shareholders to fully exercise their rights. This covers the shareholders' basic rights, i.e. sale/purchase or transfer of shares, business profit sharing, receipt of relevant and adequate information of the Bank. The shareholders are also encouraged to exercise their rights to attend the shareholders' meeting and vote on appointment or discharge of directors, appointment of auditor and on other issues affecting the Bank such as dividend allocation, capital increase/decrease, approval of connected transactions, and determination or adjustment of Articles of Association and Memorandum of Association, etc. In this regard, the Bank shall not commit any conduct infringing or undermining shareholders' rights.

Annual General Meeting of Shareholders

The Bank has policy to encourage all groups of shareholders including minority shareholders, institutional shareholders, and foreign shareholders to attend the annual general meeting of shareholders. In 2020, the Annual General Meeting of Shareholders was postponed from the original schedule on April 29, 2020 to be held on Monday, August 17, 2020 at 14.00 hrs. at the Auditorium, 7th Floor, TMB Head Office, 3000 Phahon Yothin Road, Chom Phon, Chatuchak, Bangkok. This meeting was arranged during the outbreak of the novel coronavirus 2019 (COVID-19) therefore the Bank set up the preventive measures as per the recommendations of the relevant organizations, Department of Disease Control, such as diagnose an individual person with a body temperature, using the fill out of COVID-19 Health declaration form for screening the history of participants if they has been in contact with any risky person, and request the participants to register application "Thai Chana". The date, time and venue of the Annual General Meeting of Shareholders were set and conformed to the good corporate governance principles as summarized below:

Before the Meeting Date

For the 2020 Annual General Meeting of Shareholders, the shareholders were informed of the date and agenda of the meeting via SET's communication system on July 9, 2020 or 38 days prior to the meeting date. The Bank also disclosed the invitation letter as well as related documents in both languages, Thai and English, on the Bank's website (www.tmbbank.com) in the section "Investor Relations" under the title of "Annual General Meeting of Shareholders" July 14, 2020 or 33 days prior to the meeting date to enable the shareholders to have sufficient time to study the information. The Bank also assigned its registrar, Thailand Securities Depository Co., Ltd. (TSD), to deliver the said documents in printed copies to the shareholders via the registered mail on July 24, 2020 or 23 days before the meeting date, which was align with policy and longer than the legal requirement.

The invitation letter contained objectives and rationale as well as the opinions of the Board of Directors on each agenda item, accompanied by complete and sufficient details of each item for consideration. The shareholders were clearly informed which item would be for consideration and which one for acknowledgement. Moreover, in the invitation letter, the shareholders were informed of the details regarding necessary evidence documents to be brought to the meeting as well as meeting procedure, voting rules with a QR Code of the Bank's annual report (the shareholders can request for the annual report in printed form) and other relevant information attached thereto. In addition, the invitation letter was also published in the newspaper for 3 consecutive days in accordance with the law.

A proxy form was also enclosed to allow the shareholders to appoint any independent directors or other persons as their proxies in case they could not attend the meeting. A foreign shareholder who has appointed a custodian in Thailand to be share depository and trustee has to use the Proxy Form C. which can be printed from the Bank's website.

For convenience of registration, the Bank coordinated with institutional investors on preparation of proxy prior to the meeting date.

On the Meeting Date

The meeting was carried out with transparency, fairness, and equitable treatment of all shareholders. Appropriate registration procedure was prepared by the Bank, with facilities provided by Bank staff, classified by type of attendees, i.e. shareholders attending in person and proxies attending on shareholders' behalf. The barcode system was used to ensure rapid and accurate registration procedure. Voting card was available for each attendee to vote on each item of the agenda. Moreover, the Bank also provided shuttle bus service at various spots and sufficient parking space to serve the shareholders.

Before starting the meeting, the Chairman assigned the Company Secretary to clearly inform the meeting of the voting and counting methods. For more convenience of foreign shareholders, a simultaneous English translation was provided by the Bank's staff. In this regard, the shareholders' rights to study the Bank's information memorandum would not be undermined, such as no abrupt distribution of additional document with key information during the meeting, no addition of new items on the agenda or change in the key information without prior notice to the shareholders, no prohibition of meeting attendance of late attendees, and so on.

During the meeting, the Chairman proceeded with the meeting in order of the items on the agenda. The Chairman also encouraged the shareholders to cast votes and raise questions and comments. Importance was given to all the recommendations or comments made by the shareholders, with all questions comprehensively clarified and all useful suggestions brought into account.

The vote casting and vote counting were undertaken openly and transparently. Allen & Overy (Thailand) Co.Ltd., external legal consultant represented by Mr. Chunhapak Taechakumtornkij, and volunteers for shareholders, namely Mr. Sakol Jitchobtham, Mr. Prinya Chatametheewong, were invited to be inspectors of the voting method, collection of ballots, counting and validation of the voting results on all agenda items. The Company Secretary announced the voting result of all agenda items.

The meeting minutes and detailed votes on all items, as well as essence of shareholders' inquiries, clarifications of the Board of Directors & CEO and resolutions were recorded completely and accurately by the Company Secretary.

After the Meeting

After the meeting, resolutions of the meeting were disclosed via the SET system on Monday, August 17, 2020, with voting details, i.e. approved, disapproved and abstain, of each agenda item. Minutes of the meeting which contained complete details including attendance record of the directors, clarification on key items, summary of questions, answers and comments during the meeting were submitted to the SET and related agencies within 14 days after the meeting date, and posted on the Bank's website (www.tmbbank.com), both Thai and English version, for verification by the shareholders. The Bank also arranged systematic filing for the minutes of the shareholders' meeting.

Furthermore, the Bank provided a video recording of the meeting for the shareholders who could not attend the meeting. Interested shareholders can contact the Bank for details.

Part 2 Equitable Treatment of Shareholders

The Bank places importance on and assures all shareholders of their rights to fair and equitable treatment, i.e. major shareholders, minority shareholders, institutional investors, and foreign shareholders. All shareholders are treated with fairness and equality as summarized below:

Rights to purchase, sale, or transfer the Bank's shares

Thailand Securities Depository Co., Ltd. (TSD) has been appointed as the Bank's registrar to facilitate all services for all transactions related to registration of the Bank's shares, namely sale/purchase or transfer of shares.

Rights to profit sharing

The Bank allocates profit to its shareholders in form of dividend payment also interim dividend payment, taking into account sustainable long-term growth built upon the Bank's full potential and capability. The dividend payment is also in line with the capital adequacy, reserve allocation and conditions of relevant laws, timeframe of dividend and interim dividend payment as well as the detail of dividend payment and dividend amount was disclosed for the shareholders acknowledgement via SET system.

Rights to regularly and timely obtain adequate information on business performance

The Bank ensures that the shareholders are provided with complete news and information apart from those disclosed via the SET's communication system. All significant and updated information are posted on the Bank's website (www.tmbbank.com).

Rights to attend the shareholders' meeting

All shareholders have equitable right to attend the meeting. Opportunity is opened to those who are unable to attend the meeting in person to appoint proxies to attend at the meeting on their behalf. The Bank has arranged to have available for appointment as proxies its directors/independent directors who do not have interests in the business on the agenda.

Right to vote at the shareholders' meeting

At each meeting of shareholders, the Bank specifies that the rights to vote shall be accordance with the amount of shares held by the shareholders, with one share equivalent to one vote. The vote counting will be carried out openly and accurately. The majority votes will be considered as the resolution except for special resolutions of certain cases set forth by the laws requiring the votes of at least three-fourths of the votes of all the shareholders attending the meeting and having the rights to vote. With regards to the voting method, the shareholders can vote to approved, disapproved, or abstain from on each agenda in the voting card.

The Bank collects the voting cards from the shareholders on every agenda item that needs to be voted for resolution. The shareholders shall be requested to mark the voting cards, according to their own opinions, indicating whether to not approve or abstain on each agenda. The barcode system is used for vote counting to facilitate fast and accurate process. The Bank will notify the shareholders of the voting result on every item once the counting is finished, divided into approval votes, dissenting votes and abstentions, as well as invalid ballots. The resolutions of the meeting according to the voting result on each item will be recorded in writing and all ballots will be kept for further examination.

Right to Propose Agenda, Director Nominees, and Question for AGM by Minority

The Bank allows the shareholders to propose agenda items and nominate persons to be elected as directors in advance, as well as allows the shareholder to propose Question for AGM in advance. The shareholders must comply with criteria specified by the Bank. At the 2020 Annual General Meeting of Shareholders, the Bank allowed the minority shareholders to propose agenda items and nominate persons to be elected as directors 3 months in advance, prior to the ending date of the fiscal year or from October 1 onwards. Details, procedures and methods of the proposal and nomination were provided on the Bank's website (www.tmbbank.com) in "Investor Relations" section under the title of "Propose Agenda, Director Nominees, and Question for AGM by Minority" and to notify via the SET system.

Right to appoint directors individually and determine directors' remuneration

At every Annual General Meeting of Shareholders, one-third of the total number of the directors of the Bank shall retire. The Bank has set an agenda item concerning election of the Bank's directors. The shareholders are allowed to vote for election of individual directors. The shareholders have the right to choose the person (s) that they deem having proper qualifications to perform duties as directors so as to safeguard the shareholders' interests. This will enable the Bank to have directors from diversified fields to represent the shareholders. Detail of qualified person such as name, age, education, experience, position in other listed companies, type of directorship, number of attendants, tenor of directorship etc. would be disclosed for the shareholders' consideration via the invitation letter for such agenda.

In addition, the shareholders have the rights to consider and approve the directors' remuneration. Adequate information on directors' remuneration is also provided to support the shareholders' consideration.

Right to appoint Auditors and determine audit fees

At every Annual General Meeting of Shareholders, the Bank has set an agenda on appointment of the Bank's auditors and consideration of the audit fees. The Bank also provides sufficient details of the proposed auditors and audit fees for consideration of the shareholders.

Part 3 Role of Stakeholders

The Bank gives priority to equal treatment to all stakeholders to ensure they fully enjoy their rights with fairness and appropriate treatment. The Bank puts in place the system to handle customers' complaints and resolve their problems with prudence and fairness. Customer information shall be kept confidential and conditions under the agreements made with business partners shall be strictly complied. The Bank's business operations shall be based on fair, free from corruption and ethical competition. All employees shall be treated fairly and equally. They shall act with integrity and create trust in working together, dare to do different things and challenge status quo, be forward-looking, embrace changes and be ready to start new initiatives. They shall also collaborate, pay attention to difference of opinions, treat each other with respect, aim for the best results, have discipline in everything they do and pursue accomplishments.

In 2020 the Bank reviewed the laid down relevant policies in 17 areas for all stakeholders as follows:

Policy for Shareholders

The Bank has policy to protect interest of shareholders and equitable treatment of all shareholders including major shareholders, minority shareholders, institutional investors and foreign shareholders, e.g. right to attend and vote at the shareholders' meeting, right to express their opinion independently at the shareholders' meeting, right to propose agenda items and nominate persons to be elected as directors in advance, right to profit sharing, and right to completely, transparently, regularly and timely obtain adequate information on business performance.

The Bank's guidelines for shareholders

The Bank ensure that business operation is transparent and free from corruption, taking into account sustainable and long-term growth based on the Bank's full potential and capability. This is to enhance the Bank's value in terms of both share price and attractive dividend payment.

Policy for Employees

The Bank supports and develops capability of employees for highest performance capacity. The employment shall be fair and appropriate for employees with career advancement opportunities and returns that reflect their ability. The Bank shall welcome employees' opinions and promote team work spirit. Employees shall be treated with politeness and their individuality shall be respected no double standard criteria. The Bank shall provide good welfare and good work environment and standard with occupational safety standard and shall concern for all employees' well-being. Consideration of employment, promotion, rotation, and punishment of employees shall be based on fair treatment. In addition, the Bank provides plan to use human resources for the Bank's optimum benefits.

The Bank's guidelines for employees

The Bank shall provide good benefits and favorable work environment by determining occupational health and safety standard and assure comprehensive well-being of all employees. For instance, nurse (s) are stationed at the infirmary every day at the Bank's office building, and doctor is available for treatment of ill employees. The Bank also provides medical treatment welfare for employees (in case of out-patient) who are treated at government and private hospitals. The Bank offers loans to help alleviate employees' difficulties, i.e. staff welfare loans, etc.

The Bank has the internal procedures which align with the human right principal and Audit Committee has the regular report for oversight on thus relevant control procedures. Detail of Human right policy was disclosed via the Bank's website (www.tmbbank.com).

The Bank has established a Safety, Occupational Health and Working Environment Committee and appointed a safety officer to work in accordance with the rules and procedures prescribed by the law to comply with the Safety Act. Occupational Health and Working Environment.

In addition, the Bank continuously develops employees' capability by offering development programs for all levels of employees. In order to prepare the employee's readiness for the business goal and culture - I CARE, the bank provide the internal training course such as Market Conduct, Code of Conduct, Personal Information Protection Act, Promotion Risk Awareness etc. In addition, the Bank places importance on Anti-Corruption, the Bank provides training programs on policy and guideline of Anti-Corruption for employees by setting of classroom training for new employees and providing of digital training (E-Learning) for employees.

In addition, the Bank provided the non-monetary benefits such as by granting the Bank's newly-issued ordinary shares to the executives and staff under TMB Stock Retention Program during 2020 - 2022.

Policy for Customers

The Bank has policy to apply customer centricity strategy in its business operations to provide the customers with diversified services and products that can well respond to their needs and to create maximum customer satisfaction and to create maximum customer satisfaction.

The Bank's guidelines for customers

The Bank has cultivated organizational culture "I CARE" comprising 5 core values namely **Integrity** - integrity and trust in working together, **Challenge Status Quo** - dare to do different things and start new initiatives, **Agility** - forward-looking, and embracing changes, initiating new ideas, **Respect** - collaborate, and treat each other with respect, **Execution** - aim for the best results with discipline in everything we do and pursue accomplishments.

Policy for Business Partners

The Bank operates business operation with partners sustainably and in long term and as good business alliances. The Bank has criteria for partner treatment, for example, in term of procurement, employment, leasing and high purchase. Qualified business partners are included in the Vendor List and price comparison is carried out before any procurement, employment, leasing and hire purchase. In addition, The Bank carefully and strictly complies with the criteria for fairness to all parties and transparent, free from corruption, auditable practice so as to maximize mutual benefits.

The Bank's guidelines for business partners:

The Bank establish Procurement policy that sets out the criteria for selecting partners who incorporate the social and environmental issues as their consideration, this also including human rights issues. The Bank also conducts risk assessment and internal control procedures through Risk Control Self-Assessment (RCSA) process. Key Control testing is regular perform after RCSA processes.

The Bank has set out guidelines for employees responsible for procurement, employment, leasing and hire purchase as follows:

1. Procurement officers and those related to procurement process shall perform duty impartially, honestly, independently and transparently regarding contact and coordination with suppliers. The supplier list and information related to the bidding shall not be disclosed to other parties except for the public information of the supplier.
2. Procurement officers and relevant persons, including their direct family members, who have direct or indirect interest with procurement and employment, for example, employee, director, partner or advisor of the sale company, shall not participate in considering the specific procurement whether there is remuneration or not. The Bank has provided the in-house training regarding NO GIFTS POLICY to encourage the transparency.
3. Procurement officers and relevant persons, including their direct family members, should not be the one borrowing from or lending to the existing suppliers or suppliers who are making an offer to the Bank.
4. Procurement officers and persons related to procurement shall prepare self-declaration when the person related to procurement receives is considered under the selection process. This is to promote the transparency and avoid any conflicts of interest or corruption issues.

The Bank's guidelines for selection partners:

For selection partners, the Bank will not select partners who is broker but the Bank will select partner who are manufacturer, distributors, or distributing agent that there are goods itself as well as consider other important factors including type of goods or services, expertise and experience of business, financial status, history of business, faithfulness and experience of executive management, and information of goods' safety.

1. Selection process involve in the due diligence and KYC shall ensure that all candidates have the complete qualifications and the bank shall review and screen the supplier list regularly every 6 months to ensure that the bank has the proper supplier list with the good record according to the bank policy especially the Anti-Corruption and align with the Thai Private Sector Collective Action Coalition: CAC.
2. The bank also screens the supplier to ensure no conflict of interest issue between the supplies as well as the bank's officer.
3. The procurement committee is appointed to validate the supplier at a specified value of the transaction. The committee also certified the supplier selection is transparent arranged. The supplier contract is usually review by Legal department for fairness of both the bank and the suppliers.

Policy for Creditors

The Bank has policy to honor and strictly conform to contact and commitment with creditor includes condition, guarantee, cash management, not default of debt, and other matter that has made agreement with creditors. Loan and interest repayment are completely and timely made to all creditors. Loan condition are rigorously complied with and no misuse of the loans is allowed.

The Bank's guidelines for creditors:

The Bank shall operate business based on its full potential and capability to build creditors' confidence in the Bank's good financial status and debt service capacity. Balance Sheet Management also prepare the accurate financial status and financial information and report to the creditors with loyalty all along. In addition, the Bank operates efficient cash management to ensure that financial status of the Bank is stable and strong as well as good liquidity management to be in order payment debts to creditors timely.

Policy for Competitors

The Bank has code of conduct and policy to conduct business based on fair and free competition with honesty and integrity as well as fairness for services providing to the customers and rejection of corruption in all its forms, and not to damage, sabotage, destroy or restrict the business of the competitors.

The Bank's guidelines for competitors:

The Bank shall offer the products and services which suit for the customer's needs based on the fair treatment, the customers also freely select their satisfied product and services. The Bank shall not engage in any dishonest or inappropriate action in order to obtain the competitors' confidential information and shall refrain from attacking the competitors' reputation with false allegations.

Policy for Investors

The Bank shall disclose correct, complete and sufficient information for investors' decision in a timely and appropriate manner.

The Bank's guidelines for investors:

See more details in "Disclosure and Transparency".

Policy for Government Agencies

The Bank has policy to conduct its business to ensure strict compliance with the laws, rules and regulations and relevant regulatory requirements, in addition the employee would be communicated on such regulations for their strict implementation, the Bank also provide good cooperation to the regulators such as to comply with Thai law, the national anti-corruption law, etc.

Policy on Social and Environmental Responsibility

The Bank operates its business as well as encourage the employee's awareness based on Corporate Social Responsibility (CSR) principles, supporting various activities and managing for efficiency of the energy consumption to promote sustainable quality development of the society and environment.

Policy on Compliance with International Human Rights Principle

The Bank places importance on equality of all stakeholders and shall not commit any conduct that violates human rights, including discrimination on grounds of the difference in origin, race, language, age, education, institution, gender, disability, physical or health condition, personal status, economic or social standing. These practical policies have been specified in the Code of Conduct of the Bank. The Bank determines hiring of any persons based on fair employment and respect human rights by considering from a person's caliber, the bank proceed appropriate compensation according to the position structure as well as market rate.

The Bank's guidelines for violation of human rights

All employees must treat all stakeholders with politeness, respect and honor, not behave inappropriately or violation of human rights regarding discriminate via verbal, ground of the difference in origin, race, religion, language, age, education, gender, disability, physical or health condition, personal status, and economic or social standing.

Policy on Non-Violation Against Intellectual Property Rights or Copyrights

The Bank operates its business without violating or exploiting copyrighted works or intellectual property, unless legal permission is granted by the copyright owners. The Bank has specified the policy on usage of information technology system and software program of the employee shall be inspected to prevent any usage of piracy software and software which is unrelated to work.

The Bank's guidelines on non-violation against intellectual property rights or copyrights:

In aspect of information technology, system development, procurement of IT program and equipment, the Bank complies with the Copyright Act and supports the legal protection of the Department of Intellectual Property. The Bank also welcomes inspection by the copyright owner. In addition, the Bank ensures that the employees do not, either in part or whole, copy, modify or publicize the copy or original material. Programs which are not licensed to the Bank/.exe file/songs/games/and other links to automatic installation are prohibited.

Anti-Fraud Policy, Anti-corruption Policy, and Gift, Entertainment, Donation and Sponsorship Policy

The Bank emphasizes on prevention and suppression of fraud, bribery, and corruption within the Bank. The Bank sets out policies, standards and procedures with strict measures for fraud and corruption detection in order to reduce fraud and corruption-related losses and to enhance efficiency and effectiveness in fraud prevention and suppression within the Bank.

The Bank provides preventive measures prohibiting an outsider to use the Bank to commit illegal actions as well as measures protecting persons who deny corruption or make complaints on fraud, corruption, and bribe from harassment, harm, penalty, demotion or threats such as Anti- Fraud Policy, Anti-Corruption Policy and TMB Anti-Money Laundering/Combating of Financing Terrorism (AML/FTC) Policy, etc.

The Bank places importance on anti-bribery for the Bank's business benefits or anti-bribery in any business agreement with government and private organizations. The Bank also determines Gift, Entertainment, Donation and Sponsorship Policy for use as guideline by the employees. The bank shall not accept gifts or endorsements, while any providing gifts or entertainment shall be arranged according to the context of business with the clear guideline, on necessary or traditions practices.

The Bank's guidelines on anti-fraud, gift & anti-bribery:

All employees shall comply with the Gift, Entertainment, Donation, and Sponsorship Policy. Employees must report the offered gift or the entertainment transaction, the gift or entertainment transaction must be aligned with detail stated in Gift, Entertainment, Donation and Sponsorship Policy.

Policy on Whistle Blowing or Complaints

The Bank has whistle blowing policy and guideline for employees and all stakeholders' complaints to ensure that all stakeholders are able to communicate, report, or complain about improper actions such as violations of laws and regulations, misconduct and unethical behaviors, embezzlement, frauds, corruption, violation of rights, and any matter that lead to the Bank's damage.

The Bank provides channels to enable the stakeholders to report or make complaints either in writing or through the Bank's website. Policies and procedures are in place to ensure that the complaints will be forwarded to the concerned work units for quick investigation and correction as well as reporting to the Chairman of the Board of Directors, or the Chairman of the Audit Committee for acknowledgement on quarterly basis. The whistleblowers will be notified of the Bank's action.

In addition, the Bank has measured to protect whistleblowers from harassment, harm, penalty, demotion or threats from the whistle blowing.

The Bank's guidelines on Whistle Blowing or Complaints:

Bank provides the channel for the stakeholder to report any violation or complaint case either written via email or the bank's website. The reporter will be protected from harassment, harm, penalty, demotion or threats from the whistle blowing. Compliance monitor the corrective actions regarding complaint cases to ensure that the actions were rapidly processed.

Policy on Management of Conflict of Interest

The Bank imposes strict measures on management of conflict of interest or related transaction or connected transaction. The important transactions that may pose a conflict of interest are considered and approved by the Board of Directors and in accordance with the rules and regulations of the related agencies. These transactions are treated in the same manner as those made with the outsiders (an arm's length basis) and the stakeholders shall not participate in the approval process.

The Bank has policy on transactions with persons who having conflict of interest for directors, employees in order to treat such transactions with fairness, transparency and in accordance with the relevant regulatory requirement. The Bank also discloses accurate and complete information on such transactions in Form 56-1 and annual report.

Furthermore, at the Board of Directors' meeting, directors shall inform the Board of their conflict of interest before consideration of such particular agenda item. Such conflicts of interest shall be minutes by Secretary to the Board. The director with conflict of interest shall also abstain from participating in the discussion of such particular agenda item.

The Bank's guidelines on Manage conflict of interest:

All management and employee shall report, avoid, and prevent any conflict of interest issues by informing the management in higher level or the relevant party regarding the beneficial of interest under their areas and they will not participate or attend the meeting for such transaction. The approval or consideration on such transaction shall be conducted by other person or the management in higher level in order to prevent the conflict of interest issue. In addition, directors and managements, under SEC definition, must prepare the disclosure regarding the share equity held in other companies in order to prevent any conflict of interest or misuse of internal information issues.

Policy on Internal Control

The Bank sets out internal control policy for both managing and operational levels and puts in place the efficient, appropriate and adequate internal control systems with regular assessment. The Audit Committee of which all members are the Independent Directors is assigned to oversee the internal control system. The Audit Department, which directly reports to the Audit Committee, has duty to audit performance of all units such as accounting, finance, management to ensure that the operations are in accordance with the related rules, regulations and laws as well as the annual audit plan, and that the benefits of the Bank and the stakeholders are best protected.

Business Ethics and Code of Conduct

The Board of Directors realizes that good practice enables the Bank to conserve and uplift its honor and reputation. The Business Ethics and Code of Conduct, that align with the banking industry code of conduct and the good corporate governance, are thus prepared as guidelines for the directors, executives and employees and both directors, executives and employees has signed off for acknowledgement the code of conduct. The strict compliance which is reflected in their daily work will enhance reliability and trust among the stakeholders.

Anti-Corruption Policy

The Bank give important to operate the Bank with fairness and adhere responsibility for all stakeholders. The Bank operate align with principle of good corporate governance and code of conduct to ensure that the operation' of the Bank is transparency and absent all aspect of corruption. The Bank attained certified membership status in the Private Sector Collective Action Coalition Against Corruption (CAC).

The Bank provides anti-corruption policy in order that directors and employees use to be guideline for operation to ensure that the Bank acts as organization with full transparency. The Bank oversees directors and employees to abide by this policy strictly and also provide penalty to employees in case of violation of the policy as well as provide awareness of the participation and responsibility of the Bank to prevent corruption and also make organization's culture to be a zero-tolerance on anti-corruption. In addition, the Bank has measured to protect and give fairness to employees who deny or inform clue action on corruption from harassment, harm, penalty, demotion or threats.

In addition, the Bank provides risk management process on corruption in Risk & Control Self-Assessment-RCSA process, regular perform on key control testing according to RCSA by business units under 3 Lines of Defense and Market Conduct bank wide, to protect and monitor risk from corruption, monitoring result of assessment from policy's implementation as well as provide training to employees to ensure that they have knowledge on anti-corruption policy and guideline.

See more details in "Anti-Corruption".

The Bank's guidelines on anti-corruption:

The Bank communicates to all employees to acknowledge and understand the policy via infahNet every year. The training course regarding Anti-Corruption is set as the mandatory course for everyone which the training is provided via e-learning system every year. Anti-Corruption course is the mandatory course for new employees. In addition, the Risk & Control Self-Assessment process also incorporate the anti-corruption as one topic for considering the risk mitigation action.

Part 4 Disclosure and Transparency

Disclosure

The Bank's financial and non-financial information relevant to the business and operating results are disclosed in both Thai and English correctly, completely, sufficiently, transparency, and timely, which reflects its actual business operation and financial status. All stakeholders have equal access to the information. The significant information is disclosed to the public in accordance with the criteria and regulations concerning the disclosure of information of the SET and SEC, and the good corporate governance principles such as to submit the financial report to the SET and SEC within the specified timeframe. The Bank's financial statements did not contain any transactions to which the auditor had qualified opinion. The financial statements have never been revised under the order of the SET and SEC. In addition, the Bank performs Management Discussion and Analysis (MD&A) on a quarterly basis and discloses such information on the Bank's website to inform the investors and enable them to better understand changes in the Bank's financial position and operating results in each quarter. The Bank also discloses remuneration for the directors and executives in Form 56-1 as well as annual report, and the shareholding of the Bank's securities by the directors and executives in Form 56-1 as well as annual report.

Investor Relations

The Bank places importance on management of investor relations, both institutional and individual investors, domestic and overseas, taking into account the quality, correctness, completeness, transparency, adequacy and timeliness of information disclosed to investors, securities analysts, etc. The Bank's management team arranges meetings with investors and securities analysts on a regular basis to present the quarter and annual operating results of the Bank. The management team also regularly participates in seminar and non-deal roadshow with local and foreign investors, including securities analysts both domestic and overseas. This is to build their confidence in the Bank's performance and establish long-term relationship.

The Bank has established Investor Relations unit to correspond and communicate with investors, securities analytics, etc. as well as to provide them with accurate and complete information of the Bank, both financial and general information, in a timely manner and in accordance with the relevant laws or regulations. This is to support the decision-making, create confidence and enhance good image of the Bank. The Bank's Investor Relations could be contacted at Floor 30, TMB Head Office Tel. 0-2242-3475 or visit IR Webpage at <http://www.tmbbank.com/ir>. Besides, shareholder services can be contacted at Company Counselor Floor 28, TMB Head Office Tel. 0-2299-2729 Fax. 0-2299-2758.

In 2020, the Bank provided information to analysts and investors regularly as summarized in the table below:

Types of meeting	No. Investors	No. of Company	No. of Meeting
One-on-one meeting and Conference Calls	48	34	26
Analyst Meeting and Live Webcast	335	318	10
Investor Conference	196	148	8
Site Visits	99	2	2
Non-Deal Roadshow (NDR)	24	23	2
Total	702	525	48

The Bank's Website

At present, disclosure of information on the website is a fast and convenient way that allows easy and equitable access to information by shareholders and the public. The Bank therefore provides information about the Bank on the its website (www.tmbbank.com) in both languages, Thai and English. The information can also download.

The Board of Directors' Responsibility for Financial Report

The board has presented responsibilities concerning the company's financial reports alongside the auditor's report in the company's annual report.

Protection against abuse of inside information

The Bank has written policy and guidelines for keeping and preventing abuse of inside information, and information that the Bank not yet disclose to public which significant to change of price or value of share. The Bank has regulation on the use of inside information and also ensure strict compliance to prevent any director, executive or employee in the position or status having opportunity to access to the Bank's inside information or related persons which defined by government agencies from exploiting such information for his/her own benefits or for others' benefits such as trading share before insider information are disclosed to public, using details or confidential information of the Bank/customers to operate business competing with the Bank's/customers' businesses or exploit any benefit from his/her authority and responsibility.

The Bank require that the directors, Chief Executive Officer, Chiefs, Senior Executive Vice President, Executive Vice President or Heads (or equivalent), and Team Heads (or equivalent), in Finance Control, Financial Planning and Analysis, Balance Sheet Management, and other persons defined by Chief Financial Officer shall disclose and report to the Securities and Exchange Commission (SEC) the Bank-issued securities held by them, their spouses and minor children, as well as any changes thereof, such as sale, purchase, transfer or acceptance of transfer of those securities in the report format and within the period of time specified by the SEC.

In addition, the management is required to report on a monthly basis the Bank-issued securities held by directors, management, their spouses, and minor children to the Board for acknowledgement, and to prepare a summary report on any changes of the Bank-issued securities held by directors, management, their spouses, and minor children and disclose such information in the annual report.

Part 5 Responsibilities of the Board of Directors

The Bank requires that the Board of Directors' structure has diversity of necessary experiences, professional skills, expertise and gender. The Board shall contain proper composition of members according to the resolution of annual general meeting. The Board shall also establish a clear scope of responsibilities with balance of management power without allowing any person or group of persons to have unlimited power. For recruitment of directors, the qualification of directors must be aligned with the Bank's strategy. In some case, the Bank recruit's new directors form Director Pool data base. (see item Nomination of independent director and non-executive director)

Composition of the Board of Directors

The Board shall comprise non-executive directors, executive directors and independent directors. The independent directors shall have at least the number set by the Capital Market Supervisory Board. Each independent director must have qualifications as prescribed by the Bank which are more stringent than the criteria set by the Capital Market Supervisory Board.

The Board of Directors consists of 14 directors who have knowledge, experience, professional skill, and expertise in diversified fields as follows:

- 5 Independent Directors,
- 8 Non-Executive Directors (1 director is under nomination process)
- 1 Executive Director

The shareholders can be assured that the directors as representatives of the shareholders could perform their duty independently and there is appropriate balance of power.

Board Meeting

The Board meeting shall be held at least once a month. In an urgent case, the Board may arrange a special meeting as deemed necessary. The meeting date shall be scheduled in advance so that the Board members are able to plan the attendance of every meeting. The meeting agenda shall be endorsed by the Chief Executive Officer and approved by the Board Chairman.

The Bank sends the meeting documents and invitation letter to directors at least 5 business days in advance so that the directors will have sufficient time to study and consider in advance the information to support their decision making on each agenda. The directors can additionally request necessary information regarding the meeting agenda from the management. The average length of the meeting is approximately 3 hours. The Chairman shall declare the meeting open and proceed with the business on the agenda. The time shall be adequately allocated for the management to present the information and for the Board members to make careful consideration before decision making. The voting of each agenda, the Board almost pass unanimously. The Chairman shall summarize issues as the meeting resolution. Directors who have conflict of interest on that agenda shall leave the meeting and shall have no right to vote.

The Board Secretary is responsible for preparation of written minutes of the meeting, arrangement of systematic filing for inspection and submission of the minutes to the government agencies within the specified period. See more detail of the meeting attendance of the Board of Directors and board committee members in "Board of Directors' meeting".

In 2020, Directors in Board of Directors had attended the meeting by average at 95.39% of the total meetings arranged during the year, in the meeting all directors had participated and provided the useful recommendation for the Bank's business.

Non-Executive Directors and Independent Directors' Meeting (without Executive Directors)

Non-executive directors and independent directors shall arrange meeting without presence of the executive directors to consider and discuss important issues. Normally the meeting shall be arranged after the Board of Director's meeting. The meeting among the independent director, and meeting among the non-executive director was arranged 2 meetings on July 22, 2020 and October 28, 2020.

In addition, the meeting between Audit Committee Chairman and Risk Oversight Committee Chairman for discussion the efficiency of the risk management was also arranged on 22 December 2020.

Segregation of Duties and Balance of Power of Non-Executive Directors

Chairman of the Board of Directors, and Chief Executive Officer shall not be the same person to prevent any person or group of persons to have unlimited power and to ensure balance of power. The Chairman of the Board of Directors shall not serve in any position of the committees.

Segregation of Duties, Roles, and Responsibilities between the Board of Directors and Executive

Member of the Board (except the executive directors) shall not be the Bank's staff and shall not involve in normal daily executive activities of the Bank. The Board of Directors has the Charter or the Corporate Governance Policy which indicate the authority, role, and responsibility of the Board of Director that specified the framework of role that will be referred when supervision.

Terms of Directorship

The terms of directorship shall be in accordance with Clause 17 of the Bank's Article of Association which states that at each annual general shareholders' meeting, at least one third of the directors shall retire. Should the total number of directors cannot be divided exactly by 3, the number of directors closest to the 1/3 ratio shall apply. Retiring directors may be re-elected.

Term of directorship for independent director was indicated in the bank policy that each independent director shall have term of directorship not longer than 9 consecutive years starting from the appointed date. If any independent director has its term of directorship for 9 consecutive years, he or she is required to retire for at least 2 years prior to be re-elected as independent director. (see item 9.3: Independent director and director nomination criteria)

Role Assumption of Directorship in Other Companies

To ensure that the directors have adequate time to perform their duties for the Bank, the Board limits directors from assuming a position in other companies as per regulations of the SET, the SEC and the Bank of Thailand, taking into account the effectiveness of the directors assuming position in companies. Details are as follows:

1. A director of the Bank may assume directorship in not more than 5 listed companies * (both domestic and offshore).
2. Directors of the Bank are able to assume a position or several positions, including chairman of the board, executive director, or an authorized signatory director in other companies in not more than 3 business groups (both domestic and offshore).
A company that is not a part of a business group shall be treated as one business group.
3. Directors shall disclose the information regarding assumption of directorship in other companies to the Bank as per regulatory requirements and the Bank's regulation.

Remark: * included TMB i.e. TMB and other four listed companies.

Assumption of Position in Other Companies by Chief Executive Officer

The Chief Executive Officer of the Bank shall perform full-time duties for the Bank. An assumption by the Chief Executive Officer of any position in other companies or organization shall require approval by the Board.

Roles and Responsibilities of Chairman of the Board of Directors

The chairman is responsible for leading the board. The chairman's duties should at least cover the following matters

- (1) Oversee, monitor, and ensure that the board efficiently carries out its duties to achieve the company's objectives.
- (2) Ensure that all directors contribute to the company's ethical culture and good corporate governance, joint consider with Chief Executive Officer in determine the board of director's meeting agenda and oversee that significant issues were incorporated in the agenda.
- (3) Promote a culture of openness and debate through ensuring constructive relations between executive and non-executive directors, and between the board and management.

Chairman shall be chairperson in the board of director meeting and the bank's shareholders' meeting. Chairman of the Board of Director is non-executive director which in line with the Corporate Governance Notification which stated that Chairman could be independent director or non-executive director.

Roles and Responsibilities of Chief Executive Officer

The Chief Executive Officer's principal duties are to implement the Bank's strategies, plan, and ensure the smooth functioning of the Bank according to the policies set by the Board. The Chief Executive Officer has ultimate responsibility for the performance of the Bank.

Directors' Remuneration

The Board has fairly set the directors' remuneration criteria, compositions and amounts based on Fiduciary Duty at appropriate level. In addition, the directors' remuneration shall be in accordance with accountability and responsibility of the directors compared with the companies in the listed companies as well as the companies in the same industry and similar size. See more details in "Directors' Remuneration".

Directors' Bonus

The Board has important role in policy's setting, oversee the Bank's performance, and there are strong and sustain performance. The Board fairly set the directors' bonus in proper rate and consistent with the Bank's performance as well as comparable to that of the industry in which the Bank operates. The Nomination, Remuneration and Corporate Governance shall consider the directors' bonus, and then propose it to the Board for endorsement, and also include it in the agenda of the annual general meeting of shareholders for approval. The Board shall ensure that the Bank discloses the bonus of each individual director in the reports such as Form 56-1 and annual report in compliance with the regulatory requirements. See more details in "Directors' Remuneration".

Directors' Performance Assessment

The NRCC had made consideration of the method, scope, criteria of assessment of directors' performance of duties in Board and Board Committees as well as individual director by applying self-evaluation and cross evaluation before submission to the Board meeting for approval. This is to reflect their performance efficiency and problems and obstacles during the year, the recommendation will be gathered for improvement consideration, and will send the assessment form that is approved by the NRCC to all directors.

Assessment's Criteria

The criteria for assessment cover various areas including Structure of the Board, Board meeting, the Board's and Board Committees' performance of duties, Relationship with management, Self-development of directors, and Board's practice of Roles and responsibilities of the Board.

Assessment's Process

The self-assessment is undertaken as follows:

1. Assessment of the whole Board of Directors' performance, the performance of each board committee (i.e. Board of Executive Directors, Audit Committee, NRCC, Risk Oversight Committee, Credit Committee, IT Oversight Committee)
2. Self-assessment of individual Board member
3. Cross assessment

Assessment's Method

1. The self-assessment of the Board of Directors shall be made by all Board members.
2. The self-assessment of the board committees shall be made by all members of the board committees, member of the Board (by volunteer) and the Bank's executives who take position in the board committees on an individual committee basis.
3. The self-assessment of individual board members shall be made by all board members.
4. Cross assessment which the member of Board of Directors shall assess each director.

Topic	Board of Directors	Sub-committees
1. Assess the efficiency		
1.1 board of director	•	
1.2 sub-committees		•
2. Individual assessment	•	•
3. Cross assessment	•	

NRCC shall report the result from the assessment and propose to Board of Director for acknowledgment and report result of Sub-Committee to the Chairman of Sub-Committees to review and adjust the relevant process for the efficient meeting.

Enhancement of Directors' Training and Performance

The Bank encourage the directors to participate in training courses to expand their knowledge at least one course related to their directorship, which are provided by Thai Institute of Directors (IOD) such as Director Accreditation Program (DAP), Director Certification Program (DCP) or other programs which are relevant to good corporate governance, Anti-Corruption, director's roles and responsibilities under the laws and relevant government regulations or the Bank's business operations. This aims at enhancing directors' skills and competency, and the Bank shall be responsible for all expenses.

In addition, the training course for directors shall be arranged with the alignment with the bank's strategy and directors such as Economic and Sectoral Outlook: A High-Frequency Data Perspective, Personal Data Protection Act, 2020 Cybersecurity and Privacy for BoD.

The Bank encourage foreign directors who do not reside in Thailand to participate in professional director training courses from abroad which is equivalent to the programs provided by Thai Institute of Directors (IOD) as well as support them to take Thai Institute of Directors training course.

Whenever there is an appointment of new director, If the new director did not have the director's training record, the Bank shall provide the IOD training course for receiving the information with respect to the directors' role and the responsibility according to the legal, as well as the guideline for director's duties according to SET, SEC rules and guidelines including the good corporate governance. The Bank also provide the internal training courses for directors for improvement in term of the bank's business operation and director's responsibility.

Currently, 4 of the existing directors had joined DCP program, 1 director joined DAP program and 4 directors joined both DCP and DAP. Furthermore, the Bank also provides internal training for directors to enhance knowledge about to the Bank's business and director's responsibilities.

New Director Orientation

The Bank provides an orientation for new directors whenever there is a change of director. Director's manual, documents and useful information are provided to support the important information and prepare the new directors in performing his/her duty through electronic media. In this regard, the Company Secretary and Corporate Counselor shall have the following responsibilities:

- To provide the Bank's Information such as the Bank's history, important official documents, major shareholders, vision and mission, financial statements, business structure, management structure, term of directorship, directors' remuneration, etc.
- To provide information on the regulations and best practices for directors, e.g. rules and regulations for directors of related regulatory agencies, the Bank's policies and practices for directors, do's and don'ts for Bank directors, director fiduciary duty checklist, directors & officers liability & corporate reimbursement insurance.
- To arrange meeting with the Bank's executives to enquire in-depth information about business operation of the Bank. Bank also inform the new regulations rule and laws for the director acknowledgement.

Executive Succession Plan

The executive succession plan is prepared by the Bank as it is a key composition of the personnel strategic planning. The Bank has policy, work plans, and procedures in connection with its vision, mission and business goal as well as organizational culture to ensure that the executive succession is carried out smoothly and the succession personnel shall be prepared to ensure continuous operations of the Bank.

Board of Directors

Board of Directors regularly monitors the management's implementation to ensure that the Bank's vision & mission and strategies is effectively, efficiently and sustainably achieved.

Principles of Corporate Governance of the Bank

1. The Bank shall operate business with care, efficiency, and effectiveness for stability and sustainable growth in accordance with its organization culture, WE CARE: We care about customers' Financial Well-being enough that we dare to do things differently. We are customer-centric in everything we do to truly improve their Financial Well-being.
2. The Bank shall operate business in compliance with good corporate governance principles without fraud and corruption, and based on key fundamentals of accountability, responsibility, equitable treatment and loyalty, transparency.
3. The directors and employees shall protect the Bank's benefits, whilst taking into account the benefits, rights and equality of stakeholders. This will enhance the confidence of both domestic and foreign investors and contribute to an increase of the Bank's share value.
4. The Bank shall operate business in compliance with laws, rules and regulations, and relevant regulatory requirements.
5. The Bank shall determine guideline to treat the stakeholders with fairness and transparency.
6. The Bank shall prevent any conflict of interest among the Bank, directors, employees and stakeholders, and to determine scope of responsibilities of the Board and executives to stakeholders.
7. The Bank shall determine comprehensive operational procedures, efficient internal control, as well as risk management system at international standard.
8. The Bank shall accurate, complete and timely disclosure of the Bank's financial report and information affecting the decision-making.

2. Board Committees

To achieve effective and efficient performance, the Board has appointed board committees to relieve its burden in monitoring or consideration of important businesses of the Bank. The board committees have the authority to make decision on behalf of the Board subject to the Board's delegation of authority.

The Board has determined the scope of duties and responsibilities of the board committees in accordance with their missions. The segregation of duty is clearly defined without duplication of work, as well as in compliance with the regulatory requirements. In addition, the board committees' meetings must be held on a regular basis to report their performance for the Board' acknowledgement.

The board committees comprise of:

1. The Board of Executive Directors
2. Audit Committee
3. Nomination, Remuneration and Corporate Governance Committee
4. Risk Oversight Committee
5. Credit Committee
6. IT Oversight Committee

(1) Board of Executive Directors

As of December 31, 2020, the Board of Executive Directors was composed of 6 members as below, the Board of Executive Directors' meeting is usually held twice a month or as deemed necessary and instructed by the Chairman of the Board of Executive Directors:

Name	Position	Note
1. Mr. Philippe G.J.E.O. Damas	Chairman	Non-Executive Director
2. Mr. Suphadej Poonpipat	Vice chairman	Non-Executive Director
3. Mr. Somjate Moosirilert	Committee Member	Non-Executive Director
4. Mr. Chumpol Rimsakorn	Committee Member	Non-Executive Director
5. Mr. Michal Jan Szczurek	Committee Member	Non-Executive Director
6. Mr. Piti Tantakasem	Committee Member	Executive Director (Chief Executive Officer)

Mr. Kriangkrai Phurivitvattana is Secretary to the Board of Executive Directors.

The scope of responsibilities is as follows:

1. To review business performance of the Bank in details on behalf of the Board.
 - 1.1 Review and recommend annual budget and business plan of the Bank including capital planning.
 - 1.2 Conduct tracking of financial result and performance by business segment of the Bank.
 - 1.3 Oversee performance of subsidiaries.
2. To review and recommend or approve large capital expenditure in relation to plan and strategy according to delegation of authority.
3. To review and recommend new business models that are strategic for the Bank including equity participation.
4. To monitor progress of transformation that build capabilities of the Bank for the future.
5. To monitor progress of the branding and corporate communications programs.
6. To review the overall performance of the Chief Executive Committee and provide advice to management as appropriate on urgent or important issues and review the critical issues raised by the management and propose to the Board.
7. Oversee the Bank's digital transformation and IT investment plans to ensure sufficient investment in IT architecture, infrastructure and supporting systems to effectively support the digital transformation that covers digital business, security, and risk.
8. Ensure appropriate governance on customer data management, data quality, and information security.
9. Review control, implementation and monitor IT security and cybersecurity controls (threats and vulnerabilities) to ensure reliability, accessibility, security, and stability in accordance with policy and risk appetite, including regular disclosure of IT and cyber security reports to BoD.
10. Appoint any sub-committees to assist the BoED and oversee the clear role and responsibility of such sub-committees.
11. Undertake such additional tasks as are related to and considered by the BoED to be necessary to achievement of the foregoing responsibilities or as may be assigned to it by the Board.

(2) Audit Committee

As of December 31, 2020, the Audit Committee comprised of 3 members whose qualifications must conform to the Securities and Exchange Commission's requirements as below, the Audit Committee's meeting is usually held once a month or as deemed necessary and instructed by the Chairman of the Audit Committee.:

Name	Position	Note
1. Mr. Praisun Wongsmith	Chairman	Independent Director
2. Mrs. Chananyarak Phetcharat	Committee Member	Independent Director
3. Mr. Prinya Hom-anek	Committee Member	Independent Director

Remark:

Mr. Praisun Wongsmith is Member of the Audit Committee with well experienced and reviewing financial statement.

Mrs. Pittimart Sanguansook is Secretary to the Audit Committee.

The scope of responsibilities is as follows:

1. To review the Bank's financial statements to ensure accuracy and adequacy.
2. To review and ensure that the Bank has suitable and efficient internal control system and internal audit and reviewing to ascertain that internal audit function is independent. Hiring, transferring, removal of Head of Audit shall be concurred by Audit Committee before submission to Nomination Remuneration and Corporate Governance (NRCC) for endorsement and Board of Directors for approval respectively.
3. To evaluate the efficiency and effectiveness of the performance of Head of Audit.
4. To evaluate the efficiency and effectiveness of the performance of Head of Compliance.
5. To review and approve the Annual Audit Plan of Internal Audit.
6. To review to ensure compliance with the laws and regulations imposed by the BoT, SEC, SET and other relevant regulators including compliance report prepared by the Bank's Compliance unit.
7. To review and approve the Compliance Policy, Annual Compliance Plan, and Annual Compliance Report prepared by Bank's Compliance unit.
8. To select, nominate and recommend remuneration of the Bank's external auditor by taking into account credibility, adequacy of resources, experience and independence including recommend dismissal of the external auditor. The Audit Committee shall meet with the external auditor without the members of executive management being present as often as it determines but at least once a year.
9. To approve audit-related and other services engagements with the Bank's external auditor.
10. To review connected transaction or transaction that may lead to conflict of interest to ensure transactions are conducted and disclosed in compliance with the law and regulation and that transactions are entered with reasonableness for the benefit to the Bank.
11. To prepare audit committee report, signed by the chairman of the Audit Committee, and disclose it in an annual report of the Bank. The report should at least contain the following information;
 - (1) The Audit Committee's opinion regarding the accuracy, completeness and integrity of the Bank's financial statements.
 - (2) The Audit Committee's opinion regarding adequacy of the Bank's internal controls.
 - (3) The Audit Committee's opinion regarding compliance with applicable laws and regulations.
 - (4) The Audit Committee's opinion regarding suitability of the Bank's external auditor.
 - (5) The Audit Committee's opinion regarding transaction that may lead to conflict of interest.

- (6) The number of the meeting held during the year and number of each member's attendance.
 - (7) Overall opinion on the discharge of Audit Committee's duties according to its charter.
 - (8) Other information, within the scope of the roles and responsibilities of Audit Committee, which is deemed to be necessary for shareholders and general investors.
12. To commence investigation without delay upon being informed by external auditor of suspicious circumstance and report to SEC and external auditor the preliminary result within 30 days. The committee also is to report to the Board of Directors so that the Board can rectify the issues within the timeline specified by Audit Committee on the following findings or suspected transactions or actions:
- (1) Conflict of interest;
 - (2) Fraud, possible fraud, or significant deficiency of internal control;
 - (3) Breaching of the applicable laws and regulations.

In case where the Board of Directors or executive management fail to rectify the issues within the specified timeline, Audit Committee shall report to BOT, SEC and SET, and ensure disclosure in the Bank's annual report.

13. To perform appropriate action upon being informed of suspicious circumstance by internal staff and/or external parties including whistleblowers.
14. To review the appropriateness of corrective measures and actions taken by management in response to the reports or instructions from BOT, SEC and SET and any other relevant regulators.
15. To review the accuracy and reliability of the financial statements of the Bank's subsidiaries, and to review compliance with the policies, processes and standards set by the Bank for its subsidiaries, including those related to internal controls and audit.
16. To perform any other duties as delegated by the Board of Directors and agreed by the Audit Committee.
17. To perform other duties as required by law.

(3) Nomination, Remuneration and Corporate Governance Committee

As of December 31, 2020, the Nomination, Remuneration and Corporate Governance Committee comprised of 5 directors not holding executive position as below, the meeting of this Committee is usually held once a month or as deemed necessary and instructed by the Chairman of the Nomination, Remuneration and Corporate Governance Committee:

Name	Position	Note
1. Mr. Philippe G.J.E.O. Damas	Chairman	Non-Executive Director
2. Mr. Somjate Moosirilert	Committee Member	Non-Executive Director
3. Mr. Chumpol Rimsakorn	Committee Member	Non-Executive Director
4. Mr. Teeranun Srihong	Committee Member	Independent Director
5. Mr. Willem Frederik Nagel	Committee Member	Independent Director

Ms. Vijitra Thumponthong is secretary to the Nomination, Remuneration and Corporate Governance Committee.

The scope of responsibilities is as follows:

Nomination

- 1. Review and recommend to the Board policies, criteria and methods, including an appropriate skills matrix, for the recruitment selection and nomination of

- (a) Members of the Board
 - (b) Members and chairpersons of each Board Committee
 - (c) Representatives of the Bank as directors, chairpersons and chief executives of companies which are subsidiaries or where the Bank is entitled to nominate one or more representatives as director
 - (d) Senior management
2. Screen, shortlist and propose to the Board for nomination or appointment qualified candidates for the positions mentioned above.
 3. Recommend to the Board appropriate succession plans for senior management.
 4. Review and monitor the implementation and effectiveness of the policies, criteria, methods and plans referred to above and report thereon to the Board at least once a year.

Remuneration

1. Review the overall remuneration structures policies and practices of the Bank as well as oversee the public disclosure thereof, including those on benefits, performance evaluation, incentive awards and severance payments, to ensure they are consistent with the decisions of the Board and the Bank's culture, objectives, strategy and control environment, promote long term shareholder value, and take fair account of the roles, responsibilities, management of risk and performance of the individuals concerned, and of market benchmarks for fairness of all parties; and make recommendation to management and the Board as appropriate.
2. Recommend to the Board (subject to further approval by the shareholders where required) the amount of actual remuneration and benefits of members of the Board and of Board Committees.
3. Approve (or in the case of the CEO of the Bank recommend to the Board for approval) the actual remuneration and benefits, including any incentive award or severance payment, of senior management.

Corporate Governance

1. Review and where appropriate recommend to the Board changes to applicable policies, codes, rules and guidelines including those governance, sustainability and culture to ensure the highest standards of good corporate governance and ethics in line with best international practice, and supervise, monitor and report to the Board at least annually on the implementation and effectiveness thereof.
2. Recommend to the Board the appropriate size and composition of the Board and Board Committees, and the mandates of each Board Committee.
3. Recommend to the Board policies criteria and methods for the periodic evaluation of the performance of the Board and Board Committees, implement the same and report the results to the Board.

Other Responsibilities

1. Undertake such additional tasks as are related to and considered by the NRCC to be necessary to achievement of the foregoing responsibilities or as may be assigned to it by the Board
2. Make such reports and disclosures on its work to the Board, regulators, shareholders and the public as are required by applicable regulations or deemed appropriate in the interests of good governance.

(4) Risk Oversight Committee

As of December 31, 2020, the Risk Oversight Committee comprised of 6 members, the meeting of this Committee is usually held monthly or as deemed necessary and instructed by the Chairman of the Risk Oversight Committee as follows:

Name	Position	Note
1. Mr. Willem Frederik Nagel	Chairman	Independent Director
2. Mr. Teeranun Srihong	Committee Member	Independent Director
3. Mr. Prinya Hom-anek	Committee Member	Independent Director
4. Mr. Yokporn Tantisawetrat	Committee Member	Non-Executive Director
5. Mr. Piti Tantakasem	Committee Member	Executive Director (Chief Executive Officer)
6. Mr. Johannes Franciscus Grisel	Committee Member	Management (Chief Risk Officer)

Ms. Chaowanat Kitpracha perform the duty of Secretary to the Risk Oversight Committee.

The scope of responsibilities is as follows:

1. To propose to the Board a framework and policies for risk governance and overall risk management, including major risks such as credit risks, market risks, liquidity risks, operational risks, strategic and reputational risks, etc.
 - 1.1 To advise the Board on appropriate risk related policies, appetite, tolerance and strategy for the Bank and its business units including authority or the delegation of authority to approve credit.
 - 1.2 To recommend the risk and concentration levels for approval by the Board, in alignment with the Board's risk appetite.
 - 1.3 To approve significant policies and framework that govern the management of risks, including risk governance matters, and which have been delegated to ROC by the Board.
 - 1.4 Ensure and regularly review appropriate Technology, Information and cyber risk governance, policy, and appetite that meet international standards.
 - 1.5 Regularly monitor Technology, Information and cyber risk governance, policy, and appetite that meet international standard.
 - 1.6 Regular monitor Technology, Information and cyber risk against appetite as a part of overall risk oversight.
2. To formulate strategies that are consistent with the risk management policy and which can assess, monitor, and ensure that the financial institution's risks are at appropriate levels.
 - 2.1 To approve the supplemental risk limits as defined in the relevant policies and frameworks.
 - 2.2 To review the adequacy of the Bank's risk management policy and systems, and the effectiveness of policy and systems implementation in terms of identifying, measuring, aggregating, controlling and reporting these risks by top management and Chief Risk Officer.
 - 2.3 To review and monitor all risks and risk management practices, including internal control and compliance processes and systems.
3. To approve the appointment, review of committee structure and composition, and roles and duties of the management-level risk management committees.
4. To report the risk management performance and all risk management matters and measures to the Board, and to consult and exchange views with the Audit Committee in order to assess if the risk management policies and strategies cover all existing and new types of risk facing the financial institution and if the implementation of such policies and strategies are effective and efficient.
5. To advise on the development and maintenance of a supportive culture, in relation to the management of risk, appropriately embedded through procedures, training and leadership actions so that all employees are alert to the wider impact of their actions on the Bank and its business units.
6. To advise on the alignment of compensation structures in relation to the management of risk, within the Board's risk appetite.

7. Appointment, transfer, removal of CRO and performance appraisal of CRO's performance shall be concurred by Risk Oversight Committee and acknowledge CRO's KPIs.
8. To perform other duties as delegated by the Board of Directors or regulatory requirements.

(5) Credit Committee

As of December 31, 2020, the Credit Committee composed of 4 members. The Credit Committee's meeting is usually held twice a month or as deemed necessary and instructed by the Chairman of the Credit Committee.

Name	Position	Note
1. Mr. Chumpol Rimsakorn	Chairman	Non-Executive Director
2. Mr. Yokporn Tantisawetrat	Committee Member	Non-Executive Director
3. Mr. Piti Tantakasem	Committee Member	Executive Director (Chief Executive Officer)
4. Mr. Johannes Franciscus Grisel	Committee Member	Management (Chief Risk Officer)

Mr. Ekanat Kieatnapasin is Secretary to the Credit Committee.

The scope of responsibilities is as follows:

1. To approve followings:
 - 1.1 Credits
 - 1.2 Credit restructuring
 - 1.3 NPL write-off
 - 1.4 NPA acquisition, NPA sales and NPA write-off which exceed the management's approval authority and are NOT related parties or group limits NOT exceeding the Single Lending Limit (SLL).
2. To review specific credit proposals for related parties or in which group limits exceed the SLL prior to submission to the Board for approval.
3. To review the credit decisions of the most senior executive credit committees.
4. To approve credit and related risks for transactional investments or underwriting commitments which exceed the management's approval authority.
5. To perform other duties as delegated by the Board of Directors or regulatory requirements.

(6) IT Oversight Committee

As of December 31, 2020 the IT Oversight Committee comprised of 6 members, the meeting of this Committee is scheduled 6 times per year or as deemed necessary and instructed by the Chairman of the IT Oversight Committee.

Name	Position	Note
1. Mr. Teeranun Srihong	Chairman	Independent Director
2. Mr. Prinya Hom-anek	Committee Member	Independent Director
3. Mr. Michal Jan Szczurek	Committee Member	Non-Executive Director
4. Mrs. Chananyarak Phetcharat	Committee Member	Independent Director
5. Mr. Willem Frederik Nagel	Committee Member	Independent Director
6. Mr. Piti Tantakasem	Committee Member	Executive Director (Chief Executive Officer)

Mr. Sutthikan Rungsrithong is Secretary to IT Oversight Committee.

The scope of responsibilities is as follows:

1. Oversight IT Strategy, IT Management and IT Operations by
 - 1.1 Review IT strategy at least annually to ensure:
 - The alignment of IT strategy and Bank's strategic direction
 - IT infrastructure is flexible, reliable, and scalable to support the business changes including new technology adoptions
 - The readiness or maturity level of Information Technology including capabilities to manage and mitigate IT and cybersecurity risks
 - 1.2 Monitor the progress of strategic and high-risk IT-related projects
2. Oversight IT Risk Management of both normal and crisis situation by
 - 2.1 Review IT Risk Management Policy at least annually
 - 2.2 Oversight operating model and organization structure according to three lines of defense principle
 - 2.3 Monitor risk levels, effectiveness of IT risk management and significant factors/ issues as well as rectification actions
3. Oversight IT investment and expenditures to ensure the alignment with Bank's strategy
4. Oversight development programs for staffs to have sufficient knowledge on Information Technology and IT Risk awareness
5. Perform other duties as regulatory requirements

(6) Other committees of Management Level

The Board or the Board Committees will appoint committees in management level for supporting the Board or Board Committee to perform duty under scope and responsibility approved by the Board or Board Committee.

Committees in executive level which there are Chief Executive Officer and Chiefs as chairman are as follows:

1. Chief Executive Committee (CEC)

The CEC is to operate long term strategy of the Bank and conduct regular review of progress in achieving its goals. To propose the Annual Business Plan, Annual Budget, Capital Budget, Headcount Plan to the Board for consideration and approval and control headcount against headcount plan, to consider and approve investment, main projects of the Bank, branding, advertising, corporate communication, and measures to deal with crisis situations. In addition, the CEC is to consider strategic plan of subsidiaries and review their performance.

2. Risk Policy Committee (RPC)

The RPC is to assess the integrity and adequacy of the credit management of the Bank, to review and endorse or approve the Bank's credit risk policies, framework, guidelines, credit underwriting guidelines and standards, and credit criteria of products within the delegated authority.

3. Bank Non - Financial Risk Committee (BNFRC)

Non-Financial Risk Committee (NFRC) is to identify, measure and monitor the Operational, Compliance and Legal risks of the Business Units/Support Units with appropriate quality of coverage (granularity) and to ensure that appropriate management action is taken by the responsible (business) managers at the appropriate level of granularity.

4. Credit Underwriting Committee (CUC)

The CUC is to consider, recommend, and approve for all matters relating to credit risk and issuer risk and approve credit within delegated authority, to endorses credit that exceed approval authority to the Credit Committee for consideration. In addition, the CUC is able to sub-delegation and power to sign to related person.

5. Credit Restructuring Committee (CRC)

The CRC is to approve credit restructuring in management level, to consider and approve for all matters relating to credit risk, investment risk, The CRC is to review status and plan for all matters relating to credit restructuring, nursing period and write off.

6. Asset and Liability Management Committee (ALCO)

The ALCO is to define and decide on the formulation and execution of asset and liability management policies and to endorse/approve for all matters relating to the asset and liability management of the Bank. In addition, The ALCO is to define the policies regarding liquidity risk management, market risk management, balance sheet management, and market risk economic capital management.

7. Project Investment Committee, Digital Strategy Committee

The Committee entitled to endorse IT Strategic Plan and Blueprint to ensure proper alignment with corporate plan, to be informed and updated of the Bank and Market crucial banking technology.

8. Human Resource Committee (HRC)

The HRC is to consider and approve the framework governing the Bank's human resources management policy, compensation standards, rules and regulations, succession plan, performance review, salary adjustment, bonus and incentive award of employees at below Group Head. The HRC is to approve the governance structure of job grading and function title or any issues under HR transformation and also to approve the Bank's human resource development structure and corporate culture.

9. The Disciplinary Action Committee (DAC)

The DAC entitled to decide the disciplinary penalty for guilty employees and the indemnification for the Bank.

10. Customer Management Committee (CMC)

The CMC is in charge of customer experience and ensure that customers' complaints are properly managed.

3. Recruitment of Directors and Top Executive Officers

For recruitment of directors, the Bank considers Board diversity including professional skills, expertise, experiences, and gender. The Bank required qualification of directors align with the Bank's strategy which prepare in form of skill matrix. In some case, the Bank recruit directors form considering of Director Pool data base.

The Bank has the guideline in nominate the director as following:

Independent director and director nomination criteria

1) Recruitment of Independent Director

The Bank has been aware that independent directors take a vital role in safeguarding the interests of the Bank and the minor shareholders. To enhance independence of the Board of Directors and manage conflicts of interest pursuant to the regulatory criteria and the corporate governance principles, the Board has formulated criteria for nomination of independent directors from professionals of diversified fields with proper qualifications and experience who can deliver independent opinions and have fairness in the performance of duty by applying skill matrix as the tools for consideration. The Nomination, Remuneration and Corporate Governance Committee shall make preliminary consideration of the nomination of independent directors before submission to the Board meeting or the shareholders' meeting (as the case may be) for appointment thereof. The basic qualifications of an independent director shall be defined by the Bank which more stringent than that under the criteria set by the Capital Market Supervisory Board.

Board of Director establish the independent director qualification that indicate the term of independent director not longer than 9 years consecutively. Any independent director who has their term for 9 years, could be re-elect for another term of independent director after their resignation for 2 years.

Qualification of Independent Directors

1. Not hold shares in excess of 0.5 percent of total voting shares of the Bank, or the Bank's parent company, subsidiary, associated company, major shareholder, or any person with controlling power over the Bank, whilst the number of shares held by any related person of that independent director must also be counted.
2. Not be and have not been a director participating in management role, an employee, an officer, an advisor who receives regular salary, or a person having controlling power over the Bank, the Bank's parent company, subsidiary, associated company, subsidiary at the same level, or major shareholder, unless such independent director has not been a person referred to above for at least two years prior to the date of his/her appointment.
3. Not be a person who having relationship either through bloodline or legal registration as the father, mother, spouse, sibling and child, as well as the spouse of a child of other directors, executives, major shareholders, a person having controlling power, or a person to be nominated as the director and executive or that who has controlling power over the Bank or its subsidiary.
4. Have no or have had no any business relationship with the Bank or its parent company, subsidiary, associated company, major shareholder, or person having controlling power over the Bank, in a manner that may prevent his/her due and independent use of discretion. The independent director shall not be and have not been a shareholder in material respect or a person who has controlling power over the person with business relationship with the Bank, its parent company, subsidiary, associated company, major shareholder, or a person having controlling power over the Bank, unless such independent director has not been a person referred to above for at least two years prior to the date of his/her appointment.

Business relationship in the above paragraph shall cover any ordinary course of business or trade for business engagement purpose, property rent, transaction relevant to asset or service, giving or receiving financial assistance in form of loan or guarantee, offering assets as collateral, and any other similar conduct, which causes the Bank or its counterparty to be liable for debt settlement to another party in an amount equivalent to 3 percent or more of the net tangible assets of the Bank or twenty million baht or more, whichever is lower. The calculation of the said debt is accordance with the calculation of a connected transaction prescribed in the Capital Market Supervisory Board's notification regarding criteria on connected transactions *mutatis mutandis*. However, consideration of the said debt shall include the debt incurred during the one-year period prior to the date on which such business relationship takes place.

5. Not be and have not been an auditor of the Bank, its parent company, subsidiary, associated company, major shareholder, or a person having controlling power. The independent director shall not be and have not been a shareholder in material respect, a person having controlling power, a partner of an auditing firm for which the auditor of the Bank, or that of its parent company, subsidiary, major shareholder, or a person with controlling power over the Bank has been working, unless such independent director has not been a person referred to above for at least two years prior to the date of his/her appointment.
6. Not be and have not been a professional advisor, including legal or financial advisor, who obtains fee more than two million baht a year from the Bank, its parent company, subsidiary, associated company, major shareholder, or a person having controlling power. The independent director shall not be and have not been a shareholder in material respect, a person with controlling power, or a partner of such professional service provider, unless the independent director has not been a person referred to above for at least two years prior to the date of his/her appointment.
7. Not be a director who has been appointed as a representative of the Bank's director, the major shareholder, or the shareholder related to the Bank's major shareholder.
8. Not engage in the business of the same nature as or competing with that of the Bank or its subsidiary. The independent director shall not be a partner in material respect in a partnership, or director participating in management role, an employee, officer, or advisor obtaining regular salary, or a shareholder holding more than one percent of total voting shares of any other company which engages in the business of the same nature as or competing with that of the Bank or its subsidiary.

9. Not maintain in the independent director position longer than 9 years, unless they have been discharged from such positions or status for no less than 2 years prior to the day the appointment.
10. Not have any characteristics that prevent the director from giving independent opinions on the Bank's operations.

In this regard, any revision/amendment/relaxation of the criteria or qualifications of the independent directors to be announced later on by the Capital Market Supervisory Board, the Securities and Exchange Commission, the Stock Exchange of Thailand or the Bank of Thailand shall be applied accordingly.

2) Recruitment of Non-Executive Directors

The Board of Directors has put in place a definite and transparent director nomination policy and process. The Nomination, Remuneration and Corporate Governance Committee is responsible for the selection, screening, and nomination of qualified persons to the Board of Directors for consideration before proposing to the shareholders' meeting for further election as directors of the Bank. Apart from the qualifications prescribed in the Bank's Articles of Association and the appropriate personal qualifications, the persons nominated must be competent, knowledgeable and experienced in bank and relevant business operations with the possession of leadership skills, visionary and strategic ideas that can lead the Bank to a strong and long-term sustainable growth and must be able to dedicate their time for the optimum benefits of the Bank.

In case of vacancy due to the resignation of a director before finishing the term, the Board of Directors shall appoint a person to fill the vacant position through the nomination made by the Nomination, Remuneration and Corporate Governance Committee. The said new director shall hold office only for the remaining term of office of the director whom he/she has replaced, unless remaining duration of director's term of office is less than two months.

The shareholders are allowed to vote for the election of directors by individual. This voting uses the majority votes of the shareholders who attend the meeting and have voting rights.

3) Appointment of member of the Board Committees

For appointment of board committees' members, the Nomination, Remuneration and Corporate Governance Committee shall consider and endorse the nominees before submission for approval and appointment by the Board of Directors. The selection is based on the expertise specifically required for each particular board committee. Members of the board committees shall have professional skills, specific experience, and free from conflict of interest. In addition, each committee shall have the composition and qualifications as prescribed by the regulatory criteria as well as Board Skills Matrix.

4) Recruitment of Executive

In the appointment process of the executive at "Head of" level and above, the Nomination, Remuneration and Corporate Governance Committee is responsible for consideration to acquire and screen the qualified persons from both internal and external sources as defined by the Bank's rules and regulations. Moreover, criminal and NCB checked are required. Then the nominated persons will be proposed to the Board of Directors for approval as well as other required functions to comply with laws and regulations of government authorities related to financial service business.

Regarding the appointment process of the executive at "Team Head" level and below, the executive shall consider, select and appoint qualified persons as deemed appropriate.

The succession plan for key positions has been established and reviewed annually. In this regard, the recruitment process to fill the position of the executive who will soon complete a specific term shall be made by the Nomination, Remuneration and Corporate Governance Committee duly in advance.

Performance Appraisal of the Chief Executive Officer

Nomination, Remuneration and Corporate Governance Committee has been assigned to appraise the CEO's performance as well as year-end 2020 in area of profitability, cost efficiency, ability to generate future income, risk management, digital transformation, people's culture, and sustainability.

4. Subsidiaries Supervision

The Bank has determined the management and control structure of the subsidiaries in aspect of generating strategic plan and nominating representative directors to jointly manage the subsidiaries and reorganize to take responsibility of the subsidiaries as appropriate.

4.1 Mechanism for Supervision

The Bank has mechanism to supervise subsidiaries for controlling the operation of subsidiaries in which to keep benefit covering investment, The Board of Directors has determined "Consolidated Supervision Policy", which includes policies as follows

1. Accounting Policy

To determine the accounting and financial report policy for the Bank to collect related information from the subsidiaries for generating consolidated financial report correctly, in the same direction and in compliance with the Bank of Thailand's rule and regulation and analyzing performance and financial status of the subsidiaries correctly and promptly for controlling and following.

2. Corporate Governance Policy and Policy on Confidential & Insider Information and Conflicts of Interest

Corporate Governance Policy determine the policy for the subsidiaries to conduct under business ethic and the morality and the best practices are concerning in good corporate governance and best practices which should be in line with Good Corporate Governance Policy.

Policy on Confidential & Inside Information and Conflicts of Interest is applied both the bank and the subsidiary companies to prevent conflict of interest issue and misusing the internal information and aligned with the bank's policy.

3. Anti-Corruption Policy

Anti-Corruption Policy determine the policy for the subsidiaries to conduct in the same manner of the Bank, as well as applying the relevant laws on such matter. This is to support the bank and subsidiaries' intention in anti-corruption, anti-bribery dealing with either government or private sector.

4. Risk Management Policy

To determine the risk management policy of the subsidiaries covering various aspects of risk relating to companies' performance and impacting the stability of the Group Companies including market risk management, liquidity risk management, operational risk management, credit risk management, market conduct risk management, and recovery plan.

5. Compliance Policy

To determine the policy for the subsidiaries to conduct under Compliance Policy and relevant Regulatory Policy such as Regulatory Compliance, Bank of Thailand's Regulatory, Compliance and Know your Customer, Anti-Money Laundering Act, and Counter Terrorism Financing Act.

6. Corporate Communication Policy

To determine the policy for the subsidiaries to conduct in the same way and promote Bank image in aspect of name and brand and disclose information of the subsidiaries.

7. Audit Policy

To determine the roles of Internal Audit (AUD) and the Audit Committee's oversight role in conjunction with the roles of the Bank management and external auditor on auditing, controlling and monitoring the Group Companies. The ultimate objective is to ensure sound control culture and good governance throughout the Financial Business Group.

4.2 Representative Director Appointment

The objective is to manage and control the subsidiaries carefully under consolidated supervision policy, the Bank sets guideline of representative director appointment as follows:

1. The Bank nominates directors by proportion of the Bank's shareholding.
2. Chairman of the Board must be appointed by the Bank's Board of Directors.
3. Managing Director or Chief Executive Officer's nomination must be endorsed by the Bank's Board of Directors. (The nomination of Managing Director of all companies in Solo Consolidation Group must be approved by the Bank of Thailand).
4. Chief supervising the subsidiaries companies proposes the Bank's executives as representative directors by:
 - 4.1 Propose to the Board of Directors (BoD) the appointment of new representative directors through Chief Executive Committee (CEC), and Nomination, Remuneration and Corporate Governance Committee (NRCC) respectively or other guidelines that will be set up by the Board of Directors in the future.
 - 4.2 Review of existing representatives, propose to NRCC for approval with CEC endorsement and BoD acknowledgment.
5. The Bank may consider appointing outside expert to be a director as appropriate.
6. Representatives core qualifications:
 - The person with no conflict of interest with the company business (declared in CG 001-01 (1) form)
 - The person with no prohibited characters (referred to BOT requirements)
 - The person who in relevant function (s) or the company business is in areas of expert
 - The person who complied with specific authority requirement (if any) i.e. SEC and OIC
7. The person who is appointed to be a representative director could be appointed as managing director or authorized director or others. However, such person must not be appointed in aforementioned positions in more than 3 business groups.
8. Bank's representative director has no conflict of interest with the Company to which the Bank will send the representative director.

4.2.1 Duty of Representative Directors

1. All representative directors shall not receive any remuneration in terms of cash and non-cash for being representative directors.
2. Attend all Group Companies' Board meetings to determine the Group Companies' Policies and Strategies to align with the Bank, which a lead director will work with

2.1 Strategy and Transformation to ensure timely communication of direction and strategy from the Bank to representative Directors regarding business matters.

2.2 Related Chief/BU regarding oversight in TMB risk management area shall regularly report the summary of risk issues of the group companies to ROC of the bank every 6 months or as deem appropriate.

3. Supervise the operation of the subsidiaries to be compliance with Bank's policies, plans, rule and regulation efficiently and effectively, as well as ensure no Conflict of Interest issue.
4. Propose policy, strategy, performance and opinion to the Bank.
5. Report performance of the subsidiaries or any material change that may have an impact on the Bank such as capital increase/decrease of the subsidiaries, business sale and purchase/merging, change in financial status, change in business group or change in rules/regulatory bodies/specific laws of each business.
6. Monitor and protect all benefits of the Bank.
7. Other duty as specified by the Bank.

4.2.2 Transactions that requires approval by the Bank before Voting in the subsidiaries' Board Meetings

1. Policy and strategy that will significantly impact on going business operation or nature of business.
2. Increase or decrease of registered capital.
3. Approvals of dividend payout.
4. Investment or divestiture of other business which subsidiary holds more than 10% of paid-up capital.
5. Selling of core asset.
6. Entering into business contract/agreement that is worth more than 15% of net tangible asset (NTA).
7. Liquidation/Debt Moratorium/Bankruptcy.
8. Transactions related to the Bank and connected persons to the company following Compliance Policy.
9. Borrowing transaction over 15% of NTA and Letter of Guarantee to third party with transaction over 15% of NTA.
10. Change of image, business format or brand.
11. Other matters that have significant impacts on the Bank's business and the liability for representative directors.

5. Control on Use of Inside Information

The Bank has the procedure with respect to the non-compliance issue against the Financial Business Act B.E. 2551 and the related notifications according to Securities and Exchange Act B.E. 2535 (as amended) and relevant notifications, anti-corruption and anti-bribery law when doing any activities with private or government entities, insider trading according to Securities and Exchange Act B.E.2535 (as amended), intellectual property law.

In addition, the Bank established Policy on Confidential & Insider Information and Conflict of Interest, and code of conduct for both executives and employee. This is to operate the bank business according to the banking industry code of conduct and transparency as well as equal treatment of all stakeholder.

5.1 Policy and procedure on insider information

The Bank has issued Regulations and guidelines in written in Code of Conduct, TMB Policy on confidential & Inside information and Conflicts of Interest including operating manual regarding Conflicts of Interest, Trading & Investment of TMB's Financial Instrument as operating guideline of director, executive, and employee.

Directors and executives are required to sign for acknowledgement and compliance with the practice on reporting the change in the directors and executives securities holding to the Office of Securities and Exchange Commission within 3 days from the date

of securities holding change in response to Section 59, Securities and Exchange Act, B.E. 2535 (as amended), In addition, they are responsible for reporting such change to the Company Secretary to record the matter and summarize the shareholding portion of the directors and executives and their spouses and children before submission to the Board of Directors for acknowledgement monthly. The Bank also informs them of the penalties given the failure to comply with such requirement.

The Bank is aware of the importance of monitoring the use of inside information, especially non-public information that may impact its share price. As such, The Bank has assigned Financial Regulatory Management to be the only unit responsible for submitting the financial statements and all financial reports to the SET and the SEC after undergoing a correctness and completeness review by the Audit Committee and the Board of Directors respectively to make sure The Bank's inside information is not prematurely disclosed to the public.

Guidelines to prevent inside information the Bank imposed punishment for employees' disciplinary misconduct regarding business code of conduct and ethics to ensure the management and the staff perform duties with transparency and based on professional code of conduct and treat all stakeholders fairly, which is in line with the Securities and Exchange Commission Act regarding the use of inside information. The Bank prohibited the executives and staffs who have permanent or occasionally potential access to the Bank's inside information to trading securities until 24 hours after disclosure information to public. The executives and staffs shall not disclose the Bank's inside information to any of their family members and/or other persons even though the staffs and/or their family members do not sell/buy the securities and/or do not gain any benefit in any form and to prevent for personal benefits and whatsoever or the others' benefits. Moreover, if there is any event that may have an effect to The Bank's securities price. Bank will set the additional period to prohibit relevant covered person regarding to trading the Bank's securities.

Compliance is responsible for supporting Management with the implementation, enforcement and updating of the aforementioned policy and procedure and also provides for appropriate monitoring mechanism to ensure compliance with the policy, operations procedure as well as relevant laws and regulations.

5.2 Penalty measures

The Bank's punishment for the violating of Financial Institution Business Act, using of inside information accords with the provisions of the Securities and Exchange Act, violating of Non-Violation Against Intellectual Property Rights or Copyrights, Anti-Corruption, Anti-bribery for the Bank's benefit or Anti-bribery in business dealing with government and private organization and all other relevant rules and regulations of the authorities. It has also imposed punishment for employees' disciplinary misconduct regarding business code of conduct and ethics to ensure the management and the staff perform duties with transparency and based on professional code of conduct and treat all stakeholders fairly.

6. Auditor's Remuneration

6.1 Audit fees

The Bank and its subsidiaries paid audit fees to:

- The Bank and its subsidiaries' auditor in the previous accounting year amounting to THB 26,150,000.
- Payment to the respective audit company including individuals or entities related to the Bank's auditor and the respective audit company in the previous accounting year amounting to THB 421,006.

6.2 Non-audit fees

The Bank and its subsidiaries paid fees for non-audit services i.e. special purpose audit engagement and engagements to perform agreed-upon procedures to:

- The Bank and its subsidiaries' auditor in the previous accounting year totaling THB - together with future payment due to incomplete work in the previous accounting year totaling THB - .
- Payment to the respective audit company including individuals or entities related to the Bank's auditor and the respective audit company in the previous accounting year THB - together with future payment due to incomplete work in the previous accounting year totaling THB - .

7. Other Corporate Governance Practices

The Bank continuously adheres to the Corporate Governance Policy to ensure that the Bank's management system is efficient, free from corruption, transparent and accountable so as to build trust and confidence among its shareholders, investors, stakeholders, society and all related parties. Regarding the above implementation, the bank received the corporate governance rating for the listed company from IOD as "excellent".

The Bank implemented Corporate Governance guidelines in accordance with the good corporate governance principles of listed companies prescribed by the Principles of Good Corporate Governance for Listed Companies by SEC's Corporate Governance Code for Listed Company, Criteria of Corporate Governance Report of Thai Listed Companies - CGR by IOD, and international standard such as ASEAN Corporate Governance Scorecard (ASEAN CG Scorecard), Sustainability Disclosure Standard (GRI standard) and Sustainability Reporting Disclosure (SDG)

In 2020, Board of director and sub-committees considered their role and responsibility to align with the regulations and the bank environment which the significant areas of implementation consist of:

Good corporate governance for listed company	The bank implementation
<p>Board of director's role and responsibility</p> <p><i>Principle 1:</i> role of Board of director as leadership including the customer treatment according to market conduct</p> <p><i>Principle 2:</i> set up the organization objective and target for sustainability</p> <p><i>Principle 3:</i> efficiency Board of Director</p> <p><i>Principle 4:</i> nominate and develop the executive and human resource</p> <p><i>Principle 5:</i> support the innovation and conduct responsible business</p> <p><i>Principle 6:</i> oversee for proper risk management and internal control</p> <p><i>Principle 7:</i> soundness of financial information disclosure</p> <p><i>Principle 8:</i> Support on the shareholder's communication and participation</p>	<p>In 2020, The Bank incorporated principle 1 - 8 into the implementation,</p> <p>The additional implementation in 2020 consist of:</p> <ol style="list-style-type: none"> 1. Preparation of the 2019 sustainability report separately from the 2019 annual report and notification to the shareholders in the 2020 Annual General Meeting of Shareholders 2. Establishment of the IT Oversight Committee 3. Establishment of "Market Conduct" unit to ensure fair treatment to the customers 4. Employee remuneration in the form of share bonus for 3 years during 2020 - 2022

Good corporate Governance for listed company	The bank implementation
	<p>However, the Bank was unable to observe some of the above practices due to the following reasons:</p> <ol style="list-style-type: none"> Practice guideline which limited the number of directors to 12: The Bank's consideration: The Bank had 14 directors. The increased number of directors was consistent with the structure of the board of directors in the Integration Project as approved by the shareholders at the Extraordinary General Meeting of Shareholders No. 2/2019 Practice guideline on complete disclosure of shareholders in detail: The Bank's consideration: Regarding nominee shareholders, it was a normal practice of foreign investors to have a custodian to look after the shares. Therefore, the Bank was unable to disclose their information according to the aforesaid rationale.

In 2020, the directors have attended the additional training courses and seminar as follows:

Directors	Courses
1. Mr. Ekniti Nitithanprapas	<ul style="list-style-type: none"> 2020 Cyber Resilience Leadership: Tone from the Top, BoT 2020 Cybersecurity and Privacy for BoD, TMB Bank Personal Data Protection Act, TMB Bank Economic and Sectoral Outlook: A High-Frequency Data Perspective, TMB Bank
2. Mr. Suphadej Poonpipat	<ul style="list-style-type: none"> 2020 Cybersecurity and Privacy for BoD, TMB Bank Personal Data Protection Act, TMB Bank Economic and Sectoral Outlook: A High-Frequency Data Perspective, TMB Bank
3. Mr. Philippe G.J.E.O. Damas	<ul style="list-style-type: none"> 2020 Cybersecurity and Privacy for BoD, TMB Bank Personal Data Protection Act, TMB Bank Economic and Sectoral Outlook: A High-Frequency Data Perspective, TMB Bank
4. Mr. Praisun Wongsmith	<ul style="list-style-type: none"> Boardroom Success Through Financing and Investment, IOD 2020 Cybersecurity and Privacy for BoD, TMB Bank Personal Data Protection Act, TMB Bank Economic and Sectoral Outlook: A High-Frequency Data Perspective, TMB Bank
5. Mr. Teeranun Srihong	<ul style="list-style-type: none"> 2020 Cyber Resilience Leadership: Tone from the Top, BoT 2020 Cybersecurity and Privacy for BoD, TMB Bank Personal Data Protection Act, TMB Bank Economic and Sectoral Outlook: A High-Frequency Data Perspective, TMB Bank
6. Mr. Willem Frederik Nagel	<ul style="list-style-type: none"> 2020 Cybersecurity and Privacy for BoD, TMB Bank Personal Data Protection Act, TMB Bank Economic and Sectoral Outlook: A High-Frequency Data Perspective, TMB Bank

Directors	Courses
7. Mr. Chumpol Rimsakorn	<ul style="list-style-type: none"> • Risk Management Programme for Corporate Leaders, IOD • 2020 Cybersecurity and Privacy for BoD, TMB Bank • Personal Data Protection Act, TMB Bank • Economic and Sectoral Outlook: A High-Frequency Data Perspective, TMB Bank
8. Mr. Yokporn Tantisawetrat	<ul style="list-style-type: none"> • 2020 Cybersecurity and Privacy for BoD, TMB Bank • Personal Data Protection Act, TMB Bank • Economic and Sectoral Outlook: A High-Frequency Data Perspective, TMB Bank
9. Mr. Somjate Moosirilert	<ul style="list-style-type: none"> • 2020 Cybersecurity and Privacy for BoD, TMB Bank • Personal Data Protection Act, TMB Bank • Economic and Sectoral Outlook: A High-Frequency Data Perspective, TMB Bank
10. Mr. Prinya Hom-anek	<ul style="list-style-type: none"> • 2020 Cybersecurity and Privacy for BoD, TMB Bank • Personal Data Protection Act, TMB Bank • Economic and Sectoral Outlook: A High-Frequency Data Perspective, TMB Bank
11. Mr. Michal Jan Szczurek	<ul style="list-style-type: none"> • 2020 Cybersecurity and Privacy for BoD, TMB Bank • Personal Data Protection Act, TMB Bank • Economic and Sectoral Outlook: A High-Frequency Data Perspective, TMB Bank
12. Mrs. Chananyarak Phetcharat	<ul style="list-style-type: none"> • 2020 Cybersecurity and Privacy for BoD, TMB Bank • Personal Data Protection Act, TMB Bank • Economic and Sectoral Outlook: A High-Frequency Data Perspective, TMB Bank
13. Mr. Piti Tantakasem	<ul style="list-style-type: none"> • 2020 Cybersecurity and Privacy for BoD, TMB Bank • Personal Data Protection Act, TMB Bank • Economic and Sectoral Outlook: A High-Frequency Data Perspective, TMB Bank

Corporate Social Responsibility

The Bank places importance on good corporate governance, code of conduct for directors, code of conduct for employees, and business operations with responsibility to all stakeholders including shareholders, employees, customers, business partners, creditors, competitors, investors, government agencies, as well as society and environment. This is to ensure that they are treated well, leading in turn to sustainable development of the Bank, society, and the country's economy.

The Bank has policy to operate business for a sustainable growth by enhancing operating efficiency, developing product and service and empowering employees. By adhering to corporate social and environmental responsibility, the Bank aims to create value for all stakeholders. This policy is aligned with the 8 principles of Corporate Social Responsibility's Guideline of the Stock Exchange of Thailand. Details are as follows:

1. Fair Trade Practice

The Bank is fully aware that it is important to operate its business fairly as stated in the corporate governance policy regarding Role of Stakeholders. The Bank gives priority to equal treatment to all stakeholders to ensure they fully have their rights with fairness and appropriate treatment. The Bank puts in place the system to handle customers' complaints and resolve their problems with prudence and fairness. Customer information shall be kept confidential and strictly complied with the condition on the counterparty's agreement. The Bank's business operations are based on fair, corruption-free and ethical competition. All employees are treated fairly and equally. Training are provided to enhance staff's knowledge, skills and competency. The Bank increases employees' job opportunity by offering internal rotation which also help improve working efficiency. The Bank determines fair compensation scheme which is in line with industry standard. The Bank also promotes corporate governance culture within the organization.

2. Anti-Corruption

The Bank realizes that corruption compromises the stakeholders' confidence in the Bank's operation and that corruption could cause legal penalties, by both civil and criminal law. The Bank provides anti-corruption policy for directors and employees to aware of the risk and corporate governance issue also comply with the appropriate organization's risk management mechanism and monitors them consistently. There are disciplinary measures and penalties for those who fail to comply with the policy. The Bank shall also provide protection and fairness to employees who deny an act constitutes corruption or report an incident of corruption. All of these will help increase the employees' awareness of the anti-corruption culture and ensure that the Bank operates with full transparency. Both director and management are encouraged to aware of the governance risk and proper risk management culture.

3. Human Rights

Respecting human rights is an integral part of TMB's responsibilities. The Bank acknowledges that our business as a financial institution can potentially impact human rights. Thus, we strictly adhere and comply with all national laws and international standards of best practices. TMB requires relevant parties to strictly adhere to the policy and integrate into their business the principles set out in this policy and the approach to human rights issues and stakeholders including directors, employees, customers, business partners, communities and vulnerable and underserved groups such as people with disabilities, indigenous peoples, etc.

4. Fair Labor Treatment

The Bank is fully aware that employees play an important role in driving the Bank's business and bringing positive changes to society. The Bank, therefore, selects, develops, promotes, and retains high caliber staff so that the Bank can achieve its target efficiently and effectively. The Bank ensures appropriate and fair compensation as well as a transparent appointing, transferring, bonus and penalties. The Bank also encourages and supports employees to improve their knowledge and skills. Lastly, the safety of working environment is also provided.

5. Responsibility to Customers

The Bank places importance on maximum customers' satisfaction and confidence in the Bank. It thus aims to genuinely offer quality products that suit for the customer and also disclose the product and service clearly and completely and excellent services to customers by focusing on their needs and benefits. Furthermore, the Bank shall not make unfair terms and conditions, and must follow the business agreement strictly, honestly, carefully and consistently.

In 2020, the Bank set up measures to assist the customers impacted by COVID-19 by determining ways to assist holders of products such as credit card, cash card, auto loan, housing loan, personal loan, and SME loan.

6. Environmental

The Bank places importance on environment preservation through its credit underwriting policy, by not supporting the businesses that could cause both direct or indirect environmental impacts. The Bank also comply with the United Nation Global Compact (UNGC) by providing an environment-friendly work place.

7. Social Development and Community Management

TMB values the importance of community & social development in the way that align with sustainability principles for several ways. The Bank always encourages employee to participate in community improvement projects through FAI-FAH programs by TMB Foundation in order to enhance opportunities and to drive the social responsibility mindset for sustainable change.

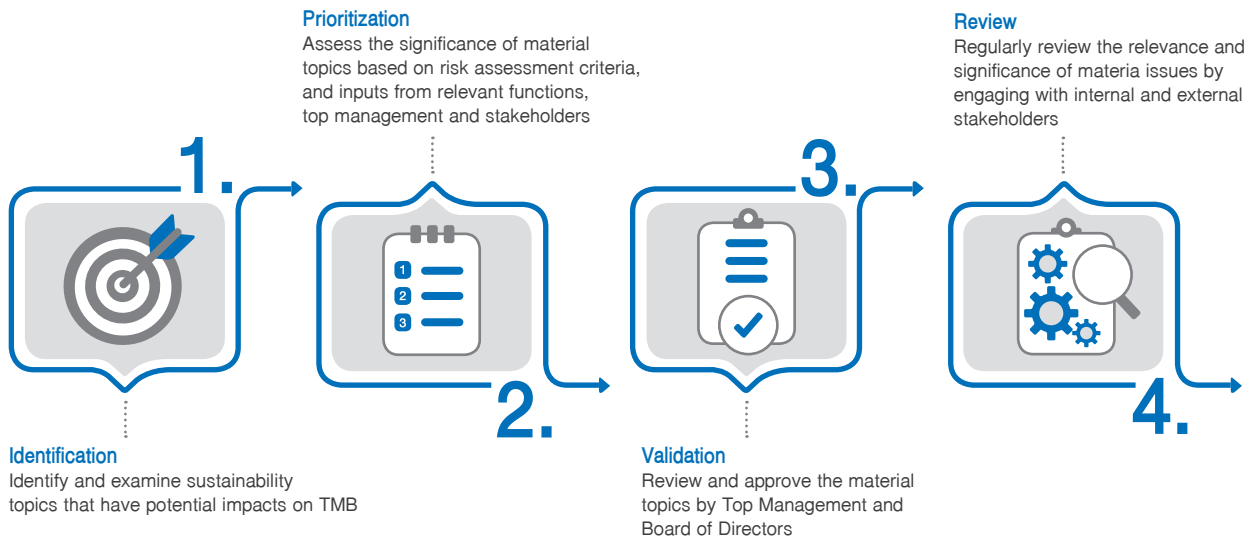
The Bank also set up the measure to provide communities that were impacted by COVID-19, the Bank held the charity to raise the fund for setting the screening unit of COVID-19, and provide donation channel via application PUNBOON.

8. Innovations and Distribution of Innovations

The Bank encourages employees to creatively develop and improve working process for efficient and effective operations. This results in cost-efficiency improvement, an efficient use of resources, a faster service which leads to an increase in customers' satisfaction.

Materiality

Materiality Assessment Process



Material topics that are important to TMB and stakeholders in 2019-2020 consist of 12 topics as follows

1. Customer experience
2. Digital transformation
3. Data privacy and protection
4. IT System and cybersecurity
5. Corporate governance
6. Market conduct
7. Risk management
8. Talent attraction and retention
9. Financial literacy and inclusion
10. Responsible lending
11. Climate change risk and opportunity
12. Our environmental impact



For more detail, see Sustainability Report from www.tmbbank.com/sustainability or scan QR Code.

Bank's Securities and Shareholders

Bank's securities

Bank's capital

As of 31 December 2020, the Bank's registered capital was THB 100,912,374,754.35 of which THB 91,588,946,036 was paid up, comprising ordinary shares 96,409,416,880 shares at par value of THB 0.95/share.

Thai Trust Fund

As of 31 December 2020, Thai Trust Fund was no longer issued by the Bank.

The number of shares or impacts on shareholders' voting rights from the issuance of Non-Voting Depository Receipt (NVDR)

Non-Voting Depository Receipt (NVDR) is a trading instrument issued by Thai NVDR Co., Ltd., a subsidiary wholly owned by the Stock Exchange of Thailand (SET). By investing in NVDRs, investors will receive all financial benefits including dividends, right issues or warrants, as if they had invested in a company's ordinary shares. Unlike ordinary shareholders, NVDR holders are not entitled to voting rights in a shareholders' meeting except for the case of voting to pass a resolution concerning the delisting of shares from the SET. If the Bank's shares are issued as NVDRs in a great number, its shares with voting rights will decrease and the voting rights of other shareholders will increase.

As of 9 July 2020, the latest share register closing date, Thai NVDR Co., Ltd. issued NVDRs with the Bank shares as reference asset amounting to 4,155,143,413 shares or 4.31% of the Bank's issued and paid-up ordinary shares. However, the issuance of NVDR securities does not fall within the realm of the Bank's control. Investors may check the information on NVDR shares from website of the SET at www.set.or.th/nvdr.

Dividend payment policy

The Bank's policy

The Bank has set out a policy on the dividend payment from financial statements (Bank only). The dividend payment is subject to the Bank's operating performance, the long-term benefits to the Bank's shareholders, the Bank's capital adequacy and reserve requirements as well as the relevant legal conditions and BOT's Notification. In addition, the dividend payment must comply with the Bank's Articles of Association number 43 which states that dividend shall not be paid other than out of profits, and if the Company still has accumulated losses, no dividend shall be paid.

Policy of subsidiary companies

Subsidiary companies' dividend payments are subject to the approval of their respective boards of directors and to be proposed at their shareholder meetings for approval. The Bank has not set out a payment rate. Their dividend payments will depend on their operational performance and business plans and must be complied with each company's regulations and relevant laws governing the company's dividend payment.

Shareholders

Major shareholder

The list of the 10 largest shareholders at the latest share register closing date on 9 July 2020 was shown as below.

Major shareholders	Number of ordinary shares	%
1. ING BANK N.V.	22,190,033,791	23.03
2. THANACHART CAPITAL PUBLIC COMPANY LIMITED	19,389,891,967	20.12
3. MINISTRY OF FINANCE	11,364,282,005	11.79
4. VAYUPAK FUND1*	9,852,811,315	10.23
5. THE BANK OF NOVA SCOTIA	5,023,611,111	5.21
6. THAI NVDR	4,155,143,413	4.31
7. SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	1,556,832,944	1.62
8. GIC PRIVATE LIMITED	842,598,099	0.87
9. STATE STREET EUROPE LIMITED	788,884,929	0.82
10. MILITARY GROUP **	784,612,673	0.81

Note:

* Current unit holders of Vayupak Fund 1 are Ministry of Finance and may also consist of other government units

** Included Royal Thai Army, Thai Navy, Thai Air Force, Military Units and RTA Entertainment Plc.

Shareholder risk

Shareholder risk may arise if the return from investment is not as initially expected. Returns from the investment in shares can be inform of capital gains and/or dividend income. Dividend income depends on the Bank's profits and dividend policy. Capital gains are determined by TMB's share price movement, which is influenced by a variety of factors.

Each year, TMB provides broad guidance on its financial targets. However, shareholders may face with the risk that operating outcome might be deviate from these financial targets and affect both dividend and share price. Although the Bank aims to generate quality growth and maintain prudent risk management in order to generate sustainable returns for shareholders in the long run, there are other external factors, which are beyond the Bank's control. These external factors are, for example, domestic and global economic and political situation, capital movements, changes in regulatory such as BOT's supervision which could potentially impact bank's operation as well as the unpredictable circumstances in particular, we faced with COVID-19 pandemic in 2020. Hence, shareholders must be aware of all risk factors in which out of the Bank's control and decide on investment to suit their acceptable risk levels.



Investors may look for the list of major shareholders from TMB Website at www.tmbbank.com on Investor Relations webpage or scan the following QR code

Other Related Information and Affecting Factors

Related Transaction

Transaction with related parties which occurred during the year

Related party disclosures, which comprised of definitions and characteristics of relationship, pricing policy, related parties transactions with key management and other related parties, outstanding balances with related parties, senior management personnel compensation, other benefits payable to the senior management personnel, were disclosed in notes to financial statements for the year ended December 31, 2020.

Measures or procedures to approve the making of related transactions

In conducting its business, the Bank shall adhere to its principles, integrity, transparency and maximize its interest by emphasizing the prevention of conflicts of interest and also to related party transactions and connected transactions according to the regulatory requirements. To that effect, the Bank requires that its Directors and Senior Management at Head of level and higher to disclose their relations or connections in any business with any conflicts of interest on a quarterly basis. Moreover, the TMB Policy on Confidential & Insider Information and Conflicts of Interest and a Procedure Manual have been issued and enforced in order to eradicate conflicts of interest. Transactions with related parties or connected persons are carried out by the Bank on an arm's length basis. In addition, the Bank's Directors and Executives who may have conflicts of interest in such transactions are neither allowed to participate in the approval thereof, nor to vote in a meeting.

The Bank has no policy to grant any direct loan to Directors or Senior Management. Loans provided to or investments in any entity in which the Bank, its Directors or Senior Management have conflict of interests are subject to the consideration of the project's viability, operational performance or feasibility analysis with terms, conditions and prices to be the same as those approved for other clients in general. The loan or investment amount must be controlled so that it will not exceed an appropriate limit and is subject to unanimous approval of TMB's Board of Directors. The concerned Directors or Executives shall not participate in the approval of such transaction and the approval must be consistent with the regulations of related authorities.

The Bank has assigned the Audit Committee to prevent and mitigate the conflicts of interest. Those transactions that have potential conflicts of interest that exceed the set threshold values or limits must be submitted to the Audit Committee for validation and/or approval prior to execution. Related and/or connected transactions will be disclosed on a complete and transparent basis according to the criteria of the relevant regulators.

For future related party transactions, the Bank shall continue to adhere to its principles to maximize the interest of the Bank and our shareholders, whereby at a minimum, pricing and terms and conditions will be on arm's length basis in accordance with the above-mentioned Policy and Operational Guidelines. Also, the Policy and the Operational Manual will be updated to be in line with the changes of the regulatory requirements and internal criteria.

Persons who may have conflicts of interest to hold more than a 5% of stake in subsidiary company or associated company instead of direct shareholding by the Bank

The Bank has not allowed any person who may have a conflict of interest to hold more than a 5% of stake in subsidiary company or associated company on its behalf.

Legal disputes

On December 31, 2020 TMB does not have an unsettled legal dispute which has the potential to negatively impact its assets, as the claimed amount is worth over 5% of net equity according to financial statements of bank.

Transactions with relating to investment

The Bank imposed the regulatory fine from BOT and SEC as detailed below.

Regulators	2016-2019	2020
	Amount (Baht)	Amount (Baht)
The Bank of Thailand	The Bank of Thailand has fined the bank according to the Financial Institutions' Businesses Act B.E.2551 total amount of 4,903,125 baht which is categorized to: <ul style="list-style-type: none">• Section 60 amount of 2,128,125 baht• Section 71 amount of 2,775,000 baht	None
The Securities and Exchange Commission	The Securities and Exchange Commission has fined the bank according to section 113 of the Securities and Exchanges Act B.E.2535 amount of 5,086,000 baht	None

Internal Control

Opinion of the Board of Directors on Internal Control and Risk Management

Effective Internal control is an important cornerstone of the Bank's operating model and strategic direction, both at management and operational levels. The Board of Directors (through the Audit Committee, Risk Oversight Committee, and Nomination, Remuneration and Corporate Governance Committee), Credit Committee, and IT Oversight Committee has been tasked with oversight of internal controls, risk management policies & processes and good corporate governance.

Internal Audit carries out reviews over the Bank's overall operations, related and connected transactions and reports findings to the Audit Committee and the Audit Committee reports to the Board of Directors accordingly. The result of audit report is also a tool for Management to develop process and improve internal controls as deemed appropriate.

The Board of Directors meeting no. 2/2021 held on 24 February 2021, attended by members represented in the Audit Committee, has reviewed the report on the Bank's internal control assessment proposed by Chief Audit Officer. Internal auditors conducted the assessment based on the Internal Control Core Components; (1) Control Environment (2) Risk Assessment (3) Control Activities (4) Information and Communication (5) Monitoring Activities.

The Board of Directors has acknowledged status of Bank's internal control and risk management which are generally at appropriate level by which continuous improvement and monitoring are required in order to cope with changing business risk environment which is more volatile, uncertain, complex and ambiguous including risk factor from outbreak of COVID-19 pandemic. In addition, the Board of Directors has monitored development of internal control improvement by management appropriately; which Audit Committee has recommended management and monitored actions in addressing identified deficiencies from the audit with reporting progress to the Audit committee and the Board of Directors on a regular basis.

Gate Keepers

Detail Head of Internal Audit

The Board of Directors has appointed Mrs. Pitimart Saguansook to hold position of Chief Audit Officer.

(see more detail of education, work experience, and training in attachment 1)

Detail Head of Compliance

The Board of Directors has appointed Mr. Kittichai Singha to hold position of Head of Compliance.

(see more detail of education, work experience, and training in attachment 1)

Statement of the Audit Committee

The Audit Committee of TMB Bank Public Company Limited (the “Bank”) consisted of three independent directors, who were not the bank’s executives or employees of any kind, carried out its responsibilities. The Audit Committee was responsible for carrying out the duties as assigned by bank’s Board of Directors in line with the regulations imposed by the Securities and Exchange Commission (“SEC”), notifications of the Stock Exchange of Thailand (“SET”) and the Bank of Thailand (“BOT”) as stated in the Audit Committee charter stipulated by the Board of Directors.

In 2020, the Audit Committee convened 13 meetings in total with the management, top level executives of the related business units and auditors to approve endorse acknowledge and consider numerous matters as of the following:

- **Financial Statement**

Reviewed the quarterly, year-end and consolidated financial statements of the Bank and its subsidiaries by consulting with the external audits and Chief Financial Officer (CFO), as well as the auditor reporting the findings from the audit to the Audit Committee. The Audit Committee is of the opinion in agreement with external auditor that the Bank’s financial reports fairly presented accurate and reliable information in material aspects in compliance with generally accepted accounting principles. In addition, any transactions which may cause conflict of interest were reviewed to verify they were reasonable and appropriate, most of them being found to be in the normal course of business or supporting normal course of business conducted on an arm’s length basis.

- **Internal Control and Internal Audit**

Reviewing the Bank’s internal control system and internal audit are suitable and efficient, as well as sufficient anti-corruption measures, inclusive of whistle-blowing processes, independent scrutiny, and protection of the whistle-blowers to ensure that the accused are treated fairly. Consulting with the internal auditors in planning and approving the annual audit plan, considering the adequacy and appropriateness of personnel in the performance and independence of internal audit by monitoring and evaluating the monthly performance and considering examination report of the BOT’s and the auditor in order to assess the adequacy of the internal control system.

- **Regulatory Compliance**

Reviewed the performance of the Bank to comply with laws and regulations, such as the SEC, SET, IOC, AMLO and BOT and acknowledged changes of any rules or regulations that affected operation and ensured the adjustment of operations in response to those changes.

- **Independent Auditor**

Consider and make recommendations on the appointment of the auditor of the Bank by considering qualifications, capabilities, experiences, independence and quality of previous works and the remuneration of the auditors in line with responsibility by the Board of Directors to propose to the shareholders for an approval of the auditors and the remuneration of the auditors.

- **Related Transactions or Conflict of Interest**

Related transactions or transactions which may have conflict of interest based on the principle of accountability, transparency and adequate disclosure to the relevant authorities, as reported from business units before proposing to the Board of Directors.

The Audit Committee performed its duties prudently and independently, and provided straightforward comments based on transparency and good governance. The Audit Committee is of the opinion that financial statements have been prepared accurately with adequate information disclosure in line with the financial standard. Independent auditor was independent to perform duties. Transactions and transactions that may have potential conflicts of interests are reasonable and normal business activities, including adequate disclosure. The internal control and internal audit have been appropriate, effective, and in compliance with laws and regulations. The Bank is generally at appropriate level by which continuous improvement and monitoring are require in order to cope with changing business risk environment which is more volatile, uncertain, complex and ambiguous including risk factor from outbreak of COVID-19 pandemic. The Bank continually pays high attention to the internal control execution and enforcement, providing necessary training to the staff including follow up issues, investigation, root causes and corrective measures, imposing of disciplinary action to assure internal control effectiveness. Moreover, Audit Committee has emphasized the management to take remedy actions to address deficiencies identified and report progress to the Audit Committee regularly.



(Mr. Praisun Wongsmith)

Chairman of the Audit Committee

Report of the Nomination, Remuneration and Corporate Governance Committee

The Nomination, Remuneration and Corporate Governance Committee (“NRCC”) was appointed by the Board of Directors comprising of five committee members - two independent directors and three non-executive directors. In 2020, the NRCC carried out its responsibility’s duties within the scope of authority given by the Board of Directors, holding 12 meetings. Each member attended meetings and performed their duties on important matters as follows:

Nomination

1. Screen and nominate duly qualified candidates for appointment as the Bank’s directors to replace directors who resigned before completion of tenure, retiring directors who declined to accept re-election, and directors who retired by rotation, before submission to the Board of Directors, or to the shareholder meeting for approval as the agenda in the annual general shareholder’s where required. The NRCC shall consider and nominate persons who are professionals in diversified fields (via skill matrix) with proper qualifications as prescribed in the law, the Bank’s Articles of Association, and notification of government agencies as well as knowledge, capability, expertise, and experience in order to be in line with the Bank’s direction and business strategy. In addition, the nominated persons must be able to dedicate time for the optimum benefits of the Bank.
2. Consider and endorse of the appointment of members of Board committees, namely, the Board of Executive Directors, the Audit Committee, the Nomination, Remuneration and Corporate Governance Committee, the Risk Oversight Committee, the Credit Committee, and IT Oversight Committee to ensure that each Board Committee comprises of directors who have appropriate qualifications and there are sufficient number of committee members to ensure effective performance of duties in compliance with the Charter of each Board committee and the Bank’s strategy and business direction prior to submission to the Board of Directors for approval.
3. Screen and recruit persons with proper qualification to be appointed as senior executives as well as consider persons to be elected as senior executives for the merged bank in order to process the entire business transfer after merger smoothly according to the integration plan regarding the merger of TMB and TBANK. This process was referred to the nomination process before submission to the Board of Directors for appointment. The NRCC shall consider and recruit persons who have knowledge, capability, and proper experience in diversified fields so as to contribute, support, and push forward achievement of the Bank’s strategic direction and business goals.
4. Consider framework and direction of the nomination properly with respect to the principle of executives and employees’ compensation and benefits without discrimination of gender, personal status, or economic or social standing, and suggest the human resource management strategies to align with the bank’s management direction.
5. Propose for Board of Directors’s approval of the succession plans for positions of the Chief Executive Officer and other key management positions to ensure that the Bank has an appropriate process for planning and identifying and selecting appropriate persons as successors to important positions in the Bank.

Remuneration

6. Consider and review of the remuneration of the Board of Directors and each of Board committees before submission to the Board of Director for consideration and further submission to the shareholder’s meeting for approval. The NRCC shall consider directors’ remuneration based on their fiduciary duty, which align with the accountability and responsibility as well as the competitiveness among the same level in commercial banking industry.
7. Consider directors’ bonus before submission to the Board of Director for consideration and further submission to the shareholder’s meeting for approval. The directors’ bonus shall align with their accountability and responsibility, the Bank’s performance and overall economic conditions.

8. Conduct the performance assessment of the Chief Executive Officer by comparing the predetermined targets both short-term and long-term including the sustainability matters.
9. Consider the relevant process to execute the offering of TMB shares to executives and employees of TMB and TBANK (subsidiary of TMB) as per the resolution of the 1/2019 Extraordinary General Meeting of Shareholders and performance criteria as well as propose the proper remuneration, which align with the accountability and responsibility, performances, overall economic conditions and competitive to the market, for executives for Board of Directors' approval.

Corporate Governance

10. Consider the appropriateness of the Corporate Governance Policy, Board of Director and Board Committees Structure, Charter of Board of Director and each Board committee and revise the existing Board of Director's performance assessment by applying the cross assessment method and referring skill matrix as the tool for consideration in the process of director nomination that align with corporate governance where requires to meet best practice and Corporate Governance Regulation applicable to the current business environment in which the Bank operates and make recommendations there to the Board of Directors.
11. Oversee the Bank's business operations in compliance with principles of good corporate governance, aligning with the international human right principles, as well as stipulating the appropriate corporate KPI with respect to sustainability development, efficiency, absence of corruption, transparency and auditability, and to ensure that required information is completely disclosed and the communication is made to all employees regarding the Bank's policy on anti-corruption and its code of conduct so as to enhance confidence of all stakeholders.
12. Arrange the annual performance assessment of the Board of Directors, the Board committees, and the cross assessment of individual Board and Board committee members as well as propose results and recommendations to the Board of Directors for acknowledgement. In this regard, the recommendations of the NRCC are aimed to increase the overall efficiency of the Board of Directors' and Board committees.
13. Review the Bank's operations regularly to ensure the compliance of regulatory requirements as well as the best practices on corporate governance and sustainability.

The NRCC fully performs duties assigned by the Board of Directors with carefulness and transparency for the Bank's highest benefit and all stakeholders appropriately.



Mr. Philippe G.J.E.O. Damas

Chairman of the Nomination,

Remuneration and Corporate Governance Committee

Report of the Board of Directors'

Responsibility for Financial Reports

The Board of Directors is responsible for the Bank's financial statements, the consolidated financial statements of the Bank and its subsidiaries, and all financial information appearing in the Annual Report. The financial statements for the year ended 31 December 2020 have been prepared in accordance with Thai Financial Reporting Standards with appropriate accounting policies applied on a conservative and consistent basis. Judgement and estimates where required have been applied with careful and reasonable considerations, with adequate material information disclosures made available in the notes to the financial statements that is useful to all shareholders and investors. These financial statements have been audited by independent auditors who have given their unqualified opinions.

The Board of Directors has also adopted and maintained appropriate and effective risk management, internal control, internal audit and compliance, whereby the Bank can assure financial records are accurate, complete and protections are appropriate for the Bank's assets. These controls also serve as preventive measures against any significant operational risk of the Bank. The Board of Directors has appointed the Audit Committee comprising entirely of independent directors responsible for the quality of the Bank's financial reporting, the internal control systems as well as complete and appropriate disclosure of connected transactions. The opinion of the Audit Committee with regard to these matters appears in the Report of the Audit Committee in this Annual Report.

The Board of Directors is of the view that the Bank has maintained an effective internal control system which provides an adequate and appropriate level of protection, and therefore can assure the reliability of the Bank's financial statements and the consolidated financial statements of the Bank and its subsidiaries as of 31 December 2020 to be correct, complete, and accurate according to Thai Financial Reporting Standards, related laws and regulations.



Mr. Piti Tantakasem
Chief Executive Officer



Mr. Ekiniti Nitithanprapas
Chairman of the Board

Management Discussion and Analysis

The adoption of Thai Financial Reporting Standard (TFRS9) and the impact of COVID-19 pandemic

The adoption of Thai Financial Reporting Standard (TFRS9)

Since 1 Jan 2020, TMB has initially adopted Thai Financial Reporting Standards (TFRS9). This new accounting standard has significant implications on asset classification and impairment, income recognition, and hedge accounting. Key changes are summarized as follows:

1. Classification and measurement of financial assets and financial liabilities

- Financial assets are measured at amortized cost, fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVOCI). The classification is based on cash flow characteristics of the financial asset and the business model in which they are managed.
- Financial liabilities are measured at amortized cost and fair value through profit or loss (FVTPL). A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition.

2. Impairment model of financial assets and contract assets

- Impairment model applied to the financial instruments that are not measured at FVTPL which are financial assets that are debt instruments, lease receivables and loan commitments and financial guarantee contracts issued.
- Loans are classified into 3 stages based on changes in credit quality since initial recognition.
 - ▶ Stage 1 (performing): 12-month ECL (expected credit loss)
 - ▶ Stage 2 (under-performing): Lifetime ECL not credit impaired
 - ▶ Stage 3 (non-performing): Lifetime ECL credit impaired

3. Income recognition

- Step-up loans are measured at amortized cost using the effective interest rate (EIR) which reflected the recognition of interest income and interest expense.
- Front end fee income is recognized as interest income on amortization basis.

4. Hedge accounting

- There are 3 hedge accounting models and the type of model applied depends on the hedged exposures consisting of a fair value exposure, a cash flow exposure or a foreign currency exposure on a net investment in a foreign operation.

The impact of COVID-19 pandemic

Thailand is currently facing challenging circumstances as a result of the COVID-19 pandemic. While this is foremost a health crisis, the virus is also having a significant economic impact. The Bank is aligned with the government and BOT's measures and released aid measures for customers whose businesses are affected by the COVID-19 outbreak and other economic impact by extending debt relief program and other measures.

TMB applies the BoT optional treatment for these group of debtors under 2 years period of 2020 and 2021. These treatments contain relief measures from the requirement of TFRS in the form of additional accounting options.

- Stage 1 and stage 2 after modification can move to stage 1 immediately if the Bank considers that debtor has ability to pay under the new agreement.
- Revision of EIR at the date of modification.

As the COVID-19 pandemic is ongoing, management considered the impact of the COVID-19 to the financial assets based on available information and the potential impact on the initial ECL estimates. As at 31 December 2020, management provided additional ECL as management overlay especially for the customers under relief programs and impact from economic condition.

Summary of TMB relief scheme for customers who are affected by COVID-19

At the onset of the COVID-19 pandemic, the Bank has provided the debt relief programs for all customer segments in the form of payment holiday for principal and interest, a reduction of interest payment, an extension of installment period, and soft loan facilities. At the end of December 2020, approximate 15% of total loan portfolio was under the relief program which decreased from 20% as of Sep 20 and 40% as of Jun 20. Mostly, the customers in the 1st phase of debt relief have already exited and those customers remaining in the relief program were in the 2nd phase who requested for additional relief measures. As of Dec 2020, commercial customers under forbearance accounted for 25% of total commercial loans and retail customers accounted for 9% of total retail loans respectively. Although, most of the customers can resume their normal payments, TMB continues to be vigilant given the new round of pandemic outbreak and keeps monitoring customers to ensure the Bank's asset quality as well as support customers through pre-emptive debt restructuring to ensure that customers can recover in the long run.

Relief program “Tang Lak round 2”

Retail: TMB extends the relief program for customers until 30 Jun 2021, in response to BOT announcement	
Auto loan	<ul style="list-style-type: none"> Reduce installment by extending tenure or 3-month debt suspension for the principal and interest payment (for new car, used car and cash your car) Reduce 30% of installment for 6 months and cut interest rate not over 22% (for cash your book)
Mortgage loan	<ul style="list-style-type: none"> 6-month grace period of principle payment (Pay only interest) or Reduce installment to 70% for 6 months or 3-month debt suspension for the principal and interest payment
Unsecured loan	<ul style="list-style-type: none"> Reduce installment to 70% for 6 months and cut interest rate not over 22% Lower interest rate for unsecured loan to 25% from 28% per year, effective from 1 Aug 2020 (for new application)
Credit card	<ul style="list-style-type: none"> Convert current outstanding balance to term loan or convert to Installment pay plan (IPP) with interest rate not over 12% and maximum 48 tenors Minimum payment for credit card will be reduced to 5% in 2020-2021, 8% in 2022 and back to 10% in 2023, effective from 20 Apr 2020 billing cycle onwards Lower interest rate for credit card to 16% from 18% per year, effective from 1 Aug 2020
Cash card	<ul style="list-style-type: none"> Convert current outstanding balance to term loan or convert to Installment pay plan (IPP) with interest rate not over 22% and maximum 60 tenors Minimum payment for cash card will be reduced to 3%, effective from 20 Apr 2020 billing cycle onwards Lower interest rate for cash card to 25% from 28% per year, effective from 1 Aug 2020
Commercial: TMB provides the below relief program for customers until 30 June 2021	
SME (Juristic and Non-Juristic)	<ul style="list-style-type: none"> Long-term lending: Reduce the amount of installment payment up to 6 months; plus extend installment period up to 15 months from the approve date Overdraft/Working Capital Lending: Convert Overdraft or Working Capital lending to 10 years long term lending
Large corporate	
	<ul style="list-style-type: none"> Long-term lending: Suspension for the principal for 3 months from the approval date Overdraft/Working Capital Lending: Convert up to 50% of working capital outstanding to 5 years long-term lending

Please find <https://www.tmbbank.com/page/view/loan-covid19.html> for further details

Executive summary

Thai economy for the year 2020 contracted significantly due to the unprecedented spread of COVID-19 pandemic and the pace of recovery seemed to be sluggish. This year, TMB grew loan and deposit very selectively to ensure portfolio quality. NII and NIM improved from last year as a result of post-merger balance sheet synergy. Moreover, the Bank achieved operating cost efficiency and cost synergy realization leading to higher PPOP. In term of asset quality, TMB remained prudent with elevated ECL for the uncertainties ahead while de-risking loan portfolio resulted in a low level of NPL ratio at 2.50%.

Quality-hybrid deposit continued to grow amidst lower interest rate environment, boosted by No-Fixed and Ultra Saving:

As of December 2020, total deposit contracted by 1.8% YTD to THB1,373 billion. Retail flagship product continued its positive momentum, led by No-Fixed (+42.6% YTD), Ultra-saving (+24.0% YTD) and TMB All Free (+23.1% YTD) respectively while TD and Certificate Deposit significantly dropped by 55.4% YTD, in line with balance sheet optimization strategy. Consequently, retail deposit represented 76% from 66% of total deposit as of Dec 2019. As TMB continued to focus on deposit-led strategy and build strong deposit franchise by optimizing deposit mix through replacing high-cost deposit with CASA and quality-hybrid deposits, the Bank can retain and attract affluent customer segment thru its flagship products.

Continued to focus on quality loan portfolio against economic headwinds:

TMB continued to grow loan very selectively during the current situation of Thai economy and the COVID-19 pandemic. Total loan as of December 2020, therefore, was stable YTD at THB1,393 billion which in line with Merged Bank's B/S optimization strategy to run down low yield portfolio and improve loan quality. Retail loans marginally declined by 0.6% YTD, backed by unsecured loan and credit card while hire purchase was relatively stable YTD. However, the Bank saw a recovery sign in new auto loan booking especially in new car segment in 4Q20. Mortgage continued its moderate growth pace with 0.4% YTD growth. Corporate loans grew 2.2% YTD primarily from government loan granted in 4Q20. Post-merger loan portfolio was well-diversified and shifted to retail lending, now representing 56% of total portfolio and around 90% of retail loans are secured lending.

Solid core operating profit, driven by top-line growth:

Given the challenging economic environment from COVID-19, TMB reported 12M20 net interest income (NII) of THB53,805 million, significantly rose by 100.3% YoY, thanks to recognition of NII from TBANK and balance sheet synergy realization. Despite the multiple rate cuts during the year and customer relief programs recalculated EIR, NIM also improved to 3.00% in 2020 resulting from higher yield on earning assets from consolidation with TBANK and balance sheet optimization. Non-NII increased by 15.7% YoY to THB14,986 million mainly from the consolidation with TBANK. However, its slower growth net fee and service income of 30.6% YoY compared to NII reflected the headwinds from economic downturns and low market trading activities because of COVID-19 which affected fee income generation. Total operating income, therefore, rose by 72.8% YoY to THB68,791 million in 2020.

With operating efficiency and cost synergy realization, PPOP improved:

Operating expenses were well-managed together with the major cost saving in HR cost and branch rationalization after consolidation with TBANK. As a result, cost-to-income ratio excluded purchase price allocation (PPA) impact improved to 45% which achieved financial target in 2020. With the significant progress in balance sheet optimization and cost synergy realization, core operating profit remained its positive momentum against the pressures on income generation from COVID-19 pandemic. At the year ended 2020, Pre-Provision Operating Profit (PPOP), consequently improved by 89.6% YoY to THB37,266 million in 12M20.

Higher expected credit loss was for prudent management and uncertainty ahead:

With higher PPOP, TMB continued its prudent management and decided to add more ECL in preparation for uncertainties arising from COVID-19 outbreak and pressures on asset quality from the post financial relief program. In total, TMB set aside expected credit loss of THB24,831 million in 2020 compared to THB10,337 million in 2019. The Bank's provisioning is kept at an elevated level with sufficient capital cushion and is continuously adjusted to reflect changing environments. Stage 3 loans, as a result, totaled THB39,594 million, representing NPL ratio of 2.50%. TMB continued to de-risk loan portfolio to clear up headroom ahead for economic uncertainties.

After provision, TMB reported THB10,112 million of net profit in 2020. The figure increased by 40.0% YoY and represented a return on equity (ROE) of 5.1%.

Discussion of Operating Performance

This year, TMB fully consolidated TBANK's financial results into the group's financial statement after the share purchase transaction completed since 3 December 2019. Details of 2020 financial results including income structure and the discussion of operating performance are as follows.

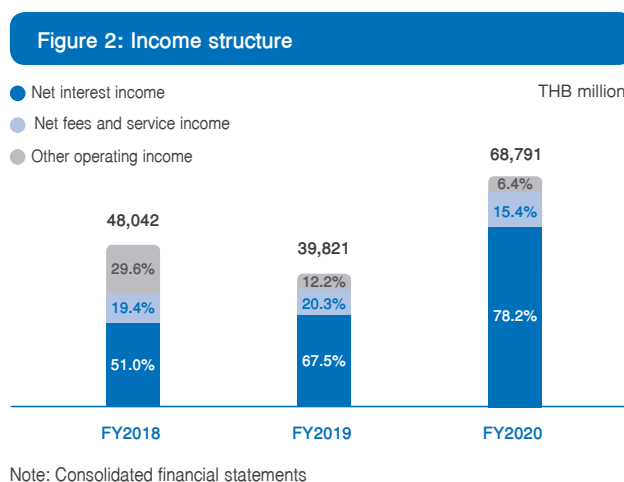
Figure 1: Selected Statement of Comprehensive Income

(THB million)	FY2020	FY2019	% YoY
Interest income	72,321	39,837	81.5%
Interest expenses	18,515	12,972	42.7%
Net interest income	53,805	26,865	100.3%
Fees and service income	15,921	11,343	40.4%
Fees and service expenses	5,346	3,245	64.7%
Net fees and service income	10,575	8,098	30.6%
Other operating income	4,411	4,858	-9.2%
Non-interest income	14,986	12,956	15.7%
Total operating income	68,791	39,821	72.8%
Total other operating expenses	31,623	20,674	53.0%
Impairment loss on loans and debt securities	-	10,337	-100.0%
Expected credit loss	24,831	-	N/A
Profit before income tax expense	12,338	8,810	40.0%
Income tax expense	2,223	1,588	40.0%
Profit for the period	10,115	7,222	40.0%
Profit to non-controlling interest of subsidiaries	3	0	N/A
Profit to equity holders of the Bank	10,112	7,222	40.0%
Other comprehensive income	310	1,287	-75.9%
Total comprehensive income	10,424	8,509	22.5%
Basic earnings per share (THB/share)	0.1049	0.1485	-29.4%

Note: Consolidated financial statements

Income structure

In 2020, TMB generated THB68,791 million of total operating income which increased 72.8% from last year because the Bank fully recognized TBANK's operating income this year. Net interest income and net fee income are the core revenue stream of the Bank. Net interest income (NII) was the largest portion and accounted for 78.2% of total operating income. This followed by net fees and service income (15.4%) and other operating income (6.4%).



Net interest income (NII) and net interest margin (NIM)

As of the year ended 2020, TMB generated NII of THB53,805 million, increasing 100.3% from the same period last year due mainly to recognition of TBANK interest income for the whole year. Details are as follows.

Interest income: increased by 81.5% YoY to THB72,321 million. The significant rise was essentially due to the recognition of interest on hire purchase and financial lease from TBANK and higher interest income on loans which grew by 32.9% YoY.

Interest expenses: increased by 42.7% YoY to THB18,515 million, resulting mainly from consolidating TBANK's Time Deposit (TD) expenses and substantial inflow of retail hybrid deposit which reflected the Bank's strategy to acquire quality deposits and build strong deposit franchise, offsetting by lower FIDF contribution fee from 0.46% to 0.23%.

Net interest margin (NIM): expanded by 19 bps to 3.00% contributed by higher yield on earning assets from consolidation with TBANK, lower cost of deposit from FIDF fee cut and TD running down and balance sheet synergy realization that helped lessen impact of interest rate cuts.

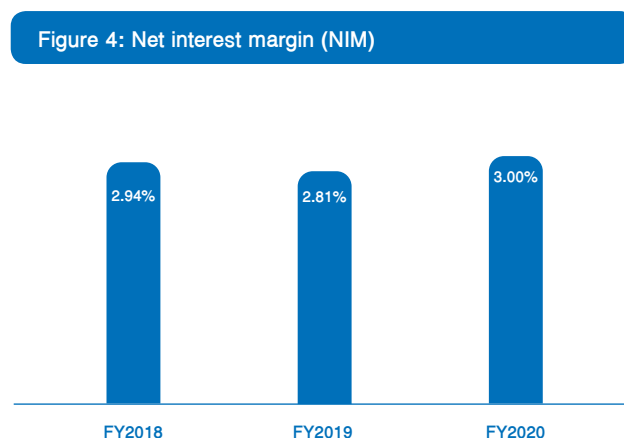
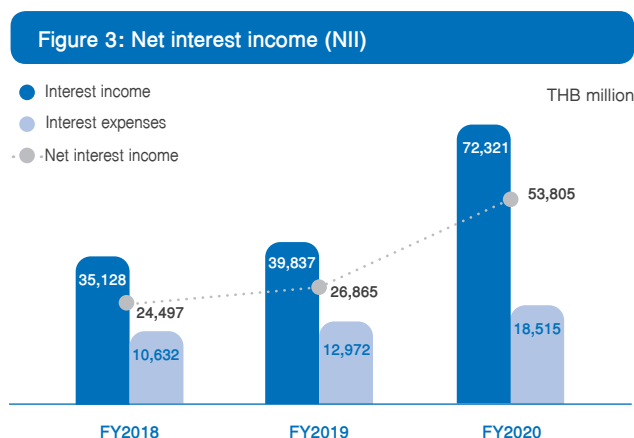


Figure 5: Net interest income (NII)

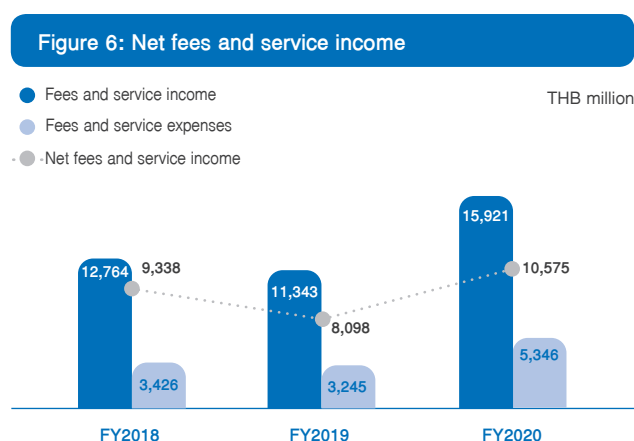
(THB million)	FY2020	FY2019	% YoY
Interest income	72,321	39,837	81.5%
Interest on interbank and money market items	1,922	1,965	-2.2%
Investments and trading transactions	109	131	-16.7%
Investments in debt securities	1,920	1,555	23.5%
Interest on loans	45,633	34,334	32.9%
Interest on hire purchase and financial lease	22,734	1,823	1147.4%
Others	2	30	-93.7%
Interest expenses	18,515	12,972	42.7%
Interest on deposits	11,553	6,896	67.5%
Interest on interbank and money market items	538	781	-31.1%
Contributions to the Deposit Protection Agency	3,445	3,371	2.2%
Interest on debt issued and borrowings	2,928	1,900	54.1%
Borrowing fee	37	22	71.6%
Others	14	2	812.1%
Net interest income (NII)	53,805	26,865	100.3%

Note: Consolidated financial statements

Non-interest income (Non-NII)

Non-interest income (Non-NII): Non-NII consists of net fees and service income and other operating income. In 2020, TMB reported THB14,986 million of Non-NII which rose 15.7% YoY. It was due primarily to the higher net fee and service income from consolidation with TBANK. Key items are as follows:

- Net fees and service income increased by 30.6% YoY to THB10,575 million, mainly attributed to growth in bancassurance fees from auto businesses and non-auto business after consolidating TBANK and mutual fund fee, offsetting with the lower loan related fee. However, the slower net fee growth compared to interest income side reflected the impact of COVID-19 on fee income generation.
- Share of profit from investment using equity method was recorded at THB363 million, consisted of the profit recognition 35% in TMBAM stake and profit sharing from 49.9% holding in TFUND as associated company.



Note: Consolidated financial statements

Figure 7: Non-interest income (Non-NII)

(THB million)	FY2020	FY2019	% YoY
Fees and service income	15,921	11,343	40.4%
Acceptance, Aval & Guarantee	566	362	56.0%
Other fee and service income	15,355	10,981	39.8%
Fees and service expenses	5,346	3,245	64.7%
Net fees and service income	10,575	8,098	30.6%
Gains on financial instrument designated at fair value through profit or loss	1,726	1,506	14.6%
Gains on investments, net	678	1,956	-65.3%
Share of profit from investment using equity method	363	324	11.8%
Gains on sale of properties foreclosed, assets & other assets	222	417	-46.7%
Dividend income	84	26	227.7%
Others	1,338	629	112.6%
Non-interest income	14,986	12,956	15.7%

Note: Consolidated financial statements

Non-interest expenses

Non-interest expenses: Non-interest expenses amounted to THB31,623 million, an increase of 53.0%YoY from last year due to consolidating TBANK's expenses. However, considered on bank-only basis, TMB and TBANK's operating expenses reduced from the previous year. The Merged Bank's operating expenses were well-managed and in line with the Banks' integration plan. The cost saving initiatives of the merge bank helped self-fund integration costs. Key factors are as follows:

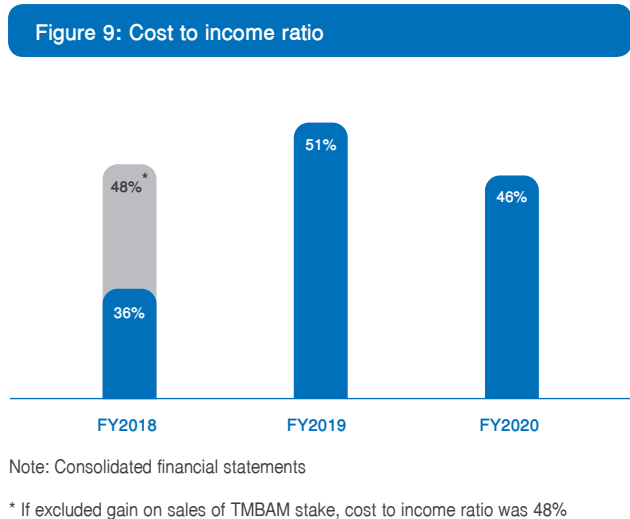
- Employee expenses grew by 71.7% YoY to THB16,536 million which largely came from the recognition of employee expenses of TBANK after the consolidation with TBANK. Last year, the Bank recognized this expense for 28 days after the merger.
- Premises and equipment expenses rose by 71.5% YoY to THB6,171 million.
- Other expenses rose by 16.7% YoY to THB7,051 million, due to the recognition of other expenses of TBANK, offsetting lower marketing expense from a slowdown in business activities during COVID-19 outbreak.

Figure 8: Non-interest expenses

(THB million)	FY2020	FY2019	% YoY
Employee expenses	16,536	9,629	71.7%
Directors' remuneration	66	48	37.0%
Premises and equipment expenses	6,171	3,598	71.5%
Taxes and duties	1,799	1,358	32.5%
Other expenses	7,051	6,042	16.7%
Non-interest expenses	31,623	20,674	53.0%

Note: Consolidated financial statements

Cost to income ratio improved to 46%, compared with 51% in the same period last year. The effort in improving operating efficiency and accelerating cost saving synergies to self-fund integration costs led to the improvement in cost to income ratio this year.



Pre-provision operating profit (PPOP)

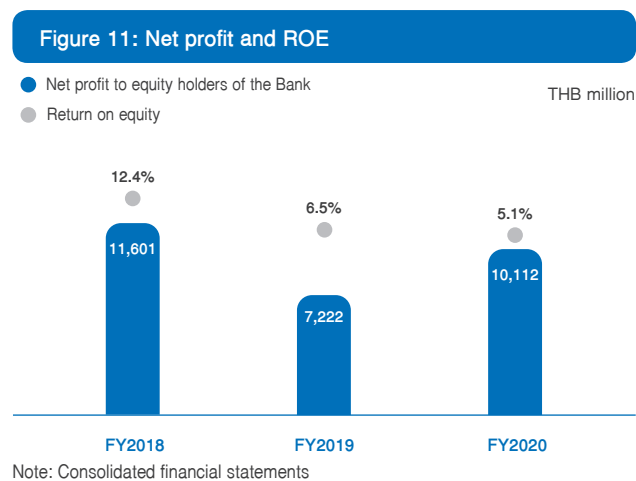
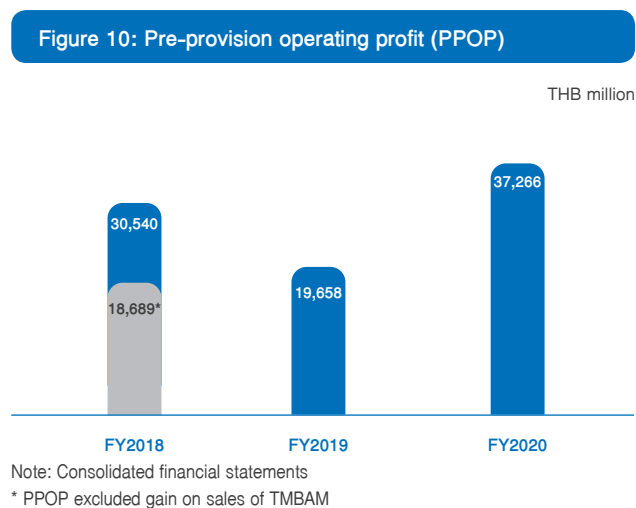
As a result of revenue generation, operating expenses and the synergy realization mentioned earlier, the Bank posted THB37,266 million, increased by 89.6% YoY.

Expected credit loss (ECL)

TMB remained prudent in its operation and asset quality management. In 2020, impairment loss on loans and securities was THB24,831 million, compared to THB10,337 million in the same period last year. The higher provision reflected the stringent forward-looking Expected Credit Loss (ECL) models and Management Overlay to prepare for future macro downside risks and pressure on asset quality from the post financial relief program.

Net profit to equity holders of the Bank

After the provision and tax, net profit to equity holders of the Bank was THB10,112 million, growing by 40.0% from the same period of last year. The Bank generated ROE of 5.1%.



Discussion of Financial Position

The Bank aims to maintain strong financial position as it is a foundation for quality and sustainable growth in the long run. To achieve this, the Bank focuses on Balance Sheet Optimization to enhance profitability and strengthen asset quality. During the time of an economic downturn, the Bank carefully managed and closely monitored asset quality by building an appropriate expected credit loss level (ECL) and accelerating NPL resolution through proactive write-off and sales. This was to prepare headroom of the balance sheet to deal with unforeseen future risks. Liquidity was also well-managed, and capital was ensured at the strong level. Key areas of 2020 financial position are as follows.

Figure 12: Selected financial position

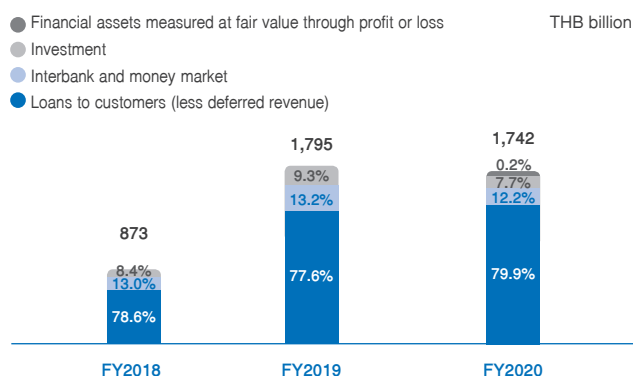
Unit: THB million	Dec-20	Dec-19	%YTD
Cash	21,943	23,853	-8.0%
Interbank and money market items, net	211,185	236,311	-10.6%
Financial assets measured at fair value through profit or loss	3,788	-	N/A
Derivative assets	11,959	10,399	15.0%
Investments, net	134,351	166,265	-19.2%
Investments in subsidiaries and associate, net	8,599	8,953	-4.0%
Total loans to customers	1,392,925	1,392,225	0.1%
<i>Add</i> accrued interest receivables and undue interest receivables	8,533	1,883	353.2%
<i>Less</i> allowance for expected credit loss	52,978	-	N/A
<i>Less</i> allowance for doubtful accounts & revaluation allowance for debt restructuring	-	45,477	-100.0%
Total loans to customers and accrued interest receivables, net	1,348,480	1,348,630	0.0%
Properties for sale, net	6,037	4,810	25.5%
Premises and equipment, net	24,039	23,642	1.7%
Goodwill and other intangible assets, net	22,546	22,363	0.8%
Deferred tax assets	1,980	1,496	32.4%
Other assets, net	13,425	11,468	17.1%
Total assets	1,808,332	1,858,190	-2.7%
Deposits	1,373,408	1,398,112	-1.8%
Interbank and money market items	75,909	86,626	-12.4%
Financial liabilities designated at fair value through profit or loss	432	418	3.4%
Debts issued and borrowings, net	88,965	108,835	-18.3%
Deferred revenue	20,885	18,186	14.8%
Other liabilities	43,984	51,201	-14.1%
Total liabilities	1,603,582	1,663,379	-3.6%
Equity attributable to equity holders of the Bank	204,713	194,777	5.1%
Non-controlling interest	37	35	7.2%
Total equity	204,750	194,811	5.1%
Total liabilities and equity	1,808,332	1,858,190	-2.7%
Book value per share (Baht)	2.12	2.02	5.0%

Note: Consolidated financial statements

Assets and asset quality management

As of 31 December 2020, total assets on consolidated basis amounted to THB1,808,332 million, a decrease of 2.7% from 31 December 2019 (YTD) mainly due to interbank and money market and investment. Details are as follows;

Figure 13: Composition of earning assets



Note: Consolidated financial statements

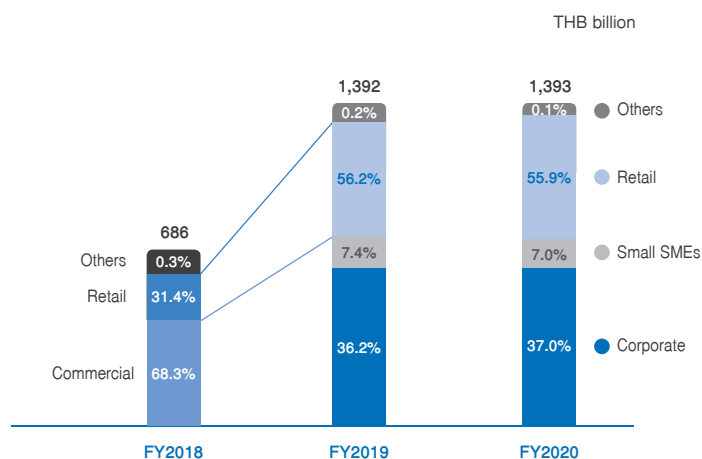
Earning assets which consist of loans to customers, interbank and money market items, financial assets measured at FVTPL and investment, were THB1,742,248 million, 2.9% decreasing YTD. Loans to customers was the largest portion of earnings assets, accounting for 79.9% as of Dec-20. This followed by interbank and money market of 12.2%, investment of 7.7% and financial assets measured at FVTPL of 0.2%.

Loans to customers: TMB recorded total loans to customers (less deferred revenue) on consolidated basis of THB1,392,925 million, increasing 0.1% YTD. With balance sheet synergy initiative, the Bank optimized loan mix by reducing low-yielding loans and replacing with retail high-yielding loans. However, amid the situation of COVID-19 pandemic and sluggish economic recovery, the Bank grew loans selectively resulting in relatively flat loan growth this year.

- Retail lending on consolidated basis contracted by 0.6% YTD. The YTD decline was mainly due to unsecured loans and credit card while hire purchase remained flat. However, the Bank saw a recovery sign in new auto loan booking especially in new car segment in the last quarter of 2020. Mortgage continued its moderate growth rate of 0.4% YTD as property market continued to recover at a gradual pace.
- Corporate lending on consolidated basis increased 2.2% YTD mainly from government loan granted in 4Q20 while small SME loans remained contraction against unfavorable business environment. However, the Bank continued to optimize its balance sheet with an aim to run down low yield portfolio and improve loan quality of the Merged Bank.

In terms of loan breakdown by customer segments, the loan portfolio has diversified and shifted to retail segment since the merger. As of 31 December 2020, retail loans accounted for 56% while corporate loans were 37% and small SMEs were 7% of total portfolio.

Figure 14: Total loan breakdown by segment

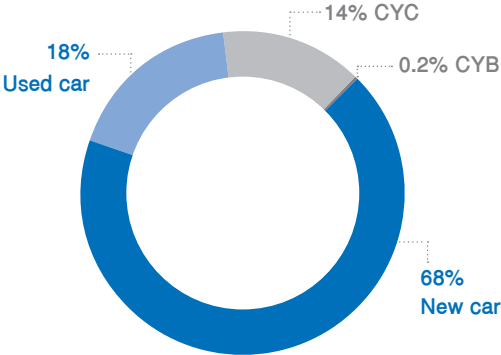


Source: Consolidated financial statements

In terms of key products, 29% of total loan was hire purchase; followed by mortgage of 22%, term loan of 18%, working capital (OD) of 18%, trade finance of 5%, personal loan & credit card of 4% and others 3%.

For hire purchase loan as of 31 December 2020, the portfolio consisted of new car 68%, used car 18%, cash your car (CYC) 14%, cash your book (CYB) of 0.2% respectively.

Figure 15: Hire purchase portfolio breakdown



Stage 3 loans/Non-performing loans (NPLs), excluded accrued interest receivables: According to the new accounting standard under TFRS9 which implemented on 1 January 2020, non-performing loans is classified as stage 3 loans.

The Bank has put priority on asset quality monitoring and continued to manage NPLs with prudence. As of 31 December 2020, Stage 3 loans (NPLs), excluded accrued interest receivables on consolidated basis, was reported at THB39,594 million which increased from THB37,746 million as of 31 December 2019. Stage 3 loans (NPLs) on bank-only basis amounted to THB22,005 million, increased from THB18,150 million at the end of 2019. However, the Bank will proactively manage flow to stage 3 and continued to resolve stage 3 loans through sales, write-offs and the pre-emptive debt restructuring to maintain NPL ratio at relatively low level in preparation for the unforeseen headwinds in the future. In 2020, the Bank wrote off NPLs amounting to approximately THB14 billion and sold roughly THB7 billion of NPLs to prepare headroom against uncertainty.

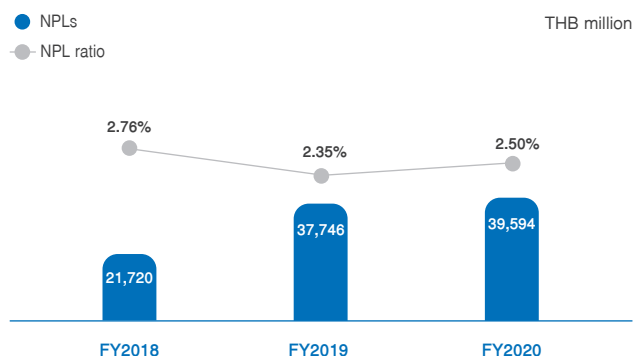
As of 31 December 2020, NPL ratio on consolidated basis was recorded at 2.50%, compared with 2.35% at the end of 2019. Meanwhile, NPL ratio on bank-only basis stood at 2.38% when compared with 2.33% as of 31 December 2019.

Allowance for expected credit loss: As of 31 December 2020, the Bank and its subsidiaries reported the allowance for expected credit loss at THB52,978 million, which rose by 16.5% YoY due to the additional provision buffer set throughout the year to preemptively limit future downside risks from COVID-19 outbreak and debt relief program.

Given the current unfavorable economic conditions and heightened uncertainty around COVID-19, the Bank has proactively reviewed its loan portfolio and set aside management overlay to cover both Probability of default (PD) and Loss given default (LGD) shift. Consequently, allowance for expected credit loss was set at the prudent level, preparing for the future uncertainties. Moreover, the Bank closely monitors customers under debt relief program and offers further assistance to those in need after the resurgence of COVID-19 cases.

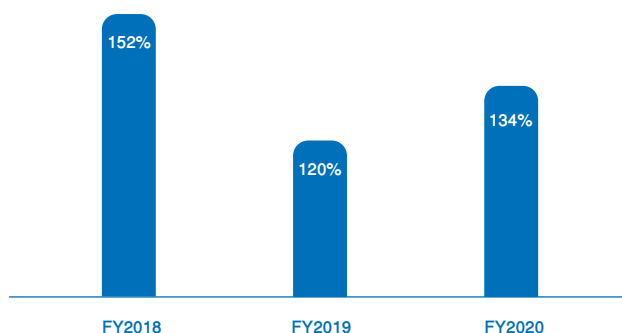
As a result of higher allowance for ECL, coverage ratio on consolidated basis was recorded at 134%, improving from 120% as of Dec-19. TMB consistently maintained coverage ratio at prudent level.

Figure 16: Stage 3 and stage 3/NPL ratio



Source: Consolidated financial statements

Figure 17: Coverage ratio



Source: Consolidated financial statements

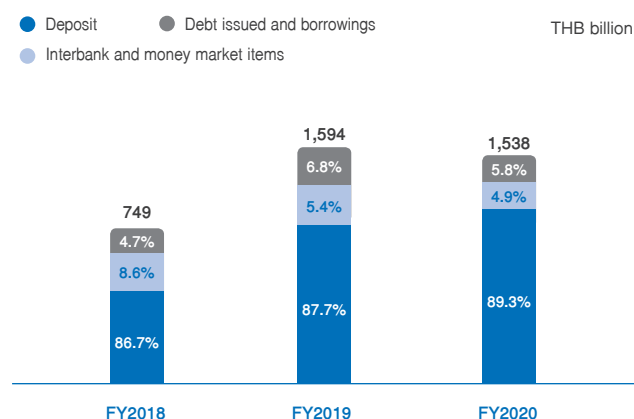
Properties for sale: As of 31 December 2020, net properties for sale increased to THB6,037 million, increasing by 25.5% YoY. The change was still in line with the business plan.

Liability and liquidity management

As of 31 December 2020, total liabilities on consolidated basis was reported at THB1,808,332 million which declined by 2.7% YTD.

Deposits was the largest composition of interest-bearing liabilities. As of 31 December 2020, deposits represented 89.3% of interest-bearing liabilities. This followed by debt issued and borrowings of 5.8% and interbank and money market items of 4.9%.

Figure 18: Composition of interest-bearing liabilities

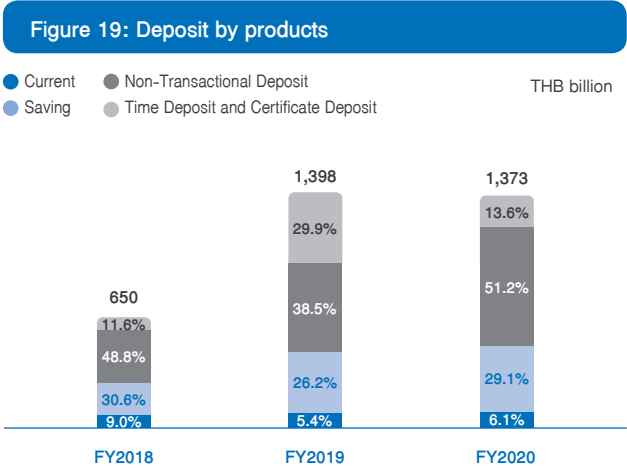


Note: Consolidated financial statements

Deposit: As of 31 December 2020, the Bank and its subsidiaries reported total deposits on consolidated basis of THB1,373,408 million which dropped 1.8% from the end of 2019, driven by reduction in TD & Deposit certificate, partly offsetting the increase in hybrid deposits. This was in line with the Bank's balance sheet synergy initiatives to optimize deposit mix.

TMB continued to focus on deposit-led strategy and build strong deposit franchise as well as proactively optimize deposit mix. After the merger with TBANK, the Bank continued to run down high-cost deposit and replace with CASA and quality-hybrid deposits. Overall, the deposit was in line with such a direction. The Bank's high-yield deposit products continued to grow despite low interest rate environment and interest rate reduction. This was attributed to TMB No-Fixed which expanded noticeably by 42.6% YTD while Ultra Saving also rose further by 24.0% YTD. The Bank's flagship retail transactional deposit, TMB All Free, also grew on track at 23.1% YTD. Nonetheless, Time Deposit and Certificate Deposit significantly dropped by 55.4% YTD, in line with balance sheet optimization by replacing high cost deposit with hybrid products. With strong retail franchise and the substantial growth in hybrid deposits reflected capability to retain and attract affluent segment thru our flagship products.

As a result, retail deposit proportion expanded to 76% and commercial deposit represented 24% of total deposit. In terms of deposit structure after merger, the ratio of non-transactional deposit to total deposit was reported at 51.2% while transactional deposit (CASA-excluded No-Fixed, ME Save and Ultra Saving) accounted for 35.2%, Time Deposit and Certificate Deposit accounted for 13.6% respectively.



Note: Consolidated financial statements

Remark: Non-transactional deposit consists of "TMB No Fixed", "ME" and "TBANK Ultra Saving". "TMB No Fixed", "ME" and "TBANK Ultra Saving" are classified as savings account as they are not required to maintain minimum balance and have no restriction to term of deposit

Interbank and money market: Net interbank and money market item decreased by 12.4% YTD to THB75,909 million, mainly due to the Bank's liquidity management. The Bank strategically managed excess liquidity by shifting some of interbank to short-term government loan in 4Q20.

Borrowings: As of 31 December 2020, total borrowings of the Bank and its subsidiaries recorded at THB88,965 million which contracted by 18.3% YTD. The YTD change was resulted from the redemption of TBANK's bond, amounting to THB31 billion and TMB's EUR bond, amounting to THB5 billion, offsetting the issuance of TMB's EUR bond, amounting to THB15 billion.

In terms of borrowing structure, 53% was sub-debt. This followed by senior debentures of 47% and BE of 0.01%.

Liquidity: TMB has a strong liquidity position and has maintained high proportion of liquid and low-risk assets. As of 31 December 2020, on consolidated basis, total liquid assets represented 14.6% of the total assets. The liquid assets consisted cash (1.2%), interbank & money market items (11.7%), short-term investment (1.5%) and short-term financial assets designated at FVTPL (0.2%).

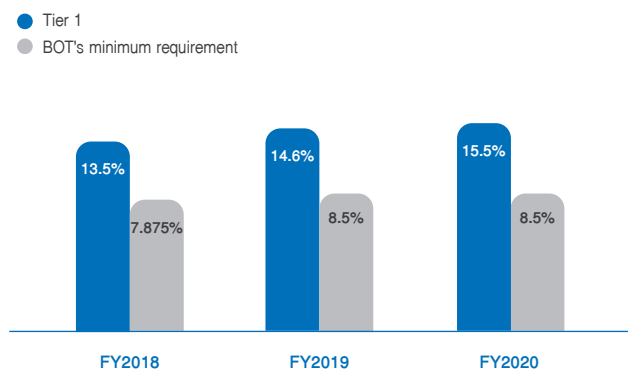
In terms of loan to deposit ratio (LDR), the ratio, on consolidated basis was at 101%, increased from 100% as of December 2019.

Shareholder equity and capital adequacy

Shareholder equity: As of 31 December 2020, the consolidated equity was THB204,750 million which rose by 5.1% YTD mainly due to the accumulation of the net profit during the period.

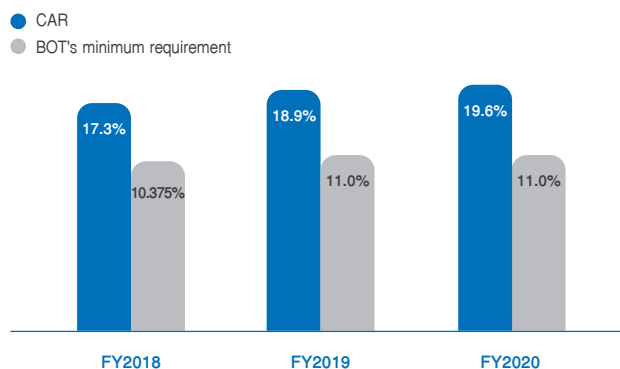
Capital adequacy: The Bank maintained high capital ratios under Basel III. As of 31 December 2020, Capital Adequacy Ratio (CAR) on consolidated basis was at 19.6% while CET1 stayed at 14.5% and Tier 1 ratio was at 15.5%. Such levels were well above the Bank of Thailand's minimum requirement (including conservation buffer) of 11.0%, 7.0% and 8.5% of CAR, CET 1 and Tier 1 capital ratio, respectively.

Figure 20: Tier 1 and BoT's minimum requirement



Source: Consolidated financial statements

Figure 21: CAR and BoT's minimum requirement



Source: Consolidated financial statements

In sum, this year, every business was pressured by the unprecedented prolonged COVID-19 pandemic which deteriorated economic environment around the world. The Bank was inevitably affected by the outbreak, but the Bank's prudent management and synergy realization from the Merged Bank helped strengthen financial position and retain strong capital. Moreover, TMB has offered various debt relief programs to customers in accordance to BoT debt relief measure announcement. The debt relief portfolio was closely monitored and most of customers can resume their repayments after the program ended.

In aspect of the integration progress with Thanachart Bank, it was on track and would be completed around mid of 2021 as planned. The Bank will maximize the potential of the Merged Bank to realize more synergies in the long run and build a solid business foundation for a sustainable growth in the future.



For the disclosure of full details of capital under BASEL III Pillar III, please visit Investor Relations webpage at <https://www.tmbbank.com/en/ir> or scan QR code.

Credit Rating

The table below shows credit ratings of TMB assigned by Moody's Investor Services, Standard & Poor's and Fitch Rating in the past 2 years. The change in credit outlook in 2020 reflected the impact of Covid-19 pandemic on the system. Details of rating updates were as follows.

- May 2020, Fitch Ratings has affirmed long-term IDR and revised outlook to stable
- June 2020, Moody's has affirmed long-term rating and revised outlook to stable
- August 2020, Standard & Poor's has upgraded long-term rating and revised outlook to negative

Credit Rating Agency	31 December 2019	31 December 2020
Moody's Investors Service		
Foreign Currency		
Bank Deposits	Baa1/P-2	Baa1/P-2
Baseline Credit Assessments (BCAs)	baa3	baa3
Senior Unsecured	(P)Baa1	(P)Baa1
Outlook	Positive	Stable
Standard & Poor's (S&P)		
Foreign Currency		
Long-Term Counterparty	BBB-	BBB
Short-Term Counterparty	A-3	A-2
Senior Unsecured	BBB-	BBB
Stand-Alone Credit Profile (SACP)	bb+	bb+
Outlook	Positive	Negative
Fitch Ratings		
Foreign Currency		
Long-Term IDR	BBB-	BBB-
Short-Term IDR	F3	F3
Senior Unsecured	BBB-	BBB-
National		
Long-Term	AA-(tha)	AA-(tha)
Short-Term	F1+(tha)	F1+(tha)
Viability Rating	bbb-	bbb-
Support Rating	3	2
Supporting Rating Floor	BB+	BBB-
Outlook	Positive	Stable

Independent Auditor's Report

To the Shareholders of TMB Bank Public Company Limited

Opinion

I have audited the consolidated and the Bank only financial statements of TMB Bank Public Company Limited and its subsidiaries (the "Group"), and of TMB Bank Public Company Limited (the "Bank"), respectively, which comprise the consolidated and the Bank only statements of financial position as at 31 December 2020, the consolidated and the Bank only statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and the Bank only financial statements present fairly, in all material respects, the financial position of the Group and the Bank, respectively, as at 31 December 2020 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs) and the regulations of the Bank of Thailand.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and the Bank only financial statements of the current year. These matters were addressed in the context of my audit of the consolidated and the Bank only financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Allowance for expected credit loss for loans to customers

For disclosures related to credit risk, loans to customers and allowance for expected credit loss for loans to customers, refer to notes 5, 7, 16 and 17 to the financial statements.

The key audit matter

As at 31 December 2020, loans to customers represented 77.5% and 60.21% of the total assets of consolidated and the Bank only, respectively, against which allowances for expected credit losses ("ECL") of Baht 52,978 million and Baht 31,940 million, respectively were provided.

Management's estimation of ECL on loans to customers measured at amortised cost is based on credit models which are dependent on significant management judgements and estimates including establishing the criteria for determining whether credit risk has increased significantly since initial

How the matter was addressed in the audit

In planning my audit procedures I performed a risk assessment by considering internal and external factors which could affect the performance of individual customers, industry sectors or customer segments, or other factors which could influence the judgments and estimates.

I inspected of the Group and the Bank accounting policies and credit risk policy to determine whether this has been set up in accordance with the requirements of TFRS 9, the relevant Bank of Thailand notification and guidance.

The key audit matter

recognition, determining the methodology for incorporating forward-looking information into the measurement of ECL, selection of models used to measure ECL and consideration for post model adjustments. In particular, the ongoing economic situation and relief program provided to the customers resulting from COVID-19 adds further complexity to management's estimation process especially for consideration of post model adjustments.

Accordingly, it is considered a Key Audit Matter.

How the matter was addressed in the audit

My audit procedures included testing the design and operating effectiveness of controls over model monitoring and post model adjustments.

I sampled loans as identified in my risk assessment to perform credit review procedures, including a detailed review of the individual credit profile and other relevant information, from which I formed my own independent assessment.

Selected key technical decisions, assumptions and model methodologies were tested, where appropriate, including involvement of my own credit risk specialists to inspect model documentation, model validation report performed by expert engaged by the Group and the Bank's management and back-testing results.

I and my credit specialist assessed assumptions and methodology used by the management in the identification and estimation of post model adjustments.

I assessed whether the financial statement disclosures are adequate and appropriately reflect the Bank and its subsidiaries' exposures to credit risk.

Valuation of financial instruments in the statements of financial position

For disclosures related to financial instruments and fair values, refer to notes 8 to the financial statements.

The key audit matter

As at 31 December 2020, financial assets measured at fair value in the consolidated and the Bank only financial statements amounted to Baht 149,477 million and Baht 84,462 million, respectively. Financial liabilities measured at fair value in the consolidated and the Bank only financial statements amounted to Baht 9,700 million and Baht 8,576 million, respectively.

Of these amounts, as at 31 December 2020, financial assets and liabilities designated at level 2 and 3 fair value in the consolidated financial statements amounted to Baht 148,567 million and Baht 9,700 million respectively, and in the Bank only financial statements, they amounted to Baht 84,462 million and Baht 8,576 million respectively, for which the fair value is based upon inputs other than quoted prices in active markets or valuation techniques incorporating those inputs. Therefore, judgment is applied in the estimation of fair values. The use of different valuation techniques and assumptions could produce different estimates of fair value.

Accordingly, it is considered a Key Audit Matter.

How the matter was addressed in the audit

In planning my audit procedures I performed a risk assessment by considering the factors which could affect the fair value of financial instruments, both in terms of the inputs used for valuation and the appropriateness of valuation techniques applied.

For financial instruments, I sampled to check for selected pricing inputs that were externally sourced and were correctly input into pricing models. I and my own valuation specialists assessed that the models and assumptions were appropriate and valued a selection of the Group's and the Bank's equity securities, debt securities, and derivative positions and compared their valuation to the Group's and the Bank's valuation on a sample basis.

I assessed the adequacy of the disclosure in accordance with Thai Financial Reporting Standards.

Other Information

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

Responsibilities of Management and Those Charged with Governance for the Consolidated and the Bank only Financial Statements

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

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

Those charged with governance are responsible for overseeing the Group's and the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and the Bank only Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and the Bank only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Bank's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and the Bank only financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and the Bank only financial statements, including the disclosures, and whether the consolidated and the Bank only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

Chanchai S.

(Chanchai Sakulkoedsin)
 Certified Public Accountant
 Registration No. 6827

KPMG Phoomchai Audit Ltd.
 Bangkok
 24 February 2021

Financial Statement and Notes to Financial Statements

TMB Bank Public Company Limited and its Subsidiaries

Statements of financial position

	Note	Consolidated 31 December		Bank only 31 December	
		2020	2019	2020	2019
<i>(in thousand Baht)</i>					
Assets					
Cash		21,942,541	23,852,593	12,836,147	13,426,535
Interbank and money market items, net	12, 37	211,185,009	236,311,431	221,262,755	121,581,398
Financial assets measured at fair value through profit or loss	11	3,787,884	-	1,125,593	-
Derivative assets	13	11,959,166	10,399,080	10,012,947	7,394,611
Investments, net	14	134,350,737	166,264,819	73,322,721	60,507,036
Investments in subsidiaries and associates, net	15	8,599,132	8,953,266	158,851,759	168,062,145
Loans to customers and accrued interest receivables, net	16, 37	1,348,480,119	1,348,630,363	693,774,871	647,478,677
Properties for sale, net	18	6,037,212	4,809,518	3,150,007	2,738,073
Premises and equipment, net	19	24,038,714	23,642,382	13,755,268	13,116,145
Goodwill and other intangible assets, net	20	22,546,343	22,363,484	3,723,844	3,000,545
Deferred tax assets	21	1,980,185	1,495,622	2,818,086	2,331,399
Other assets, net	37	13,424,788	11,467,717	10,770,463	5,706,384
Total assets		1,808,331,830	1,858,190,275	1,205,404,461	1,045,342,948
Liabilities and equity					
<i>Liabilities</i>					
Deposits	22, 37	1,373,407,885	1,398,111,964	815,677,627	663,558,564
Interbank and money market items	23, 37	75,908,760	86,625,985	51,148,970	72,750,828
Liabilities payable on demand		3,894,675	3,382,081	2,897,675	2,361,742
Financial liabilities designated at fair value through profit or loss	24	431,884	417,774	431,884	417,774
Derivative liabilities	13	9,267,833	9,719,225	8,144,190	7,330,647
Debts issued and borrowings	25, 37	88,964,851	108,835,439	88,959,693	77,353,190
Provisions for employee benefits	26	4,366,292	5,149,671	2,517,106	1,727,687
Provisions for other liabilities	27	2,820,668	1,855,094	1,444,693	659,369
Deferred tax liabilities	21	3,500,501	4,729,838	-	-
Deferred revenue	28	20,884,682	18,186,197	19,261,556	16,450,378
Other liabilities	29, 37	20,134,074	26,365,526	11,468,558	11,617,999
Total liabilities		1,603,582,105	1,663,378,794	1,001,951,952	854,228,178

The accompanying notes are an integral part of these financial statements.

TMB Bank Public Company Limited and its Subsidiaries
Statements of financial position

	Note	Consolidated		Bank only	
		2020	2019	2020	2019
(in thousand Baht)					
Liabilities and equity					
<i>Equity</i>					
Share capital					
Authorised share capital					
106,223,552,373 ordinary shares of Baht 0.95 each	32	<u>100,912,375</u>	<u>100,912,375</u>	<u>100,912,375</u>	<u>100,912,375</u>
Issued and paid-up share capital					
96,409,416,880 ordinary shares of Baht 0.95 each					
(31 December 2019: 96,359,354,380 ordinary shares of Baht 0.95 each)	32	91,588,946	91,541,387	91,588,946	91,541,387
Premium on share capital		43,321,601	43,217,044	43,321,601	43,217,044
Other reserves		5,797,791	6,041,580	5,761,304	6,008,916
Retained earnings					
Appropriated					
Legal reserve	33, 34	10,091,000	3,360,000	10,091,000	3,360,000
Unappropriated		53,913,289	50,616,859	52,689,658	46,987,423
Equity attributable to equity holders of the Bank		<u>204,712,627</u>	<u>194,776,870</u>	<u>203,452,509</u>	<u>191,114,770</u>
Non-controlling interest		37,098	34,611	-	-
Total equity		<u>204,749,725</u>	<u>194,811,481</u>	<u>203,452,509</u>	<u>191,114,770</u>
Total liabilities and equity		<u>1,808,331,830</u>	<u>1,858,190,275</u>	<u>1,205,404,461</u>	<u>1,045,342,948</u>

P. Tantakem

Mr. Piti Tantakasem
 Chief Executive Officer

Ekniti Nitithanprapas

Mr. Ekniti Nitithanprapas
 Chairman of the Board

The accompanying notes are an integral part of these financial statements.

TMB Bank Public Company Limited and its Subsidiaries
Statements of profit or loss and other comprehensive income

		Consolidated For the year ended 31 December		Bank only For the year ended 31 December	
	Note	2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
Interest income	37, 40	72,320,505	39,836,787	31,900,177	36,324,503
Interest expenses	37, 41	18,515,133	12,971,567	10,266,296	11,729,913
Net interest income		53,805,372	26,865,220	21,633,881	24,594,590
Fees and service income	37, 42	15,920,822	11,342,976	10,405,452	10,488,314
Fees and service expenses	37, 42	5,345,953	3,245,226	2,824,832	2,952,151
Net fees and service income		10,574,869	8,097,750	7,580,620	7,536,163
Gains on trading and foreign exchange transactions, net	43	-	1,527,702	-	1,488,881
Losses on financial liabilities designated at fair value through profit or loss, net	44	-	(22,070)	-	(22,070)
Gains on financial instruments measured at fair value through profit or loss	45	1,726,164	-	1,396,437	-
Gains on investments, net	46	678,023	1,956,192	582,389	1,949,787
Share of profit from investment using equity method		362,746	324,407	-	-
Other operating income	15, 37	1,644,283	1,072,059	12,864,204	1,112,443
Total operating income		68,791,457	39,821,260	44,057,531	36,659,794
Other operating expenses					
Employee expenses	37	16,535,704	9,628,586	8,831,311	8,790,859
Directors' remuneration	37	66,355	48,443	54,228	48,023
Premises and equipment expenses		6,170,568	3,597,892	3,621,370	3,387,948
Taxes and duties		1,798,940	1,357,633	1,193,456	1,299,987
Others	37	7,050,946	6,041,818	3,859,533	5,477,074
Total other operating expenses		31,622,513	20,674,372	17,559,898	19,003,891
Impairment loss on loans and debt securities	47	-	10,336,853	-	8,985,609
Expected credit loss	48	24,831,331	-	13,433,601	-
Profit from operations before income tax		12,337,613	8,810,035	13,064,032	8,670,294
Income tax	21	2,222,805	1,587,549	209,459	1,571,046
Profit for the year		10,114,808	7,222,486	12,854,573	7,099,248
Other comprehensive income					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Gains on remeasuring available-for-sale investments		-	423,190	-	365,081
Gains on investments in debt instruments at fair value through other comprehensive income		113,841	-	14,191	-
Losses on cash flow hedges		(20,863)	-	(68,422)	-
Losses arising from translating the financial statements of foreign operations		(20,801)	(41,422)	(20,801)	(41,422)
Income tax relating to items that will be reclassified subsequently to profit or loss	21	(14,435)	(76,354)	15,006	(64,732)
		57,742	305,414	(60,026)	258,927
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Change in revaluation surplus on assets		(178,592)	1,338,233	(178,592)	1,338,233
Gains (losses) on investments in equity instruments designated at fair value through other comprehensive income		(186,862)	-	31,653	-
Actuarial gains (losses) on post-employment benefit plan	26	680,381	(111,790)	249,336	(55,826)
Income tax relating to items that will not be reclassified subsequently to profit or loss	21	(62,985)	(245,288)	(20,479)	(256,482)
		251,942	981,155	81,918	1,025,925
Total other comprehensive income for the year, net of income tax		309,684	1,286,569	21,892	1,284,852
Total comprehensive income for the year		10,424,492	8,509,055	12,876,465	8,384,100

The accompanying notes are an integral part of these financial statements.

TMB Bank Public Company Limited and its Subsidiaries
Statements of profit or loss and other comprehensive income

		Consolidated For the year ended 31 December		Bank only For the year ended 31 December	
	Note	2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
Profit attributable to:					
Equity holders of the Bank		10,112,182	7,222,478	12,854,573	7,099,248
Non-controlling interest		2,626	8	-	-
Profit for the year		10,114,808	7,222,486	12,854,573	7,099,248
Total comprehensive income attributable to:					
Equity holders of the Bank		10,421,797	8,509,047	12,876,465	8,384,100
Non-controlling interest		2,695	8	-	-
Total comprehensive income for the year		10,424,492	8,509,055	12,876,465	8,384,100
Earnings per share					
	49				
Basic earnings per share <i>(in Baht)</i>		0.1049	0.1485	0.1334	0.1460
Diluted earnings per share <i>(in Baht)</i>		0.1047	0.1485	0.1332	0.1460

P. Tantakem

Mr. Piti Tantakasem
Chief Executive Officer

Ekiniti Nitithanprapas

Mr. Ekiniti Nitithanprapas
Chairman of the Board

The accompanying notes are an integral part of these financial statements.

TMB Bank Public Company Limited and its Subsidiaries
Statements of changes in equity

	Consolidated												
	Other reserves					Retained earnings							
	Issued and share capital patch-up	Premium on share capital	Other reserve - share-based payments	Revaluation surplus on assets, net	Revaluation surplus (deficit) on investments, net	Cash flow hedge reserve (effective portion)	Translation adjustment arising from translating the financial statements of foreign operations, net (in thousand Baht)	Total other reserve	Legal reserve	Unappropriated equity holders of the Bank	Non-controlling interest	Total equity	
Year ended 31 December 2019													
Balance at 1 January 2019	41,659,299	403,596	-	4,828,409	(37,311)	-	19,462	4,810,560	3,000,000	48,905,458	98,776,913	-	98,778,913
Transactions with owners, recorded directly in equity													
<i>Distribution to owners of the bank</i>													
Issue of ordinary shares	49,882,088	42,813,448	-	-	-	-	-	-	-	-	92,695,536	-	92,695,536
Dividend paid	-	-	-	-	-	-	-	-	(5,206,626)	(5,206,626)	(5,206,626)	-	(5,206,626)
Total distribution to owners of the bank	49,882,088	42,813,448	-	-	-	-	-	-	(5,206,626)	(5,206,626)	87,488,910	-	87,488,910
<i>Change in ownership interests in subsidiary</i>													
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	-	-	-	-	-	-	-	34,603
Total change in ownership interests in subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	34,603
Comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	-	-	34,603
Profit for the year	-	-	-	-	-	-	-	-	-	-	-	-	8
Other comprehensive income	-	-	-	1,070,586	338,552	(28,557)	(33,137)	1,376,001	(89,432)	7,222,478	7,222,478	8	7,222,486
Total comprehensive income for the year	-	-	-	1,070,586	338,552	(28,557)	(33,137)	1,376,001	(89,432)	7,222,478	7,222,478	8	1,286,569
Transfer to legal reserve	-	-	-	-	-	-	-	-	360,000	(360,000)	-	-	-
Transfer to retained earnings	-	-	-	(144,981)	-	-	-	(144,981)	144,981	-	-	-	-
Balance at 31 December 2019	91,541,387	43,217,044	-	5,754,014	301,241	-	(13,675)	6,041,580	3,360,000	50,616,859	194,776,870	34,611	194,811,481
Year ended 31 December 2020													
Balance at 1 January 2020 - as reported	91,541,387	43,217,044	-	5,754,014	301,241	-	(13,675)	6,041,580	3,360,000	50,616,859	194,776,870	34,611	194,811,481
Impact of changes in accounting policies	-	-	-	-	191,459	(28,557)	-	162,892	-	97,807	260,689	(90)	260,609
Balance at 1 January 2020 - restated	91,541,387	43,217,044	-	5,754,014	492,700	(28,567)	(13,675)	6,204,472	3,360,000	50,714,666	195,037,569	34,521	195,072,090
Transactions with owners, recorded directly in equity													
<i>Contributions by and distribution to owners of the bank</i>													
Price adjustment from merger	-	105,072	-	-	-	-	-	-	-	-	105,072	-	105,072
Issued ordinary shares to employees	47,559	(515)	69,563	-	-	-	-	69,563	-	-	116,607	-	116,607
Dividend paid	-	-	-	-	-	-	-	-	-	(968,418)	(968,418)	-	(968,418)
Total contributions by and distribution to owners of the bank	47,559	104,557	69,563	-	-	-	-	69,563	-	(968,418)	(746,739)	-	(746,739)
<i>Change in ownership interests in subsidiary</i>													
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	-	-	-	-	-	-	(118)	(118)
Total change in ownership interests in subsidiary	-	-	-	-	-	-	-	-	-	-	-	(118)	(118)
Comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	(142,873)	(58,393)	(16,700)	(16,641)	(234,607)	-	10,112,182	10,112,182	2,626	10,114,808
Total comprehensive income for the year	-	-	-	(142,873)	(58,393)	(16,700)	(16,641)	(234,607)	-	10,656,404	10,421,797	2,695	10,424,492
Transfer to legal reserve	-	-	-	-	-	-	-	-	6,731,000	(6,731,000)	-	-	-
Transfer to retained earnings	-	-	-	(241,637)	-	-	-	(241,637)	-	241,637	-	-	-
Balance at 31 December 2020	91,588,946	43,321,601	69,563	5,369,504	434,307	(45,267)	(30,316)	5,797,791	10,091,000	53,913,289	204,712,627	37,098	204,749,725

The accompanying notes are an integral part of these financial statements.

TMB Bank Public Company Limited and its Subsidiaries
Statements of changes in equity

	Bank only										
	Other reserves					Retained earnings					
Note	Issued and paid-up share capital	Premium on share capital	Other reserve - share-based payments	Revaluation surplus on assets, net	Revaluation surplus (deficit) on investments, net	Cash flow hedge reserve (effective portion)	Translation adjustment arising from translating the financial statements of foreign operations, net	Total other reserve	Legal reserve	Unappropriated	Total equity
	<i>(in thousand Baht)</i>										
Year ended 31 December 2019											
	41,659,299	403,596	-	4,828,409	(37,311)	-	19,462	4,810,560	3,000,000	45,368,305	95,241,760
Balance at 1 January 2019	49,882,088	42,813,448	-	-	-	-	-	-	-	-	92,695,536
Transactions with owners, recorded directly in equity	-	-	-	-	-	-	-	-	-	(5,206,626)	(5,206,626)
<i>Distribution to owners of the bank</i>	-	-	-	-	-	-	-	-	-	(5,206,626)	87,488,910
Issue of ordinary shares	-	-	-	-	292,064	-	(33,137)	1,329,513	-	(44,661)	1,284,852
Dividend paid	-	-	-	1,070,586	292,064	-	(33,137)	1,329,513	-	7,054,587	8,384,100
Total distribution to owners of the bank	-	-	-	1,070,586	292,064	-	(33,137)	1,329,513	-	(360,000)	-
Comprehensive income for the year	-	-	-	(131,157)	-	-	-	(131,157)	-	131,157	-
Profit for the year	-	-	-	-	-	-	-	-	-	7,099,248	7,099,248
Other comprehensive income	-	-	-	-	292,064	(79,195)	(33,137)	1,329,513	-	(44,661)	1,284,852
Total comprehensive income for the year	-	-	-	1,070,586	292,064	(79,195)	(33,137)	1,329,513	-	7,054,587	8,384,100
Transfer to legal reserve	-	-	-	-	-	-	-	-	360,000	(360,000)	-
Transfer to retained earnings	-	-	-	(131,157)	-	-	-	(131,157)	-	131,157	-
Balance at 31 December 2019	91,541,387	43,217,044	-	5,767,838	254,753	(79,195)	(13,675)	6,008,916	3,360,000	46,987,423	191,114,770
Year ended 31 December 2020											
	91,541,387	43,217,044	-	5,767,838	254,753	-	(13,675)	6,008,916	3,360,000	46,987,423	191,114,770
Balance at 1 January 2020 - as reported	-	-	-	-	195,053	(79,195)	-	115,858	-	87,311	203,169
Impact of changes in accounting policies	-	-	-	-	449,806	(79,195)	(13,675)	6,124,774	3,360,000	47,074,734	191,317,939
Balance at 1 January 2020 - restated	91,541,387	43,217,044	-	5,767,838	449,806	(79,195)	(13,675)	6,124,774	3,360,000	47,074,734	191,317,939
Transactions with owners, recorded directly in equity	-	-	-	-	-	-	-	-	-	-	-
<i>Contributions by and distribution to owners of the bank</i>	-	-	-	-	-	-	-	-	-	-	-
Price adjustment from merger	-	105,072	-	-	-	-	-	-	-	-	105,072
Issued ordinary shares to employees	47,559	(515)	69,563	-	-	-	-	69,563	-	-	116,607
Dividend paid	-	-	-	-	-	-	-	-	-	(963,574)	(963,574)
Total contributions by and distribution to owners of the bank	47,559	104,557	69,563	-	-	-	-	69,563	-	(963,574)	(741,896)
Comprehensive income for the year	-	-	-	-	-	-	-	-	-	12,854,573	12,854,573
Profit for the year	-	-	-	-	36,675	(54,737)	(16,641)	(177,576)	-	199,468	21,892
Other comprehensive income	-	-	-	(142,873)	36,675	(54,737)	(16,641)	(177,576)	-	13,054,041	12,876,465
Total comprehensive income for the year	-	-	-	(142,873)	36,675	(54,737)	(16,641)	(177,576)	-	13,054,041	12,876,465
Transfer to legal reserve	-	-	-	-	-	-	-	-	6,731,000	(6,731,000)	-
Transfer to retained earnings	-	-	-	(255,457)	-	-	-	(255,457)	-	255,457	-
Balance at 31 December 2020	91,588,946	43,321,601	69,563	5,369,508	486,481	(133,932)	(30,316)	5,761,304	10,091,000	52,689,658	203,452,509

The accompanying notes are an integral part of these financial statements.

TMB Bank Public Company Limited and its Subsidiaries

Statements of cash flows

	Consolidated		Bank only	
	For the year ended 31 December		For the year ended 31 December	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Cash flows from operating activities				
Profit from operations before income tax	12,337,613	8,810,035	13,064,032	8,670,294
Adjustments to reconcile profit from operations before income tax to net cash provided by (used in) operating activities				
Depreciation and amortisation	4,311,547	1,729,516	1,997,087	1,576,892
Impairment loss on loans and debt securities	-	10,336,853	-	8,985,609
Expected credit loss	24,831,331	-	13,433,601	-
Impairment loss on premises and equipment (reversal of)	22,586	(68,020)	22,586	(68,020)
Impairment loss on properties for sale and other assets	3,863	578,615	101,119	587,857
Reversal of impairment loss on intangible assets	(30,365)	-	-	-
Provisions for liabilities	352,612	661,215	223,262	576,987
Impairment losses on investment	-	-	9,300,000	-
Losses (gains) on revaluation of investments measured at FVTPL	(28,702)	-	3,377	-
Gains on revaluation of investments	-	(4,624)	-	(2,900)
Losses on disposal of intangible assets	17,265	14,457	-	14,457
Losses (gains) on disposal of premises and equipment	18,908	(79,811)	(27,608)	(79,957)
Gains on disposal of investments	(678,023)	(1,956,192)	(582,389)	(1,949,787)
Unrealised losses on remeasurement of financial liabilities designated at fair value through profit or loss	-	22,070	-	22,070
Unrealised gains on exchange rate	(288,746)	(289,287)	(228,775)	(282,178)
Expenses in relation to share-based payments	69,563	-	69,563	-
Share of profit from investments accounted for using the equity method	(362,746)	(324,407)	-	-
Deferred revenue	(2,830,754)	(1,939,836)	(1,865,333)	(1,939,492)
Net interest income	(53,805,372)	(26,865,220)	(21,633,881)	(24,594,590)
Dividend income	(83,608)	(260,635)	(20,716,282)	(165,510)
Interest received	65,774,962	38,639,377	26,725,525	35,016,423
Interest paid	(19,955,127)	(11,078,110)	(8,710,009)	(9,954,122)
Income tax paid	(8,340,599)	(2,792,247)	(2,098,367)	(2,770,286)
Profit from operations before changes in operating assets and liabilities	21,336,208	15,133,749	9,077,508	13,643,747
Decrease (increase) in operating assets				
Interbank and money market items	25,540,507	42,463,974	(99,635,174)	(8,036,213)
Financial assets measured at fair value through profit or loss	3,504,828	-	3,924,190	-
Trading investments	-	(3,999,183)	-	(3,572,630)
Loans to customers	(23,733,175)	(9,525,419)	(54,952,084)	(2,518,524)
Properties for sale	4,699,305	778,007	(1,352,747)	14,418
Other assets	1,548,995	(533,496)	292,559	(760,328)
Increase (decrease) in operating liabilities				
Deposits	(24,659,099)	5,193,189	152,087,006	13,966,878
Interbank and money market items	(10,717,225)	(26,658,812)	(21,601,858)	8,484,239
Liabilities payable on demand	512,595	(1,857,380)	535,933	(1,142,998)
Financial liabilities designated at fair value through profit or loss	12,398	(856)	12,398	(856)
Provisions for other liabilities	(2,727,815)	(1,746,120)	(1,322,162)	(1,746,120)
Other accrued expenses	108,918	(807,541)	(208,626)	(836,732)
Other liabilities	1,961,946	1,069,444	3,463,844	744,166
Net cash provided by (used in) operating activities	(2,611,614)	19,509,556	(9,679,213)	18,239,047

The accompanying notes are an integral part of these financial statements.

TMB Bank Public Company Limited and its Subsidiaries

Statements of cash flows

	Consolidated For the year ended 31 December		Bank only For the year ended 31 December	
<i>Cash flows from investing activities</i>				
Interest received	2,048,416	1,228,474	843,392	1,134,898
Dividend received	800,487	405,345	20,716,282	165,510
Purchase of investments measured at FVOCI	(160,923,125)	-	(92,967,965)	-
Proceeds from investments measured at FVOCI	186,172,238	-	75,805,272	-
Purchase of available-for-sale investments	-	(78,464,603)	-	(68,206,579)
Proceeds from sales of available-for-sale investments	-	111,714,424	-	98,030,534
Purchase of held to maturity debt securities	-	(18,617,054)	-	(18,455,734)
Proceeds from redemption of matured held to maturity debt securities	-	7,716,086	-	7,716,086
Purchase of general investments	-	(34,175)	-	(34,175)
Proceeds from sales of general investments	-	78,535	-	78,535
Purchase of investments in subsidiaries	(859,445)	(167,070,371)	(859,445)	(167,070,371)
Purchase of premises and equipment	(1,877,279)	(1,249,684)	(1,662,519)	(1,057,873)
Purchase of intangible assets	(1,803,637)	(1,171,024)	(1,598,732)	(1,046,292)
Proceeds from disposals of premises and equipment	1,917,135	206,749	1,918,621	206,222
Net cash provided by (used in) investing activities	25,474,790	(145,257,298)	2,194,906	(148,539,239)
<i>Cash flows from financing activities</i>				
Proceeds from long-term borrowings	12,741	20,000	12,741	20,000
Repayments of long-term borrowings	(10,223)	(13,559)	(10,223)	(13,559)
Interest paid on long-term debts issued and borrowings	(2,324,191)	(1,850,208)	(2,161,887)	(1,850,208)
Cash receipts on debenture issued	14,945,198	59,660,509	14,945,198	59,660,509
Cash paid for redemption of debenture	(36,559,650)	(19,622,490)	(5,059,650)	(16,622,490)
Increase in issued and fully paid-up - ordinary shares	152,116	92,549,470	152,116	92,549,470
Dividend paid to equity holders of the Bank	(968,418)	(5,206,626)	(963,575)	(5,206,626)
Net cash provided by (used in) financing activities	(24,752,427)	125,537,096	6,914,720	128,537,096
Change in translation adjustments of foreign operations	(20,801)	(41,422)	(20,801)	(41,422)
Net decrease in cash	(1,910,052)	(252,068)	(590,388)	(1,804,518)
Cash at 1 January / 4 December for a subsidiary acquisition through business combination	23,852,593	24,104,661	13,426,535	15,231,053
Cash at 31 December	21,942,541	23,852,593	12,836,147	13,426,535

The accompanying notes are an integral part of these financial statements.

TMB Bank Public Company Limited and its subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 24 February 2021.

1 General information

TMB Bank Public Company Limited, (the "Bank"), is incorporated in Thailand and has its registered office at 3000 Phahonyothin Road, Chomphon, Chatuchak, Bangkok.

The Bank was listed on the Stock Exchange of Thailand on 23 December 1983.

The principal business of the Bank is operating commercial banking businesses. The subsidiaries are incorporated under Thai laws and have been operating in Thailand, with core businesses being commercial banking and provision of asset management. Details of the Bank's subsidiaries and associates as at 31 December 2020 and 2019 are given in note 15.

2 Basis of preparation of the financial statements

2.1 *Statement of compliance*

The financial statements are prepared in accordance with Thai Financial Reporting Standards; guidelines promulgated by the Federation of Accounting Professions and; applicable rules and regulations of the Thai Securities and Exchange Commission and the Bank of Thailand ("BoT") notification number Sor Nor Sor 21/2561, regarding to *Preparation and Announcement of Financial Statements of a Commercial Bank and a Holding Company that is the Parent Company of a Financial Group*; and other additional BoT notification including the following BoT circular:

- BoT. For Nor Sor. (23) Wor.276/2563 dated 28 Feb 2020, regarding "Debt relief programs for debtors affected by situations having adverse impacts to Thai economy" which details are given in note 5.

The Bank and its subsidiaries have initially applied TFRS 9 *Financial Instruments* ("TFRS 9") and its relevant financial instruments accounting standards including TFRS 16 *Leases* and disclosed the impact from changes to significant accounting policies in note 3.

In addition, the Bank and its subsidiaries have not early adopted a number of new and revised TFRSs, which are not yet effective for the current period in preparing these financial statements. The Bank and its subsidiaries have assessed the potential initial impact on the financial statements of these new and revised TFRSs and expect that there will be no material impact on the financial statements in the period of initial application.

2.2 *Functional and presentation currency*

The financial statements are prepared and presented in Thai Baht, which is the Bank and its subsidiaries' functional currency. All financial information is presented in Thai Baht and has been rounded to the nearest thousand and in the notes to financial statements to the nearest million unless otherwise stated.

2.3 *Use of judgements and estimates*

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

2.3.1 Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes.

Note 7 Establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining the methodology for incorporating forward-looking information into the measurement of expected credit loss (ECL), selection and approval of models used to measure ECL and consideration for post model adjustments.

2.3.2 Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 31 December 2020 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Note 5 and 7 Impairment of financial instruments: determination of inputs into the ECL measurement model, including key assumptions used in estimating recoverable cash flows and incorporation of forward-looking information;

Note 8 Measurement of the fair value of financial instruments with significant unobservable inputs.

TMB Bank Public Company Limited and its subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

3 Changes in accounting policies

From 1 January 2020, the Bank and its subsidiaries have initially applied TFRS Financial Instruments standards which comprise TFRS 9 and relevant standards and interpretations, and TFRS 16. The Bank and its subsidiaries adopted TFRS - Financial instruments standards except for the debtors under relief program as mentioned in note 5.

Impact of changes in accounting policies to the consolidated and Bank only statements of financial position as at 1 January 2020 were as follows:

	31 December 2019 - as reported	Consolidated		1 January 2020 - as restated
		TFRS - Financial instruments standards	TFRS 16 <i>Leases</i>	
		<i>(in million Baht)</i>		
Assets				
Cash	23,853	-	-	23,853
Interbank and money market items, net	236,311	146	-	236,457
Financial assets measured at fair value through profit or loss	-	7,291	-	7,291
Derivative assets	10,399	(70)	-	10,329
Investments, net	166,265	(6,956)	-	159,309
Investments in subsidiaries and associates, net	8,953	-	-	8,953
Loans to customers and accrued interest receivable, net	1,348,630	590	-	1,349,220
Properties for sales, net	4,810	-	-	4,810
Premises and equipment, net	23,642	-	3,145	26,787
Goodwill and other intangible assets, net	22,363	-	112	22,475
Deferred tax assets	1,496	885	-	2,381
Other receivables, net	4,969	(3)	-	4,966
Other assets, net	6,499	304	-	6,803
Total assets	1,858,190	2,187	3,257	1,863,634
Liabilities				
Deposits	1,398,112	-	-	1,398,112
Interbank and money market items	86,626	-	-	86,626
Liabilities payable on demand	3,382	-	-	3,382
Financial liabilities designated at fair value through profit or loss	418	-	-	418
Derivative liabilities	9,719	(34)	-	9,685
Debts issued and borrowings	108,835	50	-	108,885
Provisions for employee benefits	5,150	-	-	5,150
Provisions for other liabilities	1,855	1,151	-	3,006
Deferred tax liabilities	4,730	(55)	-	4,675
Deferred revenue	18,186	-	-	18,186
Other liabilities	26,366	814	3,257	30,437
Total liabilities	1,663,379	1,926	3,257	1,668,562

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	Consolidated			1 January 2020 - as restated
	31 December 2019 - as reported	TFRS - Financial instruments standards	TFRS 16 <i>Leases</i>	
	<i>(in million Baht)</i>			
Equity				
Issued and paid-up share capital	91,541	-	-	91,541
Premium on share capital	43,217	-	-	43,217
Other reserves	6,041	163	-	6,204
Retained earnings - legal reserve	3,360	-	-	3,360
Retained earnings - unappropriated	50,617	98	-	50,715
Non-controlling interest	35	-	-	35
Total equity	194,811	261	-	195,072
Total liabilities and equity	1,858,190	2,187	3,257	1,863,634
	Bank only			
	31 December 2019 - as reported	TFRS - Financial instruments standards	TFRS 16 <i>Leases</i>	1 January 2020 - as restated
	<i>(in million Baht)</i>			
Assets				
Cash	13,427	-	-	13,427
Interbank and money market items, net	121,581	23	-	121,604
Financial assets measured at fair value through profit or loss	-	5,026	-	5,026
Derivative assets	7,395	(68)	-	7,327
Investments, net	60,507	(4,705)	-	55,802
Investments in subsidiaries and associates, net	168,062	-	-	168,062
Loans to customers and accrued interest receivable, net	647,479	645	-	648,124
Properties for sales, net	2,738	-	-	2,738
Premises and equipment, net	13,116	-	1,131	14,247
Goodwill and other intangible assets, net	3,001	-	112	3,113
Deferred tax assets	2,331	885	-	3,216
Other receivables, net	1,640	(3)	-	1,637
Other assets, net	4,066	123	-	4,189
Total assets	1,045,343	1,926	1,243	1,048,512

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	Bank only			1 January 2020 - as restated
	31 December 2019 - as reported	TFRS - Financial instruments standards	TFRS 16 <i>Leases</i>	
(in million Baht)				
Liabilities				
Deposits	663,559	-	-	663,559
Interbank and money market items	72,751	-	-	72,751
Liabilities payable on demand	2,362	-	-	2,362
Financial liabilities designated at fair value through profit or loss	418	-	-	418
Derivative liabilities	7,331	(8)	-	7,323
Debts issued and borrowings	77,353	75	-	77,428
Provisions for employee benefits	1,728	-	-	1,728
Provisions for other liabilities	659	765	-	1,424
Deferred revenue	16,450	-	-	16,450
Other liabilities	11,618	891	1,243	13,752
Total liabilities	854,229	1,723	1,243	857,195
Equity				
Issued and paid-up share capital	91,541	-	-	91,541
Premium on share capital	43,217	-	-	43,217
Other reserves	6,009	116	-	6,125
Retained earnings - legal reserve	3,360	-	-	3,360
Retained earnings - unappropriated	46,987	87	-	47,074
Total equity	191,114	203	-	191,317
Total liabilities and equity	1,045,343	1,926	1,243	1,048,512

3.1 TFRS - Financial instruments standards

The Bank and its subsidiaries have adopted TFRS 9 *Financial Instruments* and relevant financial instruments standards using the cumulative effect, taking into account the effect of initially applying this standard only to financial instruments that were not derecognised before 1 January 2020 as an adjustment to retained earnings or other reserves at 1 January 2020. Therefore, the Bank and its subsidiaries have not restated the information presented for 2019. The disclosure requirements of TFRS for financial instruments have not generally been applied to comparative information.

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. The details of accounting policies are disclosed in note 4.

3.1.1 Classification and measurement of financial assets and financial liabilities

Under TFRS 9, financial assets are classified into three categories: measured at amortised cost, fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVOCI). The classification is based on the cash flow characteristics of the financial asset and the business model in which they are managed. However, the Bank and its subsidiaries may, at initial recognition, irrevocably designate a financial asset as measured at FVTPL. TFRS 9 eliminates the previous classification of held-to-maturity debt securities, available-for-sale securities, trading securities and general investment as specified by TAS 105.

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The following table and the accompanying notes below explain the original measurement categories and the new measurement categories under TFRS 9 for each class of the Bank and its subsidiaries' financial assets and financial liabilities as at 1 January 2020.

	Consolidated			
	Classification at 31 December 2019	Classification under TFRS9	Carrying amount at 31 December 2019 <i>(in million Baht)</i>	Carrying amount under TFRS 9 at 1 January 2020
Financial assets				
Cash	-	Amortised cost	23,853	23,853
Interbank and money market items	-	Amortised cost	236,447	236,447
Derivative assets - trading book	FVTPL	FVTPL	9,614	9,614
Derivative assets - banking book	-	FVTPL	785	715
Investment securities - debt	Held-for-trading	FVTPL	6,576	6,576
Investment securities - debt	Available- for-sale	FVOCI	157,264	157,264
Investment securities - debt	Held-to- maturity	Amortised cost	683	683
Investment securities - equity	Available- for-sale	FVTPL - debt	453	453
Investment securities - equity	Available- for-sale	FVTPL	2	2
Investment securities - equity	Available- for-sale	FVOCI	674	674
Investment securities - equity	Cost	FVTPL	259	260
Investment securities - equity	Cost	FVOCI	354	688
Loan to customers and accrued interest receivables	-	Amortised cost	1,392,225	1,391,761
Other financial assets	-	Amortised cost	9,970	10,277
Total financial assets			<u>1,839,159</u>	<u>1,839,267</u>
Financial liabilities				
Deposits	-	Amortised cost	1,398,112	1,398,112
Interbank and money market items	-	Amortised cost	86,626	86,626
Liabilities payable on demand	-	Amortised cost	3,382	3,382
Financial liabilities designated at fair value through profit or loss	FVTPL	FVTPL	418	418
Derivative liabilities - trading book	FVTPL	FVTPL	9,615	9,615
Derivative liabilities - banking book	-	FVTPL	104	70
Debts issued and borrowings	-	Amortised cost	108,835	108,885
Other financial liabilities	-	Amortised cost	26,157	25,955
Total financial liabilities			<u>1,633,249</u>	<u>1,633,063</u>

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		Bank only		
	Classification at 31 December 2019	Classification under TFRS9	Carrying amount at 31 December 2019	Carrying amount under TFRS 9 at 1 January 2020
			<i>(in million Baht)</i>	
Financial assets				
Cash	-	Amortised cost	13,427	13,427
Interbank and money market items	-	Amortised cost	121,594	121,594
Derivative assets - trading book	FVTPL	FVTPL	7,309	7,309
Derivative assets - banking book	-	FVTPL	86	18
Investment securities - debt	Held-for-trading	FVTPL	4,868	4,868
Investment securities - debt	Available- for-sale	FVOCI	55,375	55,375
Investment securities - equity	Available- for-sale	FVTPL	2	2
Investment securities - equity	Cost	FVTPL	82	156
Investment securities - equity	Cost	FVOCI	180	427
Loan to customers and accrued interest receivables	-	Amortised cost	671,603	671,480
Other financial assets	-	Amortised cost	4,600	4,723
Total financial assets			<u>879,126</u>	<u>879,379</u>
Financial liabilities				
Deposits	-	Amortised cost	663,559	663,559
Interbank and money market items	-	Amortised cost	72,751	72,751
Liabilities payable on demand	-	Amortised cost	2,362	2,362
Financial liabilities designated at fair value through profit or loss	FVTPL	FVTPL	418	418
Derivative liabilities - trading book	FVTPL	FVTPL	7,281	7,281
Derivative liabilities - banking book	-	FVTPL	50	42
Debts issued and borrowings	-	Amortised cost	77,353	77,428
Other financial liabilities	-	Amortised cost	11,523	11,481
Total financial liabilities			<u>835,297</u>	<u>835,322</u>

3.1.2 Impairment

TFRS 9 introduces lifetime expected credit loss (ECL) model whereas previously the Bank and its subsidiaries estimate allowance for doubtful accounts by analysing payment histories, future expectation of customer payment and compliance with the minimum allowance for doubtful accounts required based on the BoT's guideline. TFRS 9 requires considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis. The new impairment model applies to financial assets that are not measured at FVTPL consisted with financial assets that are debt instrument, lease receivables, financial guarantee and loan commitment issued except for investments in equity instruments.

	31 December 2019	Consolidated Remeasure- ment (in million Baht)	1 January 2020
<i>Financial assets under scope of TFRS 9's impairment</i>			
Interbank and money market items	210	(146)	64
Investments in debt instruments measured at FVOCI and amortised cost	53	58	111
Loans to customers and accrued interest receivables	45,477	(1,054)	44,423
Other financial assets	354	(9)	345
Loan commitments and financial guarantee	338	1,151	1,489
Total	46,432	-	46,432
	31 December 2019	Bank only Remeasure- ment (in million Baht)	1 January 2020
<i>Financial assets under scope of TFRS 9's impairment</i>			
Interbank and money market items	61	(23)	38
Investments in debt instruments measured at FVOCI	53	20	73
Loans to customers and accrued interest receivables	25,409	(768)	24,641
Other financial assets	299	6	305
Loan commitments and financial guarantee	338	765	1,103
Total	26,160	-	26,160

3.2 TFRS 16 Leases

From 1 January 2020, the Bank and its subsidiaries have initially adopted TFRS 16 *Leases* ("TFRS 16") on contracts previously identified as leases according to TAS 17 *Leases* ("TAS 17") and TFRIC 4 *Determining whether an arrangement contains a lease* ("TFRIC 4") using the modified retrospective approach.

Previously, the Bank and its subsidiaries, as a lessee, recognised payments made under operating leases in profit or loss on a straight-line basis over the term of the lease. Under TFRS 16, the Bank and its subsidiaries assess whether a contract is, or contains, a lease. If a contract contains lease and non-lease components, the Bank and its subsidiaries allocate the consideration in the contract based on stand-alone selling price (transaction price). As at 1 January 2020, the Bank and its subsidiaries recognised right-of-use assets and lease liabilities, as a result, the nature of expenses related to those leases was changed because the Bank and its subsidiaries recognised depreciation of right-of-use assets and interest expense on lease liabilities.

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The following table shows the measurement of lease liability as at 1 January 2020.

	Consolidated	Bank only
	<i>(in million Baht)</i>	
Operating lease commitments disclosed as at 31 December 2019	3,429	1,272
Recognition exemption for short-term leases	(40)	-
Recognition exemption for leases of low-value assets	(77)	-
Extension and termination options reasonably certain to be exercised	20	-
	<hr/> 3,332	<hr/> 1,272
Discounting using the incremental borrowing rate as at 1 January 2020	(75)	(29)
Lease liabilities recognised as at 1 January 2020	<hr/> 3,257	<hr/> 1,243
Weighted-average incremental borrowing rate (<i>% per annum</i>)	<hr/> 1.71	<hr/> 1.68

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as stated in note 3.

4.1 Basis of consolidation

The consolidated financial statements relate to the Bank and its subsidiaries (together referred to as “the Bank and its subsidiaries”)

Business combinations

The Bank and its subsidiaries’s apply the acquisition method for all business combinations when control is transferred to the Bank and its subsidiaries, as described in subsidiaries section, other than those with entities under common control.

The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Any gain on bargain purchase is recognised in profit or loss immediately.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Bank and its subsidiaries to the previous owners of the acquiree, and equity interests issued by the Bank and its subsidiaries. Consideration transferred also includes the fair value of any contingent consideration.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

Transaction costs that the Bank and its subsidiaries incur in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

Acquisitions from entities under common control

Business combination under common control are accounted for using a method similar to the pooling of interest method. Under that method the acquirer recognizes assets and liabilities of the acquired businesses at their carrying amounts in the consolidated financial statements of the ultimate parent company at the moment of the transaction. The difference between the carrying amount of the acquired net assets and the consideration transferred is recognised as surplus or discount from business combinations under common control in equity. The surplus or discount will be transferred to retained earnings upon divestment or dissolution of the businesses acquired.

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The results from operations of the acquired businesses will be included in the consolidated financial statements of the acquirer from the beginning of the comparative period or the moment the businesses came under common control, whichever date is later, until control ceases.

Subsidiaries

Subsidiaries are entities controlled by the Bank. The Bank and its subsidiaries control an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The subsidiaries' financial statements are prepared using the same significant accounting policies as the Bank.

Non-controlling interests

At the acquisition date, the Bank and its subsidiaries measure any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Changes in the Bank and its subsidiaries interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

When the Bank and its subsidiaries lose control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss from loss of control over a subsidiary is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interests in equity-accounted investees

The Bank and its subsidiaries' interests in equity-accounted investees comprise interests in associates.

Associates are those entities in which the Bank and its subsidiaries have significant influence, but not control or joint control, over the financial and operating policies.

Interests in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Bank and its subsidiaries' share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

Transactions eliminated on consolidation

Significant intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Bank and its subsidiaries' interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

The consolidated financial statements include the accounts of the Head Office, all domestic and overseas branches and the Bank and its subsidiaries. All inter-company transactions and balances within this Group have been eliminated.

4.2 Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the spot exchange rates at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate announced by the Bank of Thailand at the reporting date.

Non-monetary items that are measured based on historical cost in a foreign currency are translated using the spot exchange rate at the date of the transaction.

Foreign currency differences arising on translation are generally recognised in profit or loss. However, foreign currency differences arising from the translation of the following items are recognised in OCI:

- Equity investments that have been elected to be measured at FVOCI (from 1 January 2020)
- A financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective (from 1 January 2020)
- Qualifying cash flow hedges to the extent that the hedge is effective (from 1 January 2020)

Foreign operations

The assets and liabilities of foreign operations are translated into Thai Baht at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Thai Baht at the exchange rates at the dates of the transactions.

The financial statements of overseas branches are translated into Thai Baht at the reference rates announced by the Bank of Thailand at the reporting dates. Foreign exchange differences arising on translation are recognised in other comprehensive income until dissolution of the branch's business.

4.3 Cash

Cash includes cash in hand and cash on collection.

4.4 Financial instruments

4.4.1 Accounting policies applicable from 1 January 2020

Financial instruments in the statements of financial position include cash, interbank and money market items (assets), derivatives, debt investment, equity investment, loan to customers, deposits, interbank and money market (liabilities), liabilities payable on demand, debts issued and borrowings and other financial assets and liabilities.

4.4.1.1 Recognition and initial measurement

The Bank and its subsidiaries initially recognise financial instruments (including regular-way purchases and sales of financial assets) on the trade date, which is the date on which the Bank and its subsidiaries become a party to the contractual provisions of the instrument except for investment in debt instruments which are recognised on the settlement date.

A financial asset or financial liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

4.4.1.2 Derecognition

Derecognition of financial assets

The Bank and its subsidiaries derecognise a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Bank and its subsidiaries neither transfer nor retain substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

Any cumulative gain or loss recognised in OCI in respect of equity investment securities designated as at FVOCI is not recognised in profit or loss on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Bank and its subsidiaries are recognised as a separate asset or liability.

Disposal of investments

For debt and equity securities, cost of both investments sold and those still held are determined using the weighted average method.

Derecognition of financial liabilities

The Bank and its subsidiaries derecognise a financial liability when its contractual obligations are discharged or cancelled or expire.

4.4.1.3 *Classification and measurement of financial instruments*

Classification of financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost, FVOCI or FVTPL.

Financial assets - debt instruments

Classification of debt instruments included loan and investments in debt securities depend on Business model assessment and assessment of whether contractual cash flows are solely payments of principle and interest.

Business model assessment

The Bank and its subsidiaries make an assessment of the objective of a business model in which an asset is held. The information considered includes:

- the stated policies and objectives for the financial assets and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the financial asset is evaluated and reported to the Bank and its subsidiaries' management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed; and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Bank and its subsidiaries' stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Assessment of whether contractual cash flows are solely payments of principle and interest

In assessing whether the contractual cash flows are SPPI, the Bank and its subsidiaries consider the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Bank and its subsidiaries consider:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- terms that limit the Bank and its subsidiaries' claim to cash flows from specified assets (e.g. non-recourse loans); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

Based on business model and the contractual term of cash flows assessment, there are three categories into which the Bank and subsidiaries classify and measure debt instruments:

Amortised cost

Debt instruments are measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

Debt instruments measured at amortised cost is initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method adjusted by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Fair value through Other Comprehensive income (FVOCI)

Debt instruments are measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

For debt instruments measured at FVOCI, these assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Fair value through Profit or loss (FVTPL)

Unless debt instruments are classified as measured at amortised cost or FVOCI, debt instruments are classified as measured at FVTPL.

On initial recognition, the Bank and subsidiaries may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

For debt instruments measured at FVTPL, these assets are subsequently measured at fair value. Net gains and losses, including any interest are recognised in profit or loss.

Financial assets - Equity instruments

All equity instruments included equity investment measured at fair value.

On initial recognition of an equity investment that is not held for trading, the Bank and subsidiaries may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

Unless equity investments are elected to present subsequent changes in fair value in OCI, equity instruments are classified as measured at FVTPL.

For equity instruments measured at FVTPL, these assets are subsequently measured at fair value. Net gains and losses, including any dividend income are recognised in profit or loss.

For equity instruments measured at FVOCI, these assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Bank and its subsidiaries change its business model for managing financial assets.

Classification of financial liabilities

On initial recognition, financial instrument is classified as financial liability in accordance with the substance of the contractual arrangement.

The Bank and its subsidiaries classify its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost or FVTPL.

The Bank and its subsidiaries have designated certain financial liabilities as at FVTPL in either of the following circumstances:

- the liabilities are managed, evaluated and reported internally on a fair value basis; or
- the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities designated at FVTPL are subsequently measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

For financial liabilities measured at amortised cost, these liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

4.4.1.4 Interest recognition

Effective interest rate

Interest income and expense are recognised in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or to the amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than credit-impaired financial assets, the Bank and its subsidiaries estimate future cash flows considering all contractual terms of the financial instrument, but not ECL.

The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

Calculation of interest income and expense

The effective interest rate of a financial asset or financial liability is calculated on initial recognition of a financial asset or a financial liability. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

4.4.1.5 Modifications of financial assets and financial liabilities

Modifications of financial assets

If the terms of a financial asset are modified, then the Bank and its subsidiaries evaluate whether the cash flows of the modified asset are substantially different.

If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value plus any eligible transaction costs.

If the modification of a financial asset measured at amortised cost or FVOCI does not result in derecognition of the financial asset, then the Bank and its subsidiaries first recalculate the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognises the resulting adjustment as a modification gain or loss in profit or loss. For floating-rate financial assets, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs or fees incurred and fees received as part of the modification adjust the gross carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income calculated using the effective interest rate method.

4.4.1.6 Impairment of financial assets

The Bank and its subsidiaries recognise loss allowances for expected credit losses (ECL) on the following financial instruments that are not measured at FVTPL and no impairment loss is recognised on equity investments.

Measurement of ECL

Expected credit losses are computed as unbiased, probability-weighted amounts which are determined by evaluating a range of reasonably possible outcomes, the time value of money, and considering all reasonable and supportable information. This includes forward-looking information.

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows in accordance with the contract and the cash flows that the Bank and its subsidiaries expects to receive);
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Bank and its subsidiaries if the commitment is drawn down and the cash flows that the Bank and its subsidiaries expects to receive; and
- financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Bank and its subsidiaries expect to recover.

Estimate of expected cash shortfalls is determined by multiplying the probability of default (PD) with the loss given default (LGD) with the expected exposure at the time of default (EAD).

Staging

For ECL recognition, financial assets are classified in any of the below 3 stages at each reporting date. A financial asset can move between stages during its lifetime. The stages are based on changes in credit quality since initial recognition and defined as follows:

- Stage 1: Financial assets that have not had a significant increase in credit risk

Financial assets that have not had a significant increase in credit risk (SICR) since initial recognition (i.e. no Stage 2 or 3 triggers apply) or debt investment that considered to have low credit risk at each reporting date with the exception of purchased or originated credit impaired (POCI) assets. The provision for ECL is 12-month ECL. 12-month ECL are the portion of lifetime ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

- Stage 2: Financial assets have a SICR

When financial assets have a SICR since initial recognition, expected credit losses are recognised for possible default events over the lifetime of the financial assets. SICR is assessed by using a number of quantitative and qualitative factors that are significant to the increase in credit risk. Financial assets that are 30 or more days past due and not credit-impaired will always be considered to have experienced a significant increase in credit risk.

- Stage 3: Lifetime ECL credit impaired

Financial assets that are credit-impaired or in default represent those that are at least 90 days past due in respect of principal and/or interest. Financial assets are also considered to be credit-impaired where the customers are unlikely to repay on the occurrence of one or more observable events that have a negative impact on the estimated future cash flows of the financial assets.

Expected credit losses of credit-impaired financial assets are determined based on the difference between the present value of the recoverable cash flows under a range of scenarios, including the realisation of any collateral held where appropriate, discounted with the financial assets' original effective interest rate, and the gross carrying value of the financial assets prior to any credit impairments.

Improvement in credit risk

For financial assets within stage 2, these can only be transferred to stage 1 when they are no longer considered to have experienced a significant increase in credit risk.

Where significant increase in credit risk was determined using quantitative measures, the instruments will automatically transfer back to stage 1 when the original PD based transfer criteria are no longer met. Where instruments were transferred to stage 2 due to an assessment of qualitative factors, the issues that led to the reclassification must be cured before the instruments can be reclassified to stage 1. This includes instances where management actions led to instruments being classified as stage 2, requiring that action to be resolved before loans are reclassified to stage 1.

Financial asset that is in stage 3 will move back to stage 2 when, as at the reporting date, it is no longer considered to be credit-impaired.

Loss allowances for ECL are presented in the statement of financial position

- financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- loan commitments and financial guarantee contracts: generally, as a provision; and

- financial assets measured at FVOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, expected credit loss is recognised in profit or loss.

4.4.1.7 *Derivative held for risk management purposes and hedge accounting*

Derivatives held for risk management purposes include all derivative assets and liabilities that are not classified as trading assets or liabilities. Derivatives held for risk management purposes are measured at fair value in the statement of financial position.

The Bank and its subsidiaries designate certain derivatives held for risk management as well as certain non-derivative financial instruments as hedging instruments in qualifying hedging relationships. On initial designation of the hedge, the Bank and its subsidiaries formally documents the relationship between the hedging instrument(s) and hedged item(s), including the risk management objective and strategy in undertaking the hedge, together with the method that will be used to assess the effectiveness of the hedging relationship. The Bank and its subsidiaries makes an assessment, both on inception of the hedging relationship and on an ongoing basis, of whether the hedging instrument(s) is(are) expected to be highly effective in offsetting the changes in the fair value or cash flows of the respective hedged item(s) during the period for which the hedge is designated, and whether the actual results of each hedge are within a specific range. For a cash flow hedge of a forecast transaction, the Bank and its subsidiaries make an assessment of whether the forecast transaction is highly probable to occur and presents an exposure to variations in cash flows that could ultimately affect profit or loss.

These hedging relationships are discussed below.

Fair value hedge

When a derivative is designated as the hedging instrument in a hedge of the change in fair value of a recognised asset or liability or a firm commitment that could affect profit or loss, changes in the fair value of the derivative are recognised immediately in profit or loss. The change in fair value of the hedged item attributable to the hedged risk is recognised in profit or loss. If the hedged item would otherwise be measured at cost or amortised cost, then its carrying amount is adjusted accordingly.

If the hedging derivative expires or is sold, terminated or exercised, or the hedge no longer meets the criteria for fair value hedge accounting, or the hedge designation is revoked, then hedge accounting is discontinued prospectively.

Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognised in OCI and presented in the hedging reserve within equity. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss. The amount recognised in the hedging reserve is reclassified from OCI to profit or loss as a reclassification adjustment in the same period as the hedged cash flows affect profit or loss, and in the same line item in the statement of profit or loss and OCI.

If the hedging derivative expires or is sold, terminated or exercised, or the hedge no longer meets the criteria for cash flow hedge accounting, or the hedge designation is revoked, then hedge accounting is discontinued prospectively.

If the hedged cash flows are no longer expected to occur, then the Bank and its subsidiaries immediately reclassify the amount in the hedging reserve from OCI to profit or loss. For terminated hedging relationships, if the hedged cash flows are still expected to occur, then the amount accumulated in the hedging reserve is not reclassified until the hedged cash flows affect profit or loss;

if the hedged cash flows are expected to affect profit or loss in multiple reporting periods, then the Bank and its subsidiaries reclassify the amount in the hedging reserve from OCI to profit or loss on a straight-line basis.

Hedge of derivative which not measured at fair value

The Bank and its subsidiaries recognise hedge transactions on an accrual basis. Hedge instrument is recognised on an accrual basis.

Embedded derivatives

Derivatives may be embedded in another contractual arrangement (a host contract). The Bank and its subsidiaries account for an embedded derivative separately from the host contract when:

- the host contract is not an asset in the scope of IFRS 9;
- the host contract is not itself carried at FVTPL;
- the terms of the embedded derivative would meet the definition of a derivative if they were contained in a separate contract; and
- the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract.

Separated embedded derivatives are measured at fair value, with all changes in fair value recognised in profit or loss unless they form a part of a qualifying cash flow or net investment hedging relationship.

4.4.2 Accounting policies applicable before 1 January 2020

4.4.2.1 Loans

Overdrafts are stated at the principal amounts including accrued interest receivables. Certain overdrafts for which special notice has been served on the borrower and other loans are stated at the principal amount. Unearned discounts received in advance are presented as a deduction from the loans.

Hire purchase and finance lease receivables are stated at the outstanding balance, net of unearned interest income. Unearned interest income is stated net of commissions and direct expenses incurred at the initiation of the contracts.

4.4.2.2 Allowance for doubtful accounts

Allowance for doubtful accounts is determined based on relevant BoT's criteria and regulations. The allowance for doubtful accounts includes (a) an allowance determined at the minimum percentage as specified in the BoT's notifications, (b) an allowance in excess of such minimum percentage as specified in the BoT's notifications to cover losses incurred but not yet reported and (c) an additional provision following its business plan and management of non-performing loans. The allowance for doubtful accounts is calculated based on the shortfall between the carrying value of the outstanding debts and the present value of future cash flows expected to be collected from debtors or from the disposal of the underlying collateral, which is determined in accordance with the BoT's notifications.

The allowance in excess of such minimum percentage as specified in the BoT's notifications to cover losses incurred but not yet reported is determined, taking into accounts the relevant factors such as the types of lendings, historical loss, the debtor's credit risk, management's experience and so on. The additional provision is determined, taking into accounts the debtor's payment ability, the expected amount to be collected from the underlying collateral and debt management plan etc.

Any additional allowances for doubtful accounts are charged to expense in each accounting period. The Bank and its subsidiaries write off bad debts against the allowance for doubtful accounts for uncollectible amounts and bad debts recovered (principal portion) are credited to the allowance for doubtful accounts.

Subsidiary operating banking business sets provision for hire purchase receivable - personal using the collective approach, which classifies groups of receivables having similar credit risk characteristics and taking into account the historical loss of loans calculated based on the probability of default and a percentage of the loss given default. Furthermore, subsidiary has set aside an additional provision by taking into consideration the potential additional loss arising from changes in economic circumstances that may impact certain borrowers' ability to pay. This methodology, its parameters and assumptions have been reviewed in detail and will be monitored on an ongoing basis for continued applicability.

4.4.2.3 *Troubled debt restructuring*

Troubled debt restructuring can involve any one of the following: modification of repayment terms, a reduction in the debt amount, asset disposition for debt settlement, asset transfer, and debt to equity swap.

As for modification of repayment terms, the Bank complies the Bank of Thailand's regulations, whereby the Bank is required to use the collateral method to calculate loss and/or the current value of expected future cash flow. Fair value is calculated based on the market interest rate on the troubled debt restructuring date. Losses from troubled debt restructuring are recognised in profit or loss on the date of restructuring.

A reduction in the debt amount, asset disposition for debt settlement, asset transfer, and debt to equity swap may result in a loss from lower principal and accrued interest receivables. The Bank recognises this directly in profit or loss.

For asset transfers and debt to equity swaps, the Bank recognises the asset or transferred equity interests at fair value, less estimated selling expenses. However, the amount must not exceed the pending principal plus interest that the creditor is legally entitled to. Resultant gains or losses are recognised in profit or loss on the transfer date. This is in accordance with TAS 104 (revised 2016).

Subsequent to the troubled debt restructuring, the Bank recalculates the fair value of restructured debt based on the aforementioned discount rates as of the date of the financial statements and makes an adjustment to the valuation of the restructured debt, if the fair value has changed, in accordance with the BOT's criteria. The adjustment in the valuation of restructured debt shall not cause the book value of restructured debt to exceed its value.

4.4.2.4 *Derivatives*

Recognition of derivatives is as follows:

Derivatives for trading are recognised initially at fair value; attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, they are remeasured at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

Derivatives for hedging: gains or losses resulting from the changes in fair values of contracts are recognised in accordance with the standard accounting treatment for income or expenses on hedged items as follows:

- Where hedged items are measured at fair value, hedging instruments are measured at fair value consistently.
- Where hedged items are measured on an accrual basis, hedging instruments are measured on an accrual basis consistently.

4.4.2.5 *Investments in debt and equity securities*

Debt securities and marketable equity securities held for trading are classified as trading securities and are stated at fair value, with any resultant gain or loss recognised in profit or loss.

Debt securities that the Bank and its subsidiaries have the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are stated at amortised cost, less allowance for impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortised using the effective interest rate method over the period to maturity.

Debt securities and marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses and foreign currency differences on available-for-sale monetary items, are recognised directly in equity. Impairment losses and foreign exchange differences are recognised in profit or loss.

Investments in (a) non-marketable equity securities, (b) investment units with conditions regarding the return on the investments similar to those of debt securities, (c) equity securities that were received as a result of debt restructuring, or (d) mutual funds, which are not classified as investments in subsidiaries or associate, are classified as general investments and stated at cost less allowance for impairment losses (if any).

Recognition

Purchases and sales of investments in debt securities are recorded on settlement dates. Purchases and sales of investments in equity securities are recorded on trade dates.

Disposal of investments

For debt and equity securities, cost of both investments sold and those still held are determined using the weighted average method.

4.4.2.6 Interest

Interest income

The Bank and its subsidiaries recognise interest income on loans on an accrual basis, except for loans on which interest has been accrued longer than 3 months, or loans classified as sub-standard, doubtful and doubtful of loss in accordance with the BoT regulations. Interest on these loans is then recognised when received and the Bank and its subsidiaries will reverse all interest income previously accrued for these loans. Interest on these loans will be recognised on an accrual basis once they are restructured and meet all of the following conditions:

1. The loans are qualified to be classified as “pass”.
2. There is no interest receivable and present value loss on debt restructuring outstanding.

Interest income on hire purchase and investment in debt securities is recognised as revenue based on the effective interest rates over the holding periods.

Interest expenses

The Bank and its subsidiaries recognise interest expenses on an accrual basis.

4.5 *Securities purchased under resale agreements/Securities sold under repurchase agreements*

The Bank and its subsidiaries enter into agreements to purchase securities or to sell securities back at certain dates in the future at fixed prices. Amounts paid for securities purchased subject to a resale commitment are presented as assets under the caption of "Interbank and money market items, net (assets)" or "Loans to customers", depending upon the type of its counterparty, in the statements of financial position, and the underlying securities are treated as collateral to such receivables. Securities sold subject to repurchase commitments are presented as liabilities under the caption of "Interbank and money market items (liabilities)" or "Debt issued and borrowings, net", depending upon the type of its counterparty, in the statements of financial position, at the amounts received from the sale of those securities, and the underlying securities are treated as collateral.

The difference between the purchase and sale considerations is recognised as interest income or expenses, as the case may be, over the transaction periods.

4.6 *Investments in subsidiaries and associate*

Investments in subsidiaries and associate as stated in the Bank only financial statements are accounted for using the cost method less allowance for impairment losses, (if any). Impairment losses are recorded as expenses in profit or loss. Investment in associate in the consolidated financial statements are accounted for using equity method.

If the Bank and its subsidiaries receive shares as a result of debt restructuring of a borrower, which cause them to hold more than 50% or 20% of the paid-up share capital of such company, they will not treat that investee company as a subsidiary or an associate, respectively.

The Bank and its subsidiaries do not treat investments in any mutual funds in which they hold more than 50% or 20% of the issued units of the fund as investments in a subsidiary or an associate, respectively, because the Bank and its subsidiaries do not have control or influence over the financial and operating policies of these funds, which are independently managed by the fund managers in accordance with the details stipulated in the mutual fund prospectus and under the supervision of the Office of Securities and Exchange Commission.

4.7 *Bill purchased, trade finance and factoring*

The Bank and its subsidiaries classify bill purchased transactions, trade finance transactions by purchasing, discounting or rediscounting bills under letters of credit, and factoring transactions as assets based on the business type of the counterparty whom the Bank and its subsidiaries have their legal recourses. In case that there is acceptance, aval or guarantee by other financial institutions, the Bank and its subsidiaries will classify the recorded transactions as assets, which are presented under the caption of "Interbank and money market items, net (assets)". In case that there is no acceptance, aval or guarantee by other financial institutions, the Bank will classify the recorded transactions as assets, which are presented under the caption of "Loans to customers" or "Interbank and money market items, net (assets)" depending upon the business type of its counterparty.

The Bank and its subsidiaries recognise the difference between purchase price and the face value of bill as unearned discounts which are presented as deductions against "Loans to customers" or "Interbank and money market items, net (assets)" as the case may be and gradually amortises such unearned discounts as interest income using the effective interest rate over the term of discounting or rediscounting periods.

4.8 *Properties for sale*

Properties for sale are stated at the lower of cost or net realisable value. Impairment losses is recognised as an expense in profit or loss. Gains or losses on disposal is recognised in profit or loss when a disposal is made.

Cost of properties for sale as a result of settlement from a debtor is stated at fair value less estimated direct cost to sell, to the extent that this does not exceed the carrying value of the debt plus non-booked interest receivable to which the Bank and its subsidiaries are legally entitled. Cost of properties for sale through a public auction process is the purchase price plus transfer costs and less estimated direct cost to sell.

The Bank and its subsidiaries consider net realisable value for each unit of properties for sale. Net realisable value is the recoverable value from disposal of properties for sale less estimated selling expenses. The recoverable value from disposal of properties for sale is assessed with reference to the appraisal value of each unit of properties for sale and is adjusted down by varying discount rates, taking into consideration the quality of assets (location, infrastructure and property usage potential), holding period, historical disposal experience and market demand.

4.9 Premises and equipment

Land is measured at revalued amount less allowance for impairment losses (if any), buildings are measured at revalued amount less accumulated depreciation and allowance for impairment losses (if any), and equipment is measured at cost less accumulated depreciation and allowance for impairment losses (if any).

The Bank and its subsidiaries initially record premises and equipment at their costs on the acquisition dates. Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of premises and equipment have different useful lives, they are accounted for as separate items (major components) of premises and equipment.

The cost of replacing a part of an item of premises and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Bank and its subsidiaries, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of assets are recognised in profit or loss as incurred.

The Bank and its subsidiaries thereafter, arrange to have the independent valuers appraise the land and buildings on a regular basis and records them at the revalued amount (Revalued amounts are determined by the independent valuer using the market approach for land and the depreciated replacement cost approach for buildings) such that the carrying values of such assets as at the end of the reporting period do not materially differ from their fair values.

The Bank and its subsidiaries recognise surplus/deficit arising as a result of revaluation of their assets as follows:

- (1) When an asset's carrying amount is increased as a result of a revaluation of the assets, the increase is credited directly to other comprehensive income and the cumulative increase is recognised in other reserve under the heading of "Revaluation surplus on assets". However, if the asset is previously devalued and the Bank and its subsidiaries used to recognise such revaluation decrease as an expense in profit or loss, a revaluation increase from this revaluation is then recognised as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.
- (2) When an asset's carrying amount is decreased as a result of a revaluation of the asset, the decrease is recognised in profit or loss. However, if the asset was previously revalued and an outstanding balance of revaluation surplus remains in other reserve under the heading of "Revaluation surplus on assets", the revaluation decrease is then charged to other comprehensive income to the extent that it does not exceed the amount already held in "Revaluation surplus on assets" in respect of the same asset and the revaluation decrease in excess of the amount already held in "Revaluation surplus on assets" in respect of the same asset is recognised in profit or loss.

Depreciation of buildings and equipment is calculated by reference to their cost or the revalued amounts, on a straight-line basis over the following estimated periods of useful lives. (Depreciation of fixed assets of overseas branches is computed at a rate specified by the applicable laws, which is at the rate of 20% of the cost or the estimated useful life of 5 years.)

Buildings	Appraised by independent professional appraisers (average at 50 years)
Leasehold improvement	6 - 20 years
Equipment	3 - 10 years

TMB Bank Public Company Limited and its subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

Depreciation is charged to profit or loss. No depreciation is determined for land and assets under construction and installation. Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

The revaluation surplus on assets is amortised, using the straight-line method, over the estimated remaining periods of those assets' estimated useful lives and directly charged to retained earnings. The remaining of revaluation surplus on an item of land and buildings, that is derecognised of, is transferred directly to retained earnings when the asset is derecognised of.

An item of premises and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is recognised in profit or loss when the asset is derecognised.

4.10 Leases

Accounting policies applicable from 1 January 2020

At inception of a contract, the Bank and its subsidiaries assess whether a contract is, or contains, a lease. If a contract contains lease and non-lease components, the Bank and its subsidiaries apply TFRS 15 to allocate the consideration in the contract.

The Bank and its subsidiaries recognise a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of premises and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Bank and its subsidiaries' incremental borrowing rate and subsequently at amortised cost using the effective interest method.

The lease liability is remeasured when there is a modification, change in lease term, change in lease payments, change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of purchase, extension or termination options. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Bank and its subsidiaries present right-of-use assets in premises and equipment/intangible assets and lease liabilities in 'other liabilities' in the statement of financial position.

Accounting policies applicable before 1 January 2020

Operating lease

Lease not transferring a significant portion of the risks and rewards of ownership to lessee are classified as operating lease.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

4.11 Goodwill and other intangible assets

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in note 4.1 Subsequent to initial recognition, goodwill is measured at cost less allowance for impairment losses.

Other intangible assets

Other intangible assets that are acquired by the Bank and its subsidiaries and have finite useful lives are measured at cost less accumulated amortisation and allowance for impairment losses.

Other intangible assets include car dealer relationship. These intangible assets were acquired in a business combination. These intangible assets are initially measured at their fair value at the date of acquisition and subsequently stated at cost less accumulated amortisation and allowance for impairment losses.

Amortisation

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives of computer software and car dealer relationship for the current and comparative years are 3 - 14 years.

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

4.12 Impairment

The carrying amounts of the Bank and its subsidiaries' assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversal of impairment

An impairment loss in respect of goodwill is not reversed. Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

4.13 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post employment benefits and other long-term employee benefits

Defined contribution plan

The Bank and its subsidiaries and the employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Bank and its subsidiaries. The fund's assets are held in a separate trust fund and the Bank and its subsidiaries' contributions are recognised as expenses when incurred.

Defined benefit plans

The Bank and its subsidiaries treat the severance payments they must make to employees upon retirement under labour law and other benefit (if any) as a post-employment benefit plan and the obligation to provide memorable gifts to employees when the employees have worked for the specified length of years in service as other long-term employee benefit plan.

Provisions for post-employment benefit plan and other long-term employee benefit plan are determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method. These actuarial techniques involve assumptions with reference to various variables such as demographic assumptions (e.g. staff turnover rate, mortality rate, etc.) and financial assumptions (e.g. salary incremental rate, discount rate, etc.).

Actuarial gain or loss arising from a post-employment benefit plan is recognised in other comprehensive income and taken as a part of retained earnings.

Actuarial gain or loss arising from other long-term employee benefit plan is recognised in profit or loss.

Share-based payments

The cost of the TMB Stock Retention Program is recognised when services are rendered by employees. The cost of the share-based payment plan is measured by reference to the fair value of the issued shares on the grant date (date of offering of new ordinary shares to the employees).

The cost of the share-based payment plan is recognised as expenses in profit or loss with a corresponding increase in "Other reserve - share-based payments" in equity over the periods in which the performance and service conditions are fulfilled. The cumulative expenses, which involve the Bank and its subsidiaries' management best estimate of number or ordinary shares that will ultimately vest, is recognised for the share-based payment plan at each reporting period-end until the vesting date. The expenses or reversal of expenses for a period represented the movement in cumulative expenses recognised as at the beginning and at the end of the reporting year.

4.14 Provisions

A provision is recognised if, as a result of a past event, the Bank and its subsidiaries have a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

Provisions for contingent liabilities as a result of obligation having credit risk exposures

The Bank and its subsidiaries provide provisions for those off-balance sheet items having credit risk exposures, such as loan guarantees, avals or commitments irrevocable by financial institutions, or obligation according to letter of guarantee of which the Bank and its subsidiaries were claimed against, using the same criteria and methods applied to allowance for doubtful accounts that are described in note 4.4.1.6 and 4.4.2.2.

4.15 Measurement of fair values

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Bank and its subsidiaries has access at that date. The fair value of a liability reflects its non-performance risk.

The Bank and its subsidiaries have an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Bank and its subsidiaries Audit Committee.

When measuring the fair value of an asset or a liability, the Bank and its subsidiaries use observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are based on unobservable input.

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Bank and its subsidiaries recognise transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

4.16 Fee and commission

Accounting Policy applicable from 1 January 2020

Fee and commission income and expense that are integral to the effective interest rate on a financial asset or financial liability are included in the effective interest rate.

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Fees which are not integral to the effective interest rate on a financial asset or financial liability are recognised as revenue on an accrual basis and service income is recognised as revenue when services are rendered, taking into account the stage of completion of the services provided and conditions in the contract. Fee received in advance is recorded as “Deferred revenue” in the statements of financial position and recognised as revenue when services are rendered. In case that the Bank and its subsidiaries provide customer loyalty programmes, such as award points to redeem goods or services, etc. to their customers to motivate them to become their loyal customers, the Bank and its subsidiaries shall allocate the fair value of the award points earned by customers each time they use services of the Bank and its subsidiaries from considerations received on services they provide each time. The amount is recorded as “Deferred revenue” in the statements of financial position and it will be recognised as revenue in profit or loss when the customers redeem the award points.

Fees and service expenses

The Bank and its subsidiaries recognise fees and service expenses which are not integral to the effective interest rate on a financial asset or financial liability on an accrual basis.

Accounting policy applicable before 1 January 2020

Fees and service income

Fees are recognised as revenue on an accrual basis and service income is recognised as revenue when services are rendered, taking into account the stage of completion of the services provided and conditions in the contract. Fee received in advance is recorded as “Deferred revenue” in the statements of financial position and recognised as revenue when services are rendered. In case that the Bank and its subsidiaries provide customer loyalty programmes, such as award points to redeem goods or services, etc. to their customers to motivate them to become their loyal customers, the Bank and its subsidiaries shall allocate the fair value of the award points earned by customers each time they use services of the Bank and its subsidiaries from considerations received on services they provide each time. The amount is recorded as “Deferred revenue” in the statements of financial position and it will be recognised as revenue in profit or loss when the customers redeem the award points.

Fees and service expenses

The Bank and its subsidiaries recognise fees and service expenses on an accrual basis.

4.17 Income from finance lease contracts

The Bank and its subsidiaries recognise income from finance lease contracts based on the effective interest method.

4.18 Dividend income

Dividend income is recognised when the right to receive income is established. Dividend income is presented in other operating income.

4.19 Net trading income and foreign exchange transactions

Net trading income comprises gains less losses related to trading assets and liabilities, and includes all fair value changes and foreign exchange differences.

Net income on trading and foreign exchange transactions are recognised based on the remeasurement to fair value of the underlying instruments in profit or loss on an accrual basis.

4.20 *Income tax*

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Bank and its subsidiaries expect, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Bank and its subsidiaries take into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Bank and its subsidiaries believe that their accruals for tax liabilities are adequate for all open tax years based on their assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Bank and its subsidiaries to change their judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the year that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Bank and its subsidiaries. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

4.21 *Earnings per share*

The Bank and its subsidiaries present basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted EPS is determined by adjusting the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of potential ordinary shares from TMB Stock Retention Program.

4.22 *Related parties*

A related party is a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Bank and its subsidiaries; a person or entity that are under common control or under the same significant influence as the Bank and its subsidiaries; or the Bank and its subsidiaries have direct or indirect control or joint control or has significant influence over the financial and managerial decision-making of a person or entity.

4.23 *Segment reporting*

Segment results that are reported to the Bank Executive Committee (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items are not included in reporting segment operating results.

4.24 *Offsetting*

Financial assets and liabilities are offset, and the net amount is reported in the statements of financial position when the Bank and its subsidiaries have a legal, enforceable right to set off the recognised amounts and the transactions are intended to be settled on a net basis.

5 **Impact of COVID-19**

At the onset of the COVID-19 pandemic, the Bank and its subsidiaries have provided its relief measure for all customer segments in the form of payment holiday for principal and interest, a reduction of interest payment, extension of installment period, and soft loan facilities. As at 31 December 2020, the Bank and its subsidiaries had the customers under the relief program representing approximately 15% (*Bank only: 15%*) of the total loan portfolio. The Bank and its subsidiaries continue to monitor and supporting customers to ensure that customers can recover in the long run.

In relation to financial reporting, the Bank and its subsidiaries have adopted accounting relief on the use of new effective interest rate (EIR) at the time contracts are changed. This has been applied for all customers under relief program.

As the COVID-19 pandemic is ongoing, management considered the impact of the COVID-19 to the financial assets based on available information and the potential impact on the initial ECL estimates. As at 31 December 2020, management provided additional ECL as management overlay especially for the customers under relief programs and impact from economic condition.

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6 Acquisition of subsidiary

On 7 August 2019, the Board of Directors meeting No. Special 4/2562 resolved to approve, in principle, the entry into a share purchase agreement in relation to the acquisition of shares in Thanachart Bank Public Company Limited (TBANK) and authorise the management of the Bank to negotiate, agree and execute the share purchase agreement with Thanachart Capital Public Company Limited (TCAP) and Scotia Netherlands Holding B.V. (BNS), which is a company in a group of the Bank of Nova Scotia, under the terms and conditions therein.

On 8 August 2019, the Bank and two major shareholders of TBANK, namely TCAP and BNS, entered into a share purchase agreement (the SPA). Under the SPA, the Bank agreed to purchase 6,062,438,397 shares in TBANK (accounting for approximately 99.96% of the total issued and outstanding shares in TBANK) from the said major shareholders and to offer to purchase the remaining 2,423,773 shares (accounting for approximately 0.04% of the total issued and outstanding shares in TBANK) from all other minority shareholders of TBANK.

On 23 September 2019, the Extraordinary General meeting of Shareholders No. 1/2019 resolved to approve the Sale and purchase Agreement for Share in Thanachart Bank Public Company Limited (TBANK) (the SPA) as mentioned above.

On 3 December 2019, the Bank has acquired an aggregate of 6,062,438,397 shares, accounting for 99.96% of the total outstanding shares in TBANK, from TCAP and BNS and paid on an initial amount of Baht 167,044 million. As a result, TBANK is currently a subsidiary of the Bank. On 20 February 2020, the final price of the acquired share was approved and concluded by the Bank at Baht 27.70 per share in a total amount of Baht 167,903 million.

The following summarises recognised amounts of assets acquired and liabilities assumed at the acquisition date:

	<i>Note</i>	Fair value <i>(in million Baht)</i>
Cash		8,870
Interbank and money market items, net		165,209
Derivative assets		3,122
Investment, net		108,490
Loans to customers and accrued interest receivables, net		696,443
Properties for sale, net	18	2,111
Investment in associate		6,300
Land, premises, and equipment, net	19	10,402
Intangible assets, net	20	5,247
Other assets, net		3,743
Deposits		(743,345)
Interbank and money market items		(49,018)
Liabilities payable on demand		(1,735)
Derivative liabilities		(2,513)
Debt issued and borrowings, net		(34,439)
Provisions for employee benefits	26	(3,347)
Provisions for other liabilities	27	(1,139)
Deferred tax liabilities	21	(4,969)
Other liabilities		(15,573)
Net identifiable assets acquired and liabilities assumed		153,859
Non-controlling interest		(61)
Net identifiable assets acquired and liabilities assumed		153,798
Goodwill	20	14,105
Total consideration		167,903

7 Risk management

Risk management approach

Risk management is an integral part of the Bank and its subsidiaries' business activities and strategic planning with the objective to optimize risks and returns and create sustainable shareholder value. The Bank and its subsidiaries establish a solid risk governance framework which serves as the foundation for the consistent and effective risk management. Risk governance framework mainly consists of risk appetite, risk management policies and strategies, risk culture, risk management processes and system which can address the overall risk and significant risks of the Bank and its subsidiaries i.e. credit, market, non-financial, liquidity, reputational and strategic risks.

The Board of Directors holds the ultimate responsibility of overall risk management and ensure that all risk governance framework is well communicated through the whole organisation. For effective risk oversights, the Risk Oversight Committee (ROC) has been delegated by the Board of Directors to review and oversee the management of all risks across the Bank and its subsidiaries are authorised to approve certain parts of the Bank and its subsidiaries' risk management policies, guidelines, strategies, frameworks and standards. Other risk committees which oversee specific risk areas holds the responsibility to assure that each risk area is well-managed in alignment with overall risk management.

Business Units which are the 1st line of defense, are primarily responsible for managing risks and applying appropriate risk mitigation within their responsible portfolio. Risk management functions which serve as the 2nd line of defense under the stewardship of the Chief Risk Officer (CRO) are mainly responsible for managing each significant risks of the Bank and its subsidiaries including establishing risk appetite, risk management policies and guidelines, formulating risk management strategies, developing tools/systems and providing oversight 1st line of defense. Internal audit function independent from the 1st and 2nd line of defense serves as the 3rd line of defense by providing independent and objective assurance on the effectiveness of controls and recommends improvements to the governance, risk and control framework.

Market Conduct Risk Management (MCRM) has been established as a dedicated 2nd line of defense function governing the overall market conduct standard covering all 9 Pillars in line with Bank of Thailand's guidelines consisting of Corporate culture and role & responsibilities of Board of directors and senior management, Product development and client segmentation, Remuneration scheme, Sales process, Communication & training, Data protection, Problem solving and complaint handling, Three lines of defense, as well as Operation & Business continuity plan in order to ensure that the Bank and its subsidiaries offering products and services transparently, fairly and responsibly, as well as ensures safekeeping of customer information.

Additionally, the Bank has established Credit Risk Management Department in accordance with size of the borrowers, comprising of 1) Commercial Credit Risk Management, responsible for risk measurement and management for the commercial lending, which is separated according to size of the business to enhance risk management efficiency, including large, medium and small corporates and; 2) Retail Credit Risk Management, responsible for risk measurement and management for secured and unsecured lending to individuals and small non-juristic businesses.

7.1 *Credit risk*

Credit risk is the risk to the Bank and its subsidiaries as a result of borrowers and/or counterparties failing to meet their financial or contractual obligations in accordance with agreed terms. It arises principally from granting loans and undertaking contingent liabilities, and also from certain off-balance sheet items products such as guarantees and derivatives, etc.

Credit Risk Appetite Statement (Credit RAS)

Credit RAS is a formally documented statement of the maximum level of credit risks that the Bank and its subsidiaries are willing to accept in pursuit of its business objectives. The Bank and its subsidiaries develop and review its Credit RAS at Bank-wide level, BU level and Portfolio level, covering all relevant credit risk metrics to monitor the quality of credit portfolio and control obligor concentration.

Credit Risk Policies and Guidelines

The Bank has put in place Master Credit Risk Management Policy to govern all key aspects of credit risk management. In addition, Credit risk management guidelines are established to provide the guidance in each credit risk aspects stated in Master Credit Risk Management Policy. All relevant business units and support units are required to formulate supplementary credit policies, guidelines, framework, standards, criteria, processes and procedures specific to their respective businesses.

Credit Approval Process

In managing credit risk, the Bank and its subsidiaries segregate the roles and responsibilities of the credit marketing function from the credit granting function to ensure proper checks and balances. Individual credit risk is analysed and assessed by experienced credit officers and approved by an appropriate authority depending on the size and credit rating of customer.

Where appropriate, the Bank and its subsidiaries demand the placement of adequate collateral by customers in various forms including, for example, land and building, bank deposits, securities, and personal/corporate guarantees, etc.

The Bank and its subsidiaries have contingent liabilities by issuing loan payment and other forms of guarantees, as well as issuing letters of credit and endorsing AVAL on commercial bills and notes for its customers. Such contingent transaction activities require assessment on financial condition of customers in the same manner as done for direct lending. The Bank and its subsidiaries also make a standard practice to set conditions to mitigate the elements of risk in the same manner as for direct lending procedures.

Internal Audit

The Audit unit, independent unit, is responsible for performing the assessments and making recommendations to improve the adequacy and effectiveness of credit-related processes and the risk management processes.

Independent Credit Review

Independent Credit Review, under Market Conduct Risk Management (MCRM), is an independent unit responsible to review end-to-end credit process to ensure the credit process; including risk monitoring control of post approval, debt classification, provisioning and write-off, comply with the policy and procedure, appropriate balance and align with regulator's requirement.

Internal Rating and External Rating Framework

Risk ratings are typically based on credit analysis factors and/or market condition indicators, considering both the quantitative and qualitative information. The Bank and its subsidiaries developed internal credit risk models for supporting all bank-wide activities starting from setting of risk appetite statements, underwriting process, monitoring/measuring and predicting changes in portfolio quality, early response to deterioration trends, to serving as communication tool within the organization.

Credit risk models have been developed to determine probability of default (PD), exposure at default (EAD), and loss given default (LGD). All models comprise both quantitative and qualitative factors/information. For the qualitative aspect, the data is collected from historical or from service providers. In addition to the wide range of activities described above, the Bank and its subsidiaries also uses credit risk models in the process to determine loan loss provisioning, regulatory capital, and economic capital.

The Bank and its subsidiaries set up Risk Rating Guideline to provide the logic and use of creating and verifying model-based Risk Ratings. Currently, the Bank and its subsidiaries uses different risk rating models according to different borrower segment.

Credit risk grade is based on risk rating (or PD models). The Bank and its subsidiaries apply different types of internal rating models as 2 categories (1) Internal rating models for Commercial portfolio - based on most recent available financial position and qualitative assessment on the profile of the borrowers; and, (2) Internal rating models for small SME and retail portfolios are based on behavioural and/or credit performance proved by statistical methods to measure an appropriate credit risk grade.

Exposures and the corresponding credit risk grades are subject to review at a frequency stipulated in the Guideline. Risk rating models, and the performance of the models are subject to regular monitoring. This is a process to keep both risk grade and models up to date and healthiest.

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A credit risk grade is ranked from lowest to highest. The lower the number in the rank, the lower the probability of default. The highest rating represents Non-performing loans with probability of default of 100%.

In addition to the internal rating, the Bank and its subsidiaries also use external ratings from an international rating agency as references for credit risk grade of investment related activities/portfolios.

Information related to ECL

Significant increase in credit risk

SICR is assessed by comparing the risk of default of an exposure at the reporting date to the risk of default at origination, the significance of which being determined by using a number of quantitative and qualitative factors. Financial assets that are 30 or more days past due and not credit-impaired will always be considered to have experienced a significant increase in credit risk.

Quantitative factors include an assessment of whether there has been significant increase in the forward-looking probability of default (PD) since origination. A forward-looking PD is one that is adjusted for future economic conditions to the extent these are correlated to changes in credit risk. If the thresholds are exceeded, the instrument is considered to have experienced a significant increase in credit risk.

Qualitative factors assessed include those linked to current credit risk management processes. Indicators could include weak operating results or observed liquidity issues among a number of other factors.

Definition of default

Financial assets are assessed for credit-impairment at each reporting date and more frequently when circumstances warrant further assessment. Evidence of credit-impairment includes arrears of over 90 days on any material credit obligation, indications that the borrower is experiencing significant financial difficulty, a breach of contract, bankruptcy or distressed restructuring.

Loan Loss Provisioning, TFRS9, and ECL model

Since 1 January 2020, the Bank and its subsidiaries have recognised loss allowances based on the expected credit loss (ECL) model of TFRS9, which is designed to be forward-looking. The TFRS9 impairment requirements are applicable to on-balance sheet financial assets measured at amortised cost or fair value through other comprehensive income (FVOCI), such as loans and debt securities, as well as off-balance sheet items such as undrawn loan commitments, certain financial guarantees, and undrawn committed revolving credit facilities. These financial instruments are divided into three groups, depending on the stage of credit quality deterioration ("Staging"). The ECL model parameters are estimated based on statistical techniques and supported by expert judgement.

Incorporation of forward-looking information

IFRS9 requires that expected credit loss takes into consideration the effect from the economic movement or so-called forward-looking factor. Modelling newly regulated credit risk should also incorporate the state of economy, which is best represented by GDP growth and some of its components.

The Bank and its subsidiaries apply forward-looking factor into the ECL models. For macroeconomic input/ projections, the Bank and its subsidiaries leverages on information from external sources, such as consensus economic data or forecasts published by governmental bodies. Then, statistical techniques are applied to transform the data into a multiple scenario analysis. Finally, the scenarios are used to derive lifetime parameters, which are applied in the calculation of expected credit losses and in the identification of significant deterioration in credit quality of financial assets as described previously.

The Bank and its subsidiaries formulate three forward-looking economic scenarios; a base case, which is the baseline scenario, and two less likely scenarios, one upside and one downside scenario. Macroeconomic variables include economic data and forecasts. Examples of the macro economic variables used in the forward-looking information are Gross Domestic Product (GDP), interest rate, and unemployment rate.

Management Overlay

The Bank and its subsidiaries calculated the ECL based on the model. However, management overlays was considered when underlying assumptions or data used to estimate ECLs do not reflect current circumstances, events or conditions of the Bank and its subsidiaries at the reporting date as post-model adjustments.

7.1.1 Credit quality

The following tables set out information about the credit quality as at 31 December 2020 of loans to customers without taking into account collateral or other credit enhancement. The Bank and its subsidiaries classified a risk level based on most recent financial position, behaviours and qualitative factors.

Risk level	Consolidated			Total
	Stage 1	Stage 2	Stage 3	
	<i>(in million Baht)</i>			
Loans to customers and accrued interest receivables - net				
Low	905,827	5,269	-	911,096
Medium	330,188	47,415	-	377,603
High	1,623	69,451	-	71,074
NPLs	-	-	41,685	41,685
Gross carrying amount	1,237,638	122,135	41,685	1,401,458
Less allowance for expected credit loss	(11,126)	(21,617)	(20,235)	(52,978)
Carrying amount	1,226,512	100,518	21,450	1,348,480

Risk level	Bank Only			Total
	Stage 1	Stage 2	Stage 3	
	<i>(in million Baht)</i>			
Loans to customers and accrued interest receivables - net				
Low	459,316	852	-	460,168
Medium	182,197	28,046	-	210,243
High	788	31,449	-	32,237
NPLs	-	-	23,067	23,067
Gross carrying amount	642,301	60,347	23,067	725,715
Less allowance for expected credit loss	(4,904)	(14,495)	(12,541)	(31,940)
Carrying amount	637,397	45,852	10,526	693,775

Major investment in debt securities of the Bank and its subsidiaries are investment in government and state enterprise securities which are considered as low-risk financial assets, except investment in debt securities of a public company which are held by a subsidiary approximately Baht 1,563 million are considered as non-performing financial assets.

7.1.2 Collateral held and other credit enhancements

In addition to determining counterparty credit quality through risk rating, the Bank and its subsidiaries also uses collateral as one type of credit risk mitigation to reduce potential credit losses to the Bank and its subsidiaries. The type of eligible collateral consists of financial and non-financial collaterals which valued primarily based on their quality and liquidity. The value of collateral is primarily assessed on a prudent basis to ensure that the value assigned to the collateral remains current.

The assessment of the suitability of collateral for a specific credit transaction is part of the credit decision making which undertaken in a conservative way, including collateral haircuts that are applied. The Bank and its subsidiaries strives to avoid “wrong-way” risk characteristics where the borrower’s counterparty risk is positively correlated with the risk of deterioration in the collateral value.

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For “guarantee”, the process for the analysis of the guarantor’s creditworthiness is aligned to the credit assessment process for borrowers.

Loan-to-Value (LTV) ratio is used in entire credit processes, for examples

- Credit evaluation process - different risk levels require different LTVs
- Credit approval process - LTV is one of the factors to determine the level of approval authorities. At present, the Bank defines the approval authority based on business type, industry, the customer’s risk rating as well as LTV criteria whereby LTV criteria is applied for Commercial Banking customer at appropriate level depend on industry. For mortgage Loan, 70% to 100% LTV criteria is applied. For hire purchase, 60% to 100% LTV criteria is applied, depending on risk level of customer and collateral.

Collateral Appraisal Approach:

The appraisal shall be conducted by applying one or more of the approaches specified in the codes of professional ethics and standards of appraisal practice stipulated by the Office of the Securities and Exchange Commission (SEC) and is under responsibility of Asset Appraisal Department. The following are example of collateral appraisal approach:

- Immovable property for commercial purpose shall be appraised by the cost approach, or the direct sales comparison approach, or the income approach.
- Immovable property for residential purpose shall be appraised by the direct sales comparison approach, or the cost approach.
- Other immovable properties shall be appraised by the cost approach, or the direct sales comparison approach, or the income approach.
- Machinery and vehicle shall be appraised by the direct sales comparison approach, or the cost approach
- Criteria for appraising marketable equity securities and debt securities collateral shall be established in writing and agreed among the Appraisal Committee members.

The following table sets out the principal types of collateral held against different types of loan to customer and accrued interest receivables as at 31 December 2020.

Type of credit exposures	Consolidated (in million Baht)	Principal type of collateral held
Loans to customers and accrued interest receivables		
- Loans to corporate customers	615,412	Properties, plant, equipment and guarantee by government unit
- Retail mortgage lending	296,347	Properties
- Hire purchase	404,865	Vehicle
- Others	84,834	None

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Type of credit exposures	Bank only (in million Baht)	Principal type of collateral held
Loans to customers and accrued interest receivables		
- Loans to corporate customers	474,140	Properties, plant and guarantee by government unit
- Retail mortgage lending	193,850	Properties
- Others	57,725	None

7.1.3 Concentrations of credit risk

The Bank and its subsidiaries monitor concentration in different dimensions including sector. Concentrations of credit risk from loans to customers and accrued interest receivables as at 31 December 2020 is shown below.

	Consolidated (in million Baht)	Bank only
<i>Concentration by sector</i>		
Agricultural and mining	20,502	15,001
Real estate and construction	59,157	24,965
Public utilities and services	158,538	113,647
Retail mortgage lending	296,347	193,850
Manufacturing and commerce	361,882	312,173
Hire purchase	404,865	-
Others	100,167	66,079
Total	1,401,458	725,715

7.2 Market risk

Market risk refers to losses that may happen due to the fluctuations of foreign exchange rates, interest rates, and prices of equity securities, all of which may impact the value of the Bank's assets, liabilities, and off-balance sheet items.

The Bank and its subsidiaries have established various market risk policies, which set standards and guidelines for market risk management. The sub-committee holds the responsibility to assist the BOD and the ROC to ensure that bank-wide market risk management complies with the relevant risk policies and defined levels of risk appetite. The Bank and its subsidiaries classify the overall market risk management into two parts: trading book and banking book. The Bank and its subsidiaries have developed a policy to set standards on the book definitions and transaction classification criteria as well as the treatment of each book.

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Market risk in the trading book

Market risk in the trading book consists of market risk from exposures of financial instruments and derivatives that are held with trading intent or for hedging other positions in the trading book. The Bank and its subsidiaries have established the market risk policies for trading book to ensure the proper management of market risks in the trading book as well as impose limits to control the risks to be within the Bank and its subsidiaries' risk appetite.

Market risk in the banking book

Market risk in the banking book consists of market risks incurred from the Bank and its subsidiaries' both on and off-balance sheet items, and derivatives designated to hedge other banking book items.

The Bank and its subsidiaries have established the market risk policies for banking book, which outlines the approach for managing market risks in the banking book and setting the relevant limits appropriate to the positions of the risks in the book and in line with the Bank and its subsidiaries' risk appetite.

The Bank and its subsidiaries also analyse risks and regularly assess the impact, the results of which are used as tools to manage the Bank's assets and liabilities structure to be in line with the changing market environment.

7.2.1 *Interest rate risk*

Interest rate risk is the risk from future movements in market interest rates including changes in interest rates of rate sensitive assets and liabilities that will have negative impact to the Bank's and its subsidiaries' operating results, cash flows and economic value.

The Bank and its subsidiaries' principal financial assets, namely loans to customers mostly earn interest at floating rates, based on MRR, MLR, MOR, interest rates of time deposits or other benchmark floating rates such as BIBOR, LIBOR, etc.

As at 31 December 2019, financial assets and liabilities classified by types of interest rates were as follows:

	Consolidated 2019			Total
	Floating interest rate	Fixed interest rate	Non-interest bearing	
	<i>(in million Baht)</i>			
Financial assets				
Cash	-	-	23,853	23,853
Interbank and money market items net of deferred revenue	48,114	178,769	9,564	236,447
Investments, net	10,145	154,372	1,748	166,265
Investment in subsidiaries and associate, net	-	-	8,953	8,953
Loans to customers net of deferred revenue	663,318	718,309	10,598	1,392,225
Other financial assets - net	667	-	9,303	9,970
Total financial assets	722,244	1,051,450	64,019	1,837,713

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	Consolidated 2019			Total
	Floating interest rate	Fixed interest rate	Non-interest bearing	
	(in million Baht)			
Financial liabilities				
Deposits	948,771	414,242	35,099	1,398,112
Interbank and money market items	37,096	46,738	2,792	86,626
Liabilities payable on demand	-	-	3,382	3,382
Financial liabilities designated at fair value through profit or loss	418	-	-	418
Debts issued and borrowings	4,527	104,290	18	108,835
Other financial liabilities	2,100	-	24,057	26,157
Total financial liabilities	992,912	565,270	65,348	1,623,530

	Bank only 2019			Total
	Floating interest rate	Fixed interest rate	Non-interest bearing	
	(in million Baht)			
Financial assets				
Cash	-	-	13,427	13,427
Interbank and money market items net of deferred revenue	45,644	68,410	7,540	121,594
Investments, net	10,145	50,098	264	60,507
Investment in subsidiaries and associate, net	-	-	168,062	168,062
Loans to customers net of deferred revenue	470,745	190,702	10,156	671,603
Other financial assets - net	457	-	4,143	4,600
Total financial assets	526,991	309,210	203,592	1,039,793

Financial liabilities				
Deposits	572,216	62,542	28,801	663,559
Interbank and money market items	6,087	65,472	1,192	72,751
Liabilities payable on demand	-	-	2,362	2,362
Financial liabilities designated at fair value through profit or loss	418	-	-	418
Debts issued and borrowings	4,523	72,812	18	77,353
Other financial liabilities	1,468	-	10,055	11,523
Total financial liabilities	584,712	200,826	42,428	827,966

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As at 31 December 2020 and 2019, significant financial assets and liabilities classified by interest repricing periods were as follows:

	Consolidated 2020					Total
	Repricing periods			Non- performing assets	Non- interest bearing	
	Within 3 months	Over 3 months to 1 year	Over 1 year			
						<i>(in million Baht)</i>
Financial assets						
Cash	-	-	-	-	21,943	21,943
Interbank and money market items net of deferred revenue	192,953	937	-	-	17,349	211,239
Financial assets measured at fair value through profit or loss	979	-	2,435	-	374	3,788
Investments, net	27,444	20,186	83,571	1,563	1,587	134,351
Investments in subsidiaries and associate, net	-	-	-	-	8,599	8,599
Loans to customers net of deferred revenue	586,581	136,906	619,351	39,593	10,494	1,392,925
Other financial assets - net	1,227	-	-	-	11,095	12,322
Total financial assets	809,184	158,029	705,357	41,156	71,441	1,785,167
Financial liabilities						
Deposits	1,256,893	73,084	8,557	-	34,874	1,373,408
Interbank and money market items	62,615	1,425	7,684	-	4,185	75,909
Liabilities payable on demand	-	-	-	-	3,895	3,895
Financial liabilities designated at fair value through profit or loss	432	-	-	-	-	432
Debts issued and borrowings	15,498	17,553	55,804	-	110	88,965
Other financial liabilities	3,859	-	-	-	16,228	20,087
Total financial liabilities	1,339,297	92,062	72,045	-	59,292	1,562,696

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	Consolidated 2019					Total
	Repricing periods			Non- performing assets	Non- interest bearing	
	Within 3 months	Over 3 months to 1 year	Over 1 year			
	(in million Baht)					
Financial assets						
Cash	-	-	-	-	23,853	23,853
Interbank and money market items net of deferred revenue	226,471	412	-	-	9,564	236,447
Investments, net	49,914	53,009	61,594	-	1,748	166,265
Investments in subsidiaries and associate, net	-	-	-	-	8,953	8,953
Loans to customers net of deferred revenue	723,476	99,134	521,595	37,746	10,274	1,392,225
Other financial assets - net	667	-	-	-	9,303	9,970
Total financial assets	1,000,528	152,555	583,189	37,746	63,695	1,837,713
Financial liabilities						
Deposits	1,067,985	278,363	16,665	-	35,099	1,398,112
Interbank and money market items	75,065	7,139	1,630	-	2,792	86,626
Liabilities payable on demand	-	-	-	-	3,382	3,382
Financial liabilities designated at fair value through profit or loss	418	-	-	-	-	418
Debts issued and borrowings	10	34,007	74,800	-	18	108,835
Other financial liabilities	2,100	-	-	-	24,057	26,157
Total financial liabilities	1,145,578	319,509	93,095	-	65,348	1,623,530
	Bank only 2020					
	Repricing periods			Non- performing assets	Non- interest bearing	Total
	Within 3 months	Over 3 months to 1 year	Over 1 year			
	(in million Baht)					
Financial assets						
Cash	-	-	-	-	12,836	12,836
Interbank and money market items net of deferred revenue	178,357	29,936	-	-	13,000	221,293
Financial assets measured at fair value through profit or loss	979	-	-	-	147	1,126
Investments, net	23,444	6,322	43,028	-	529	73,323
Investments in subsidiaries and associate, net	-	-	-	-	158,852	158,852
Loans to customers net of deferred revenue	544,007	108,313	35,143	22,005	10,494	719,962
Other financial assets - net	800	-	-	-	8,556	9,356
Total financial assets	747,587	144,571	78,171	22,005	204,414	1,196,748
Financial liabilities						
Deposits	753,225	31,011	2,724	-	28,718	815,678
Interbank and money market items	42,140	795	5,207	-	3,007	51,149
Liabilities payable on demand	-	-	-	-	2,898	2,898
Financial liabilities designated at fair value through profit or loss	432	-	-	-	-	432
Debts issued and borrowings	15,493	17,553	55,804	-	110	88,960
Other financial liabilities	3,217	-	-	-	8,153	11,370
Total financial liabilities	814,507	49,359	63,735	-	42,886	970,487

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	Bank only					Total
	2019					
	Repricing periods		Over 1 year	Non- performing assets	Non- interest bearing	
Within 3 months	Over 3 months to 1 year					
	(in million Baht)					
Financial assets						
Cash	-	-	-	-	13,427	13,427
Interbank and money market items net of deferred revenue	113,643	411	-	-	7,540	121,594
Investments, net	34,532	8,778	16,933	-	264	60,507
Investments in subsidiaries and associate, net	-	-	-	-	168,062	168,062
Loans to customers net of deferred revenue	502,396	82,565	58,336	18,150	10,156	671,603
Other financial assets - net	457	-	-	-	4,143	4,600
Total financial assets	651,028	91,754	75,269	18,150	203,592	1,039,793
Financial liabilities						
Deposits	597,800	33,026	3,932	-	28,801	663,559
Interbank and money market items	37,484	33,779	296	-	1,192	72,751
Liabilities payable on demand	-	-	-	-	2,362	2,362
Financial liabilities designated at fair value through profit or loss	418	-	-	-	-	418
Debts issued and borrowings	5	9,588	67,742	-	18	77,353
Other financial liabilities	1,468	-	-	-	10,055	11,523
Total financial liabilities	637,175	76,393	71,970	-	42,428	827,966

7.2.2 Foreign exchange risk

Foreign exchange risk is the risk that the value of the financial instruments will be affected by changes in foreign exchange rates.

In addition to the financial assets and liabilities denominated in foreign currencies already disclosed in the relevant notes to the financial statements, as at 31 December 2020 and 2019, the Bank and its subsidiaries' net foreign currency positions categorised by major foreign currencies were as follows:

	Consolidated					
	2020			2019		
	USD	Euro ^(*)	Other currencies ^(*)	USD	Euro ^(*)	Other currencies ^(*)
	(in USD million)					
Spot	59	(964)	139	93	(572)	49
Forward	(47)	963	(134)	(105)	571	(46)
Net position	12	(1)	5	(12)	(1)	3
	Bank only					
	2020			2019		
	USD	Euro ^(*)	Other currencies ^(*)	USD	Euro ^(*)	Other currencies ^(*)
	(in USD million)					
Spot	(295)	(965)	111	(425)	(573)	20
Forward	292	962	(108)	405	571	(19)
Net position	(3)	(3)	3	(20)	(2)	1

^(*) Balance denominated in Euro and other currencies are stated in USD equivalents.

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7.2.3 Equity price risk

Equity price risk is the risk that the Bank and its subsidiaries' earnings or value of financial assets may fluctuate due to changes in the price of equities.

The equity portfolio of the Bank and its subsidiaries are managed by specific units depending on the strategy, the types of business of the issuers of underlying securities, and the objectives for holding such equities. The equity investment management is under the supervision of the Asset and Liability Management Committee (ALCO) and/or the Chief Executive Committee (CEC) and/or Board of Executive Directors (BoED). All equity investments must comply with the bank-wide investment policy and framework, and related risk policies. The Bank and its subsidiaries have a policy to manage market risk by setting manageable limits on transactions, such as position limit and loss limits. The Risk Control Unit, which is separated from front office and back office functions, is responsible for control of risk and reporting on compliance with the various limits to the related business unit and related management, in order to facilitate responsive risk management.

As at 31 December 2020, a subsidiary had equity investments are listed on Stock Exchange of Thailand at Baht 1,304 million with the mark to market value at Baht 910 million.

7.2.4 Sensitivity analysis

Market risk in the trading book

The Bank and its subsidiaries use a number of sensitivity measurements to monitor the market risk in a trading book. The key measurements are PV01 and FX Delta. PV01 is used to monitor interest rate risk in which it measures the impact on portfolio value due to the increase in interest rate of 1 basis point. FX Delta is the rate of change of the portfolio value with respect to changes of foreign currency. FX Delta is used to monitor the foreign exchange risk of each currency.

The methodology and parameters that the Bank and Thanachart Bank ("TBANK") used to calculate these sensitivity measurements are in accordance with international standard whereby the measurement are different in certain detail. As at 31 December 2020, the key sensitivities are as follow:

	Bank only		TBANK
	Interest rate sensitivities (PV01)		Interest rate sensitivities (PV01)
	<i>(in thousand Baht)</i>		<i>(in thousand Baht)</i>
THB	410	THB	(890)
USD	(156)	USD	116
Other currencies	14	Other currencies	(4)
Total	268	Total	(778)
	Exchange rate sensitivities (FX Delta)		Exchange rate sensitivities (FX Delta)
	<i>(in thousand USD)</i>		<i>(in thousand USD)</i>
USD	(2,753)	USD	(65)
JPY	845	GBP	67
Other currencies	208	Other currencies	(93)
Total	(1,700)	Total	(91)

Market risk in the banking book

The Bank and its subsidiaries use the repricing gap approach to determine the impact of interest rate changes on net interest income and economic value of equity on a monthly basis. The repricing gap uses the remaining term or next repricing date as stipulated in the contract. There are established interest rate risk limits to monitor and control the impact of interest rate changes on the net interest income and economic value. Changes to the net interest income and economic value are computed assuming different size shocks in interest rate yield curves. As at 31 December 2020, the effect of changes in interest rates to earnings (net) by 100 bps parallel in the next 1 year were as follow:

	Consolidated Upward shift 100 bps	Bank only Upward shift 100 bps
	<i>(in million Baht)</i>	
THB	(2,692)	(293)
USD	148	130
Others	2	(4)
Total effect of change in interest rate	(2,542)	(167)

7.3 Liquidity risk

Liquidity risk refers to the risk that the Bank and its subsidiaries fail to meet its obligations as and when they fall due as a result of an inability to liquidate assets into cash in time or is unable to raise funds necessary for its operations, causing damage to the Bank.

The ALCO is responsible for assisting the BOD and the ROC in supervising the liquidity risk management of the Bank in compliance with the BoT's regulations, and ensuring that the Bank has sufficient liquidity for its operations in both normal and crisis situations. In addition, the ALCO is responsible for ensuring that appropriate funding sources are secured in line with the changing market environment.

The Balance Sheet Management unit is responsible for overall liquidity management. The Global Markets and Transaction Banking unit is responsible for day-to-day liquidity management. Additionally, the responsibilities of the Balance Sheet Management Unit include liquidity risk measurement and reporting the performance of the liquidity management to the ALCO. The Market Risk Management Unit is responsible for identifying, monitoring and controlling the liquidity risk. The Bank has the Liquidity Risk Management Policy, which is reviewed at least once a year or when necessary, to ensure that it is appropriate with the prevailing environment. The Bank and each company in the Bank's financial business group manage their liquidity risk separately.

In order to manage liquidity, the Bank and its subsidiaries continually monitor its funding sources and access to capital markets. Derivatives are used for balance sheet management to hedge the portfolio of loans, deposits and debts issued and borrowings. The Bank and its subsidiaries recognise the importance of holding highly liquid assets that can be quickly converted into cash or used as collateral for raising funds.

Risk indicators are used as tools to measure and monitor liquidity risk. These comprise financial ratios such as Loans to Deposits Ratio (LDR), Liquidity Coverage Ratio (LCR), and Net Stable Funding Ratio (NSFR), as well as cash flow models incorporating Contractual Liquidity Gap and Behavioral Liquidity Gap. The Bank and its subsidiaries set risk limits and indicators in order to maintain its liquidity risk within the Bank and its subsidiaries' approved risk appetite. The liquidity position is monitored and reported on daily and monthly basis to the ALCO.

Stress tests are performed under various scenarios, in accordance with the BoT's guidelines, in order to assess the Bank and its subsidiaries' ability to withstand a crisis. In addition, the liquidity contingency plan is prepared for various crisis situations, whereby the roles of the relevant responsible units are defined, as well as funding plans and communication plans to customers, etc.

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The Bank disclose Liquidity Coverage Ratio (LCR) information on the Bank's website (www.tmbbank.com/ir/capital_funds/basel3).

The significant financial assets and liabilities classified by remaining periods to maturity, counted from the date of statements of financial position, as at 31 December 2020 and 2019 were summarised as follows:

	Consolidated 2020					Total
	At call ⁽¹⁾	Within 1 year	1 - 5 year (in million Baht)	Over 5 year	No maturity	
Financial assets						
Cash	-	-	-	-	21,943	21,943
Interbank and money market items net of deferred revenue	23,308	187,641	290	-	-	211,239
Financial assets measured at fair value through profit or loss	-	314	2,270	830	374 ⁽²⁾	3,788
Investments, net						
Investments in debt instruments measured at AMC	-	35	569	17	-	621
Investments in debt instruments measured at FVOCI	101	27,806	103,476	830	-	132,213
Investments in equity instruments designated at FVOCI	-	-	-	-	1,517 ⁽²⁾	1,517
Investments in subsidiaries and associate, net	-	-	-	-	8,599 ⁽²⁾	8,599
Loans to customers net of deferred revenue	118,447	423,422	433,288	378,175	39,593 ⁽³⁾	1,392,925
Other financial assets - net	597	1,048	-	208	10,469	12,322
Total financial assets	142,453	640,266	539,893	380,060	82,495	1,785,167
Financial liabilities						
Deposits	1,186,604	177,876	8,928	-	-	1,373,408
Interbank and money market items	31,282	36,942	7,685	-	-	75,909
Liabilities payable on demand	3,895	-	-	-	-	3,895
Financial liabilities designated at fair value through profit or loss	-	-	300	132	-	432
Debts issued and borrowings	10	28,542	60,292	121	-	88,965
Other financial liabilities	925	5,346	901	310	12,605	20,087
Total financial liabilities	1,222,716	248,706	78,106	563	12,605	1,562,696
Net liquidity gap	(1,080,263)	391,560	461,787	379,497	69,890	222,471

⁽¹⁾ Including transactions with 1-day term.

⁽²⁾ Investment in equity securities.

⁽³⁾ Non-performing loans.

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	At call ⁽¹⁾	Within 1 year	Consolidated 2019 Over 1 year (in million Baht)	No maturity	Total
Financial assets					
Cash	-	-	-	23,853	23,853
Interbank and money market items					
net of deferred revenue	20,608	215,193	646	-	236,447
Investments, net					
Trading securities and general investments	-	4,830	1,746	613 ⁽²⁾	7,189
Available-for-sale securities	5	85,002	72,257	1,130 ⁽²⁾	158,394
Held-to-maturity debt securities	-	77	605	-	682
Investments in subsidiaries and associate, net	-	-	-	8,953 ⁽²⁾	8,953
Loans to customers net of deferred revenue	130,713	406,737	817,029	37,746 ⁽³⁾	1,392,225
Other financial assets - net	1,134	2,638	140	6,058	9,970
Total financial assets	152,460	714,477	892,423	78,353	1,837,713
Financial liabilities					
Deposits	979,481	399,725	18,906	-	1,398,112
Interbank and money market items	39,888	45,109	1,629	-	86,626
Liabilities payable on demand	3,382	-	-	-	3,382
Financial liabilities designated at fair value through profit or loss	-	-	418	-	418
Debts issued and borrowings	10	29,488	79,337	-	108,835
Other financial liabilities	785	3,381	347	21,644	26,157
Total financial liabilities	1,023,546	477,703	100,637	21,644	1,623,530
Net liquidity gap	(871,086)	236,774	791,786	56,709	214,183

⁽¹⁾ Including transactions with 1-day term.

⁽²⁾ Investment in equity securities.

⁽³⁾ Non-performing loans.

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	At call ⁽¹⁾	Within 1 year	1 - 5 year <i>(in million Baht)</i>	Bank only 2020 Over 5 year	No maturity	Total
Financial assets						
Cash	-	-	-	-	12,836	12,836
Interbank and money market items net of deferred revenue	18,236	202,767	290	-	-	221,293
Financial assets measured at fair value through profit or loss	-	314	344	321	147 ⁽²⁾	1,126
Investments, net						
Investments in debt instruments measured at AMC	-	-	-	-	-	-
Investments in debt instruments measured at FVOCI	-	9,785	62,249	830	-	72,864
Investments in equity instruments designated at FVOCI	-	-	-	-	459 ⁽²⁾	459
Investments in subsidiaries and associate, net	-	-	-	-	158,852 ⁽²⁾	158,852
Loans to customers net of deferred revenue	105,414	255,791	133,738	203,014	22,005 ⁽³⁾	719,962
Other financial assets - net	472	621	-	207	8,056	9,356
Total financial assets	124,122	469,278	196,621	204,372	202,355	1,196,748
Financial liabilities						
Deposits	758,249	54,688	2,741	-	-	815,678
Interbank and money market items	10,675	35,267	5,207	-	-	51,149
Liabilities payable on demand	2,898	-	-	-	-	2,898
Financial liabilities designated at fair value through profit or loss	-	-	300	132	-	432
Debts issued and borrowings	5	28,542	60,292	121	-	88,960
Other financial liabilities	925	3,798	479	298	5,870	11,370
Total financial liabilities	772,752	122,295	69,019	551	5,870	970,487
Net liquidity gap	(648,630)	346,983	127,602	203,821	196,485	226,261

⁽¹⁾ Including transactions with 1-day term.

⁽²⁾ Investment in equity securities.

⁽³⁾ Non-performing loans.

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	At call ⁽¹⁾	Within 1 year	Bank only 2019 Over 1 year <i>(in million Baht)</i>	No maturity	Total
Financial assets					
Cash	-	-	-	13,427	13,427
Interbank and money market items					
net of deferred revenue	15,414	105,534	646	-	121,594
Investments, net					
Trading securities and general investments	-	3,122	1,746	262 ⁽²⁾	5,130
Available-for-sale securities	-	32,448	22,927	2 ⁽²⁾	55,377
Investments in subsidiaries and associate, net	-	-	-	168,062 ⁽²⁾	168,062
Loans to customers net of deferred revenue	112,030	222,589	318,834	18,150 ⁽³⁾	671,603
Other financial assets - net	648	355	139	3,458	4,600
Total financial assets	128,092	364,048	344,292	203,361	1,039,793
Financial liabilities					
Deposits	601,085	58,504	3,970	-	663,559
Interbank and money market items	7,279	65,176	296	-	72,751
Liabilities payable on demand	2,362	-	-	-	2,362
Financial liabilities designated at					
fair value through profit or loss	-	-	418	-	418
Debts issued and borrowings	5	5,069	72,279	-	77,353
Other financial liabilities	577	2,384	346	8,216	11,523
Total financial liabilities	611,308	131,133	77,309	8,216	827,966
Net liquidity gap	(483,216)	232,915	266,983	195,145	211,827

⁽¹⁾ Including transactions with 1-day term.

⁽²⁾ Investment in equity securities.

⁽³⁾ Non-performing loans.

8 Fair value of financial assets and financial liabilities

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for the financial instruments measured at fair value as at 31 December 2020. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amount	Level 1	Consolidated Fair value		Total
			Level 2	Level 3	
<i>At 31 December 2020</i>					
<i>Financial assets</i>					
Financial assets measured at FVTPL	3,788	-	3,414	374	3,788
<i>Derivative assets</i>					
Foreign exchange rate	7,402	-	7,402	-	7,402
Interest rate	4,557	-	4,557	-	4,557
Total	11,959	-	11,959	-	11,959
<i>Investments, net</i>					
Investments in debt instruments measured at AMC	621	-	677	-	677
Investments in debt instruments measured at FVOCI	132,213	-	130,650	1,563	132,213
Investments in equity instruments designated at FVOCI	1,517	910	-	607	1,517
Total	134,351	910	131,327	2,170	134,407
Loans to customers and accrued interest receivables, net	1,348,480	-	953,346	397,845	1,351,191
Total financial assets	1,498,578	910	1,100,046	400,389	1,501,345
<i>Financial liabilities</i>					
Deposits	1,373,408	-	1,373,493	-	1,373,493
Financial liabilities designated at FVTPL	432	-	432	-	432
<i>Derivative liabilities</i>					
Foreign exchange rate	4,859	-	4,859	-	4,859
Interest rate	4,409	-	4,409	-	4,409
Total	9,268	-	9,268	-	9,268
Debts issued and borrowings	88,965	-	90,940	-	90,940
Total financial liabilities	1,472,073	-	1,474,133	-	1,474,133

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	Carrying amount	Bank only			Total
		Level 1	Fair value		
			Level 2	Level 3	
			(in million Baht)		
At 31 December 2020					
Financial assets					
Financial assets measured at FVTPL	1,126	-	979	147	1,126
Derivative assets					
Foreign exchange rate	6,118	-	6,118	-	6,118
Interest rate	3,895	-	3,895	-	3,895
Total	10,013	-	10,013	-	10,013
Investments, net					
Investments in debt instruments measured at FVOCI	72,864	-	72,864	-	72,864
Investments in equity instruments designated at FVOCI	459	-	-	459	459
Total	73,323	-	72,864	459	73,323
Loans to customers and accrued interest receivables, net	693,775	-	693,775	-	693,775
Total financial assets	778,237	-	777,631	606	778,237
Financial liabilities					
Deposits	815,678	-	815,693	-	815,693
Financial liabilities designated at FVTPL	432	-	432	-	432
Derivative liabilities					
Foreign exchange rate	4,436	-	4,436	-	4,436
Interest rate	3,708	-	3,708	-	3,708
Total	8,144	-	8,144	-	8,144
Debt issued and borrowings	88,960	-	90,935	-	90,935
Total financial liabilities	913,214	-	915,204	-	915,204

The significant difference of fair values in comparison with carrying values of each line item of financial assets and financial liabilities as shown in the statements of financial position as at 31 December 2019 were as follows:

	Consolidated		Bank only	
	31 December 2019		31 December 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
	(in million Baht)			
Financial assets				
Derivatives assets	10,399	10,344	7,395	7,346
Investments, net	166,265	166,659	60,507	60,828
Loans to customers and accrued interest receivable, net	1,348,630	1,349,300	647,479	647,355
Total financial assets	1,525,294	1,526,303	715,381	715,529
Financial liabilities				
Deposits	1,398,112	1,398,015	663,559	663,569
Derivatives liabilities	9,719	9,790	7,331	7,410
Debts issued and borrowings	108,835	111,803	77,353	80,329
Total financial liabilities	1,516,666	1,519,608	748,243	751,308

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The following table analyses financial assets and liabilities measured at fair value at 31 December 2019 by the level in the fair value hierarchy into which the fair value measurement is categorised.

	Consolidated			
	Fair value			
	Level 1	Level 2	Level 3	Total
	<i>(in million Baht)</i>			
31 December 2019				
<i>Financial assets</i>				
Derivatives (trading book)				
- Foreign currency related	-	5,085	-	5,085
- Interest rate related	-	4,529	-	4,529
Investments				
- Trading investments	-	6,576	-	6,576
- Available-for-sale investments	1,127	157,267	-	158,394
<i>Financial liabilities</i>				
Financial liabilities designated at fair value through profit or loss	-	418	-	418
Derivatives (trading book)				
- Foreign currency related	-	5,255	-	5,255
- Interest rate related	-	4,361	-	4,361
	Bank only			
	Fair value			
	Level 1	Level 2	Level 3	Total
	<i>(in million Baht)</i>			
31 December 2019				
<i>Financial assets</i>				
Derivatives (trading book)				
- Foreign currency related	-	4,372	-	4,372
- Interest rate related	-	2,937	-	2,937
Investments				
- Trading investments	-	4,868	-	4,868
- Available-for-sale investments	-	55,377	-	55,377
<i>Financial liabilities</i>				
Financial liabilities designated at fair value through profit or loss	-	418	-	418
Derivatives (trading book)				
- Foreign currency related	-	4,502	-	4,502
- Interest rate related	-	2,779	-	2,779

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The following table shows fair value of financial assets and liabilities not measured at fair value at 31 December 2019. It does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is reasonable approximation of fair value.

	Consolidated		Bank only	
	Carrying value	Fair value	Carrying value	Fair value
	<i>(in million Baht)</i>			
31 December 2019				
Financial assets				
Derivatives (banking book)	785	730	86	37
Investments				
- Held-to-maturity debt securities	682	740	-	-
- General investments	613	949	262	583
Loans to customers and accrued interest receivable, net	1,348,630	1,349,300	647,479	647,355
Financial liabilities				
Deposits	1,398,112	1,398,015	663,559	663,569
Derivatives (banking book)	103	174	50	129
Debts issued and borrowings	108,835	111,803	77,353	80,329

The following methods and assumptions were used by the Bank and its subsidiaries in estimating fair value of financial instruments as disclosed herein.

- Cash:

The fair value is approximated based on its carrying value.

- Interbank and money market items (assets):

The fair value is approximated based on the carrying amount of interbank and money market items, except for the fair value of fixed rate items with remaining maturity period greater than 1 year which is calculated based on the present value of future cash flows of principal and interest, discounted at market interest rates.

- Financial assets measured at FVTPL and investments:

The fair value of investments in government-sector debt securities is determined, using yield rates or prices quoted on the Thai Bond Market Association ("ThaiBMA"). The fair value of investments in other debt securities issued locally is determined based on market value appraised by the reliable institutions, their respective yields, or the ThaiBMA's yield rates adjusted by appropriate risk factors.

The fair value of marketable equity securities is determined at the last bid price quoted on the last working day of the Stock Exchange of Thailand of the reporting period. The fair value of an investment unit is determined using the net asset value announced on the reporting period-end date. The fair value of non-marketable equity securities is determined mainly based on common valuation techniques such as the market approach, cost approach or income approach, as well as book value or adjusted book value.

- Loans to customers and accrued interest receivable, net:

The fair value is based on the carrying amount except for the fair value of fixed rate hire purchase which is calculated based on the present value of future cash flow of principal and interest, discounted at interest rate currently being offered on similar loans net of expected credit loss (2019: allowance for doubtful accounts).

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- Other financial assets:

The fair value is approximated based on its carrying value.

- Deposits and interbank and money market items (liabilities):

The fair value is approximated based on the carrying amount of deposits or interbank and money market items, except for the fair value of fixed rate items with remaining maturity period greater than 1 year which is calculated based on the present value of future cash flows of principal and interest, discounted at interest rates currently being offered on such deposits or interbank and money market items or similar deposits.

- Financial liabilities designated at fair value through profit or loss:

Fair value is calculated based on a valuation model, using market data obtained from reliable sources.

- Debts issued and borrowings:

The fair value is approximated based on their carrying amount, except for the fair value of fixed rate items with remaining maturity period greater than 1 year which is calculated based on the present value of future cash flows of principal and interest, discounted at the market interest rate at the reporting dates, in cases where there is no active market, and the market value, in cases where there is an active market.

- Other financial liabilities:

The fair value is approximated based on its carrying value.

- Derivatives:

In cases where there is an active market, the Bank and its subsidiaries use the market value as the fair value of derivatives. For simple over-the-counter derivative, fair values are based on inputs which are observable from independent and reliable market data sources, mainly based on exchange-traded prices, broker/dealer quotations, or counterparties' quotations. Those inputs are tested for reasonableness by discounting expected future cash flows using market interest rate for a similar instrument at the measurement date. Fair values of over-the-counter derivative reflect the credit risk of the instrument and include adjustments to take account of the counterparty and own entity credit risk when appropriate.

The Bank and its subsidiaries recognise transfers between levels of the fair value hierarchy as of the end of the reporting period during which the transfer has occurred. There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the year ended 31 December 2020 and 2019.

During the year ended 31 December 2020, due to changes in market conditions and default status, the quoted yield rate in respect of an investment in debentures of one counterparty was no longer reliable. There was also limited information to measure the fair value with other valuation techniques. Management applied judgement to compare the estimated recovery for fair value measurement including consideration of recovery estimate provided by ThaiBMA. These securities, with a carrying amount of Baht 1.6 billion, were included as Level 3 hierarchy as at 31 December 2020 (2019: Level 2).

9 Maintenance of capital fund

The Bank and its subsidiaries maintain its capital fund in accordance with the Financial Institution Business Act B.E. 2551 by maintaining its capital fund as a proportion of risk weighted assets in accordance with the criteria, methodologies, and conditions prescribed by the Bank of Thailand. The Bank and its subsidiaries are required to calculate its Capital Fund in accordance with Basel III. As at 31 December 2020 and 2019, the consolidated supervision and the Bank only's total capital funds could be categorised as follows:

	Consolidated supervision	
	2020	2019
	<i>(in million Baht)</i>	
Tier 1 Capital		
Common Equity Tier 1 Capital (CET1)		
Paid-up share capital	91,589	91,541
Share premium	43,322	43,217
Legal reserve	10,091	3,360
Net profits after appropriation	47,819	47,299
Other comprehensive income	4,903	5,764
Transactions under subsidiary and associated companies only for non-controlling interest and outside the scope that is countable as Common Equity Tier 1 Capital of consolidated financial institutions	14	15
Capital adjustment items on CET1	(65)	(61)
Capital deduction items on CET1	(25,949)	(25,342)
Total Common Equity Tier 1 Capital	171,724	165,793
Addition Tier 1 Capital		
Subordinated debentures classified as additional Tier 1 Capital	12,089	12,089
Transactions under subsidiary and associated companies only for non-controlling interest and outside the scope that is countable as Tier 1 of financial instruments of consolidated financial institutions	2	2
Total Tier 1 Capital	183,815	177,884
Tier 2 Capital		
General provision	13,612	10,214
Subordinated debentures classified as additional Tier 2 Capital	35,430	42,430
Transactions under subsidiary and associated companies only for non-controlling interest and outside the scope that is countable as Tier 2 of consolidated financial institutions	3	3
Total Tier 2 Capital	49,045	52,647
Total Capital Fund	232,860	230,531
Total Risk-Weighted Assets	1,188,683	1,216,836

	The BoT's regulatory minimum requirement*	2020 (%)	2019
Capital Adequacy Ratio/Total Risk-Weighted Asset	11.0	19.59	18.95
Tier 1 Capital Ratio/Total Risk-Weighted Asset	8.5	15.46	14.62
Common Equity Tier 1 Capital Ratio/Total Risk-Weighted Asset	7.0	14.45	13.62

* Includes capital conservation buffer as required by the BoT commencing 1 January 2016.

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	Bank only	
	2020	2019
	<i>(in million Baht)</i>	
<i>Tier 1 capital</i>		
Common Equity Tier 1 capital (CET1)		
Paid-up share capital	91,589	91,541
Share premium	43,322	43,217
Legal reserve	10,091	3,360
Net profits after appropriation	45,914	43,612
Other comprehensive income	5,293	5,776
Capital adjustment items on CET1	(65)	(61)
Capital deduction items on CET1	(7,965)	(6,834)
Total Common Equity Tier 1 Capital	188,179	180,611
Addition Tier 1 Capital		
Subordinated debentures classified as additional Tier 1 Capital	12,089	12,089
Total Tier 1 Capital	200,268	192,700
<i>Tier 2 capital</i>		
General provision	8,146	3,698
Subordinated debentures classified as additional Tier 2 Capital	35,430	35,430
Total Tier 2 Capital	43,576	39,128
Total Capital funds	243,844	231,828
Total Risk-Weighted Assets	833,315	779,168
	The BoT's regulatory minimum requirement*	
		2020 2019 (%)
Capital Adequacy Ratio/Total Risk-Weighted Asset	11.0	29.26 29.75
Tier 1 Capital Ratio/Total Risk-Weighted Asset	8.5	24.03 24.73
Common Equity Tier 1 Capital Ratio/Total Risk-Weighted Asset	7.0	22.58 23.18

* Includes capital conservation buffer as required by the BoT commencing 1 January 2016.

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As at 31 December 2020 and 2019, the Bank and its subsidiaries have no add-on arising from Single Lending Limit.

Disclosures of capital maintenance information under the Bank of Thailand on the Public Disclosures of Capital Maintenance for Commercial Banks, the Public Disclosures of Capital Maintenance for Financial Group, and the Public Disclosures of Liquidity Coverage Ratio, the Bank and its subsidiaries disclose as follows:

Location of disclosure	The Bank's website under Investor Relations section at www.tmbbank.com/ir/capital_funds/basel3
Disclosure period requirement	Within 4 months after the year end date as indicated in the BOT notification
Lasted information as of	30 June 2020

The disclosure as at 31 December 2020 will be provided within April 2021 on the Bank's website as noted above.

Capital management

The Bank and its subsidiaries' capital management approach is driven by its desire to maintain a strong capital base to support the development of its business, to meet regulatory capital requirements and to maintain appropriate credit ratings.

10 Classification of financial assets and financial liabilities

	Consolidated					Total
	Financial instruments measured at FVTPL	Financial instruments designated as at FVTPL	Financial instruments measured at FVOCI	Investment in equity securities designated as at FVOCI	Financial instruments measured at amortised cost	
	(in million Baht)					
At 31 December 2020						
Financial assets						
Cash	-	-	-	-	21,943	21,943
Interbank and money market items - net	-	-	-	-	211,185	211,185
Financial assets measured at FVTPL	3,788	-	-	-	-	3,788
Derivatives assets	9,561	-	2,398	-	-	11,959
Investments - net	-	-	132,213	1,517	621	134,351
Loans to customers and accrued interest receivables - net	-	-	-	-	1,348,480	1,348,480
Other financial assets - net	-	-	-	-	12,322	12,322
Total	13,349	-	134,611	1,517	1,594,551	1,744,028
Financial liabilities						
Deposits	-	-	-	-	1,373,408	1,373,408
Interbank and money market items	-	-	-	-	75,909	75,909
Liabilities payable on demand	-	-	-	-	3,895	3,895
Financial liabilities designated at FVTPL	-	432	-	-	-	432
Derivatives liabilities	9,268	-	-	-	-	9,268
Debts issued and borrowings	-	-	-	-	88,965	88,965
Other financial liabilities	-	-	-	-	20,087	20,087
Total	9,268	432	-	-	1,562,264	1,571,964

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	Bank only				Financial instruments measured at amortised cost	Total
	Financial instruments measured at FVTPL	Financial instruments designated as at FVTPL	Financial instruments measured at FVOCI	Investment in equity securities designated as at FVOCI		
<i>(in million Baht)</i>						
At 31 December 2020						
Financial assets						
Cash	-	-	-	-	12,836	12,836
Interbank and money market items, net	-	-	-	-	221,263	221,263
Financial assets measured at FVTPL	1,126	-	-	-	-	1,126
Derivatives assets	8,389	-	1,624	-	-	10,013
Investments, net	-	-	72,864	459	-	73,323
Loans to customers and accrued interest receivables, net	-	-	-	-	693,775	693,775
Other financial assets - net	-	-	-	-	9,356	9,356
Total	9,515	-	74,488	459	937,230	1,021,692
Financial liabilities						
Deposits	-	-	-	-	815,678	815,678
Interbank and money market items	-	-	-	-	51,149	51,149
Liabilities payable on demand	-	-	-	-	2,898	2,898
Financial liabilities designated measured at FVTPL	-	432	-	-	-	432
Derivatives liabilities	8,144	-	-	-	-	8,144
Debts issued and borrowings	-	-	-	-	88,960	88,960
Other financial liabilities	-	-	-	-	11,370	11,370
Total	8,144	432	-	-	970,055	978,631

11 Financial assets measured at fair value through profit or loss

At 31 December 2020

	Consolidated	Bank only
	<i>(in million Baht)</i>	
Government and state enterprise securities	3,414	979
Others	374	147
Total	3,788	1,126

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12 Interbank and money market items, net (assets)

At 31 December 2020

	Consolidated	Bank only
	(in million Baht)	
<i>Domestic items</i>		
Bank of Thailand and Financial Institutions Development Fund	147,651	142,778
Commercial banks	26,720	57,020
Specialised financial institutions	16,690	4,190
Other financial institutions	10,987	9,075
Total	202,048	213,063
Add accrued interest and undue interest income	16	14
Less allowance for expected credit loss	(72)	(47)
Total domestic items	201,992	213,030
<i>Foreign items</i>		
US Dollar	7,957	7,240
Japanese Yen	297	212
Euro	177	133
Other currencies	760	645
Total	9,191	8,230
Add accrued interest and undue interest income	12	12
Less allowance for expected credit loss	(10)	(9)
Total foreign items	9,193	8,233
Total domestic and foreign items	211,185	221,263

At 31 December 2019

	Consolidated			Bank only		
	At call	Term	Total	At call	Term	Total
	(in million Baht)					
<i>Domestic</i>						
Bank of Thailand and Financial Institutions Development Fund	7,499	85,896	93,395	6,551	84,996	91,547
Commercial banks	492	71,387	71,879	1	3,227	3,228
Specialised financial institutions	1	32,698	32,699	-	6,400	6,400
Other financial institutions	700	24,772	25,472	-	10,470	10,470
Total	8,692	214,753	223,445	6,552	105,093	111,645
Add accrued interest receivable	-	57	57	-	32	32
Less allowance for doubtful accounts	(7)	(180)	(187)	-	(38)	(38)
Total domestic, net	8,685	214,630	223,315	6,552	105,087	111,639
<i>Foreign</i>						
US Dollar	10,757	924	11,681	8,076	924	9,000
Japanese Yen	224	-	224	224	-	224
Euro	144	-	144	144	-	144
Other currencies	787	166	953	415	166	581
Total	11,912	1,090	13,002	8,859	1,090	9,949
Add accrued interest receivable	1	16	17	-	16	16
Less allowance for doubtful accounts	-	(23)	(23)	-	(23)	(23)
Total foreign, net	11,913	1,083	12,996	8,859	1,083	9,942
Total domestic and foreign, net	20,598	215,713	236,311	15,411	106,170	121,581

13 Derivatives

As at 31 December 2020 and 2019, fair value of derivatives held for trading book, readjustment based on accrual basis of derivatives held for banking book and notional amount classified by type of risks were as follows:

Type of risks	Consolidated					
	2020		Notional amount	2019		Notional amount
	Fair value			Fair value/Readjustment based on an accrual basis		
Assets	Liabilities	Assets	Liabilities	<i>(in million Baht)</i>		
Foreign currency related						
- Trading Book	4,997	4,772	376,568	5,085	5,255	447,248
- Banking Book ⁽¹⁾	7	86	9,377	785	91	50,230
- Cash flow hedge	2,398	1	39,106	-	-	-
Interest rate related						
- Trading Book	4,444	4,374	236,396	4,529	4,361	457,776
- Banking Book ⁽¹⁾	-	-	-	24	59	41,068
- Fair value hedge	113	35	8,509	-	-	-
- Cash flow hedge	-	-	-	-	-	-
Total	11,959	9,268	669,956	10,423	9,766	996,322
	Bank only					
Type of risks	2020		Notional amount	2019		Notional amount
	Fair value			Fair value/Readjustment based on an accrual basis		
	Assets	Liabilities	Assets	Liabilities	<i>(in million Baht)</i>	
Foreign currency related						
- Trading Book	4,487	4,349	342,815	4,372	4,502	377,008
- Banking Book ⁽¹⁾	7	86	9,377	86	91	35,003
- Cash flow hedge	1,624	1	30,095	-	-	-
Interest rate related						
- Trading Book	3,782	3,708	192,481	2,937	2,779	260,659
- Banking Book ⁽¹⁾	-	-	-	24	6	20,038
- Fair value hedge	113	-	7,509	-	-	-
Total	10,013	8,144	582,277	7,419	7,378	692,708

⁽¹⁾ Adjustment made on an accrual basis at the end of period for interest rate swap contracts held for banking book are adjustments of accrued interest receivable or payable or interest paid or received in advance based on the contracts. As at 31 December 2019, accrued interest receivable and interest paid in advance amounting to Baht 24 million are presented as a part of "Other assets" and accrued interest payable and interest received in advance amounting to Baht 47 million are presented as a part of "Other liabilities" in the consolidated and Bank only financial statements.

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As at 31 December 2019, proportions of the notional amount of derivative transactions, classified by counterparties, consisted of:

	Consolidated	Bank only
	(%)	
Counterparties		
Financial institutions	84.06	75.59
Other parties	15.94	24.41
Total	<u>100.00</u>	<u>100.00</u>

14 Investments, net

14.1 Classified by type of investments

	Consolidated	Bank only
	(in million Baht)	
<i>At 31 December 2020</i>		
<i>Investments in debt securities measured at amortised costs</i>		
Private debt securities	622	-
Total	<u>622</u>	<u>-</u>
Less allowances for expected credit loss	(1)	-
Net	<u>621</u>	<u>-</u>
<i>Investments in debt securities measured at FVOCI</i>		
Government and state enterprise securities	108,268	64,221
Private debt securities	11,976	5,901
Foreign debt securities	11,900	2,673
Others	69	69
Total	<u>132,213</u>	<u>72,864</u>
Allowances for expected credit loss	(1,766)	(83)
<i>Investments in equity securities designated measured at FVOCI</i>		
Marketable equity securities - domestic	910	-
Non-marketable equity securities - domestic	603	456
Non-marketable equity securities - overseas	4	3
Total	<u>1,517</u>	<u>459</u>
Total investments - net	<u>134,351</u>	<u>73,323</u>
<i>At 31 December 2019</i>		
<i>Trading securities - Fair value</i>		
Government and state enterprise securities	6,159	4,868
Private debt securities	417	-
Total	<u>6,576</u>	<u>4,868</u>
<i>Available-for-sale securities - Fair value</i>		
Government and state enterprise securities	137,906	55,375
Private debt securities	10,166	-
Foreign debt securities	9,193	-
Domestic marketable equity securities	1,129	2
Total	<u>158,394</u>	<u>55,377</u>

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	Consolidated	Bank only
	<i>(in million Baht)</i>	
<i>At 31 December 2019</i>		
<i>Held-to-maturity debt securities - Cost/Amortised cost</i>		
Private debt securities	682	-
Total	682	-
 <i>General investments - Cost</i>		
Domestic non-marketable equity securities	1,410	1,051
Foreign non-marketable equity securities	3	2
Total	1,413	1,053
Less allowance for impairment losses	(800)	(791)
Net	613	262
Total investments, net	166,265	60,507

The Bank and its subsidiaries have dividend income from investments in equity instruments that are designated at fair value through other comprehensive income for the year ended 31 December 2020 in the amount of Baht 364 million (Bank only: Baht 31 million).

14.2 Investments in entities in which the Bank and its subsidiaries hold 10% or more

As at 31 December 2020 and 2019, the Bank and its subsidiaries had investments in entities in which the Bank and its subsidiaries hold 10% or more of the paid-up share capital of the investee companies but such companies are not treated as its subsidiaries and associates. Those investments were summarised below.

	Consolidated		Bank only	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Property development and construction	4	34	4	34
Public utilities and services	101	14	101	14
Mutual funds and financial services	199	46	198	46
Others	3	12	3	11
Total	307	106	306	105
Less allowance for expected credit loss (2019: allowance for impairment losses)	-	(41)	-	(41)
Investments, net	307	65	306	64

Interest in unconsolidated structured entity arising in the normal business

The Bank and its subsidiaries may enter into transactions with structured entities in the forms of investment in unit trusts, lending and derivative. Investment in unit trusts is summarised as equity securities. Lending and derivative transactions are provided under normal business terms and are managed the same way as other counterparties.

As at 31 December 2020 and 2019, the Bank and its subsidiaries did not have significant risks and transactions relating to structured entities to disclose in the financial statements.

14.3 Investments in companies with problems in their financial position and operating results

As at 31 December 2020 and 2019, the Bank and its subsidiaries had the following investments in listed companies which meet the Stock Exchange of Thailand (“SET”)’s criteria for delisting, and are in default on debt securities, or companies whose ability to continue as a going concern is uncertain, or unlisted companies whose financial position and operating results are similar to the listed companies which meet criteria for delisting from the SET. Those investments, which measured either at fair value through profit or loss, or through other comprehensive income, in the statement of financial position as at 31 December 2020 and measured at fair value for available-for-sale debt securities or at cost net allowance for impairment losses for equity securities in the statement of financial position as at 31 December 2019 were summarised below.

	Consolidated							
	2020				2019			
	No. of Companies	Cost value	Fair value	Allowance for Impairment losses	No. of Companies	Cost value/ book value	Fair value	Allowance for Impairment losses
		<i>(in million Baht)</i>				<i>(in million Baht)</i>		
- Listed companies under delisting conditions / defaulted debt securities	1	12	-	-	3	62	-	(62)
- Companies whose ability to continues as a going concern is uncertain, or unlisted companies whose financial position and operating results are similar to the listed companies which meet criteria for delisting from the SET	11	3,854	1,563	1,597	11	730	-	(730)
Total	12	3,866	1,563	1,597	14	792	-	(792)

	Bank only							
	2020				2019			
	No. of Companies	Cost value	Fair value	Allowance for Impairment losses	No. of Companies	Cost value/ book value	Fair value	Allowance for Impairment losses
		<i>(in million Baht)</i>				<i>(in million Baht)</i>		
- Listed companies under delisting conditions / defaulted debt securities	1	12	-	-	2	62	-	(62)
- Companies whose ability to continues as a going concern is uncertain, or unlisted companies whose financial position and operating results are similar to the listed companies which meet criteria for delisting from the SET	10	693	-	-	11	730	-	(730)
Total	11	705	-	-	13	792	-	(792)

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14.4 Revaluation surplus (deficit) on investments measured at FVOCI / available-for-sale investments

As at 31 December 2019, revaluation surplus (deficit) on investments could be summarised as follows:

	Consolidated	Bank only
	<i>(in million Baht)</i>	
<i>Revaluation surplus on investments</i>		
Debt securities	404	320
Total	404	320
<i>Revaluation deficit on investments</i>		
Debt securities	5	(1)
Equity securities	(33)	-
Total	(28)	(1)
Total revaluation surplus on investments	376	319
Less deferred tax	(75)	(64)
Net	301	255

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15 Investments in subsidiaries and associate, net

15.1 Detail of investments in subsidiaries and associate

Companies	Type of Business	Percentage of ownership interest (%)	Paid-up capital		Equity		Consolidated Allowance for impairment losses		Cost		Allowance for impairment losses		Bank only At cost, net		Dividend income for the year		
			2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
			(in million Baht)														
Direct subsidiaries																	
Phahonyothin Asset Management Co., Ltd.	Asset management business	100.00	100.00	25	25	-	-	-	-	25	25	-	-	25	-	-	
Phayathai Asset Management Co., Ltd.*	Asset management business	-	100.00	-	1,070	-	-	-	-	-	649	-	(649)	-	-	-	
Thanachart Bank PCL***	Commercial bank	99.98	99.98	60,649	60,649	-	-	-	-	167,930	167,840	(9,300)	-	158,630	167,840	20,249	
Indirect subsidiary																	
Thanachart Broker Co., Ltd.	Insurance broker business	99.99	99.99	100	100	-	-	-	-	-	-	-	-	-	-	-	
Associate																	
TMB Asset Management Co., Ltd.**	Fund management business	35.00	35.00	100	100	4,487	4,725	-	-	197	197	-	-	197	197	434	140
Indirect associate																	
Thanachart Fund Management Co., Ltd.**	Fund management business	49.90	49.90	100	100	4,112	4,228	-	-	-	-	-	-	-	-	-	-
Total						8,599	8,953	-	-	168,152	168,711	(9,300)	(649)	158,852	168,062	20,683	140

* The Company registered the completion liquidation with the Ministry of Commerce on 1 October 2020.

** The remaining investment in TMB Asset Management Co., Ltd. and Thanachart Fund Management Co., Ltd. are subject to call and put options in the future.

*** The Bank recorded interim dividend declared in March 2020 which was fully received in cash amounting to Baht 20,249 million. As the integration plan has progressed, the timing of entire business transfer is more certain, the investment in subsidiary has been written down by Baht 9,300 million based on the adjusted net book value at entire business transfer date. The net amount of Baht 10,949 million was presented in other operating income.

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Sales of investment in subsidiaries

On 27 December 2019, Thanachart Bank Public Company Limited sold 25.1% of its interest in Thanachart Fund Management Co., Ltd., a subsidiary, reducing its ownership interest to 49.9%. It thereby ceased to be a subsidiary and became an associated company. No gain arose from the sale of investment because the investment in Thanachart Fund Management Co., Ltd. was recorded at fair value before the disposal. The remaining 49.9% investment in Thanachart Fund Management Co., Ltd. is subject to call and put options in the future.

15.2 Disclosure of the statement of cash flows of the asset management company

Statement of cash flows Phahonyothin Assets Management Co., Ltd. 31 December		
	2020	2019
	<i>(in million Baht)</i>	
<i>Cash flows from operating activities</i>		
Profit from operations before income tax	20	26
<i>Adjustments to reconcile profit from operations before income tax to net cash provided by (used in) operating activities</i>		
Reversal of impairment loss on loans and debt securities	-	(6)
Net interest income	(15)	(26)
Interest received	15	26
Income tax paid	(2)	(8)
Profit from operations before changes in operating assets and liabilities	18	12
<i>Decrease (increase) in operating assets</i>		
Intercompany and money market items	-	(25)
Loans to customers	-	17
<i>Decrease in operating liabilities</i>		
Other payables	(15)	(4)
Accrued expenses	(3)	(2)
Other liabilities	-	(1)
Net cash used in operating activities	-	(3)
Net decrease in cash	-	(3)
Cash at 1 January	-	3
Cash at 31 December	-	-

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16 Loans to customers and accrued interest receivables, net

16.1 Classified by loan type

	Consolidated	Bank only
	2020	
	<i>(in million Baht)</i>	
Overdrafts	104,006	91,511
Loans	666,471	441,128
Bills	216,044	187,188
Hire purchase receivables	404,855	-
Finance lease receivables	1,268	-
Others	281	135
Total loans to customers	<u>1,392,925</u>	<u>719,962</u>
Add accrued interest receivables and undue interest income [*]	<u>8,533</u>	<u>5,753</u>
Total loans to customers and accrued interest receivables	1,401,458	725,715
Less allowances for expected credit loss	<u>(52,978)</u>	<u>(31,940)</u>
Total loans to customers and accrued interest receivables - net	<u>1,348,480</u>	<u>693,775</u>

^{*} For credit impaired loans to customers presented gross amount before allowances for expected credit loss.

	Consolidated	Bank only
	2019	
	<i>(in million Baht)</i>	
Overdrafts	120,989	105,734
Loans	696,534	427,841
Bills	167,466	138,035
Hire purchase receivables	472,204	-
Financial lease receivables	1,547	-
Others	222	51
Less deferred revenue	<u>(66,737)</u>	<u>(58)</u>
Loans to customers net of deferred revenue	<u>1,392,225</u>	<u>671,603</u>
Add accrued interest receivables	<u>1,882</u>	<u>1,285</u>
Total loans to customers net of deferred revenue and accrued interest receivables	1,394,107	672,888
Less allowance for doubtful accounts		
- Provision at BoT's minimum rates required	(27,025)	(13,625)
- Provision in excess of BoT's minimum rates required	(17,513)	(10,845)
Less revaluation allowance for debt restructuring	<u>(939)</u>	<u>(939)</u>
Loans to customers and accrued interest receivables, net	<u>1,348,630</u>	<u>647,479</u>

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16.2 Classified by currency and residency of debtors

	Consolidated					
	2020		Total	2019		Total
	Domestic	Foreign		Domestic	Foreign	
	<i>(in million Baht)</i>					
Baht	1,369,088	3,298	1,372,386	1,368,941	2,393	1,371,334
US Dollars	14,091	4,606	18,697	14,667	4,668	19,335
Other currencies	1,154	688	1,842	895	661	1,556
Total	1,384,333	8,592	1,392,925	1,384,503	7,722	1,392,225

	Bank only					
	2020		Total	2019		Total
	Domestic	Foreign		Domestic	Foreign	
	<i>(in million Baht)</i>					
Baht	699,232	3,298	702,530	655,969	2,393	658,362
US Dollars	12,474	3,856	16,330	12,062	295	12,357
Other currencies	1,102	-	1,102	854	30	884
Total	712,808	7,154	719,962	668,885	2,718	671,603

* Loans to customers net of deferred revenue.

16.3 Classified by stage

The Bank and its subsidiaries have classified loans to customers and accrued interest receivables (excluding interbank and money market items) in accordance with the BoT's notifications, regarding the Classification and Provisions made by Financial Institutions, as follows:

	Consolidated		Bank only	
	31 December 2020	1 January 2020	31 December 2020	1 January 2020
	<i>(in million Baht)</i>			
Loans to customers and accrued interest receivables*				
Stage 1 (Performing)	1,237,638	1,206,914	642,301	586,391
Stage 2 (Under-performing)	122,135	147,250	60,347	68,186
Stage 3 (Non-performing)	41,685	39,478	23,067	18,187
Total	1,401,458	1,393,642	725,715	672,764

* Total loans to customers and accrued interest receivables in note 16.1

	Consolidated 2019			
	Loans to customers and accrued interest receivables	Net amount used to set the allowance for doubtful accounts ⁽¹⁾	Minimum rates required	Allowance for doubtful accounts ⁽²⁾
	<i>(in million Baht)</i>		(%)	<i>(in million Baht)</i>
Minimum allowance as per BoT's Regulations				
Pass	1,297,716	1,020,132	1	10,103
Special mention	58,645	44,296	2	3,128
Sub-standard	7,658	4,073	100	3,294
Doubtful	6,769	3,420	100	2,458
Doubtful of loss	23,319	6,523	100	8,042
Total	1,394,107	1,078,444		27,025
Provision in excess of BoT's minimum rates required				17,513 ⁽³⁾
Total				44,538

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	Bank only 2019			
	Loans to customers and accrued interest receivables <i>(in million Baht)</i>	Net amount used to set the allowance for doubtful accounts ⁽¹⁾	Minimum rates required (%)	Allowance for doubtful accounts ⁽²⁾ <i>(in million Baht)</i>
Minimum allowance as per BoT's Regulations				
Pass	628,768	566,437	1	6,082
Special mention	25,970	14,678	2	407
Sub-standard	2,795	1,431	100	1,579
Doubtful	1,575	497	100	563
Doubtful of loss	13,780	2,706	100	4,994
Total*	<u>672,888</u>	<u>585,749</u>		<u>13,625</u>
Provision in excess of BoT's minimum rates required				<u>10,845⁽³⁾</u>
Total				<u>24,470</u>

* Loans to customers net of deferred revenue add accrued interest receivables

⁽¹⁾ Net amount used to set the allowance for doubtful account: In the case of loans that are classified as pass and special mention means the principal balance net of the value of collateral, excluding land, buildings and constructions thereon, leasehold rights and machinery. In the case of loans that are classified as sub-standard, doubtful and doubtful of loss, it means the debt balance after deduction of the present value of future cash flows expected to be received from debt collection, or from the disposal of collateral, excluding machinery.

⁽²⁾ Allowance for doubtful accounts on loans guaranteed by Thai Credit Guarantee Corporation according to the Portfolio Guarantee Scheme was made in accordance with the Bank of Thailand's notification on supervisory guidelines on loans guaranteed in the Portfolio Guarantee Scheme by Thai Credit Guarantee Corporation.

⁽³⁾ As at 31 December 2019, the Bank and its subsidiaries, this included provision of Baht 3,900 million (*Bank only: Baht 1,849 million*) provided for non-performing loans.

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16.4 Non-performing loans

NPLs per BoT's regulations refer to all loans classified as sub-standard, doubtful, doubtful of loss and loss loans under BoT's notification number Sor Nor Sor. 23/2561 and loans classified as non-performing under TFRS 9.

As at 31 December 2020 and 2019, the Bank and its subsidiaries' NPLs (including interbank and money market items) were summarised as follows:

	TMB Bank Public Company Limited	Phahonyothin Asset Management Co., Ltd.	2020 Thanachart Bank Public Company Limited	Elimination	Consolidated
Net NPLs (principal net of allowance for expected credit loss)					
NPLs after allowance for expected credit loss on NPLs (<i>in million Baht</i>)	9,511	7	9,887	-	19,405
Total loans after allowance for expected credit loss on NPLs (<i>in million Baht</i>)	910,527	7	706,174	(56,000)	1,560,708
Percentage of net NPLs (%)	1.04	100.00	1.40		1.24
NPLs (principal)					
NPLs (<i>in million Baht</i>)	22,005	29	17,559	-	39,593
Total loans (<i>in million Baht</i>)	923,021	29	713,846	(56,000)	1,580,896
Percentage of NPLs (%)	2.38	100.00	2.46		2.50
			2019		
	TMB Bank Public Company Limited	Phahonyothin Asset Management Co., Ltd.	Thanachart Bank Public Company Limited	Elimination	Consolidated
Net NPLs (principal net of allowance for doubtful accounts)					
NPLs after allowance for doubtful accounts on NPLs (<i>in million Baht</i>)	9,161	7	10,880	-	20,048
Total loans after allowance for doubtful accounts on NPLs (<i>in million Baht</i>)	768,797	7	854,171	(32,806)	1,590,169
Percentage of net NPLs (%)	1.19	100.00	1.27		1.26
NPLs (principal)					
NPLs (<i>in million Baht</i>)	18,150	29	19,567	-	37,746
Total loans (<i>in million Baht</i>)	777,786	29	862,859	(32,806)	1,607,868
Percentage of NPLs (%)	2.33	100.00	2.27		2.35

For the year ended 31 December 2020 and 2019, the Bank and its subsidiaries sold non-performing loans, with principal totalling approximately Baht 10,000 million and Baht 6,100 million, respectively, to Asset Management Company. The selling price in excess of the carrying amount of those non-performing loans was presented as a deduction from "Expected credit loss" and "Impairment loss on loans and debt securities" in the statement of profit or loss and other comprehensive income for the year ended 31 December 2020 and 2019, respectively.

As at 31 December 2019, the Bank and its subsidiaries had loans to customers, amounting to Baht 76,163 million (Bank only: Baht 51,281 million) on which it ceased recognition of interest income on an accrual basis.

16.5 Modified loans to customers and trouble debt restructuring

During the year ended 31 December 2020, the Bank and its subsidiaries have loans to customers that were modified while they had a loss allowance measured at an amount equal to lifetime ECL as follows:

	Consolidated 2020	Bank only 2020
	<i>(in million Baht)</i>	
Loans to customers modified during the year^(*)		
Amortised cost before modification	15,821	11,196
Net modification loss	286	281

^(*) This excluded loans to customers modified under relief program as mentioned in note 5.

There is no modification gain (loss) on these groups of customers.

	Consolidated 2020	Bank only 2020
	<i>(in million Baht)</i>	
Loans to customers modified since initial recognition		
Gross carrying amount of loans to customers previously modified for which loss allowance has changed during the year to an amount equal to 12-month ECL from lifetime	222	-

During the year ended 31 December 2019, the Bank and its subsidiaries entered into contracts for troubled debt restructuring, (only the account where debtor has present value loss/losses on debt structuring is presented), which could be summarised as follows:

	Number of debtors	Consolidated 2019		Asset acquired	
		Before restructuring <i>(in million Baht)</i>	After restructuring <i>(in million Baht)</i>	Type	Fair value <i>(in million Baht)</i>
Type of restructuring					
Modification of terms of payments	6,267	11,952	11,952	-	-
Total	<u>6,267</u>	<u>11,952</u>	<u>11,952</u>		<u>-</u>
Term of debt restructuring agreements					
Not over 5 years	1,163	534	534		
Over 5 - 10 years	3,640	1,930	1,930		
Over 10 years	1,464	9,488	9,488		
Total	<u>6,267</u>	<u>11,952</u>	<u>11,952</u>		

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Type of restructuring	Number of debtors	Before restructuring (in million Baht)	Bank only 2019		Asset acquired Type	Fair value (in million Baht)
			After restructuring (in million Baht)			
Modification of terms of payments	6,180	11,739	11,739	-	-	-
Total	6,180	11,739	11,739			-
Term of debt restructuring agreements						
Not over 5 years	1,126	469	469			
Over 5 - 10 years	3,596	1,794	1,794			
Over 10 years	1,458	9,476	9,476			
Total	6,180	11,739	11,739			

Supplemental information relating to restructuring debtors for the year ended 31 December 2019 was as follows:

	Consolidated 2019	Bank only 2019
	<i>(in million Baht)</i>	
Interest income on restructured debts, which is recognised during the year	531	504
Cash settlement by debtors	1,860	1,672
Reversal of debt restructuring, net	(61)	(61)

As at 31 December 2019, the Bank and its subsidiaries had the outstanding balances with troubled debt restructuring debtors which had been performing in accordance with debt restructuring agreements, as follows:

	Consolidated 2019		Bank only 2019	
	Number of debtors	Outstanding balance (in million Baht)	Number of debtors	Outstanding balance (in million Baht)
Troubled debt restructuring debtors	<u>14,292</u>	<u>22,237</u>	<u>8,797</u>	<u>13,529</u>

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16.6 Loans to customers having problems with financial position and operating results

As at 31 December 2020 and 2019, the Bank and its subsidiaries had loans and accrued interest receivables due from listed companies having problems with their financial position and operating results, and set aside allowance for expected credit loss or allowances for doubtful accounts as follows:

	Consolidated							
	2020			2019				
	Number of debtors	Loans and accrued interest receivables	Collateral	Allowance for expected credit loss	Number of debtors	Loans and accrued interest receivables	Collateral	Allowance for doubtful accounts
	<i>(in million Baht)</i>				<i>(in million Baht)</i>			
Listed companies under delisting conditions in SET	1	3	-	1	2	197	-	2

	Bank only							
	2020			2019				
	Number of debtors	Loans and accrued interest receivables	Collateral	Allowance for expected credit loss	Number of debtors	Loans and accrued interest receivables	Collateral	Allowance for doubtful accounts
	<i>(in million Baht)</i>				<i>(in million Baht)</i>			
Listed companies under delisting conditions in SET	1	3	-	1	1	3	-	-

16.7 Hire purchase and finance lease receivables

	Consolidated 2020			
	Portion due within one year	Portion due after one year but within five years	Portion due after five years	Total
	<i>(in million Baht)</i>			
Hire purchase receivables	117,372	311,698	37,530	466,600
Finance lease receivables	489	871	-	1,360
Total gross investment under hire purchase contracts	117,861	312,569	37,530	467,960
Less unearned interest income	(20,718)	(39,158)	(1,961)	(61,837)
Present value of minimum lease payment receivables	97,143	273,411	35,569	406,123
Less allowance for expected credit loss				(10,989)
Lease receivables, net				395,134

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	Consolidated			Total
	2019			
	Portion due within one year	Portion due after one year but within five years	Portion due after five years	
	<i>(in million Baht)</i>			
Hire purchase receivables	120,574	312,489	39,141	472,204
Finance lease receivables	488	1,035	24	1,547
Total gross investment under hire purchase contracts	121,062	313,524	39,165	473,751
Less unearned interest income	(23,171)	(41,420)	(2,088)	(66,679)
Present value of minimum lease payment receivables	97,891	272,104	37,077	407,072
Less allowance for doubtful accounts				(10,189)
Lease receivables, net				396,883

17 Allowance for expected credit loss and doubtful accounts

The movement in the allowance for expected credit loss during the year were as follows:

	Consolidated			Total
	2020			
	12-month ECL	Lifetime ECL, not credit impaired	Lifetime ECL, credit impaired	
	<i>(in million Baht)</i>			
Investments				
Beginning balance - adjusted (see note 3)	61	-	50	111
Changes from stage reclassification	(9)	5	1,658	1,654
Changes from remeasurement of ECL	(4)	-	-	(4)
Purchased or acquired	44	-	-	44
Derecognition	(38)	-	-	(38)
Ending balance	54	5	1,708	1,767
Loans to customers and accrued interest				
Beginning balance - adjusted (see note 3)	9,199	19,047	16,177	44,423
Changes from stage reclassification	(1,722)	441	13,851	12,570
Changes from remeasurement of ECL	2,128	1,886	7,127	11,141
Originated	1,997	896	273	3,166
Derecognition	(476)	(653)	(3,021)	(4,150)
Write-off	-	-	(14,172)	(14,172)
Ending balance	11,126	21,617	20,235	52,978

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	Bank only 2020			Total
	12-month ECL	Lifetime ECL, not credit impaired	Lifetime ECL, credit impaired	
<i>(in million Baht)</i>				
Investments				
Beginning balance - adjusted (see note 3)	23	-	50	73
Changes from remeasurement of ECL	(2)	-	-	(2)
Purchased or acquired	29	-	-	29
Derecognition	(17)	-	-	(17)
Ending balance	33	-	50	83
Loans to customers and accrued interest				
Beginning balance - adjusted (see note 3)	3,544	13,562	7,535	24,641
Changes from stage reclassification	(37)	(331)	7,740	7,372
Changes from remeasurement of ECL	1,090	1,359	4,247	6,696
Originated	536	182	82	800
Derecognition	(229)	(277)	(2,434)	(2,940)
Write-off	-	-	(4,629)	(4,629)
Ending balance	4,904	14,495	12,541	31,940

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The movements in the allowance for doubtful accounts during the year were as follows:

	Consolidated 2019					Provision in excess of BoT's minimum rates required	Total
	Provision at BoT's minimum rates required						
	Pass	Special mention	Sub- standard	Doubtful	Doubtful of loss		
	<i>(in million Baht)</i>						
Beginning balance	6,142	419	1,235	1,065	9,715	13,400	31,976
Acquisition through business combination	3,964	2,781	1,745	1,924	3,435	5,961	19,810
Allowance for doubtful accounts	(3)	(72)	314	(531)	12,151	(1,848)	10,011
Bad debt recovery	-	-	-	-	1,107	-	1,107
Bad debt written-off	-	-	-	-	(15,564)	-	(15,564)
Allowance for doubtful accounts of the disposed debt	-	-	-	-	(2,802)	-	(2,802)
Ending balance	10,103	3,128	3,294	2,458	8,042	17,513	44,538

	Bank only 2019					Provision in excess of BoT's minimum rates required	Total
	Provision at BoT's minimum rates required						
	Pass	Special mention	Sub- standard	Doubtful	Doubtful of loss		
	<i>(in million Baht)</i>						
Beginning balance	6,142	419	1,235	1,065	9,686	13,400	31,947
Allowance for doubtful accounts	(60)	(12)	344	(502)	11,431	(2,555)	8,646
Bad debt recovery	-	-	-	-	1,045	-	1,045
Bad debt written-off	-	-	-	-	(14,366)	-	(14,366)
Allowance for doubtful accounts of the disposed debt	-	-	-	-	(2,802)	-	(2,802)
Ending balance	6,082	407	1,579	563	4,994	10,845	24,470

18 Properties for sale, net

As at 31 December 2020 and 2019, changes to the properties for sale, net were as follows:

	Consolidated 2020				Ending balance
	Beginning balance	Acquisition through business combination	Additions	Disposals/ decrease	
	<i>(in million Baht)</i>				
Assets foreclosed in settlement of debts					
- Immovable assets	3,562	-	419	(261)	3,720
- Movable assets	777	-	5,819	(6,031)	565
Assets for sales	820	-	1,706	(460)	2,066
Total	5,159	-	7,944	(6,752)	6,351
Less allowance for impairment losses	(349)	-	(898)	933	(314)
Net	4,810	-	7,046	(5,819)	6,037
	Consolidated 2019				
	Beginning balance	Acquisition through business combination	Additions	Disposals/ decrease	Ending balance
	<i>(in million Baht)</i>				
Assets foreclosed in settlement of debts					
- Immovable assets	2,306	1,147	329	(220)	3,562
- Movable assets	-	848	691	(762)	777
Assets for sales	458	327	199	(164)	820
Total	2,764	2,322	1,219	(1,146)	5,159
Less allowance for impairment losses	(150)	(211)	(148)	160	(349)
Net	2,614	2,111	1,071	(986)	4,810
	Bank only 2020				
	Beginning balance	Acquisition through business combination	Additions	Disposals/ decrease	Ending balance
	<i>(in million Baht)</i>				
Assets foreclosed in settlement of debts					
- Immovable assets	2,378	-	157	(163)	2,372
Assets for sales	494	-	757	(309)	942
Total	2,872	-	914	(472)	3,314
Less allowance for impairment losses	(134)	-	(39)	9	(164)
Net	2,738	-	875	(463)	3,150

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	Beginning balance	Acquisition through business combination	Bank only 2019		Ending balance
			Additions	Disposals/ decrease	
<i>(in million Baht)</i>					
Assets foreclosed in settlement of debts					
- Immovable assets	2,306	-	287	(215)	2,378
Assets for sales	458	-	200	(164)	494
Total	<u>2,764</u>	<u>-</u>	<u>487</u>	<u>(379)</u>	<u>2,872</u>
Less allowance for impairment losses	(150)	-	(11)	27	(134)
Net	<u>2,614</u>	<u>-</u>	<u>476</u>	<u>(352)</u>	<u>2,738</u>

As at 31 December 2020 and 2019, the Bank had properties for sale with debtor's rights to buy back when complied with criteria in the agreement, with net book value amounting to Baht 331 million and Baht 633 million, respectively.

The value of immovable assets acquired from debt repayment was appraised by external and internal appraisers as at 31 December 2020 and 2019 as follows:

	Consolidated		Bank only	
	2020	2019	2020	2019
<i>(in million Baht)</i>				
Assets foreclosed in settlement of debts				
Immovable assets				
- Appraised by external appraisers	3,649	3,554	2,301	2,371
- Appraised by internal appraisers	71	8	71	7
Total	<u>3,720</u>	<u>3,562</u>	<u>2,372</u>	<u>2,378</u>

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19 Premises and equipment, net

As at 31 December 2020 and 2019, changes in premises and equipment were as follows:

	Net book value as at 1 January 2020		Cost		Consolidated 2020		Accumulated depreciation		Allowance for impairment losses			Net book value as at 31 December 2020	
	Beginning balance	Ending balance	Beginning balance	Ending balance	Disposals/written-off/transfers out/adjustments from revaluation	Depreciation	Beginning balance	Ending balance	Beginning balance	Loss on impairment during the year	Disposals/written-off/transfers out		
Land													
- Cost	5,766	5,928	-	5,252	-	-	-	(162)	-	-	11	(151)	5,101
- Incremental revaluation*	7,835	7,835	-	7,063	-	-	-	-	-	-	-	-	7,063
Building under construction	172	172	-	59	-	-	-	-	-	-	-	-	59
Building	3,119	6,517	-	6,565	(3,396)	(300)	262	(3,434)	(4)	(4)	5	(1)	3,130
- Incremental revaluation*	3,523	7,047	-	6,231	(3,524)	(272)	530	(3,266)	-	-	-	-	2,965
Right-of-use assets													
- premise	-	-	1,326	1,808	-	(804)	147	(657)	-	-	-	-	1,151
Leasehold improvements	307	1,373	-	1,169	(1,066)	(96)	215	(947)	(16)	(16)	16	-	222
Equipment under construction and installation	228	228	-	107	-	-	-	-	-	-	-	-	107
Equipment	2,692	7,735	-	7,078	(5,043)	(1,301)	2,461	(3,863)	-	-	-	-	3,195
Right-of-use assets													
- equipment	-	-	1,819	1,816	-	(783)	13	(770)	-	-	-	-	1,046
Total	23,642	36,835	3,145	37,148	(13,029)	(3,556)	3,628	(12,957)	(20)	(164)	32	(152)	24,039

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	Consolidated 2019		Cost		Accumulated depreciation (in million Baht)		Allowance for impairment losses			Net book value as at 31 December 2019	
	Net book value as at 1 January 2019	Acquisition through business combination	Beginning balance	Ending balance	Beginning balance	Ending balance	Disposals/ written-off/ transfers out/ adjustments from revaluation	Reversal of impairment during the year	Disposals/ written-off/ transfers out		Ending balance
Land											
- Cost	1,834	3,894	-	5,928	-	-	-	62	-	(162)	5,766
- Incremental revaluation*	4,079	3,070	820	7,835	-	-	-	-	-	-	7,835
Building under construction	60	-	405	172	-	-	-	-	-	-	172
Building	1,949	1,082	304	6,517	(3,244)	(203)	51	9	30	(2)	3,119
- Cost	1,757	1,385	2,281	7,047	(1,829)	(119)	(1,576)	-	-	-	3,523
- Incremental revaluation*	367	-	54	1,373	(995)	(111)	40	(3)	3	-	307
Leasehold improvements	382	35	676	228	-	-	-	-	-	-	228
Equipment under construction and installation	1,448	936	918	7,735	(4,755)	(620)	332	-	-	-	2,692
Equipment	11,876	22,964	5,458	36,835	(10,823)	(1,053)	(1,153)	68	33	(164)	23,642
Total											

* The Bank's revaluation has been performed in 2019.

The gross amount of the Bank and its subsidiaries' fully depreciated premises and equipment that were still in use as at 31 December 2020 amounted to Baht 6,622 million (2019: Baht 3,857 million).

Depreciation presented in the consolidated profit or loss for the year ended 31 December 2020 and 2019 amounted to Baht 3,556 million and Baht 1,053 million, respectively.

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	Net book value as at 1 January 2020	Beginning balance	Impact of changes in accounting policies	Increase/ transfers in	Disposals/ written-off/ transfers out	Ending balance	Beginning balance	Depreciation	Bank only 2020 Accumulated depreciation Disposals/ written-off/ transfers out/ adjustments from revaluation	Ending balance	Allowance for impairment losses			Net book value as at 31 December 2020
											Balance	for the year	Disposals/ written-off/ transfers out	
									(in million Baht)					
Land														
- Cost	1,872	2,034	-	-	(257)	1,777	-	-	-	(162)	-	8	(154)	1,623
- Incremental revaluation*	4,765	4,765	-	-	(417)	4,348	-	-	-	-	-	-	-	4,348
Building under construction	172	172	-	335	(448)	59	-	-	-	-	-	-	-	59
Building	2,045	5,435	-	463	(324)	5,574	(3,388)	(215)	250	(3,353)	(4)	4	(2)	2,219
- Cost	2,155	5,662	-	-	(702)	4,960	(3,507)	(109)	523	(3,093)	-	-	-	1,867
- Incremental revaluation*														
Right-of-use assets														
- premise	-	-	674	393	(39)	1,028	-	(367)	39	(328)	(16)	16	-	700
Leasehold improvements	307	1,373	-	27	(231)	1,169	(1,066)	(96)	215	(947)	-	-	-	222
Equipment under construction and installation	194	194	-	1,317	(1,434)	77	-	-	-	-	-	-	-	77
Equipment	1,602	6,645	-	1,388	(1,529)	6,504	(5,043)	(837)	1,745	(4,135)	-	-	-	2,369
Right-of-use assets	4	13	457	36	(19)	487	(10)	(216)	10	(216)	-	-	-	271
- equipment														
Total	13,116	26,293	1,131	3,959	(5,400)	25,983	(13,014)	(1,840)	2,782	(12,072)	(20)	28	(156)	13,755

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	Bank only 2019														
	Cost					Accumulated depreciation (in million Baht)					Allowance for impairment losses				
	Net book value as at 1 January 2019	Beginning balance	Increase/ transfers in	Disposals/ written-off/ transfers out	Ending balance	Beginning balance	Depreciation	Disposals/ written-off/ transfers out/ adjustments from revaluation	Ending balance	Beginning balance	Reversal of impairment during the year	Disposals/ written-off/ transfers out	Ending balance	Net book value as at 31 December 2019	
Land															
- Cost	1,834	2,058	-	(24)	2,034	-	-	-	-	(224)	62	-	(162)	1,872	
- Incremental revaluation*	4,079	4,079	820	(134)	4,765	-	-	-	-	-	-	-	-	4,765	
Building under construction	60	60	405	(293)	172	-	-	-	-	-	-	-	-	172	
Building															
- Cost	1,949	5,234	304	(103)	5,435	(3,244)	(195)	51	(3,388)	(41)	9	30	(2)	2,045	
- Incremental revaluation*	1,757	3,586	2,281	(205)	5,662	(1,829)	(102)	(1,576)	(3,507)	-	-	-	-	2,155	
Leasehold improvements	367	1,362	54	(43)	1,373	(995)	(111)	40	(1,066)	-	(3)	3	-	307	
Equipment under construction and installation	382	382	653	(841)	194	-	-	-	-	-	-	-	-	194	
Equipment	1,448	6,202	747	(291)	6,658	(4,754)	(576)	278	(5,052)	-	-	-	-	1,606	
Total	11,876	22,963	5,264	(1,934)	26,293	(10,822)	(984)	(1,207)	(13,013)	(265)	68	33	(164)	13,116	

* The Bank's revaluation has been performed in 2019.

The gross amount of the Bank only's fully depreciated premises and equipment that were still in use as at 31 December 2020 amounted to Baht 2,642 million (2019: Baht 3,850 million).

Depreciation presented in the Bank only's profit or loss for the year ended 31 December 2020 and 2019 amounted to Baht 1,840 million and Baht 984 million, respectively.

In June 2019, the Bank had the land and buildings re-appraised by independent valuers, in accordance with the BoT regulations. The surplus from revaluation was credited to other reserves under the heading "Revaluation surplus on assets" totalling Baht 1,382 million, and reversing allowance for impairment of assets in the statement of profit or loss and other comprehensive income amounting to Baht 72 million. Bank of Thailand has approved the incremental revaluation amount to be included as part of Common Equity Tier 1 Capital in October 2019.

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20 Goodwill and other intangible assets, net

As at 31 December 2020 and 2019, changes in goodwill and other intangible assets were as follows:

	Consolidated 2020												
	Net book value as at 1 January 2020	Beginning balance	Impact of changes in accounting policies	Acquisition through business combination	Cost	Written-off	Transfers in/ (out) (in million Baht)	Ending balance	Beginning balance	Amortisation during the year	Accumulated amortisation on transfer out	Ending balance	Net book value as at 31 December 2020
Goodwill	14,015	14,015	-	90	-	-	-	14,105	-	-	-	-	14,105
Computer software	3,541	8,910	-	-	172	166	1,367	10,615	(5,369)	(1,310)	30	(6,649)	3,966
Computer software under development	843	843	-	-	1,433	(7)	(1,523)	746	-	-	-	-	746
Right-of-use assets - software	-	-	112	-	-	-	-	112	-	(64)	-	(64)	48
Other intangible assets	3,964	3,964	-	-	-	-	-	3,964	-	(283)	-	(283)	3,681
Total	22,363	27,732	112	90	1,605	159	(156)	29,542	(5,369)	(1,657)	30	(6,996)	22,546

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	Consolidated 2019											
	Net book value as at 1 January 2019	Beginning balance	Acquisition through business combination	Cost	Written-off	Transfers in/ (out)	Ending balance	Beginning balance	Amortisation during the year	Accumulated amortisation on transfer out	Ending balance	Net book value as at 31 December 2019
	<i>(in million Baht)</i>											
Goodwill	-	-	14,015	-	-	-	14,015	-	-	-	-	14,015
Computer software	2,171	6,881	1,045	105	(42)	921	8,910	(4,710)	(687)	28	(5,369)	3,541
Computer software under development	421	421	238	1,068	-	(884)	843	-	-	-	-	843
Other intangible assets	-	-	3,964	-	-	-	3,964	-	-	-	-	3,964
Total	2,592	7,302	19,262	1,173	(42)	37	27,732	(4,710)	(687)	28	(5,369)	22,363

The gross amount of the Bank and its subsidiaries' fully amortised intangible assets that were still in use as at 31 December 2020 amounted to Baht 4,797 million (2019: Baht 3,714 million).

Amortisation presented in the consolidated profit or loss for the year ended 31 December 2020 and 2019 amounted to Baht 1,657 million and Baht 687 million, respectively.

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	Bank only 2020				Bank only 2019				
	Net book value as at 1 January 2020	Impact of changes in accounting policies	Cost	Accumulated amortisation	Net book value as at 1 January 2019	Impact of changes in accounting policies	Cost	Accumulated amortisation	
	Beginning balance	Changes in accounting policies	Additions	Written-off	Transfers in/ (out)	Ending balance	Beginning balance	Amortisation during the year	Ending balance
Computer software	2,511	-	56	171	1,171	9,243	(5,334)	(824)	(6,158)
Computer software under development	490	-	1,430	-	(1,328)	592	-	-	-
Right-of-use assets - software	-	112	-	-	-	112	-	(65)	(65)
Total	3,001	112	1,486	171	(157)	9,947	(5,334)	(889)	(6,223)

	Bank only 2020				Bank only 2019				
	Net book value as at 1 January 2020	Impact of changes in accounting policies	Cost	Accumulated amortisation	Net book value as at 1 January 2019	Impact of changes in accounting policies	Cost	Accumulated amortisation	
	Beginning balance	Changes in accounting policies	Additions	Written-off	Transfers in/ (out)	Ending balance	Beginning balance	Amortisation during the year	Ending balance
Computer software	2,171	-	90	(42)	921	7,845	(4,705)	(657)	28
Computer software under development	421	953	-	-	(884)	490	-	-	-
Total	2,592	1,043	(42)	(42)	37	8,335	(4,705)	(657)	28

The gross amount of the Bank only's fully amortised intangible assets that were still in use as at 31 December 2020 amounted to Baht 4,094 million (2019: Baht 3,704 million).

Amortisation presented in the Bank only's profit or loss for the year ended 31 December 2020 and 2019 amounted to Baht 889 million and Baht 657 million, respectively.

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Impairment testing for goodwill

For the purposes of impairment testing, goodwill has been allocated to Retail Banking segment which is identified as Cash Generating Unit (CGU).

The recoverable amount of goodwill is determined based on a value-in-use calculation, using discounted cash flow from business plan approved by the Board of Director covering 5 years period. The discount rate used for the computation of the net present value is reference to industry cost of capital (ke). The terminal growth rate derived from long term GDP is applied for cash flow beyond 5 years period.

TMB conducts a review at each reporting date if there is any indication for impairment of goodwill.

As at 31 December 2020, the recoverable amount was greater than the carrying value of goodwill; hence, no impairment loss on goodwill was required.

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21 Deferred tax and income tax

21.1 Deferred tax

Deferred tax assets and liabilities presented net by entity were as follows:

	Consolidated		Bank only	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Deferred tax assets	1,980	1,496	2,818	2,332
Deferred tax liabilities	3,501	4,730	-	-
Net	(1,521)	(3,234)	2,818	2,332

Movements in deferred tax assets and liabilities during the years ended 31 December 2020 and 2019 were as follows:

	At 1 January 2020 *	Consolidated (Charged) / Credited to:			At 31 December 2020
		Profit or loss	Other comprehensive income	Others	
	<i>(note 21.2)</i>				
	<i>(in million Baht)</i>				
Deferred tax assets					
Interbank and money market items	50	(10)	-	-	40
Financial assets measured at fair value					
through profit or loss	137	2	-	-	139
Investments	156	207	44	-	407
Loans to customers and accrued					
interest receivables	3,024	332	-	(775)	2,581
Properties for sale	86	(4)	-	-	82
Premises and equipment	42	(7)	-	-	35
Provisions for employee benefits	1,030	(213)	(136)	-	681
Provisions for other liabilities	602	(38)	-	-	564
Deferred revenue and other liabilities	1,220	53	-	-	1,273
Others	411	(84)	21	5	353
Total	6,758	238	(71)	(770)	6,155
Deferred tax liabilities					
Financial assets measured at fair value					
through profit or loss	33	1	-	-	34
Investments	1,898	(111)	29	-	1,816
Properties for sale	1	36	-	-	37
Premises and equipment	3,581	(211)	(36)	-	3,334
Others	3,540	(1,098)	13	-	2,455
Total	9,053	(1,383)	6	-	7,676
Net	(2,295)	1,621	(77)	(770)	(1,521)

* The balance at 1 January 2020 includes the effect of initially applying TFRS - Financial instruments standards and TFRS 16 Leases (note 3).

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	Consolidated				At 31 December 2019
	At 1 January 2019	Acquisition through business combination	Profit or loss (note 21.2) (in million Baht)	Other comprehensive income	
(Charged) / Credited to:					
Deferred tax assets					
Deposit	-	49	(2)	-	47
Investments	179	3	120	(10)	292
Loans to customers and accrued interest receivables	1,160	225	833	-	2,218
Properties for sale	46	42	(1)	-	87
Premises and equipment	58	10	(26)	-	42
Provisions for employee benefits	244	669	94	23	1,030
Provisions for other liabilities	126	227	18	-	371
Deferred revenue and other liabilities	563	518	171	-	1,252
Others	113	259	31	-	403
Total	2,489	2,002	1,238	13	5,742
Deferred tax liabilities					
Investments	845	1,323	(389)	75	1,854
Properties for sale	-	1	-	-	1
Premises and equipment	1,207	2,134	(27)	268	3,582
Others	36	3,513	(2)	(8)	3,539
Total	2,088	6,971	(418)	335	8,976
Net	401	(4,969)	1,656	(322)	(3,234)
Bank only					
(Charged) / Credited to:					
	At 1 January 2020 *	Profit or loss (note 21.2) (in million Baht)	Other comprehensive income	Others	At 31 December 2020
Deferred tax assets					
Interbank and money market items	3	5	-	-	8
Financial assets measured at fair value through profit or loss	137	2	-	-	139
Investments	134	(128)	-	-	6
Loans to customers and accrued interest receivables	2,911	249	-	(775)	2,385
Properties for sale	43	9	-	-	52
Premises and equipment	33	(1)	-	-	32
Provisions for employee benefits	346	17	(50)	-	313
Provisions for other liabilities	285	4	-	-	289
Deferred revenue and other liabilities	753	159	-	-	912
Others	170	17	21	-	208
Total	4,815	333	(29)	(775)	4,344

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	Bank only				At 31 December 2020
	At 1 January 2020 *	(Charged) / Credited to:			
		Profit or loss	Other comprehensive income	Others	
			(note 21.2)		
			(in million Baht)		
Deferred tax liabilities					
Financial assets measured at fair value					
through profit or loss	1	(1)	-	-	-
Investments	112	-	9	-	121
Premises and equipment	1,451	(65)	(36)	-	1,350
Others	35	17	3	-	55
Total	1,599	(49)	(24)	-	1,526
Net	3,216	382	(5)	(775)	2,818

* The balance at 1 January 2020 includes the effect of initially applying TFRS - Financial instruments standards and TFRS 16 Leases (note 3).

	Bank only				
	At 1 January 2019	(Charged) / Credited to:			At 31 December 2019
		Profit or loss	Other comprehensive income		
			(note 21.2)		
			(in million Baht)		
Deferred tax assets					
Investments	179	120	(10)		289
Loans to customers and accrued interest receivables	1,160	977	-		2,137
Properties for sale	46	(3)	-		43
Premises and equipment	58	(25)	-		33
Provisions for employee benefits	244	90	12		346
Provisions for other liabilities	126	6	-		132
Deferred revenue and other liabilities	563	190	-		753
Others	113	36	-		149
Total	2,489	1,391	2		3,882
Deferred tax liabilities					
Investments	-	1	63		64
Premises and equipment	1,207	(24)	268		1,451
Others	36	7	(8)		35
Total	1,243	(16)	323		1,550
Net	1,246	1,407	(321)		2,332

As at 31 December 2019, the Bank had tax-deductible temporary differences in relation to investments in subsidiaries totaling Baht 649 million, for which deferred tax assets have been recognised because certain recognition criteria were met.

As at 31 December 2020, a subsidiary already completed liquidation on 1 October 2020, the Bank has recognized taxable expense in relation to investments in subsidiaries totaling Baht 649 million.

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21.2 Income tax

Income tax recognised in profit or loss

	Note	Consolidated		Bank only	
		2020	2019	2020	2019
<i>(in million Baht)</i>					
Current tax expenses					
Current year		3,850	3,246	598	2,980
Over provided in prior years		(6)	(2)	(7)	(2)
		<u>3,844</u>	<u>3,244</u>	<u>591</u>	<u>2,978</u>
Deferred tax expenses					
Movements in temporary differences	21.1	(1,621)	(1,656)	(382)	(1,407)
		<u>(1,621)</u>	<u>(1,656)</u>	<u>(382)</u>	<u>(1,407)</u>
Total		<u><u>2,223</u></u>	<u><u>1,588</u></u>	<u><u>209</u></u>	<u><u>1,571</u></u>

Income tax recognised in other comprehensive income

	Consolidated					
	2020			2019		
	Before tax	Tax (expenses) benefit	Net of tax	Before tax	Tax (expenses) benefit	Net of tax
<i>(in million Baht)</i>						
Investments	(73)	15	(58)	423	(85)	338
Premises and equipment	(179)	36	(143)	1,338	(268)	1,070
Provisions for employee benefits	680	(136)	544	(112)	23	(89)
Others	(41)	8	(33)	(41)	8	(33)
Total	<u>387</u>	<u>(77)</u>	<u>310</u>	<u>1,608</u>	<u>(322)</u>	<u>1,286</u>
	Bank only					
	2020			2019		
	Before tax	Tax (expenses) benefit	Net of tax	Before tax	Tax (expenses) benefit	Net of tax
<i>(in million Baht)</i>						
Investments	46	(9)	37	365	(73)	292
Premises and equipment	(179)	36	(143)	1,338	(268)	1,070
Provisions for employee benefits	249	(50)	199	(56)	12	(44)
Others	(89)	18	(71)	(41)	8	(33)
Total	<u>27</u>	<u>(5)</u>	<u>22</u>	<u>1,606</u>	<u>(321)</u>	<u>1,285</u>

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Reconciliation of effective tax rate

	Consolidated			
	2020		2019	
	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)
Profit before income tax		<u>12,338</u>		<u>8,810</u>
Income tax using the Thai corporation tax rate	20	2,468	20	1,762
Deferred tax expenses which previously unrecognised deductible temporary difference had been met the recognition criteria and utilised during the years	(1)	(119)	(2)	(146)
Deferred tax expenses which deductible temporary difference had not been met the recognition criteria during the years	15	1,861	-	22
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net	(16)	(1,981)	(1)	(48)
Over provided in prior years	-	(6)	-	(2)
Total	18	2,223	17	1,588

	Bank only			
	2020		2019	
	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)
Profit before income tax		<u>13,064</u>		<u>8,670</u>
Income tax using the Thai corporation tax rate	20	2,613	20	1,734
Deferred tax expenses which previously unrecognised deductible temporary difference had been met the recognition criteria and utilised during the years	-	(1)	(2)	(146)
Deferred tax expenses which deductible temporary difference had not been met the recognition criteria during the years	14	1,861	-	22
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net	(33)	(4,257)	-	(37)
Over provided in prior years	-	(7)	-	(2)
Total	1	209	18	1,571

22 Deposits

22.1 Classified by type of deposits

	Consolidated		Bank only	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Current	83,291	76,095	70,895	64,055
Savings	1,103,241	903,198	687,298	536,873
Term	186,930	418,905	57,539	62,717
Total	1,373,462	1,398,198	815,732	663,645
Less prepaid interest expenses	(54)	(86)	(54)	(86)
Total	1,373,408	1,398,112	815,678	663,559

22.2 Classified by currency and residency of depositors

	Consolidated					
	2020		Total	2019		Total
Domestic	Foreign	Domestic		Foreign		
	<i>(in million Baht)</i>					
Thai Baht	1,358,581	6,765	1,365,346	1,382,912	5,694	1,388,606
US Dollar	7,093	275	7,368	7,847	1,122	8,969
Other currencies	683	11	694	520	17	537
Total	1,366,357	7,051	1,373,408	1,391,279	6,833	1,398,112

	Bank only					
	2020		Total	2019		Total
Domestic	Foreign	Domestic		Foreign		
	<i>(in million Baht)</i>					
Thai Baht	801,839	6,763	808,602	649,040	5,691	654,731
US Dollar	6,207	255	6,462	7,313	1,101	8,414
Other currencies	605	9	614	399	15	414
Total	808,651	7,027	815,678	656,752	6,807	663,559

23 Interbank and money market items (liabilities)

Interbank and money market (liabilities) as at 31 December 2020 were as follows:

	Consolidated		Bank only	
	<i>(in million Baht)</i>			
Domestic items				
Bank of Thailand and Financial Institutions Development Fund		7,124		5,101
Commercial banks		26,147		26,184
Specialised financial institutions		11,725		9,750
Other financial institutions		29,245		9,575
Total domestic items		74,241		50,610
Foreign items				
US Dollar		341		177
Other currencies		1,327		362
Total foreign items		1,668		539
Total domestic and foreign items		75,909		51,149

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Interbank and money market (liabilities) as at 31 December 2019 were as follows:

	Consolidated			Bank only		
	At call	Term	Total	At call	Term	Total
	<i>(in million Baht)</i>					
Domestic						
Bank of Thailand and Financial Institutions Development Fund	410	-	410	-	-	-
Commercial banks	519	25,200	25,719	381	58,006	58,387
Specialised financial institutions	32	10,003	10,035	24	7,412	7,436
Other financial institutions	37,638	9,187	46,825	6,372	54	6,426
Total domestic	38,599	44,390	82,989	6,777	65,472	72,249
Foreign						
US Dollar	233	1,809	2,042	114	-	114
Other currencies	1,057	538	1,595	388	-	388
Total foreign	1,290	2,347	3,637	502	-	502
Total domestic and foreign	39,889	46,737	86,626	7,279	65,472	72,751

24 Financial liabilities designated at fair value through profit or loss

	Consolidated and Bank only	
	2020	2019
	<i>(in million Baht)</i>	
Debt issued	432	418
Total	432	418

In case that the entity presents changes in all risks in profit or loss, disclose the following details:

	Consolidated and Bank only	
	2020	2019
	<i>(in million Baht)</i>	
Changes in fair value during the year	(2)	(10)

25 Debts issued and borrowings, net

	Interest rates as at 31 December 2020 (%)	Maturities	Consolidated					
			2020		2019		Total	
			Domestic	Foreign	Domestic	Foreign		
			<i>(in million Baht)</i>					
Subordinated debentures ⁽¹⁾	3.50, 4.00 and 4.90	2022 ⁽²⁾ - 2024 ⁽²⁾	35,430	12,099	47,529	42,488	12,062	54,550
Senior debentures	3.108, 6mLibor+1.05 and 0.22-0.85	2021 - 2025	-	41,331	41,331	24,419	29,770	54,189
Bills of exchange ⁽³⁾ and promissory notes	2.15 and 0.05-2.50	At call and 2012	10	-	10	10	-	10
Other borrowings	0.00-0.75	2021 - 2031	27	68	95	18	68	86
Total			35,467	53,498	88,965	66,935	41,900	108,835

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	Interest rates as at 31 December 2020 (%)	Maturities	Bank only					
			Domestic	2020		2019		Total
				Foreign	Total	Domestic	Foreign	
Subordinated debentures ⁽¹⁾	3.50, 4.00 and 4.90	2022 ⁽²⁾ - 2024 ⁽²⁾	35,430	12,099	47,529	35,430	12,062	47,492
Senior debentures	3.108, 6mLibor+1.05 and 0.22-0.85	2021 - 2025	-	41,331	41,331	-	29,770	29,770
Bills of exchange ⁽³⁾	2.15	2012	5	-	5	5	-	5
Other borrowings	0.00-0.75	2021 - 2031	27	68	95	18	68	86
Total			35,462	53,498	88,960	35,453	41,900	77,353

⁽¹⁾ Counted as a part of Tier 2 capital, which is determined under the conditions as specified in the BoT's Notification (note 9)

⁽²⁾ The years in which call option exercise periods start

⁽³⁾ The outstanding balance of bills of exchange maturing during the year 2012 were waiting for redeem by the holders.

25.1 Subordinated debentures

25.1.1 On 11 May 2015, Thanachart Bank Public Company Limited (TBANK) issued the Subordinated Debenture No.1/2015 to be counted as Tier 2 capital, amounting to Baht 7,000 million, which has a 10-year 6 month maturity period and carries a fixed interest rate of 4.65% per annum, payable quarterly in February, May, August and November of every year. TBANK can early redeem the Subordinated Debenture No.1/2015 after 5 years from the issue date or according to certain specified conditions. TBANK has to get the Bank of Thailand's approval before early redemption of the Subordinated Debenture. The Subordinated Debenture are name-registered, unsecured instruments with no instrument holder's representative. The Subordinated Debenture will be fully converted to ordinary shares of TBANK in the event that a Point of Non-Viability is triggered requiring financial assistance from the regulators. TBANK has a call option to early redeem these instruments at par if the conditions specified are met.

On 11 May 2020, TBANK early redeemed its entire Subordinated Debenture No.1/2558, amounting to Baht 7,000 million. Such early redemption has already been approved by the Bank of Thailand.

25.1.2 On 29 May 2017, the Bank issued the Subordinated Debenture No.1/2560 to be counted as Tier 2 capital under Basel III requirement, amounting to Baht 5,430 million, which has a 10.5-year maturity period and carries a fixed interest rate of 3.50% per annum, payable quarterly in February, May, August and November of every year. The Bank can early redeem the Subordinated Debenture No.1/2560 after 5.5 years from the issue date or according to certain specified conditions. The Bank has to get the Bank of Thailand's approval before early redemption of the Subordinated Debenture.

25.1.3 On 28 June 2019, the Bank issued the Subordinated Debenture No.1/2562 to be counted as Tier 2 capital under Basel III requirement, amounting to Baht 30,000 million, which has a 10-year maturity period and carries a fixed interest rate of 4.00% per annum, payable quarterly in March, June, September and December of every year. The Bank can early redeem the Subordinated Debenture No.1/2562 after 5 years from the issue date or according to certain specified conditions. The Bank has to get the Bank of Thailand's approval before early redemption of the Subordinated Debenture.

25.1.4 On 2 December 2019, the Bank issued the Perpetual Additional Tier 1 Capital Securities amounting to USD 400 million, which has no expiration date and carries a fixed interest rate of 4.90% per annum, payable semi-annually in June and December of every year. The Bank can early redeem the Perpetual Additional Tier 1 Capital Securities after 5 years from the issue date or according to certain specified conditions. The Bank has to get the Bank of Thailand's approval before proceeding an early redemption. The Securities have been issued under the Bank's Euro Medium Term Note Programme.

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25.2 Senior debentures

25.2.1 On 1 April 2016, the Bank issued unsecured Senior Debentures of USD 300 million, with a 5.5-year maturity and carrying a fixed interest rate of 3.108% per annum, payable semi-annually in April and October of every year. The debentures have been issued under the Bank's Euro Medium Term Note Programme.

On 7 October 2019, the Bank bought back these debentures from investors amounting to USD 50 million. Remaining balance is USD 250 million.

25.2.2 On 5 June 2018, the Bank issued unsecured Senior Debentures (Green Bond) of USD 60 million, with a 7-year maturity and carrying a floating interest rate of 6M Libor + 1.05% per annum, payable semi-annually in June and December of every year. The proceeds from Green Bond issuance will be used to finance the loan to private sector on its investment in sustainable environment.

25.2.3 On 17 December 2018, the Bank issued unsecured Senior Debentures (SME Bond) of USD 90 million, with a 7-year maturity and carrying a floating interest rate of 6M Libor + 1.05% per annum, payable semi-annually in June and December of every year. The proceeds from SME Bond issuance will be used to support small and medium sized enterprises.

25.2.4 During 11 - 13 November 2019, the Bank issued unsecured Senior Debentures (Euro Bond) of EUR 525 million, with 1 - 5 years maturity and carrying a fixed interest rate of 0.10% - 0.85% per annum, payable semi-annually in May and November of every year.

On 12 November 2020, a series of the unsecured Senior Debentures (Euro Bond) with 1 year maturity, amounting to EUR 150 million was matured which has already paid. Remaining balance is EUR 375 million.

25.2.5 During 24 - 25 March 2020, the Bank issued unsecured Senior Debentures (Euro Bond) of EUR 420 million, with a 1-year maturity and carrying a fixed interest rate of 0.25% per annum, payable semi-annually in March and September of every year.

25.2.6 During the year 2019, Thanachart Bank Public Company Limited issued discount short term senior debentures, name-registered, unsecured instruments which carry interest rate of 1.90% - 1.96% per annum, with maturity of less than 1 year total amounting to Baht 24,419 million. Such senior debentures were entirely redeemed during the period due to maturity.

25.3 Other borrowings

Borrowings with specific uses (other borrowings) as at 31 December 2020 and 2019 were as follows:

Borrowings from	Objectives of borrowings	Consolidated and Bank only			
		2020		2019	
		Outstanding balances	Baht equivalent (in million Baht)	Outstanding balances	Baht equivalent (in million Baht)
National Science and Technology Development Agency	For enterprises involving in research and development activities	Baht 27 million	27	Baht 18 million	18
KfW Bankengruppe (KfW)	For small industry businesses	EUR 2 million	68	EUR 2 million	68
Total			95		86

26 Provisions for employee benefits

26.1 Defined contribution plan

The Bank, its subsidiaries and their employees have jointly established provident fund schemes under the Provident Fund Act B.E. 2530. The employees contribute to the funds at rates ranging from 2 - 15% of their basic salaries and the Bank and its subsidiaries contribute at rates ranging from 3 - 10%, depending on the number of years of service of each employee. The funds will be paid to the employees upon death, termination or dissolution of the business, in accordance with the rules of the funds. The fund assets are held separately from those of the Bank and its subsidiaries, under the management of the fund manager.

For the year ended 31 December 2020 and 2019, the Bank and its subsidiaries contributed Baht 793 million and Baht 429 million, respectively, to the funds (Bank only: Baht 499 million and Baht 398 million, respectively).

26.2 Defined benefit plans

26.2.1 Detail of defined benefit plans

	Consolidated		Bank only	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Post-employment benefit plans	4,356	5,142	2,507	1,720
Other long-term employee benefit plans	10	8	10	8
Total	4,366	5,150	2,517	1,728

26.2.2 Movement in post-employment benefit obligations

	Consolidated		Bank only	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
At 1 January	5,142	1,212	1,720	1,211
Acquisition through business combination	-	3,347	-	-
Employee benefits obligations transferred in/ (out)	(14)	-	970	-
Included in profit or loss				
Current service cost	435	222	261	206
Loss on (reversal of) benefit settlement	-	(4)	-	2
Past service cost	(195)	312	93	312
Interest on obligation	94	41	46	33
	334	571	400	553
Included in other comprehensive income				
Actuarial (gain) losses	(683)	112	(252)	56
Others				
Benefits paid	(423)	(100)	(331)	(100)
	(423)	(100)	(331)	(100)
At 31 December	4,356	5,142	2,507	1,720

During the year ended 31 December 2019, the Bank and its subsidiaries recognised the past service cost in accordance with the changes in the Labor Protection Act which was amended that an employee who is terminated after having been employed by the same employer for an uninterrupted period of twenty years or more, receives severance payment of 400 days of wages at the most recent rate.

Actuarial gains recognised in other comprehensive income arising from:

	Consolidated		Bank only	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Demographic assumptions	(80)	12	102	(24)
Financial assumptions	(282)	195	(27)	169
Experience adjustments	(321)	(95)	(327)	(89)
Total	(683)	112	(252)	56

26.2.3 Actuarial assumptions of post-employment benefit obligations

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	Consolidated		Bank only	
	2020	2019	2020	2019
	<i>(%)</i>			
Discount rate	1.21, 1.46	1.49, 1.71	1.21	1.49
Future salary growth	3.00	4.50, 5.00	3.00	4.50
Staff turnover rates	0.00 - 26.00	0.00 - 29.00	0.00 - 26.00	0.00 - 29.00

Assumptions regarding future mortality have been based on published statistics and mortality tables.

26.2.4 Sensitivity analysis of post-employment benefit obligations

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown below.

	Change (+) in assumption	Consolidated		Post-employment benefit obligations increase (decrease) <i>(in million Baht)</i>
		2020		
		Change (-) in assumption	Post-employment benefit obligations increase (decrease) <i>(in million Baht)</i>	
Discount rate	+1%	-1%	(380)	436
Future salary growth	+1%	-1%	419	(373)
Turnover rate	+1%	-1%	(399)	259
Future mortality	+1 year	-1 year	21	(21)

	Change (+) in assumption	Consolidated		Post-employment benefit obligations increase (decrease) <i>(in million Baht)</i>
		2019		
		Change (-) in assumption	Post-employment benefit obligations increase (decrease) <i>(in million Baht)</i>	
Discount rate	+1%	-1%	(456)	526
Future salary growth	+1%	-1%	499	(443)
Turnover rate	+1%	-1%	(478)	423
Future mortality	+1 year	-1 year	7	(7)

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	Bank only 2020			
	Change (+) in assumption	Post-employment benefit obligations increase (decrease) <i>(in million Baht)</i>	Change (-) in assumption	Post-employment benefit obligations increase (decrease) <i>(in million Baht)</i>
Discount rate	+1%	(214)	-1%	246
Future salary growth	+1%	234	-1%	(209)
Turnover rate	+1%	(225)	-1%	145
Future mortality	+1 year	12	-1 year	(12)

	Bank only 2019			
	Change (+) in assumption	Post-employment benefit obligations increase (decrease) <i>(in million Baht)</i>	Change (-) in assumption	Post-employment benefit obligations increase (decrease) <i>(in million Baht)</i>
Discount rate	+1%	(128)	-1%	145
Future salary growth	+1%	136	-1%	(123)
Turnover rate	+1%	(136)	-1%	32
Future mortality	+1 year	7	-1 year	(7)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

27 Provisions for other liabilities

The movement in provision for other liabilities during the year was as follows:

	Commitment from letters of guarantee issued, avals and other guarantees		Consolidated Allowance for expected loss of credit commitments and financial guarantee contracts		Others	Total
			Obligation for litigation cases <i>(note 36.2)</i>	<i>(in million Baht)</i>		
At 1 January 2019	304	44	-	282	630	
Acquisition through business combination	131	840	-	168	1,139	
Provisions increase (decrease)	30	(10)	-	1,722	1,742	
Paid during the year	-	(20)	-	(1,636)	(1,656)	
At 31 December 2019	465	854	-	536	1,855	
At 1 January 2020 - adjusted (see note 3)	127	854	1,489	536	3,006	
Provision increase (decrease)	12	(71)	114	137	192	
Paid during the year	(7)	(45)	-	(326)	(378)	
At 31 December 2020	132	738	1,603	347	2,820	

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	Commitment from letters of guarantees and other guarantees	Obligation for litigation cases (note 36.2)	Bank only Allowance for expected loss of credit commitments and financial guarantee contracts	Others	Total
	<i>(in million Baht)</i>				
At 1 January 2019	304	44	-	282	630
Provisions increase (decrease)	34	(12)	-	1,653	1,675
Paid during the year	-	(20)	-	(1,626)	(1,646)
At 31 December 2019	338	12	-	309	659
At 1 January 2020 - adjusted (see note 3)	-	12	1,103	309	1,424
Provision increase	-	49	186	302	537
Paid during the year	-	(45)	-	(471)	(516)
At 31 December 2020	-	16	1,289	140	1,445

28 Deferred revenue

	Consolidated	
	2020	2019
	<i>(in million Baht)</i>	
Deferred revenue		
- Funds and Bancassurance	19,785	16,997
- Credit card	168	164
- Hire purchase	702	632
- Others	230	393
Total	20,885	18,186

	Bank only	
	2020	2019
	<i>(in million Baht)</i>	
Deferred revenue		
- Funds and Bancassurance	18,865	16,087
- Credit card	168	164
- Others	229	199
Total	19,262	16,450

After negotiations between FWD Life Insurance Public Company Limited (FWD), the current bancassurance partner of TMB Bank Public Company Limited (the Bank), and Prudential Life Assurance (Thailand) Public Company Limited (Prudential), the current bancassurance partner of Thanachart Public Company Limited (TBANK), a mutual conclusion has been reached that Prudential has agreed to acquire the rights to sell life insurance products through TMB from FWD and the original bancassurance agreement between TMB and FWD would be revised to reflect the new partnership.

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Key components of the agreements entered into between the parties can be summarised as follows:

- Prudential will have the exclusive rights to sell the life insurance products through the network of the Bank, TBANK and subsequently the merged bank for an initial term of 15 years, with effect on and from 1 January 2021.
- To facilitate customer services of both banks during the transition period in 2020, the Bank will continue to sell the life insurance products of FWD until the end of this year and also onboard the products of Prudential through the various channels operated by the Bank. The transition period lasts between 1 April 2020 and 31 December 2020. Nevertheless, TBANK will continue selling the life insurance products of Prudential exclusively.

Revenue which will be recognised in 2020 from Prudential's acquisition of rights under the original bancassurance agreement between the Bank and FWD is valued at Baht 1.3 billion. Revenue to be gradually recognised throughout the combined initial contractual term and transition period (15 years 9 months) is Baht 20.8 billion, starting 1 April 2020.

29 Other liabilities

	Consolidated		Bank only	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Accrued expenses	5,566	7,592	3,587	4,369
Accrued interest expenses	762	2,483	282	347
Deposits and guarantees received	287	181	231	181
Collateral on derivative transactions	3,846	2,009	3,205	1,378
Suspense accounts electronic money and money transferred	512	646	212	290
Suspense accounts - others	2,511	3,254	1,827	1,739
Other payables	829	1,495	180	299
Corporate income tax payable	1,758	6,023	268	1,612
Others	4,063	2,683	1,677	1,403
Total	20,134	26,366	11,469	11,618

30 Offsetting of financial assets and financial liabilities

The Bank and its subsidiaries currently hold agreements including derivatives and sale -and- repurchase agreements which do not meet the criteria for offsetting in the Consolidated and Bank only's statement of financial position because such agreements are created in the way that the parties have to agree a right of set-off the agreed amounts that is enforceable only following an event of default, insolvency or bankruptcy of the Bank or the counterparties or following other predetermined events. For derivatives, the rights to call are agreed by both parties with specific call frequency and threshold. According to the agreements, the Bank and its subsidiaries receive and give collateral in form of cash and marketable securities. The details are as follow:

	Consolidated				Net amount
	Gross Amount	Amount offset in statements of financial position	Amount presented in statements of financial position (in million Baht)	Amounts not offset in financial statements - Amount eligible for offsetting per contracts	
At 31 December 2020					
Financial assets					
Reverse sale-and-repurchase	77,619	-	77,619	(77,619)	-
Derivatives assets	11,076	-	11,076	(3,846)	7,230
Total	88,695	-	88,695	(81,465)	7,230
Financial liabilities					
Sale-and-repurchase	22,000	-	22,000	(22,000)	-
Derivatives liabilities	6,362	-	6,362	(1,203)	5,159
Total	28,362	-	28,362	(23,203)	5,159
	Bank only				Net amount
	Gross Amount	Amount offset in statements of financial position	Amount presented in statements of financial position (in million Baht)	Amounts not offset in financial statements - Amount eligible for offsetting per contracts	
At 31 December 2020					
Financial assets					
Reverse sale-and-repurchase	77,619	-	77,619	(77,619)	-
Derivatives assets	9,716	-	9,716	(3,205)	6,511
Total	87,335	-	87,335	(80,824)	6,511
Financial liabilities					
Sale-and-repurchase	22,000	-	22,000	(22,000)	-
Derivatives liabilities	5,477	-	5,477	(776)	4,701
Total	27,477	-	27,477	(22,776)	4,701

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Reconciliation to the net amounts of financial assets and financial liabilities presented in the statement of financial position are as follow:

Type of financial instruments	Amount presented in statement of financial position (in million Baht)	Consolidated		Carrying amount in statement of financial position (in million Baht)	Carrying amount in statement of financial position that are not qualify for offsetting (in million Baht)
		Items in statement of financial position	Note		
At 31 December 2020					
Financial assets					
Reverse sale-and-repurchase	77,619	Interbank and money market items (Assets)	12	211,185	133,566
Derivatives assets	11,076	Derivatives assets	13	11,959	883
Total	88,695			223,144	134,449
Financial liabilities					
Sale-and-repurchase	22,000	Interbank and money market items (Liabilities)	23	75,909	53,909
Derivatives liabilities	6,362	Derivatives liabilities	13	9,268	2,906
Total	28,362			85,177	56,815
Bank only					
Type of financial instruments	Amount presented in statement of financial position (in million Baht)	Items in statement of financial position	Note	Carrying amount in statement of financial position (in million Baht)	Carrying amount in statement of financial position that are not qualify for offsetting (in million Baht)
At 31 December 2020					
Financial assets					
Reverse sale-and-repurchase	77,619	Interbank and money market items (Assets)	12	221,263	143,644
Derivatives assets	9,716	Derivatives assets	13	10,013	297
Total	87,335			231,276	143,941
Financial liabilities					
Sale-and-repurchase	22,000	Interbank and money market items (Liabilities)	23	51,149	29,149
Derivatives liabilities	5,477	Derivatives liabilities	13	8,144	2,667
Total	27,477			59,293	31,816

The gross amounts of financial assets and financial liabilities and their net amounts disclosed in the above tables have been measured in the statement of financial position on the following bases:

- derivative assets and liabilities: fair value;
- assets and liabilities resulting from sale-and-repurchase agreements and reverse sale-and-repurchase agreements: amortised cost.

31 Share-based payments - TMB Stock Retention Program

Information of TMB Stock Retention Program

On 18 December 2019, the Board of Directors Meeting No.11/2562 approved the TMB Stock Retention Program 2020 (TMB TSRP 2020) which will offer newly issued ordinary shares of the Bank to employees of both TMB and Thanachart Bank who have qualifications under TMB TSRP 2020. The employees under TMB TSRP 2020 shall be entitled to subscribe for the newly issued shares according to the conditions specified in TMB TSRP 2020. Summary of the program is detail below.

Term of continuing scheme:	3 years starting from the first offering date.
Number of ordinary shares to be offered:	Not exceeding the total of 197,700,000 newly issued ordinary shares with the par value of Baht 0.95 each, which will be offered pursuant to the continuing scheme.
Offering price per share:	<p>The offering price per share to be offered to the employees under TMB TSRP 2020 is equivalent to the average closing price of ordinary shares of the Bank on the Stock Exchange of Thailand ("SET") on each trading day for the period of 7 calendar days prior to the first offering date of the newly issued shares.</p> <p>The offering price may be lower than 90% of the market price as prescribed in the notification of the Securities and Exchange Commission relating to the calculation of the offering price and the determination of the offering price for issuance of the newly issued shares.</p> <p>In the case that the calculation of the offering price in any offering is lower than the par value of the ordinary shares of the Bank, the Bank is required to offer newly issued shares to the employees under TMB TSRP 2020 at the price equivalent to the par value of the ordinary shares of the Bank.</p>
Condition of subscription for the newly issued shares:	The employees under TMB TSRP 2020 who will subscribe for the newly issued shares shall be employees of TMB or Thanachart Bank as of the subscription date of such newly issued shares (the rights for employees who retire pursuant to the Bank's regulation or death are still retained).

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31.1 The first offering of new ordinary shares

On 15 September 2020, the Bank made a first offering of 50,062,500 ordinary shares with a par value of Baht 0.95 per share to its employees, at a price of Baht 0.95 per share. Details were as follows:

The offering of new ordinary shares	Par value (Baht/ shares)	Offering Price (Baht/ shares)	The offering of new ordinary shares	Ordinary shares issued to employees ⁽¹⁾ (shares)	Balance of new ordinary shares unissued as at 31 December 2020
The first offering, 2020	0.95	0.95	198,750,000	(50,062,500)	148,687,500

⁽¹⁾ The shares will be gradually issued on an annual basis over three years since the offering of such ordinary shares.

31.2 Reconciliation of issued and paid-up ordinary share capital, share premium and other reserve - shared-based payments

	Consolidated and Bank only			Other reserve - share-based payments
	2020			
	Issued and paid-up ordinary share capital (No. of shares)	(Baht)	Share premium (Baht)	
Balance - beginning of the year	96,359,354,380	91,541,386,661	43,217,043,941	-
Issued ordinary shares to employees	50,062,500	47,559,375	-	69,562,996
Price adjustment from merger	-	-	105,071,655	-
Expenses in relation to issuance of ordinary shares to employees	-	-	(514,548)	-
Balance - end of the year	96,409,416,880	91,588,946,036	43,321,601,048	69,562,996

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32 Share capital

	Par value per share (in Baht)	2020		2019	
		Number	Amount (million shares / million Baht)	Number	Amount
Authorised shares at 31 December	0.95	<u>106,224</u>	<u>100,912</u>	<u>106,224</u>	<u>100,912</u>
<i>Issued and paid-up</i>					
At 1 January					
- ordinary shares	0.95	96,359	91,541	43,852	41,659
Issue of new shares	0.95	<u>50</u>	<u>48</u>	<u>52,507</u>	<u>49,882</u>
At 31 December					
- ordinary shares	0.95	<u>96,409</u>	<u>91,589</u>	<u>96,359</u>	<u>91,541</u>

On 23 September 2019, the meeting of the Extraordinary General of Shareholders No.1/2019 approved the issuance of the new ordinary shares not exceeding 31,481,481,482 shares in reserve for the exercise of transferable subscription rights (TSRs), and not exceeding 30,890,177,781 shares for the TBANK's existing shareholders, private placement, management and employee of the Bank and TBANK.

The new ordinary shares have been registered with the Ministry of Commerce on 25 September 2019. Therefore, the total authorised share capital of the Bank was Baht 100,912 million which divided into 106,224 million ordinary shares of 0.95 Baht per share.

In November 2019, the Bank issued 27,393 million shares of 1.40 Baht per share as a result of the exercise of transferable subscription rights (TSRs).

In December 2019, the Bank issued 25,114 million shares of 2.16 Baht per share to the TBANK's existing shareholders.

33 Legal reserve

Pursuant to section 116 of the Public Limited Company Act B.E. 2535 and under the Bank's Articles of Association, the Bank and its subsidiaries is required to set aside a statutory reserve at least 5 percent of its net earnings after deducting accumulated deficit brought forward (if any) until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

34 Appropriation of profit and dividend payment

- (a) On 20 August 2020, the Board of Directors' Meeting of the Bank passed a resolution approving the appropriation of its half year 2020 operating results for a total of Baht 6,731 million to be legal reserve.
- (b) On 26 March 2020, the Board of Directors Meeting of the Bank passed a resolution approving the appropriation of the 2019 operating profit and dividend payment:
- (1) Appropriation of net profit of Baht 360 million to be legal reserve.
 - (2) Payment of an interim dividend of Baht 0.01 per share to the Bank's ordinary shareholders from its second half year 2019 operating results for a total of Baht 964 million. The Bank paid such dividend to its shareholders on 24 April 2020.
- (c) On 15 November 2019, the meeting of the Board of Directors No. 10/2019 passed a resolution approving the payment of an interim dividend of Baht 0.03 per share to the Bank's ordinary shareholders from its half year 2019 operating results for a total of Baht 2,137 million. The Bank paid such dividend to its shareholders on 13 December 2019.
- (d) On 12 April 2019, the 2019 Annual General Meeting of the Bank's shareholders passed resolutions approving the appropriation of the 2018 operating profit and dividend payment:
- (1) Appropriation of net profit of Baht 450 million to be legal reserve.
 - (2) Payment of a dividend of Baht 0.07 per share from the 2018 operating profit to the shareholders for a total of Baht 3,070 million. The Bank paid such dividend to its shareholders on 9 May 2019.

35 Assets pledged as collateral and under restriction

Assets pledged as collateral and under restriction as at 31 December 2020 and 2019 were as follows:

	Consolidated		Bank only	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Interbank and money market items				
- Deposit under restriction of oversea branch	-	5	-	5
- Placed at insurance registrar	1	1	-	-
Investments in securities				
- Investments used to guarantee electricity usage	5	-	-	-
- Placed at court	2	5	-	-
- Pledged as collateral against repurchase transactions	16,058	7,005	16,058	7,005
Property foreclosed under restriction	35	1	-	-
Total	16,101	7,017	16,058	7,010

36 Commitments and contingent liabilities

36.1 Commitments

	Consolidated		Bank only	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Avals to bills	240	336	159	243
Guarantees of loans	2,382	2,386	38	38
Liability under unmatured import bills	1,935	2,392	1,878	2,226
Letters of credit	13,358	13,720	13,042	12,789
Other commitments				
- Other guarantees	63,324	63,368	63,324	63,368
- Amount of unused bank overdrafts	105,942	104,962	86,104	83,245
- Committed line	42,892	44,371	78,239	4,844
- Others ⁽¹⁾	29,236	41,968	17,029	23,028
Total	259,309	273,503	259,813	189,781

⁽¹⁾ As at 31 December 2020, this included the financial assets accepted as collateral that had been sold or pledged amounting to Baht 15,924 million (2019: 22,463 million). The Bank and its subsidiaries are obliged to return those securities in equivalent amount.

As at 31 December 2020 and 2019, the Bank and its subsidiaries had no commitments from providing other guarantees to listed companies, which meet criteria for delisting conditions from the Stock Exchange of Thailand.

36.2 Litigation

(a) As at 31 December 2020 and 2019, the Bank and its subsidiaries were claimed pursuant to obligations under the letters of guarantee and other claims for 120 cases and 119 cases, respectively (Bank only: claims for 45 cases and 49 cases, respectively). The said claims were made against the Bank and its subsidiaries for the approximate liability amounts of Baht 3,010 million ⁽¹⁾ and Baht 2,336 million ⁽¹⁾, respectively (Bank only: Baht 89 million ⁽¹⁾ and Baht 265 million ⁽¹⁾, respectively).

(b) As at 31 December 2020 and 2019, the Bank and its subsidiaries have recognised provisions for possible losses from the litigation cases totalling Baht 738 million and Baht 854 million, respectively (Bank only: Baht 16 million and Baht 12 million, respectively). The management considers that the provision established for such potential losses due to the said litigation cases is adequate.

⁽¹⁾ Excluding the liabilities of the Bank and its subsidiaries as at 31 December 2020 and 2019 of Baht 1,009 million and Baht 1,862 million, respectively (Bank only: Baht 994 million and Baht 1,312 million, respectively), which the Court of First Instance and the Appeals Court dismissed the cases.

36.3 Non-cancellable operating lease commitments

	Consolidated	Bank only
	<i>(in million Baht)</i>	
<i>At 31 December 2019</i>		
<i>Future minimum lease payable under operating leases</i>		
Within one year	1,631	606
After one year but within five years	1,755	647
After five years	43	19
Total	3,429	1,272

37 Related parties

For the purposes of these financial statements, parties are considered to be related to the Bank and its subsidiaries if the Bank and its subsidiaries have the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Bank and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Definitions and characteristics of relationships

Related parties are as follows:

1. Major shareholders are the shareholders who own over 10% of the Bank's paid-up share capital.
2. Subsidiaries
3. Associate
4. Key management personnel of the Bank and its subsidiaries
5. Other related parties are
 - 5.1 Close family members of key management personnel
 - 5.2 Entities in which key management personnel and their close family members hold over 10% of paid-up share capital
 - 5.3 Entities of which key management personnel and their close family members are directors exercising control or having significant influence
 - 5.4 Related companies of major shareholders
 - 5.5 Entities in which related companies of major shareholders hold over 10% of paid-up share capital
 - 5.6 Entities in which holds over 10% of paid-up share capital (excluding subsidiaries and associate)

The additional information on investments in subsidiaries and associate is disclosed in note 15.

TMB Bank Public Company Limited and its subsidiaries

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For the year ended 31 December 2020

Relationships with key management and other related parties were as follows:

Name of entity/Personnel	Country of incorporation/ Nationality	Nature of relationship
Key management personnel	Thailand and other countries	Persons having authority and responsibility for planning, directing and controlling the activities of the Bank, directly or indirectly, including any director (whether executive or otherwise) of the Bank and its subsidiaries
Ministry of Finance	Thailand	The major shareholder of the Bank owning over 10% of the Bank's paid-up share capital
ING Bank N.V.	The Netherlands	The major shareholder of the Bank owning over 10% of the Bank's paid-up share capital
Thanachart Capital PCL	Thailand	The major shareholder of the Bank owning over 10% of the Bank's paid-up share capital
Entities whose shares have been owned or have been controlled by the Ministry of Finance	Thailand	Related through the major shareholder of the Bank, owning over 10% of the Bank's paid-up share capital
Phayathai Asset Management Co., Ltd.	Thailand	Subsidiary, 100% shareholding, and complete the liquidation process on 1 October 2020
Phahonyothin Asset Management Co., Ltd.	Thailand	Subsidiary, 100% shareholding, more than 50% of directors are representatives of the Bank
Thanachart Bank PCL	Thailand	Subsidiary, 99.98% shareholding, more than 50% of directors are representatives of the Bank
Thanachart Broker Co., Ltd.	Thailand	Indirect subsidiary, 99.99% shareholding by Thanachart Bank PCL
Thanachart Fund Management Co., Ltd.	Thailand	Associated, 49.9% shareholding by the Group, less than 50% of directors are representatives of the Group
TMB Asset Management Co., Ltd.	Thailand	Associated, 35% shareholding, less than 50% of directors are representatives of the Bank

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Interest rates of loans	Based on market rate and the collateral consideration process, the same as the Bank's normal course of business, except for the interest rates of staff welfare loans which are in accordance with the Bank's regulation.
Fee and service income	Registrar and related services, money transfer services for unit holders, agents and support services for funds managed by its associate are charged by the Bank at the rate based on conditions specified in contracts negotiated in the normal course of business, taking into account the size of funds and the purchase and sale volumes of investment units.
Interest rate on deposits and borrowings	Based on market rate
Fee and services income for other types of services	Based on market price
Branch office rental and related service	Based on market rate
Sale of non-performing assets to a subsidiary	Based on market price
Dividend income	At declared

TMB Bank Public Company Limited and its subsidiaries

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For the year ended 31 December 2020

37.1 Significant related parties transactions with key management and other related parties

Significant related parties transactions for the years ended 31 December 2020 and 2019 with key management and other related parties were as follows:

	Consolidated 2020					
	Interest income	Interest expenses	Fees and service income	Fees and service expenses	Other operating income	Other operating expenses
	<i>(in million Baht)</i>					
1. Major shareholders	30	44	-	-	14	57
2. Subsidiaries	-	-	-	-	-	-
3. Associate	-	-	2,016	-	11	-
4. Key management personnel of the Bank	3	12	-	-	-	-
5. Other related parties	3,188	1,354	2,332	-	287	1,676

	Consolidated 2019					
	Interest income	Interest expenses	Fees and service income	Fees and service expenses	Other operating income	Other operating expenses
	<i>(in million Baht)</i>					
1. Major shareholders	-	2	1	-	-	64
2. Subsidiaries	-	-	-	-	-	-
3. Associate	-	-	1,621	-	140	-
4. Key management personnel of the Bank	1	4	-	-	-	-
5. Other related parties	623	642	194	4	34	277

	Bank only 2020					
	Interest income	Interest expenses	Fees and service income	Fees and service expenses	Other operating income	Other operating expenses
	<i>(in million Baht)</i>					
1. Major shareholders	30	-	-	-	-	27
2. Subsidiaries	232	68	838	105	21,034	131
3. Associate	-	-	1,169	-	435	-
4. Key management personnel of the Bank	1	4	-	-	-	-
5. Other related parties	525	206	29	-	33	235

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For the year ended 31 December 2020

	Bank only 2019					
	Interest income	Interest expenses	Fees and service income	Fees and service expenses	Other operating income	Other operating expenses
	<i>(in million Baht)</i>					
1. Major shareholders	-	-	-	-	-	7
2. Subsidiaries	-	39	5	-	1	-
3. Associate	-	-	1,621	-	140	-
4. Key management personnel of the Bank	1	3	-	-	-	-
5. Other related parties	380	348	27	-	20	210

During the year ended 31 December 2020, the Bank and its subsidiaries have progress on the integration according to the entire business transfer plan, which include balance sheet optimisation, product and service readiness, people integration, and facility management.

37.2 Outstanding balances with related parties

As at 31 December 2020 and 2019, significant outstanding balances with related persons or parties were as follows:

37.2.1 Significant balances between the Bank and its subsidiaries and their major shareholders as at 31 December 2020 and 2019 were as follows:

	Consolidated		Bank only	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Loans to customers and accrued interest receivables, net				
Ministry of Finance	39,030	-	39,030	-
Other receivables				
Thanachart Capital PCL.	-	112	-	112
Other assets				
Ministry of Finance	1	1	-	-
Thanachart Capital PCL.	2	1	-	-
Deposits (including interbank and money market items - liabilities)				
ING Bank N.V.	4	5	4	5
Thanachart Capital PCL.	177	33	-	-
Other liabilities				
Thanachart Capital PCL.	-	392	-	392
Commitments - Derivatives ⁽¹⁾				
ING Bank N.V.	4,506	4,523	4,506	4,523
⁽¹⁾ Presented in notional amount				
Other commitments				
ING Bank N.V.	-	15	-	15

TMB Bank Public Company Limited and its subsidiaries

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37.2.2 Significant balances between the Bank and its subsidiaries and associate as at 31 December 2020 and 2019 were as follows:

	Consolidated		Bank only	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Loans to customers and accrued				
Interest receivables, net (including interbank and money market items - assets)				
Thanachart Bank Public Company Limited	-	-	56,000	-
Other assets				
Thanachart Bank Public Company Limited	-	-	412	-
TMB Asset Management Co., Ltd.	125	140	125	140
Thanachart Asset Management Co., Ltd.	127	-	-	-
Total	252	140	537	140
Interbank and market items - assets				
Thanachart Bank Public Company Limited	-	-	1,241	-
Deposits (including interbank and money market items - liabilities)				
Thanachart Bank Public Company Limited	-	-	304	-
Thanachart Broker Co., Ltd.	-	-	7	-
Phahonyothin Asset Management Co., Ltd.	-	-	31	31
TMB Asset Management Co., Ltd.	155	99	155	99
Thanachart Asset Management Co., Ltd.	524	9	419	9
Total	679	108	916	139
Other liabilities				
Thanachart Bank Public Company Limited	-	-	217	-
Debts issued and borrowings (including interbank and market items - liabilities)				
Thanachart Bank Public Company Limited	-	-	-	32,806
Commitments - Derivatives ⁽¹⁾				
Thanachart Bank Public Company Limited	-	-	1,085	2,614
TMB Asset Management Co., Ltd.	297	12	297	12

⁽¹⁾ Presented in notional amount

37.2.3 Significant balances between the Bank and its subsidiaries, and their key management personnel as at 31 December 2020 and 2019 were as follows:

	Consolidated		Bank only	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Loans to customers and accrued interest receivables, net	91	117	31	41
Deposits	692	609	418	169

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37.2.4 Significant balances between the Bank and its subsidiaries, and other related parties as at 31 December 2020 and 2019 were as follows:

	Consolidated		Bank only	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Interbank and money market items - assets and loans to customers and accrued interest receivables, net	73,794	107,091	24,192	17,512
Other assets	79	317	-	-
Deposits (including interbank and money market items - liabilities)	34,670	70,525	9,865	14,380
Debts issued and borrowings (including interbank and money market items - liabilities)	9,741	13,011	9,741	12,612
Other liabilities	83	630	2	4
Commitments - Derivatives ⁽¹⁾	57,006	106,519	57,006	106,519
⁽¹⁾ Presented in notional amount				
Other commitments	2,284	1,030	1,957	391

37.3 Senior management personnel compensation

For the years ended 31 December 2020 and 2019, senior management personnel compensation, included in profit or loss, was classified as follows:

	Consolidated		Bank only	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Short-term employee benefits - directors	64	49	52	48
Short-term employee benefits - management	962	893	896	864
Post-employment benefits	86	36	84	35
Share-based payments	36	-	36	-
Total	1,148	978	1,068	947

Senior management personnel of the Bank are directors, management personnel at the level "Head of" or executive vice president and above, and related management personnel of Accounting or Finance. Senior management personnel of the subsidiaries are those at the level of director and executive officer upwards.

37.4 Other benefits payable to the senior management personnel

The Bank's senior management personnel do not receive other benefits both in terms of monetary and non-monetary items, except for the benefits that are normally received as mentioned in note 37.3 such as monthly director remuneration, meeting allowance, salary and bonus. Directors who are the Bank's executives and the representative directors who are the executives of ING Bank N.V. shall not receive director remuneration as per the criteria of the Bank and ING Bank N.V. Nevertheless, directors with permanent residence abroad can reimburse travelling and accommodation expenses in connection with the operation of the Bank's business as actually incurred. Foreign executives are eligible for additional benefits, which are housing allowances, including utilities, telephone and home trip expenses in accordance with the established criteria.

38 Segment information

For management purposes, the Bank's businesses are divided into the following core segments, based on customer segmentation:

1. Commercial Banking

1.1 Wholesale Banking: This serves large-sized and medium-sized business customer. The main products and services are corporate loans, letters of guarantee, deposits, trade finance and foreign exchange, supply chain solution, financial management, and other financial services.

1.2 Small Enterprise: This serves small-size business customer. The main products and services are corporate loans, deposits and bancassurance.

2. Retail Banking: This represents individual persons. The main products and services are deposits, housing loans, hire purchase, finance lease, personal loans, cards services, bancassurance and mutual funds, and foreign currency services.

The Bank evaluates segment performance based on profit from operation, using the same accounting policies as those used in its preparation of the financial statements.

In the second quarter of 2020, there was certain customers transferring from Small Enterprise to Retail banking in accordance with Bank's business direction

The inter-segment transfer pricing policy is to set prices with reference to market rates. Direct operating expenses are recorded as expenses for each operating segment and certain expenses are allocated to each operating segments based on relevant variables e.g. number of transactions, asset based and liabilities based, etc.

The operating segment information, as reported below, is reported in a manner consistent with the Bank's internal reports that are regularly reviewed by the Chief Operating Decision Maker in order to make decisions on the allocation of resources to the operating segments and assess their performance. The Chief Operating Decision Maker has been identified as the Chief Executive Committee.

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Information about reportable segments:

For the year ended

31 December 2020

	Commercial Banking	Retail Banking	Consolidated Other segments <i>(in million Baht)</i>	Elimination	Total
Net interest income	14,158	40,153	972	(1,478)	53,805
Net non-interest income	4,498	8,949	15,170	(13,628)	14,989
Total operating income	18,656	49,102	16,142	(15,106)	68,794
Operating expenses	(3,605)	(17,683)	(10,809)	652	(31,445)
Profits from operation	15,051	31,419	5,333	(14,454)	37,349
Expected credit loss					(25,011)
Profit before income tax					12,338
Income tax					(2,223)
Profit for the year					10,115

For the year ended

31 December 2019

	Commercial Banking	Retail Banking	Consolidated Other segments <i>(in million Baht)</i>	Elimination	Total
Net interest income	13,440	11,705	1,905	(185)	26,865
Net non-interest income	3,506	6,234	5,022	(1,809)	12,953
Total operating income	16,946	17,939	6,927	(1,994)	39,818
Operating expenses	(8,104)	(10,793)	(1,295)	33	(20,159)
Profits from operation	8,842	7,146	5,632	(1,961)	19,659
Provision for doubtful accounts on loans and loan - related transactions					(10,849)
Profit before income tax					8,810
Income tax					(1,588)
Profit for the year					7,222

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Reconciliation of reportable segment profit or loss

For the year ended

31 December 2020

	Net interest income	Net non- interest income	Operating expenses	Expected credit loss
	Consolidated <i>(in million Baht)</i>			
Segment reporting	53,805	14,989	(31,445)	(25,011)
Expected credit loss	-	-	(180)	180
Others	-	(3)	3	-
Consolidated financial statements	<u>53,805</u>	<u>14,986</u>	<u>(31,622)</u>	<u>(24,831)</u>

For the year ended

31 December 2019

	Net interest income	Net non- interest income	Operating expenses	Impairment loss on loans and debt securities
	Consolidated <i>(in million Baht)</i>			
Segment reporting	26,865	12,953	(20,159)	(10,849)
Bad debts, doubtful accounts and impairment losses	(10)	6	(508)	512
Others	10	(3)	(7)	-
Consolidated financial statements	<u>26,865</u>	<u>12,956</u>	<u>(20,674)</u>	<u>(10,337)</u>

	Commercial Banking	Retail Banking	Other segments	Elimination	Total
	Consolidated 2020 <i>(in million Baht)</i>				
Loan to customers	<u>524,476</u>	<u>838,624</u>	<u>24,814</u>	<u>5,011</u>	<u>1,392,925</u>
Deposits	<u>195,494</u>	<u>1,178,140</u>	<u>-</u>	<u>(226)</u>	<u>1,373,408</u>

	Commercial Banking	Retail Banking	Other segments	Elimination	Total
	Consolidated 2019 <i>(in million Baht)</i>				
Loan to customers	<u>557,370</u>	<u>807,323</u>	<u>20,916</u>	<u>6,616</u>	<u>1,392,225</u>
Deposits	<u>201,155</u>	<u>1,126,830</u>	<u>70,135</u>	<u>(8)</u>	<u>1,398,112</u>

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39 Financial position and results of operations classified by domestic and foreign business

39.1 As at 31 December 2020 and 2019, the financial position classified by domestic and foreign business was as follows:

	2020		Consolidated		2019	
	Domestic business	Foreign business	Total	Domestic business	Foreign business	Total
			<i>(in million Baht)</i>			
Total assets	1,807,653	679	1,808,332	1,857,699	491	1,858,190
Interbank and money market items, net (assets)	210,809	376	211,185	235,907	404	236,311
Financial assets measured at fair value through profit or loss	3,788	-	3,788	-	-	-
Investments, net	134,351	-	134,351	166,265	-	166,265
Investments in subsidiaries and associate, net	8,599	-	8,599	8,953	-	8,953
Loans to customers and accrued interest receivables, net	1,348,480	-	1,348,480	1,348,600	30	1,348,630
Deposits	1,373,405	3	1,373,408	1,398,064	48	1,398,112
Interbank and money market items (liabilities)	75,909	-	75,909	86,554	72	86,626
Debts issued and borrowings, net	69,441	19,524	88,965	89,235	19,600	108,835

39.2 The results of operations classified by domestic and foreign business for the years ended 31 December 2020 and 2019 were as follows:

For the years ended

31 December 2020

	Consolidated		
	Domestic business	Foreign business	Total
	<i>(in million Baht)</i>		
Interest income	72,315	5	72,320
Interest expenses	(17,634)	(881)	(18,515)
Net interest income (expenses)	54,681	(876)	53,805
Net fees and service income	10,576	(1)	10,575
Total other operating income	4,390	21	4,411
Total other operating expenses	(31,601)	(21)	(31,622)
Profit (loss) from operations before expected credit loss and income tax	38,046	(877)	37,169

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For the years ended
31 December 2019

	Consolidated		
	Domestic business	Foreign business	Total
	<i>(in million Baht)</i>		
Interest income	39,825	12	39,837
Interest expenses	(12,631)	(341)	(12,972)
Net interest income (expenses)	27,194	(329)	26,865
Net fees and service income	8,098	-	8,098
Total other operating income	4,871	(13)	4,858
Total other operating expenses	(20,659)	(15)	(20,674)
Impairment loss on loans and debt securities	(10,337)	-	(10,337)
Profit (loss) from operations before income tax	9,167	(357)	8,810

40 Interest income

For the years ended 31 December	Consolidated		Bank only	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Interbank and money market items	1,922	1,965	1,449	1,807
Investments and trading transactions	109	131	77	130
Investments in debt securities	1,920	1,555	737	1,388
Loans to customers	45,633	34,334	29,635	32,970
Hire purchase and finance leases	22,734	1,822	-	-
Others	2	30	2	30
Total	72,320	39,837	31,900	36,325

41 Interest expenses

For the years ended 31 December	Consolidated		Bank only	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Deposits	11,553	6,896	5,274	6,048
Interbank and money market items	538	781	356	779
Contribution to Deposits Protection Agency and BoT	3,445	3,371	1,797	3,050
Debt issued				
- Debentures and subordinated debentures	1,976	1,355	1,918	1,327
- Others	951	544	869	501
Borrowings	38	23	38	23
Others	14	2	14	2
Total	18,515	12,972	10,266	11,730

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42 Net fees and service income

<i>For the years ended 31 December</i>	Consolidated		Bank only	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Fees and service income				
- Acceptance, avals and guarantees	566	362	455	351
- ATM, Debit card, Credit card and other banking electronic	4,204	3,495	2,607	3,310
- Funds and Bancassurance	5,721	5,430	5,439	5,430
- Others	5,430	2,056	1,905	1,397
Total	15,921	11,343	10,406	10,488
Fees and service expenses				
- ATM, Debit card, Credit card and other banking electronic	(3,360)	(2,377)	(2,137)	(2,234)
- Others	(1,986)	(868)	(688)	(718)
Total	(5,346)	(3,245)	(2,825)	(2,952)
Net	10,575	8,098	7,581	7,536

43 Gains on trading and foreign exchange transactions, net

<i>For the years ended 31 December 2019</i>	Consolidated	Bank only
	<i>(in million Baht)</i>	
Gains on trading and foreign exchange transactions, net		
- Foreign currencies and derivatives on foreign exchange	1,346	1,312
- Derivatives on interest rates	94	92
- Debt securities	88	85
Total	1,528	1,489

44 Losses on financial liabilities designated at fair value through profit or loss, net

<i>For the years ended 31 December 2019</i>	Consolidated and Bank only
	<i>(in million Baht)</i>
Net change in fair value	(22)
Losses on financial liabilities designated at fair value through profit or loss, net	(22)

45 Net gain (loss) on financial instruments measured at fair value through profit or loss

For the year ended 31 December 2020

	Consolidated	Bank only
	<i>(in million Baht)</i>	
Gains (losses) on trading and foreign exchange transactions		
- Foreign currencies and foreign exchange derivatives	1,285	1,092
- Interest rates derivatives	230	234
- Debt securities	199	83
- Equity securities	1	1
- Others	25	-
Total	1,740	1,410
Gain (losses) on financial instruments designated at FVTPL		
- Borrowings	(14)	(14)
Total	1,726	1,396

46 Net gain on investments

For the years ended 31 December	Consolidated		Bank only	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Gains on sales				
- Available-for-sale investments	-	1,881	-	1,875
- Held to maturity	-	4	-	4
- General investments	-	71	-	71
- Investment in debt instruments measured at FVOCI	678	-	582	-
Total	678	1,956	582	1,950

47 Impairment loss on loans and debt securities

Impairment loss on loans and debt securities for the year ended 31 December 2019 was as follows:

For the year ended 31 December 2019

	Consolidated	Bank only
	<i>(in million Baht)</i>	
Bad debts and doubtful accounts (reversal of)		
- Interbank and money market items	(44)	(30)
- Loans to customers	10,442	9,077
Allowance for debt restructuring on loans to customers	(61)	(61)
Total	10,337	8,986

48 Expected credit loss

Expected credit loss for the year ended 31 December 2020 was as follows:

For the year ended 31 December 2020

	Consolidated	Bank only
	<i>(in million Baht)</i>	
Interbank and money market items	(110)	19
Investment in debt instruments measured at FVOCI	1,626	10
Loans to customers and accrued interest receivables	23,202	13,219
Loan commitments and financial guarantee contracts	113	186
Total	24,831	13,434

49 Earnings per share

Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2020 and 2019 were based on the profit for the years attributable to equity holders of the Bank and the weighted average number of ordinary shares outstanding during the years as follows:

<i>For the years ended 31 December</i>	Consolidated		Bank only	
	2020	2019	2020	2019
Profit for the years attributable to equity holders of the Bank <i>(in million Baht)</i>	<u>10,112</u>	<u>7,222</u>	<u>12,855</u>	<u>7,099</u>
Weighted average number of ordinary shares outstanding <i>(in million shares)</i>	<u>96,374</u>	<u>48,624</u>	<u>96,374</u>	<u>48,624</u>
Basic earnings per share <i>(in Baht)</i>	<u>0.1049</u>	<u>0.1485</u>	<u>0.1334</u>	<u>0.1460</u>

Diluted earnings per share

The calculations of diluted earnings per share for the years ended 31 December 2020 and 2019 were based on the profit for the years attributable to equity holders of the Bank and the weighted average number of ordinary shares outstanding during the years after adjusting for the effects of all dilutive potential ordinary shares as follows:

<i>For the years ended 31 December</i>	Consolidated		Bank only	
	2020	2019	2020	2019
Profit for the years attributable to equity holders of the Bank <i>(in million Baht)</i>	<u>10,112</u>	<u>7,222</u>	<u>12,855</u>	<u>7,099</u>
Weighted average number of ordinary shares outstanding <i>(in million shares)</i>	<u>96,374</u>	<u>48,624</u>	<u>96,374</u>	<u>48,624</u>
Effect of dilutive potential ordinary shares from TMB TSRP 2020 Scheme <i>(in million shares)</i>	<u>167</u>	<u>-</u>	<u>167</u>	<u>-</u>
Weighted average number of diluted ordinary shares outstanding <i>(in million shares)</i>	<u>96,541</u>	<u>48,624</u>	<u>96,541</u>	<u>48,624</u>
Diluted earnings per share <i>(in Baht)</i>	<u>0.1047</u>	<u>0.1485</u>	<u>0.1332</u>	<u>0.1460</u>

50 Events after the reporting period

On 24 February 2021, the Board of Directors Meeting of the Bank passed a resolution to propose for consideration and approval in the Annual General Meeting of Shareholders with the payment of a dividend of Baht 0.045 per share to the Bank's ordinary shareholders from its 2020 operating results for a total of Baht 4,338 million (Such dividend amount is calculated on the number of issued and paid-up share capital as at 31 December 2020 issued shares). Such dividend will be paid and recorded after it is approved by the resolution of the Annual General Meeting of the Bank's shareholders.

Company Information

General information

Name of the Company	TMB Bank Public Company Limited
Nature of Business	Commercial bank's businesses in accordance with Financial Institutions Businesses Act and the businesses concerning financial services under the permission of the Ministry of Finance, the Bank of Thailand, and other parties concerned.
Registration No.	0107537000017
Head Office Address	3000 Phahonyothin Road, Chomphon, Chatuchak, Bangkok 10900
Telephone	02-299-1111
Fax	02-299-1211
TMB Phone Banking	1558
Website	www.tmbbank.com

Other referral parties

Share Registrar	Thailand Securities Depository Co., Ltd. The Stock Exchange of Thailand Building, 93 Ratchadaphisek Road, Dindaeng Bangkok 10400 Tel 02-009-9999
Auditors	Mr. Chanchai Sakulkoedsin CPA Registered No. 6827 Or Miss Panthip Gulsantithomrong CPA Registered No. 4208 Or Mrs. Wilai Buranakittsophon CPA Registered No. 3920 KPMG Phoomchai Audit Ltd. 48 th -50 th Floors, Empire Tower 1 South Sathorn Road, Yannawa, Sathorn Bangkok 10120 Tel 02-677-2000



For more information of TMB, please visit www.tmbbank.com or scan the QR code.

Investment of TMB in Other Companies

As of 31 December 2020, TMB's Investment in other companies holding more than 10% of the paid-up capital in each company were as follows:

Company	Head Office Location	Type of Business	Type of Capital (Share)
Strategic Investment in Financial Business Companies			
THANACHART BANK PUBLIC CO.,LTD. Tel. 1770 (customer service center)	Bangkok	Finance	Common Stock
TMB ASSET MANAGEMENT CO.,LTD. Tel. 0-2636-1800 Ext.1725 (customer service center)	Bangkok	Finance	Common Stock
PHAHONYOTHIN ASSET MANAGEMENT CO.,LTD. Tel. 0-2617-4068-70	Bangkok	Finance	Common Stock
Business Supporting Companies			
TMB PROPERTY DEVELOPMENT CO.,LTD. Tel. 0-2299-1159, Fax 0-2242-3138-9	Bangkok	Real Estate	Common Stock
Other Companies			
N D GROUP FEEDMILL CO.,LTD.	Lamphun	Wholesales and Retails	Common Stock
NATIONAL ITMX CO.,LTD. Tel. 0-2558-7555, Fax 0-2558-7566	Bangkok	Services	Common Stock
M_THAI ESTATE CO.,LTD. Tel. 0-2261-1144, Fax 0-2261-1143	Bangkok	Real Estate	Common Stock
THAI CHAREONPHOL INDUSTRY CO.,LTD. Tel. 054-581202, Fax 054-581876	Phrae	Productions	Common Stock
TRIS CORPORATION LIMITED Tel. 0-2231-3011, Fax 0-2231-3681	Bangkok	Services	Common Stock
WHOLESALE TOWN CO.,LTD. Tel. 0-2531-6860, Fax 0-2532-3009	Bangkok	Transportations	Common Stock
WING GROUP CO.,LTD. Tel. 053-331315-6, Fax 053-331314, 053-331336	Chiang Mai	Garment Manufacturer	Common Stock

Paid-Up Capital (Share)	TMB's Ownership		
	Amount (Share)	Percentage (%)	Amount (Baht) (net of allowance for diminution in value)
6,064,862,170	6,063,411,688	99.98	158,629,816,096.33
10,000,000	3,500,000	35.00	196,942,475.58
2,500,000	2,500,000	100.00	25,000,000.00
10,000	9,993	99.93	4,169,342.92
120,000	30,000	25.00	0.00
500,000	52,052	10.41	197,910,847.45
30,000,000	3,000,000	10.00	0.00
15,500	2,500	16.13	0.00
1,000,000	153,000	15.30	101,291,044.41
22,000	2,200	10.00	2,390,442.36
9,000	2,250	25.00	0.00

Additional Information: Investment of Thanachart Bank (TBANK)

As of 31 December 2020, TBANK's Investment in other companies holding more than 10% of the paid-up capital in each company were as follows:

Company	Type of Business	Type of Capital (Share)
Strategic Investment in Financial Business Companies		
THANACHART BROKER COMPANY LIMITED	Insurance Broker Business	Common Stock
THANACHART FUND MANAGEMENT COMPANY LIMITED	Fund Management Business	Common Stock
Other Companies		
METROPOLITAN INDUSTRIAL LEASING COMPANY LIMITED	Financial Leasing for Consumer Goods (except motor vehicles and motorcycles)	Common Stock
PUE POB PAET COMPANY LIMITED	General Medical Practice Activities	Common Stock

Paid-Up Capital (Share)	TBANK's Ownership		
	Amount (Share)	Percentage (%)	Amount (Baht) (net of allowance for diminution in value)
10,000,000	9,999,000	99.99	104,156,331.27
10,000,000	4,990,000	49.90	64,026,607.70
2,500,000	250,000	10.00	792,500.00
100,000	9,998	10.00	-

Domestic Network

as of 31 December 2020

	TMB	Thanachart
Branches and Business Centers		
Domestic Branches	732 branches as details below <ul style="list-style-type: none"> • 289 TMB only branches • 329 Thanachart only branches • Co-Location (TMB Thanachart Branch) 114 branches 	
Zone Offices	<ul style="list-style-type: none"> • 23 zone offices for Small Business • 43 zone offices for SME • 12 zone offices for Business Banking 	
Foreign Currency Exchange Service	<ul style="list-style-type: none"> • 1 Booth at TMB Head Quarter 	
Electronic Channels		
ATMs and ADMs	<ul style="list-style-type: none"> • ATM 2,134 Machines • ADM 497 Machines • All in Ones 63 Machines 	<ul style="list-style-type: none"> • ATM 1,155 Machines • All in Ones 234 Machines
Digital Banking		
Mobile Banking	<ul style="list-style-type: none"> • TMB TOUCH mobile application for retail customers 	<ul style="list-style-type: none"> • Thanachart T-Connect for retail customers
Internet Banking	<ul style="list-style-type: none"> • Internet Banking service for retail customers through the website www.tmbdirect.com • Internet Banking service for business customers through the website www.tmbizdirect.com 	<ul style="list-style-type: none"> • Internet Banking service for retail customers through the website www.thanachartbank.co.th

	TMB	Thanachart
Contact Center		
Contact Center	<ul style="list-style-type: none"> • 1558 International Call +66 2299 1558 	<ul style="list-style-type: none"> • 1770 International Call +66 2217 5770
Small Business	<ul style="list-style-type: none"> • 0-2828-2828 Service hours: 8.00-20.00 (Mon-Sat, except bank holidays and public holidays) 	<ul style="list-style-type: none"> • 1770
Corporate Call Center	<ul style="list-style-type: none"> • 0-2643-7000 Service hours: 8.00-18.00 on working days 	<ul style="list-style-type: none"> • 0-2217-5700 Service hours: 8.30-20.00 on working days
ME by TMB		
ME Place	<ul style="list-style-type: none"> • ME Place 5th floor, Central World 	
Call Center	<ul style="list-style-type: none"> • 0-2502-0000 	
Website	<ul style="list-style-type: none"> • www.mebytmb.com 	
Mobile Application	<ul style="list-style-type: none"> • TMB TOUCH mobile application • MEbyTMB Application 	



TMB: QR code



Thanachart: QR Code

For more details of domestic network and service hours, please scan QR Code.

International Branches

as of 31 December 2020

Vientiane Branch

Postal Address	TMB Bank Public Company Limited 054 Unit 5 Samsenthai Road, Chanthabouly, Vientiane, Laos P.D.R
Registered Address	TMB Bank Public Company Limited 054 Unit 5 Samsenthai Road, Chanthabouly, Vientiane, Laos P.D.R
Branch Manager	Mr. Chatree Banlengrom
Telephone	856-21-216486, 856-21-217174
E-mail Address	chatree.ban@tmbbank.com

Cayman Islands Branch

Postal Address	TMB Bank Pcl., Cayman Islands Branch 3000 Phahon Yothin Road, Chatuchak, Bangkok 10900 Thailand
Registered Address	Cainvest Bank and Trust Limited P.O. Box 1353 5 th Floor Harbour Place, 103 South Church Street, George Town, Grand Cayman, KY1-1108, Cayman Islands
Branch Manager	Mr. Chalermchai Paisithmongkol
Telephone	662 299 1195
E-mail Address	chalermchai.pai@tmbbank.com



For more details of international branches,
please scan QR code.

Correspondent Bank

as of 31 December 2020

Country	Correspondent Bank	
Australia	Australia and New Zealand Banking Group Limited	
Canada	Bank of Nova Scotia	The Bank of New York Mellon
China	Agricultural Bank of China Limited Bank of China Limited China Construction Bank Corporation Bank of Communications Co Ltd	Industrial & Commercial Bank of China Limited HSBC Bank (China) Co Ltd DBS Bank (China) Limited
Denmark	Danske Bank A/S, Copenhagen, Denmark	
Finland	Danske Bank A/S, Finland branches	Nordea Bank Abp, Helsinki branch
France	BNP Paribas SA Crédit Agricole Corporate and Investment Bank CACIB Crédit Industriel et Commercial	Natixis Societe Generale
Germany	Commerz Bank AG Deutsche Bank AG	Standard Chartered Bank, Germany branch Unicredit Bank AG
Hong Kong	The Hongkong and Shanghai Banking Corporation Limited Standard Chartered Bank, Hong Kong branch Industrial and Commercial Bank of China (Asia) Limited	
Indonesia	PT Bank Danamon Indonesia Tbk	Standard Chartered Bank, Indonesia branch
India	Standard Chartered Bank, India branch	
Israel	Bank Leumi le-Israel BM	
Japan	MUFG Bank Ltd. The Okazaki Shinkin Bank Mizuho Bank Ltd Sumitomo Mitsui Banking Corporation	The Towa Bank Ltd The Yamaguchi Bank Ltd Momiji Bank Ltd The Kitakyushu Bank Ltd
Korea	KEB Hana Bank	
Malaysia	CIMB Bank Berhad	Standard Chartered Bank, Malaysia branch
Netherlands	ING Bank NV	
Norway	Nordea Bank Abp, Oslo	
Belgium	ING Belgium NV/SA	
Saudi Arabia	Standard Chartered Bank, Dubai branch	The National Commercial Bank
Singapore	DBS Bank Ltd Oversea-Chinese Banking Corp Ltd	United Overseas Bank Limited Bank of Singapore Limited
Sweden	Skandinaviska Enskilda Banken AB	Nordea Bank Abp, Stockholm branch
Switzerland	Credit Suisse AG UBS AG	UBS Switzerland AG
Thailand	Bangkok Bank Public Company Limited Bank for Agriculture & Agricultural Cooperatives Bank of Ayudhya Public Company Limited Bank of Thailand CIMB Thai Bank Public Company Limited Export-Import Bank of Thailand Government Savings Bank Industrial and Commercial Bank of China (Thai) Public Company Limited Kasikornbank Public Company Limited	Kiatnakin Phatra Bank Public Company Limited Krung Thai Bank Public Co Ltd Mega International Commercial Bank Public Company Limited Siam Commercial Bank PCL Standard Chartered Bank (Thai) Public Company Limited Thanachart Bank Public Company Limited Government Housing Bank TISCO Bank Public Company Ltd United Overseas Bank (Thai) Public Company Limited
UK	Barclays Bank PLC HSBC Bank plc	National Westminster Bank Plc Standard Chartered Bank
USA	Bank of America NA The Bank of New York Mellon Bank of the West Deutsche Bank AG	Citibank NA International Finance Corporation JPMorgan Chase Bank National Association Wells Fargo Bank National Association

Attachment 1

Details of Company Secretary, Chief Audit and Head of Compliance

As of 31 December 2020

Mr. Naris Aruksakunwong

38 years old

Position

- Company Secretary
- Head of Strategy

Education and Trainings

- Master of Business Administration
Harvard Business School
Massachusetts, USA
- Master of Science, Management Science
and Engineering, Stanford University,
California, USA
- Bachelor of Science, Electrical Engineering
(Distinction), Stanford University,
California, USA
- Company Secretary Program and Board
Reporting Program, Thai Institute of
Director (IOD)
- Design Thinking, Southeast Asia Center
- Cybersecurity Awareness, Deloitte
- Anti-Money Laundering and Combating
the Financing of Terrorism, 2019 Personal
Data Protection Act (PDPA), and Deposit
Protection, The Thai Bankers' Association
- 2020 Anti-Corruption, 2020 Market Conduct,
2020 Promoting Risk, and How can we secure
from cyber threats?, TMB Bank Plc.
- Cyber Resilience Awareness, IFRS 9
Implication and Readiness, Inside Information
and Data Privacy, Branding and NPS Update,
and Sustainability Training, TMB Bank Plc.

Work Experience

2019 - Present

- Company Secretary, TMB Bank Plc.

2018 - Present

- Head of Strategy, TMB Bank Plc.

2015 - 2018

- FSVP, Group Strategic Management,
Siam Commercial Bank Plc.

2007 - 2015

- Engagement Manager,
McKinsey & Company

Mrs. Pittimart Sanguansook

56 years old

Position

- Chief Audit Officer

Education and Trainings

- Bachelor of Accounting, Thammasat University
- High Diploma in Auditing, Thammasat
University
- Risk Management Program for Corporate
Leaders, Thai Institute of Director (IOD)
- Director Accreditation Program, Thai Institute
of Director (IOD)
- Advanced Audit Committee Program,
Thai Institute of Director (IOD)

Work Experience

May 2020 - Present

- Chief Audit Officer
TMB Bank Plc.

2017 - 2020

- Chief Financial Officer
Thanachart Bank Plc.

2016 - 2017

- Senior Vice President, Finance
Thanachart Bank Plc.

Mr. Kittichai Singha*

50 years old

Position

- Head of Compliance

Education and Trainings

- Master of Political Science, Thammasat University
- Bachelor of Arts, Srinakharinwirot University
- IT Governance & Cyber Resilience Program,
Thai Institute of Directors Association (IOD)
- Legal Strategies for Personal Data Management
Chula Unisearch, Chulalongkorn University
- APAC Country Compliance Officer Training,
SMBC Singapore
- Securities Law for Head of Compliance and
Securities Law for Head of Compliance,
Thai Bankers' Association
- Digital Bank Compliance Head Workshop,
Asia Pacific Head of Compliance Workshop,
Fraud Workshop, Talent Identification and
Retention, AML- Sanctions and Anti-Bribery
Corruption, and Regulatory Compliance
Workshop, Citibank Thailand
- LBDU Compliance Workshop,
Securities and Exchange Commission
- Bond Trading Compliance Training, Thai
Bond Market Association
- Risk Management and Anti-Money Laundering
Training, Bank of China, New York, USA

Work Experience

2020 - Present

- Head of Compliance, TMB Bank Plc.

2018 - Present

- Executive Vice President, Head of Compliance
Thanachart Bank Plc.

2018 - 2018

- Senior Vice President, Country Head of
Compliance, Sumitomo Mitsui Banking
Corporation

2004 - 2018

- Senior Vice President,
Regulatory Compliance Officer, Citibank

2003 - 2004

- Chief Compliance, Bank of China

1997 - 2002

- Assistant Vice President,
Compliance Department, The Bank of
Tokyo-Mitsubishi UFJ

Note: * resigned effective on 1 January 2021

Attachment 2

Details of person who designated as the top executive in charge of accounting and finance business and person who designated to take direct responsibility to control the accounting treatment

As of 31 December 2020

Mrs. Prapasiri Kositthanakorn

56 years old

Position

- Chief Financial Officer (CFO)

Education and Trainings

- Master of Business Administration (MBA), Assumption University
- Bachelor of Business Administration (Magna Cum Laude), Assumption University
- Certified Public Accountant (CPA), Federation of Accounting Professions under The Royal Patronage of His Majesty The King
- Director Certification Program (DCP), Thai Institute of Directors Association
- Attend the training course on the taxation laws, Federation of Accounting Professions under The Royal Patronage of His Majesty The King

Work Experience

2018 - Present

- Chief Financial Officer, TMB Bank Plc.

1998 - 2018

- Partner, PricewaterhouseCoopers Legal and Tax Consultants Ltd.

1994 - 1997

- Assistant Vice President, Investment Banking Department, The Industrial Finance Corporation of Thailand

1991 - 1994

- Assistant Vice President, Corporate Finance Department, Morgan Grenfell Thai Company Limited

Mr. Mate Kanokpibool

52 years old

Position

- Financial Controller

Education and Trainings

- Master of Accountancy (M.Acc.), Chulalongkorn University
- Bachelor of Accountancy, The University of the Thai Chamber of Commerce (UTCC)
- Certified Public Accountant (CPA), Federation of Accounting Professions under The Royal Patronage of His Majesty The King
- Young CFO Certification Program, Federation of Accounting Professions under The Royal Patronage of His Majesty The King
- Corporate Governance for Capital Market Intermediaries, The Thai Institute of Directors (IOD)

Work Experience

2020 - Present

- Financial Controller, TMB Bank Plc.

2018 - 2020

- Head of Financial and Payment Control, TMB Bank Plc.

2017 - 2018

- Head of Financial Governance and Policy, TMB Bank Plc.

2010 - 2017

- Senior Vice President, Financial Accounting and Tax, TMB Bank Plc.

2004 - 2010

- Vice President, Financial Accounting and Tax, TMB Bank Plc.

2003 - 2003

- Business Controller, ECCO (Thailand) Co., Ltd.

1990 - 2002

- Audit Manager, Deloitte Touche Tohmatsu Jaiyos Co., Ltd.

Attachment 3

Details of Directors in Subsidiaries and Associate companies

Details of Directors in Subsidiaries

1. Thanachart Bank Pcl., Co., Ltd.

1. Mr. Ekniti Nitithanprapas
2. Mr. Suphadej Poonpipat
3. Mr. Philippe G.J.E.O. Damas
4. Mr. Praisun Wongsmith
5. Mr. Willem Frederik Nagel
6. Mr. Chumpol Rimsakorn
7. Mr. Teeranun Srihong
8. Mr. Yokporn Tantisawetrat
9. Mr. Somjate Moosirilert
10. Mr. Prinya Hom-aneek
11. Mr. Michal Jan Szczurek
12. Mrs. Chananyarak Phetcharat
13. Mr. Piti Tantakasem
14. Mr. Praphan Anupongongarch

2. Thanachart Broker Co., Ltd.

1. Mr. Pompert Rasanon
2. Mr. Songwut Chaowalit
3. Mr. Pirapong Nithikraiut
4. Mr. Ekasith Saktanakorn
5. Mr. Varoon Kanjanapoo

3. Phahonyothin Asset Management Co., Ltd.

1. Mr. Johannes Franciscus Grisel
2. Mrs. Suvannee Kam
3. Mrs. Chirdprapa Chaladsoontornvatee
4. Miss. Waree Thanmongkolswad
5. Mr. Suttichai Tiranuchit
6. Mrs. Salin Katinasmith

Details of Directors in Associate Companies

1. TMB Asset Management Co., Ltd.

1. Mr. Anuwat Luengtaweekul
2. Mr. Saranya Phuphatana

2. Thanachart Fund Management Co., Ltd.

1. Mr. Anuwat Luengtaweekul
2. Mr. Saranya Phuphatana

Attachment 4

Change in TMB Shares held by Directors and Chiefs in 2020

as of 31 December 2020

Name	Position	TMB shares held as of 31 Dec 2019	TMB shares held as of 31 Dec 2020	Change (net) Increase/ (Decrease) in TMB shares
1. Mr. Ekniti Nitithanprapas ¹	Chairman	-	-	-
Spouse and minor children		-	-	-
2. Mr. Suphadej Poonpipat	Vice Chairman	-	-	-
Spouse and minor children		-	-	-
3. Mr. Philippe G.J.E.O. Damas	Director	5,126,411	5,126,411	-
Spouse and minor children		-	-	-
4. Mr. Praisun Wongsmith	Independent Director	-	-	-
Spouse and minor children		18,592	18,592	-
5. Mr. Willem Frederik Nagel ²	Independent Director	-	-	-
Spouse and minor children		-	-	-
6. Mr. Chumpol Rimsakorn	Director	-	-	-
Spouse and minor children		-	-	-
7. Mr. Teeranun Srihong	Independent Director	-	-	-
Spouse and minor children		-	-	-
8. Mr. Yokporn Tantisawetrat	Director	-	-	-
Spouse and minor children		-	-	-
9. Mr. Somjate Moosirilert	Director	-	-	-
Spouse and minor children		-	-	-
10. Mr. Prinya Hom-aneak	Independent Director	-	-	-
Spouse and minor children		-	-	-
11. Mr. Michal Jan Szczurek	Director	-	-	-
Spouse and minor children		-	-	-
12. Mrs. Chananyarak Phetcharat ³	Independent Director	-	-	-
Spouse and minor children		-	-	-
13. Mr. Piti Tantakasem	Director and Chief	11,572,894	11,572,894	-
Spouse and minor children	Executive Officer	-	-	-
14. Mr. Praphan Aunpongpongarch ⁴	President	-	1,875,000	1,875,000 ⁶
Spouse and minor children		-	-	-
15. Mr. Senathip Sripaipan	Chief Commercial	-	1,125,000	1,125,000 ⁶
Spouse and minor children	Banking Officer	-	-	-

as of 31 December 2020

Name	Position	TMB shares held as of 31 Dec 2019	TMB shares held as of 31 Dec 2020	Change (net) Increase/ (Decrease) in TMB shares
16. Mr. Pompert Rasanon ⁴	Chief Automotive	-	1,125,000	1,125,000 ⁶
Spouse and minor children	Lending Officer	-	-	-
17. Mr. Anuwat Luengtaweekul ⁴	Chief Retail	340,000	1,590,000	1,250,000 ⁶
Spouse and minor children	Banking Officer	-	-	-
18. Mrs. Prapasiri Kositthanakorn	Chief Financial Officer	-	1,125,000	1,125,000 ⁶
Spouse and minor children		-	-	-
19. Mrs. Kanchana Rojvatuny ⁴	Chief Marketing Officer	7,503,788	8,628,788	1,125,000 ⁶
Spouse and minor children		-	-	-
20. Mrs. Vijitra Thumpothong ⁴	Chief People Officer	-	1,125,000	1,125,000 ⁶
Spouse and minor children		-	-	-
21. Mrs. Pittimart Sanguansook ⁵	Chief Audit Officer	-	500,000	500,000 ⁶
Spouse and minor children		-	-	-
22. Mr. Johannes Franciscus Grisel	Chief Risk Officer	-	-	-
Spouse and minor children		-	-	-
23. Mr. Markus Dolenga ⁹	Chief Technology and	-	1,125,000	1,125,000 ⁶
Spouse and minor children	Operating Officer	-	-	-

Remark:

¹Appointment effective on February 13, 2020.

²Appointment effective on April 23, 2020.

³Appointment effective on April 1, 2020.

⁴Appointment effective on January 1, 2020.

⁵Appointment effective on May 1, 2020.

⁶Share allocation according to TMB Stock Retention Program 2019 No.1

TMB Bank Public Company Limited

3000 Phahon Yothin Road, Chom Phon, Chatuchak, Bangkok 10900

Reg No. / TAX ID No. 0107537000017

Tel. 0-2299-1111, tmbbank.com



E-Book Annual Report