



ISLAMIC

BANK OF THAILAND

البنك الإسلامي بـتايلاند



ISLAMIC

BANK OF THAILAND



ANNUAL REPORT

2020

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Message from the Chairman



From the COVID-19 epidemic crisis since the beginning of 2020, which has spread to almost all countries around the world. Many countries have issued lockdown measures to prevent the spread of the virus, including changing lifestyle into the “New Normal” of people around the world which affecting the global economic and social conditions.

As above situation has severely impacted the economy of Thailand due to its economic structure that relies mainly on tourism and exports. Tourism, tourism-related businesses and services are the industries that directly rather affected including other industries which affected both directly and indirectly as well. As a result, businesses face problems with liquidity, closing their businesses or reducing employment. In order to alleviate the impacts that occur to entrepreneurs and people who are affected by the economy, The government sector and the Bank of Thailand (BOT) have launched assistance measures to help those affected and urgently apply economic stimulus measures to remedy the economic damage incurred.

In 2020, the Bank, as a state-owned financial institution under the Ministry of Finance, has responded to the government's policy by providing assistance measures to help customers affected by the COVID-19 epidemic and implementing the policy of The Bank of Thailand (BOT), as well as the Bank itself, has introduced assistance measures to help its customers since February 2020 which is including financial pause measures to ease debt repayment by reducing short-term installment payments to a fine minimum retail, automatic 6-month debt moratorium to help SMEs with a credit limit of not more than 100 million baht, principal repayment moratorium and only profit payments to potential debtors affected by the economic situation, credit measures to

enhance liquidity by giving new Soft Loan at 2% per year to existing customers to enhance liquidity for business, Muslim loans and southern border credits support up to 20 million baht, loans to support retail Muslim businesses to fight COVID-19 for businessmen and retail Muslim customers, Supportive measures for debt restructuring for retail debtors with debt consolidation methods by reducing profit margins, and extending repayment periods with fee exemption. As above assistance measures covered both personal and business debtors, which the Bank expected the customers who effective by the economic situation to have financial liquidity and be able to continue their business.

Due to the country's economic contraction from the COVID-19 outbreak, the Bank's performance in terms of credit income and Allowance for Doubtful Account increased from loans to large state-owned enterprises. In 2020, the Bank had lower financial income and had an increase in Allowance for Doubtful Account from 2019, resulting in a loss from operations of 166 million baht and a net loss of 2,767 million baht.

However, in 2020, the Bank Remained to focus and been active on Good Corporate Governance, building responsibility and protecting the interests of stakeholders and society as a whole, managing with integrity through the Moral Banking code of conduct participation, supporting and encouraging employees to comply with Market Conduct Supervision guidelines, setting goal to becoming an organization of Knowledge & Innovation, and encouraging employees to improve processes and create innovations for the benefit of the organization. Thus, in 2020, the bank was awarded the Integrity and Transparency Assessment: ITA for fiscal year 2020, with a score of 93.00 : A level.

As for the operational direction in 2021, under the Strategic Plan and Business Plan 2021, the Bank has designated it as the "Year of Customer First" in order to improve the efficiency of the Lean Process, taking into account customer satisfaction as a priority and adhering to the iBank Core Value guidelines, building an organization with Transparency Governance and promoting Moral

The Bank responded to the government's policy and BOT by issuing measures to help customers and entrepreneurs affected by the COVID-19 outbreak in order to relieve the burden and be able to continue their business.

Banking code of conduct participation by continuing to carry out its mission to support and connect the business of Muslims and related parties. Strengthening stability, economic and social development, especially in the 5 southern border provinces, adjusting credit growth rates, monitoring alertly, and hence limiting the amount of Non-Performing Finance (NPF) to meet the Bank's risks, and maintaining assistance measures to provide assistance to customers that affected by the new wave of COVID-19 outbreak and together growing sustainably. Seeking the potential of human resources and improvising the workforce rate be appropriately, developing information technology systems to support the use of Mobile Banking effectively, implementing the Credit Approval Process (CAP) system to increase the speed and efficiency of the credit approvals. This will lead to cost reduction and increase competitiveness in the future.

On behalf of the Board of Directions, the executives, all the bank employees, I would like to thank the shareholders, business partners, as well as customers from public and private sectors who have always trusted and always supported the Bank. We sincerely hope that you will continue to support the Bank continuously and forever.



Mr. Rathain Srimongkol

Charmian

Islamic Bank of Thailand

Message from the Chairman of the Shariah Advisory Council



The Covid -19 pandemic has a severe impact on daily life and social behavior which has become a global crisis of mankind in this era. The government of each country has laid down several preventive measures to control and minimize this epidemic intensively. These measures place more importance on people's health and lives but having tremendous impacts on social norms and economic conditions as many businesses and services such as manufacturing, construction, trading and tourism have been shut down causing many people jobless and unemployed.

The government has directed banks and financial institutions to provide several remedial measures for debtors and clients who need relaxed repayment norms, debt restructuring, low-rate financial injection and liquidity. However, the great task lays on the government to restore the country after the pandemic stops spreading.

Islamic financial institutions in both Muslim and non-Muslim countries have collaborated with the governments and societies to confront with this crisis in several manners especially by using appropriate charitable Islamic financial instruments such as Zakah and remunerations from Waqaf funds to help the poor and needy.

To overcome this crisis, banking and financial organizations must be well prepared spiritually, emotionally and technologically to support government policies and collaborate with other social organizations besides looking after its own stakeholders. Readiness in digital banking for fast and inclusive service, readiness of data for instant decision making and meeting satisfaction, readiness for providing services to all groups and level of clients, readiness in planning proactive and preventive strategies during the crisis and recovering period with new normal and future situation. All of this readiness is crucial for banking and financial institutions to perform their missions and roles. There are many advantageous factors for the Islamic Bank of Thailand, as a State Financial Institution offering Shariah-compliant financial services along with sophisticated technology to all group and level of people, to collaborate with other banking and financial institutions to fulfil their missions and roles in supporting the society to overcome with this crisis, recover the economy and further develop the economic system of Thailand.

The Islamic Bank of Thailand as a State Financial Institution is ready to provide services to all group and level of people with shariah-compliant products and services along with sophisticated technology having supportive role to help the society confronting with the crisis, recovering the economy and further develop the economic system of the country.



Asst. Prof. Dr. Maroning Salaeming
Chairman of the Shariah Advisory Council,
Islamic Bank of Thailand

Message from the President



From the operation result in 2020, the Bank has implemented a business plan which revised at the end of 2019 to ensure continuity and related with the strategic revitalization plan and the 2019-2023 business plan. However, due to various ongoing situations such as trade wars, droughts, and the spread of the COVID-19 have severe and widespread impacts on Thai economy, both directly and indirectly, in the business sector and the general public. The iBank, as a state-owned financial institution under the supervision of the Ministry of Finance issued measures to help customers affected by the Bank of Thailand (BOT) policy such as debt moratorium, principal repayment moratorium and receive payments only for profit, extending the loan period according to the repayment period, and exemption of compensation for defaulted debt, etc. The total amount that the Bank has taken to help more than 12,417 affected customers, amounting to 17,331 million baht or 42% of regular customers. In addition, the Bank continues to operate proactively by promoting various financial products to meet the needs of customers, which has been well received. For example, the Money Expo 2020 at Muang Thong Thani has customers interested in the Bank's products totaling more than 800 million baht, especially for refinanced housing loans called "Mee Tae Dai", etc. In terms of workflow improvements in 2020, the Bank has managed costs and expenses effectively, encouraging employees throughout the organization to be aware of and focus on adapting to be ready for business under the changing environment that enters the Digital Economy era by adhering to the Good Governance. The bank was awarded the Integrity and Transparency Assessment (ITA) for the fiscal year 2020, with a score of 93.00 or A level.

There is the Moral Banking Project to set guidelines for employees to have 4 core virtues: honesty, creativity, cooperation and responsibility. In addition, the Bank has invested in the development of information systems (IT), such as improvements to the Financing Origination System, Hardware & Software, and the development of Technology Digital to support business growth and accommodate changing behaviors of customers in order to create equity to use financial services as if using services from general financial institutions. However, in consideration of continuity with other work systems that will be developed in the future, worthwhile investment for the Bank's earnings to continue to grow continuously and sustainably.

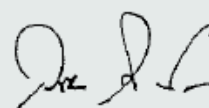
The summary of year 2020, the Bank's operating performance was affected by two main reasons: the COVID-19 outbreak and the impact of large state enterprise loan reserves. As a result, the Bank has reduced financial income and has a burden to set reserves increase from 2019. Therefore, the Bank has a loss from operations of 166 million baht, a net loss of 2,767 million baht. Excluding the impact of large state enterprise loan reserves and special programs, the Bank will have an operating profit of approximately 35 million baht and a net profit of approximately 120 million baht, which is better than the target set in 2019 Strategic Plan, review edition.

For the 2021 goal, the Bank will focus on "Year of Customer First" for both internal and external customers by developing and improving processes. There is a business development plan which will focus on serving Muslim customers and general customers, including expanding more credit. We will give priority to credit quality. There is an organization development plan which will focus on the implementation of the development and improvement of the infrastructure within the organization to increase efficiency (Productivity) and reducing work processes to be more suitable, including improving work processes as Lean/Automate. Furthermore, there is also a human resource development plan by allocating manpower to suit the workload and increasing efficiency

The Bank has assisted more than 12,000 customers affected by the COVID-19 outbreak, amounting to more than 17 billion baht or 42% of regular customers.

per head. There are also plans for flagship projects such as Mobile Banking Projects, DMS Projects, Enterprise Data Warehouse Projects, TFRS9 Projects, Provision Process Improvement Projects, and the Honest Community for Social Development Project which is the implementation of the mission to truly serve the Muslim customers.

However, the Bank continues to focus on effective cost and expense management in order to create an adequate balance, taking into account customer satisfaction as a priority, giving importance to and adhering to the iBank Core Value guidelines. To create a strong corporate culture, strive to work with conscience that will drive the organization to achieve success in order to be the Year of Customer First that will create a good impression and good experience for customers.



Mr. Wuttichai Suraratchai

Director and President
Islamic Bank of Thailand



General Information

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History

The Idea of setting up the Islamic Bank in Thailand emerged from Muslim population's need for financial services that comply with Shariah principles, especially those residing in the country's three southern boarder provinces. In 1998 the government impelled the development of Islamic banking system in many forms to facilitate Thai Muslims in conducting their banking transactions in conformity with Shariah principles. As the government intended to set up an Islamic Bank under the government's jurisdiction with its own sets of law, the Ministry of Finance was then assigned to draft 'The Islamic Bank of Thailand Act', which was later approved by the parliament in October 2002.

Islamic Bank of Thailand or "ibank" is set up under the Islamic Bank of Thailand Act B.E.2545 (2002) and regulated by the Ministry of Finance. The Bank commenced its operations on June 12, 2003 with paid-up capital of 1 billion baht and had its head quarter, which was also the first branch, in Klongton. The Bank continued to open branches

especially in Bangkok and Southern provinces and had a total of 9 branches by the end of 2004.

The expansion of the Bank's business continued through the acquisition of Shariah Banking Services of Krung Thai Bank PCL in November 2005 under the government's policy. This increased the number of branches from 18 to 27 In August 2006, the Bank relocated its head quarter from Klongton to the central business district, Asoke, to facilitate growing business and increase operating efficiency.

During the initial stage of operation, ibank focused solely on Muslim market segmentation. However, the Bank sees the opportunity of expanding Shariah banking services to general public, and thus, creates and develops more innovative and competitive products, while embarking rebranding exercises to provide best services to customers, along with promoting ethical culture, social responsibility, Islamic principles and good governance through the



operational framework. These allow ibank to differentiate from competitors and become an alternative bank for everyone regardless of his or her religion. In October 2007, the Ministry of Finance became ibank's major shareholder and this has made the Bank a state-owned enterprise thereafter.

Currently, the bank's major shareholder, the Ministry of Finance, has raised its stake in the bank to almost 100 percent (99.59%) after the amendment of the Islamic Bank of Thailand Act B.E.2545 (2002). The amended act, Islamic Bank of Thailand Act B.E.2561 (2018), commenced on July 18, 2018 which allows the Ministry of Finance to own more than 49 percent as the bank's major Shareholder for a proper period of time. Now, ibank has 101 branches throughout the country.



Statement of Direction

To be mechanism of fund raising and investment both domestically and overseas to provide financial support to individuals and business operators in line with the Shariah principle based on the stable financial position.



Vision

To be a reliable and trustworthy Islamic bank providing Shariah-compliant services in order to be the main bank of Muslim clients and clients doing businesses with Muslims, and to be alternative bank for general clients.



Mission

1. To have good management, systems of standard, competent staff and to operate business professionally.
2. To operate transparently with good corporate governance.
3. To have stability and grow sustainably with capability to treat stakeholders equitably.
4. To support and connect businesses of Muslims and related parties.
5. To participate in the stabilization, economic and social development, especially in the five southern border provinces.

Business Type

Name	: Islamic Bank of Thailand
Type of Business	: Specialized Financial Institutions (SFIs) to be subordinate to Ministry of Finance
Tax Payer Identification No.	: 0993000275063
Head Office	: No. 66 Q House Asoke Building, Sukhumvit 21 Rd.(Asoke) Klong Toei Nuer , Vadhana , Bangkok
Tel	: 0 2650 6999
Fax	: 0 2664 3345
Website	: www.ibank.co.th

Characteristic of Business

Islamic Bank of Thailand (iBank) is the Government-owned financial institution which was established in accordance with the Islamic Bank of Thailand Act B.E.2545 under the supervision of Ministry of Finance by doing business according to Islamic Bank of Thailand Act B.E.2545 , Royal Decree , Ministerial regulation and Related announcements Bank of Thailand Ministry of Finance and Related organizations.

Investment in Subsidiaries and Associated Companies

Company Name	: Amanah Leasing Public Company Limited
Type of Business	: Providing Hair purchase , Inventory Finance , Financial Lease and Operating Lease
Head Office	: No. 16-16/1 Soi kasemsan 1 , Phayathai Rd. Wangmai , Pathumwan , Bangkok 10330
Tel	: 0 2091 6456
Fax	: 0 2091 6418
Website	: www.amanah.co.th
Sharholder Ratio	: 48.46 %

Bank Branches

Asoke Office

No. 66, Q House Asoke Building, G Floor, Sukhumvit 21 Road,
Khlong Toei Nuea Sub-district, Vadhana District, Bangkok 10110
Tel : 0 2260 1751-5
Fax : 0 2260 1750

7 Branches of Thon Buri District Office

Thung Khru

No. 32/424-425, Pracha-uthit, Thung Khru Sub-district,
Thung Khru District, Bangkok Metropolis 10140
Tel : 0 2873 6803-5
Fax : 0 2873 6809

Southern Bus Terminal

SC Plaza Building G Floor, Room No. GN09-GN10,
No. 24/6, Chimplee Sub-district, Taling Chan District,
Bangkok Metropolis 10170
Tel : 0 2422 3935-8
Fax : 0 2422 3939

Prachuap Khirikhan

No. 117/1-2, Salachep Road, Prachuap Kirikhan Sub-district,
Mueang District, Prachuap Khirikhan Province 77000
Tel : 0 3260 3148, 0 3260 1945 0 3260 4868-9
Fax : 0 3260 4223

Seeyaek Thotsakan

2nd Floor, Room DD1-DD2, No. 54/54, Village No. 7,
Phutthamonthon Sai 2 Road, Bang Phai Sub-district, Bang
Khae District, Bangkok Metropolis 10160
Tel : 02-410-3235-8
Fax : 02-410-3239

Samut Sakhon

No. 927/408, Setthakit 1 Road, Mahachai Sub-district,
Mueang Samut Sakhon District, Samut Sakhon Province
74000
Tel : 0 3442 3730-3
Fax : 0 3442 3734

Hua Hin

No. 4/19, Phetkasem Road, Hua Hin Sub-district, Hua Hin
District, Prachuap Khirikhan Province 77110
Tel : 032-522-410-1, 032-522-448-9
Fax : 032-522-450

Phetchaburi

No. 107, Surinruechai Road, Tharab Sub-district, Mueang
District, Phetchaburi Province 76000
Tel : 0 3241 4090-3
Fax : 0 3241 4094

7 Branches of Sathon District Office

Thanon Charoenkrung

No. 2350/6 Charoenkrung Road, Bangkholaem Sub-district,
Bangkholaem District, Bangkok Metropolis 10120
Tel : 0 2292 1973-6
Fax : 0 2292 1977

Paradise Park

2nd Floor, Room No. 2C005, Paradise Park Shopping Center,
Park No. 61 Srinakarin Road, Nong Bon Sub-District, Prawet
District, Bangkok Metropolis 10250
Tel : 0 2780 2214-8
Fax : -

Pratunam

No. 120/69, Ratchaprarop Road, Phaya Thai Sub-district,
Ratchathewi District, Bangkok Metropolis 10400
Tel : 0 2208 0919-22
Fax : 0 2208 0923

The Nine Rama 9

1st Floor, Room No. B101, B102, B Building, The Nine Rama
9, 999/2 Rama 9 Road, Suan Luang Sub-District, Suan Luang
District, Bangkok Metropolis 10250
Tel : 0 2318 4156-8, 0 2318 4926
Fax : 0 2318 4927

Town in Town

B1 Building, Room 101, Tonsoong Avenue, No. 226/11
Praditmanutham Road Phlaphla Sub-district, Wang Thong
lang District, Bangkok Metropolis 10310
Tel : 0 2148 1036-9
Fax : 0 2148 1040

Nakhon Phathom

No. 100-102, Rajvithee Road, Phra Pathom Chedi Sub-district,
Mueang Nakhon Pathom District, Nakhon Pathom Province
73000
Tel : 0 3427 1904-7
Fax : 0 3427 1908

Ratchaburi

No. 295-297, Kraipetch Road, Na Mueang Sub-district,
Mueang Ratchaburi District, Ratchaburi Province 70000
Tel : 0 3233 2375-8
Fax : 0 3233 2379

7 Branches of Minburi District Office

Klong Tan

No.9, UM Building Tower, M Floor, Ramkhamhaeng Road, Suan Luang Sub-District, Suan Luang District, Bangkok 10250

Tel : 0 2729 8805-7

Fax : 0 2729 8806

The Mall Bang Kapi

2nd Floor, Room No. 2S-L3C, The Mall Bang Kapi, No. 3522, Lat Phrao Road, Khlong Chan Sub-district, Bang kapi District, Bangkok 10240

Tel : 0 2734 1905-9

Fax : 0 2734 1904

Thanon Nawamin

No. 4/1483-1486, Village No. 7, Nawamin Road, Khlong Khum Sub-district, Bueng Kum District, Bangkok 10230

Tel : 0 2509 4782-5

Fax : 0 2509 4786

Saphanmai

No. 348, Phahonyothin Road, Anusawari Sub-district, Bang Khen District, Bangkok 10220

Tel : 0 2521 9627-30

Fax : 0 2521 9631

Thanon Ramkhamhaeng 87

No. 847, Ramkhamhaeng Road, Hua Mark Sub-district, Bang Kapi District, Bangkok 10240

Tel : 0 2736 3831-4

Fax : 0 2736 3835

Min Buri

No.286, Seethaburanukit Road, Min Buri Sub-district, Min Buri District, Bangkok 10510

Tel : 0 2517 9655-7

Fax : 0 2517 9658

Fashion Island

B Floor, Room No. B004A, Fashion Island, No. 587, 589, Ram-intra Road, Khannayao Sub-district, Khannayao District, Bangkok 10230

Tel : 0 2508 3818-21

Fax : 0 2508 3822

7 Branches of Nonthaburi District Office

Phra Nakhon Si Ayutthaya

1st Floor, Room No. GP-06-07, Ayutthaya Park, No. 126, Village No. 3, Asian Highway, Khlong Suan Phlu Sub-district, Phra Nakhon Si Ayutthaya District, Phra Nakhon Si Ayutthaya Province 13000

Tel : 0 3580 12545-8

Fax : 0 3580 1255

The Government Complex Commemorating

No. 120, B Building, 1st Floor, Village No. 3, Chaeng Vadhana Road, Thung Song Hong Sub-district, Lak Si District, Bangkok Metropolis 10210

Tel : 0 2143 8781-3

Fax : 0 2143 8785

Nonthaburi

No. 638, 640 Pracharat Road, Suan Yai Sub-district, Mueang Nonthaburi District, Nonthaburi 11000

Tel : 0 2526 6101-2, 0 2526 6163-4

Fax : 0 2526 6173

Bang Phlat

Room No. 656,658 Meeting Mall, Charansanitwong Road, Bang O Sub-district, Bang Phlat District, Bangkok 10700

Tel : 0 2424 5099-102

Fax : 0 2424 5103

Suphanburi

No.24/2-3, Muenhan Road, Tha Philiang Sub-district, Mueang Suphanburi District, Suphanburi 72000

Tel : 0 3552 5872-5

Fax : 0 3552 5876

Kanchanaburi

No. 218/13, Sangchuto Road, Ban Nuea Sub-district, Mueang Kanchanaburi District, Kanchanaburi Province 71000

Tel : 0 3467 1520-3

Fax : 0 3467 1524

Pathum Thani

No. 27/17-19, Pathum Sampan Road, Bang Prok Sub-district, Mueang District, Pathum Thani Province 12000

Tel : 0 2593 4070-2

Fax : 0 2593 4073

7 Branches of Chon Buri District Office

Nong Chok

No. 67, Village No. 2, Choemsamphan Road, Krathumrai Sub-district, Nong Chok District, Bangkok Metropolis 10530
Tel : 0 2548 3101-3
Fax : 0 2548 3104

Chachoengsao

No. 217-39-40, Mahacharkaphat Road, Na Mueang Sub-district, Mueang District, Chachoengsao Province 24000
Tel : 0 3851 8585-8
Fax : 0 3851 8589

Bang Saen

No. 177, Long Hat Bang Saen Road, Saen Suk Sub-district, Mueang District, Chon Buri Province 20130
Tel : 0 3839 5051-4
Fax : 0 3839 5055

Rayong

No. 292/2-3, Sukhumvit Road, Choeng Noen Sub-district, Mueang District, Rayong Province 21000
Tel : 0 3861 0412-5
Fax : 0 3861 0416

Chanthaburi

No. 84/24, Tha Chalab Road, Talat Sub-district, Mueang Chanthaburi District, Chanthaburi Province 22000
Tel : 0 3932 8893-5, 0 3932 8897
Fax : 0 3932 8898

Thanon Sri Nakarin

No. 1170, Sri Nakharin Road, Suan Luang Sub-district, Suan Luang District, Bangkok Metropolis 10250
Tel : 0 2320 3361-3
Fax : 0 2320 3364

Pattaya

No. 597/3, South Pattaya Road, Nong Prue Sub-district, Bang Lamung District, Chon Buri Province 20260
Tel : 0 3848 8414-6
Fax : 0 3848 8417

8 Branches of Chiang Mai District Office

Thanon Chang Phueak, Chiang Mai

No. 141/1, Chang Phueak Road, Sripum Sub-district, Mueang Chiang Mai District Chiang Mai Province 50200
Tel : 0 5328 7 214-7
Fax : 0 5328 7218

Central Airport, Chiang Mai

Room No. F-01, 3rd Floor, Central Plaza Chiang Mai Airport, No. 2, Mahidol Road, Hai Ya Sub-District, Mueang District, Chiang Mai Province 50000
Tel : 0 5327 7259, 0 5327 7024-5,
0 5327 7286-7
Fax : 0 5327 7287

Hang Dong, Chiang Mai

Kadfarang Shopping Plaza, No. 225/242, Village No. 13, Chiang Mai – Hot Road, Ban Wen Sub-District, Hang Dong District, Chiang mai Province 50230
Tel : 0 5343 1229-32
Fax : 0 5343 1233

Lamphun

No. No.23, Inthayongyot Road, Nai Mueang Sub-district, Mueang Lamphun District, Lamphun Province 51000
Tel : 0 5351 0185-7, 0 5351 0194
Fax : 0 5351 0195

Phayao

No. 474/3-4, Phahonyothin Road, Wiang Sub-district, Mueang Phayao District, Phayao Province 56000
Tel : 0 5443 2191-4
Fax : 0 5443 2195

Lampang

No. 92-98 Bunwat Road, Suan Dok Sub-District, Mueang District, Lampang province 52100
Tel : 0 5422 2054, 0 5423 0006-7,
0 5422 6189, 0 5422 2996
Fax : 0 5422 2995

Chiang Mai

No. 125 Chang Khlan Road, Chang Khlan Sub-District, Mueang District, Chiang Mai Province 50100
Tel : 0 5328 3265-6
Fax : 0 5327 0718

Chiang Rai

No. 808/8 Paholyothin Road, Vieng Sub-District, Mueang District, Chiang Rai Province 57000
Tel : 0 5374 8883-5
Fax : 0 5374 8886

6 Branches of Phitsanulok District Office

Mae Sot

No. 620/2-3, Intarakiri Road, Mae Sot Sub-district, Mae Sot District, Tak Province 63110

Tel : 0 5553 3636, 0 5553 3639, 0 5553 3643,
0 5553 3646

Fax : 0 5553 3649

Nakhon Sawan

No. 1016/4-5, Village No.9, Asia Road, Nakhon Sawan Tok Sub-district, Mueang District, Nakhon Sawan Province 60000

Tel : 0 5637 2367-70

Fax : 0 5637 2371

Phichit

No. 8/206-207 Srimala Road, Nai Mueang Sub-district, Mueang Phichit District, Phichit Province 66000

Tel : 0 5661 3746-9

Fax : 0 5661 3750

Sukhothai

No. 5 Rat-uthit Road, Thani Sub-district, Mueang Sukhothai District, Sukhothai Province 64000

Tel : 0 5561 0311-3

Fax : 0 5561 0320

Uttaradit

No. 202-8/9, Boroma-at Road, Tha-it Sub-district, Mueang Uttaradit District, Uttaradit Province 53000

Tel : 0 5540 7444-5, 0 5540 7447-8

Fax : 0 5540 7577

Phitsanulok

No. 87/24, Akathotsarot Road, Nai Mueang Sub-district, Mueang District, Phitsanulok Province 65000

Tel : 0 55-24 2425, 0 55-24 2712-3,
0 55-23 1236, 0 55-24 2773

Fax : 0 55-24 2443

6 Branches of Khon Kaen District Office

Nakhon Ratchasima

No. 160/2 Jomsurang Yat Road, Nai Mueang Subdistrict Mueang Nakhon Ratchasima District Nakhon Ratchasima Province 30000

Tel : 0 4425 2661-4

Fax : 0 4425 2665

UD Town (Udon Thani)

1st Floor, Room No. H22-H23, UD Town Building, No. 99/9, Tong Yai Road, Mak Kaeng Sub-district, Mueang District, Udon Thani Province 41000

Tel : 0 4293 2990-3

Fax : 0 4293 2994

Sakon Nakhon

No. 1755/8-9, Ratpattana Road, Thatchoengchum Sub-district, Mueang Sakon Nakhon District, Sakon Nakhon Province 47000

Tel : 0 4271 6723-6

Fax : 0 4271 7188

Maha Sarakham

No. 453/2-3, Nakhon Sawan Road, Talat Sub-district, Mueang Maha Sarakham District, Maha Sarakham Province 44000

Tel : 0 4371 1587, 0 4371 1645,
0 4371 1667

Fax : 0 4371 1687

Kalasin

No. 93-95, Phirom Road, Kalasin Sub-district, Mueang Kalasin District, Kalasin Province 46000

Tel : 0 4381 6913-6

Fax : 0 4381 6606

Khon Kaen

No. 77/3, Klang Mueang Road, Nai Mueang Sub-district, Mueang District, Khon Kaen Province 40000

Tel : 0 4324 6824-7

Fax : 0 4324 6828

6 Branches of Ubon Ratchathani District Office

Roi Et

No. 206/1-2, Phloenchit Road, Nai Mueang Sub-district, Mueang Roi Et District, Roi Et Province 45000

Tel : 0 4351 5881-4

Fax : 0 4351 5886

Yasothon

No. 230/3-5, Chaeng Sanit Road, Nai Mueang Sub-district, Mueang Yasothon District, Yasothon Province 35000

Tel : 0 4571 1252, 0 4571 1265, 0 4571 1859,
0 4571 1-860

Fax : 0 4571 1367

Si Sa Ket

No. 1104-5, Khukhan Road, Mueang Tai Sub-district, Mueang Si Sa Ket District, Si Sa Ket Province 33000

Tel : 0 4564 3981-4

Fax : 0 4564 3985

Ubon Ratchathani

No. 479/1-2, Chayangkun Road, Nai Mueang Sub-district, Mueang Ubon Ratchathani District, Ubon Ratchathani Province 34000

Tel : 0 4531 6967-70

Fax : 0 4531 6971

Buri Ram

No. 39/6-7, Thani Road, Nai Mueang Sub-district, Mueang District, Buri Ram Province 31000

Tel : 0 4460 2526-9

Fax : 0 4460 2530

Surin

No. 73, 75, Chitbumrung Road, Nai Mueang Sub-district, Mueang Surin District, Surin Province 32000

Tel : 0 4451 5343, 0 4451 5851, 0 4451 5314,
0 4451 5819

Fax : 0 4451 5819

5 Branches of Phuket District Office

Ranong

No. 75-77, Ruangrat Road, Khao Niwet Sub-district, Mueang District, Ranong Province 85000

Tel : 0 7782 5264-5, 0 7782 5393-4

Fax : 0 7782 5394

Phang-nga

No. 235/1-2, Phetchakasem Road, Thai Chang Sub-district, Mueang District, Phang-nga Province 82000

Tel : 0 7641 4422-5

Fax : 0 7641 4426

Tesco Lotus, Thalang

G Floor, Room No. 116, Tesco Lotus Thalang, No. 303, Village No. 1 Thepkrasattri Road, Thepkrasattri Sub-district, Thalang District, Phuket Province 83110

Tel : 0 7631 1705-8

Fax : 0 7631 1709

Krabi

No. 94, 94/1, Maharat Road, Pak Nam Sub-district, Mueang District, Krabi Province 81000

Tel : 0 7562 4040-3

Fax : 0 7562 4044

Phuket

No. 5, 7, Yaowarat Road, Talat Nuea Sub-district, Mueang District, Phuket Province 83000

Tel : 0 7621 4053-4

Fax : 0 7621 4055

6 Branches of Surat Thani District Office

Surat Thani

No. 103/1, Na Mueang Road, Talat Sub-district, Mueang District, Surat Thani Province 84000

Tel : 0 7720 6057-60

Fax : 0 7720 6061

Nakhon Sri Thammarat

No. 1664, Ratdamnoen Road, Tha Wang Sub-district, Mueang District, Nakhon Si Thammarat Province 80000

Tel : 0 7535 7350-3

Fax : 0 7535 7354

Koh Samui

No. 80, Village No. 6, Bo Phut Sub-district, Ko Samui District, Surat Thani Province 84320

Tel : 0 7744 7845-8

Fax : 0 7744 7849

Thung Song

No. 41, Chaichumpon Road, Pak Phraek Sub-district, Thung Song District, Nakhon Si Thammarat Province 80110

Tel : 0 7541 2567, 0 7542 3885-6

Fax : 0 7541 2540

Chumporn

No. 56/1, Poraminmakkha Road, Tha Tapao Sub-district, Mueang District, Chumhon Province 86000

Tel : 0 7750 3395-6, 0 7751 1363

Fax : 0 7751 1062

Thanon Chon Kasem, Surat Thani

No. 545 Chon Kasem Road, Talad Sub-District, Mueang Surat Thani District, Surat Thani Province 84000

Tel : 0 7720 3994-7

Fax : 0 7720 3998

8 Branches of Song Khla District Office

Trang

No. 52/1-2, Wisetkul 11 Alley, Ratsada Road, Thapthiang Sub-district, Mueang District, Trang Province 92000

Tel : 0 7559 0459-60, 0 7559 0463,
0 7559 0465

Fax : 0 7559 0473

Thanon Niphat Uthit 1, Hat Yai

No. 151-157, Niphat Uthit 1 Road, Hat Yai Sub-district, Hat Yai District, Song Khla Province 90110

Tel : 0 7422 5110, 0 7422 5130,
0 7422 5140-41

Fax : 0 7422 5255

Maekhari, Phatthalung

No. 175, Village No. 1, Anukul Road, Mae Khari Sub-district, Tamot District, Phatthalung Province 93160

Tel : 0 7469 5554, 0 7469 5475,
0 7469 5712, 0 7469 5655

Fax : 0 7469 5856

La-ngu

No. 149, Village No. 6, La-ngu – Pakbara Road, La-ngu Sub-district, La-ngu District, Satun Province 91110

Tel : 0 7478 3904-7

Fax : 0 7478 3908

Song Khla

No. 81/78, Village No. 2, Kanchanawanit Road, Khao Rubchang Sub-district, Mueang District, Song Khla Province 90000

Tel : 0 7455 8259-61

Fax : 0 7455 8265

Chana

No. 8/4-5, Chana-Nathawi Road, Ban Na Sub-district, Chana District, Song Khla Province 90130

Tel : 0 7420 7123-5

Fax : 0 7420 7122

Satun

No. 287/6, Village No. 7, Yontrakan Kamthon Road, Khlong Khut Sub-district, Mueang District, Satun Province 91000

Tel : 0 7472 5039-42

Fax : 0 7472 5043

Had Yai

No. 2/1-2, Hat Yai City Alley, Thammanunwithi Road, Hat Yai District, Song Khla Province 90110

Tel : 0 7423 7958, 0 7423 7392

Fax : 0 7423 7158

7 Branches of Pattani District Office**Big C, Pattani**

G-In Floor, Room No.GCR116, Big C Pattani, No.301, Village No. 4, Rusamilae Sub-district, Mueang Pattani District, Pattani Province 94000

Tel : 0 7333 7812

Fax : 0 7333 7816

Palat, Pattani

No. 122/11-12, Village No. 5, Phetchakasem (Pattani – Narathiwat) Road, La-Nga Sub-district, Mayo District, Pattani Province 94190

Tel : 0 7348 5160, 0 7348 5399

Fax : 0 7348 5514

Yarang, Pattani

No. 1/7, Village No. 2, Pattani – Yala Road, Pitumudi Sub-district, Yarang District, Pattani Province 94160

Tel : 0 7343 9491-4

Fax : 0 7343 9495

Khokpho, Pattani

No. 170/10, Village No. 7, Naket – Khokpho Road, Khokpho Sub-district, Khokpho District, Pattani Province 94120

Tel : 0 7343 1040, 0 7343 1284, 0 7343 1218,
0 7343 1709

Fax : 0 7343 1883

Saiburi Pattani

No. 23/1-2, Suriya Road, Taluban Sub-district, Saiburi District, Pattani Province 94110

Tel : 0 7341 1163, 0 7341 1059, 0 7341 1060,
0 7341 1296

Fax : 0 7341 1310

Pattani

No. 20,22,24 Na Kluea Road, Mueang District, Pattani Province 94000

Tel : 0 7332 3465, 0 7332 3468

Fax : 0 7332 3469

Jabangtigor Pattani

No. 49/9-12, Kalapor Road, Jabangtigor Sub-district, Mueang District, Pattani Province 94000

Tel : 0 7331 1822-3

Fax : 0 7331 1879

6 Branches of Yala District Office

Thanon Phoomacheap Yala 2

No. 24-26, Phumacheep Road, Sateng Sub-district, Mueang Yala District, Yala Province 95000

Tel : 0 7322 3690-3

Fax : 0 7322 3694

Betong

No. 130/1, Sukkhayang Rong, Betong Sub-district, Betong District, Yala Province 95110

Tel : 0 7323 5131-4

Fax : 0 7323 5135

Raman Yala

No. 100-102, Village No. 1, Mueang Raman Road, Kayubokoh Sub-district, Raman District, Yala Province 95140

Tel : 0 7329 5041-2

โทรศัพท์ : 0 7329 5045

Bannang Sata Yala

No. 200, 202, Village No. 2, Sukkhayang Road, Bannangsata Sub-district, Bannangsata District, Yala Province 95130

Tel : 0 7328 9282-5

Fax : 0 7328 9286

Yaha Yala

No. 4/3, Pitakthani Road, Yaha Sub-district, Yaha District, Yala Province 95120

Tel : 0 7329 1463-6

Fax : 0 7329 1467

Yala

No. 59, Phiphitthaphakdee Road, Sataeng Sub-district, Mueang District, Yala 95000

Tel : 0 7324 7140-3

Fax : 0 7324 7144

7 Branches of Narathiwat District Office

Tanyongmat

No. 46, Thetsaban 3 Road, Tanyongmat Sub-district, Ra-ngae District, Narathiwat Province 96130

Tel : 0 7367 1858-60

Fax : 0 7367 1861

Su-ngai Kolok

No. 36, Butsayasatphan Road, Su-ngai Kolok Sub-district, Su-ngai Kolok District, Narathiwat Province 96120

Tel : 0 7361 4561-3

Fax : 0 7361 4565

Takbai, Narathiwat

No. 62/21, Village No. 4, Narathiwat – Takbai Road, Chehe Sub-district, Takbai District, Narathiwat Province 96110

Tel : 0 7358 1971-2

Fax : 0 7358 1977

Waeng, Narathiwat

No. 111/1-2, Village No. 1, Su-ngai Kolok – Waeng Road, Waeng Sub-district, Waeng District, Narathiwat Province 96160

Tel : 0 7365 9321-4

Fax : 0 7365 9325

Rueso, Narathiwat

No. 30/15, Village No. 2, Rueso-Yala Road, Rueso Ok Sub-district, Rueso District, Narathiwat Province 96150

Tel : 0 7357 2270-3

Fax : 0 7357 2274

Narathiwat

No. 52/18-19, Suriyapradit (Opposite Police Station) Road, Bangnak Sub-district, Mueang District, Narathiwat Province 96000

Tel : 0 7351 2627-8

Fax : 0 7351 2629

Thanon Wichitchaiboon, Narathiwat

No. 11/2-4, Wichitchaiboon Road, Bangnak Sub-district, Mueang District, Narathiwat Province 96000

Tel : 0 7351 1117

Fax : -

Financial Highlights



	Million Baht			Change	
	2020	2019	2018	Increased (Decreased)	Percent
Financial position and operating performances					
Total assets	76,360.71	81,315.72	80,590.34	(4,955.01)	(6.09)
Financing	56,816.58	54,310.44	50,142.13	2,506.14	4.61
Financing and accrued income, net	47,298.23	47,249.58	43,350.87	48.65	0.10
Deposits	75,168.52	79,307.49	78,460.60	(4,138.97)	(5.22)
Total liabilities	79,852.35	82,193.35	81,992.10	(2,341.00)	(2.85)
Equity	(3,491.64)	(877.64)	(1,401.76)	(2,614.00)	(297.84)
Financing and investment income	2,183.95	2,697.60	2,830.81	(513.65)	(19.04)
Total income	2,556.14	3,944.93	3,772.54	(1,388.79)	(35.20)
Net Profit (loss)	(2,766.71)	566.01	530.77	(3,332.72)	588.81
Earnings per share: Baht					
Profit (loss) per share	(0.00152)	0.00031	0.00167		
Share value					
Book value	(0.0019)	(0.0005)	(0.0044)		
Financial ratio (%)					
Returns on average assets	(3.51)	0.70	0.70		
Returns on average equity	(126.64)	(49.66)	(4.96)		
Net income (losses) per total income	(108.24)	14.35	14.07		
Capital Fund ratio	(6.51)	(1.86)	(3.17)		







RATHIAN SRIRONGKOL

Chairman

Age 61

Education and Degrees

- **Master Degree**
MBA, Thammasat University
M.P.A (General Administration), Suan Sunandha Rajabhat University
- **Bachelor Degree**
Medical Degree, Faculty of Medicine Siriraj Hospital, Mahidol University
Medical Science, Mahidol University

Professional Experiences

- 2012 - Present President and Chief Executive Officer, Director, Krungthai Card Public Co., Ltd.
- 2018 - Present Independent Director, Vice Chairman, Chairman of Audit Committee, Member of Nomination and Remuneration Committee Raimon Land Public Co., Ltd.
- 2018 - Present Chairman, Tobacco Authority of Thailand
- 2017 - Present Vice President, Thai Listed Companies Association
- 2013 - Present Independent Director, Chairman of the Audit Committee, Corporate Governance Committee Member, Nominating and Compensation Committee Member One to One Contacts Public Co., Ltd.
- 2009 - Present Independent Director, Lead Independent Director, Vice Chairman of the Board, Chairman of the Audit Committee, Member of the Sustainability and Risk Management Committee, Appointment Date of Directorship Indorama Ventures Public Co., Ltd.
- 2015 - 2017 Director, Thai Listed Companies Association
- 2008 - 2010 Director, TOT Public Co., Ltd.
- 2001 - 2011 Executive Vice President, Thanachart Bank Public Co., Ltd. (Siam City Bank Public Co., Ltd.)

Shareholding in state owned enterprises/Ibank-related companies for over 10% of voting shares in 2020.

* None



NIPHON HAKIMI

Director

- Chairman of Executive Subcommittee
- Chairman of Compliance Subcommittee
- Member of President's Performance Appraisal Subcommittee

Age 64

Education and Degrees

- D.S.U Labor Law from University of Paris II France
- D.S.U Criminology from University of Paris II France
- D.E.A. Sociology of Civil Law from University of Paris II France
- Bachelor degree in Law from Thammasat University
- Ecole Nationale D'Administration Publique (ENA), Paris, France

Professional Experience

- 2017 - Present Retired Government Official, Office of the Council of State
- 2011 - 2017 Deputy Secretary-General, Office of the Council of State (Executive, Higher Level) Councilor of State
- Member of Administrative Procedure Committee
- Member of Tourism Authority of Thailand Committee
- Member of Sport Authority of Thailand Commission
- Board of Directors of Nok Airlines Public Company Limited
- Member of Life Insurance Fund Committee
- Member of Fuel Oils Control Commission
- Member of Good Governance and Appeal Committee (Bank of Thailand)
- Chairman of Punishment Deliberation Committee (ANTI-DOPING IN SPORTS ACT, B.E. 2555 (A.D. 2012))

Shareholding in state owned enterprises/Ibank-related companies for over 10% of voting shares in 2020.

* None



GENERAL DR. NATTHIPONG PUEKSAKORN

Director

- Chairman of Audit Subcommittee
- Chairman of Nomination, Remuneration and Performance Appraisal Subcommittee

Age 62

Education and Degrees

- **Doctoral Degree**
Doctor of Business Administration Program
Sripatum University
- **Master Degree**
Master degree in Computer Science of National Institute of Development Administration (NIDA)
- **Bachelor Degree**
Bachelor of Engineering, Chulachomklao Royal Military Academy

Professional Experience

- 2018 - Present Retired Government Official, Royal Thai Army
- 2014 - Present Chairman of Directors, Amanah Leasing Public Company Limited
- 2015 - 2018 Senior Expert Royal Thai Army
- 2013 - 2015 Chief of Finance, Royal Thai Army

Shareholding in state owned enterprises/Ibank-related companies for over 10% of voting shares in 2020.

* None

Remarks * :

The auditing process is

1. To carry out directors' background check in 2020;
2. To examine reports of conflicts of interest. Directors must report any conflicts of interest when (1) accepting the offer of the position; (2) having a conflict of interest; and (3) at every July of each year.



PIYAWAT LAMKITCHA

Director

- Chairman of President's Performance Appraisal Subcommittee
- Member of Executive Subcommittee
- Member of Compliance Subcommittee

Age 55

Education and Degrees

- **Master Degree**
Master's degree in Public Administration, Chulalongkorn University Mini MBA, Thammasat University
- **Bachelor Degree**
Bachelor's degree in Finance, University of the Thai Chamber of Commerce

Professional Experience

2019 - Present	State Enterprise Development Advisor, State Enterprise Policy Office
2016 - 2019	Deputy Director General State Enterprise Policy Office
2016 - Present	Vice Chairman of Financial Institutions Development Fund
2012 - 2016	Director, Government Securities Management Office, State Enterprise Policy Office, Ministry of Finance
2013 - 2014	Member of Board of Directors, Dhanarak Asset Development Company Limited
2011 - 2014	Board Member, Police Printing Bureau

Shareholding in state owned enterprises/Ibank-related companies for over 10% of voting shares in 2020.

* None



CHAICHAN PALANON

Director

- Chairman of Corporate Governance and Corporate Social Responsibility (CG & CSR) Subcommittee
- Member of Executive Subcommittee
- Member of Information System Development Subcommittee
- Member of Compliance Subcommittee

Age 63

Education and Degrees

- **Master Degree**
Master of Public and Private Management Program (MPPM.), National Institute of Development Administration (NIDA)
- **Bachelor Degree**
Bachelor of Science Program in Agribusiness, Maejo University

Professional Experience

2015 - 2017	Executive Vice President – Director Credit Restructuring and Asset Management Group, Krung Thai Bank Public Company Limited
2014	Master Change Champion KTB Retail Transformation Project
2007 - 2013	Senior Regional office Manager, Krung Thai Bank Public Company Limited
1994 - 2006	Senior Branch Manager, Krung Thai Bank Public Company Limited

Shareholding in state owned enterprises/Ibank-related companies for over 10% of voting shares in 2020.

* None



WICHIE CHUBTHAISONG

Director

- Chairman of the Employee Relations Committee
- Member of Audit Subcommittee

Age 61

Education and Degrees

- **Doctoral Degree**
Doctor of Philosophy (Management), North Bangkok University
- **Master Degree**
Master of Arts Program in Leadership in Society, Business and Politics, Rangsit University
Master of Political Science (Public Administration and Law), Ramkhamhaeng University
- **Bachelor Degree**
Bachelor of Laws (LL.B.), Ramkhamhaeng University

Professional Experience

1997 - Present Managing Director,
C.A.L Law Office Company Limited
Legal Advisor, Small and Medium
Enterprise Development Bank of Thailand
Vice President, Lawyers Council Under the
Royal Patronage
President, Association of King Prajadhipok's
Institute
Judicial Committee for Discipline and
Etiquette, The Football Association of
Thailand
President, Debt Collection Business to
Financial Institution Association
Chairman of Director, Exclusive Asset
Management Company Limited
Public Warehouse Organization Committee

Shareholding in state owned enterprises/Ibank-related companies for over 10% of voting shares in 2020.

* None



DHANASARN SURAVUDHIKUL

Director

- Chairman of Risk Oversight Subcommittee
- Chairman of Information System Development Subcommittee
- Member of Nomination, Remuneration and Performance Subcommittee
- Member of President's Performance Appraisal Subcommittees

Age 56

Education and Degrees

- **Master Degree**
Master of Science in International Banking and Financial Studies, Heriot-Watt University, Edinburgh, Scotland, U.K.
Master of Business Administration (Finance), National Institute of Development Administration (NIDA)
- **Bachelor Degree**
Bachelor of Science (Chemistry), Chulalongkorn University

Professional Experience

2020 - Present Chief Administration, K tech Construction Public Company Limited
2018 Chief Financial Officer, BT Wealth Industries Public Company Limited
2016 - 2017 Advisor, Siam Wellness Group Public Company Limited
2015 - 2016 Chief Financial Officer, Ocean Life Insurance Public Company Limited
2012 - 2015 Chief Financial Officer, Mass Rapid Transit Authority of Thailand (MRTA)
2010 Vice President & Head of Enterprise Risk Management, American International Assurance (AIA)
2008 - 2010 Vice President, Permanent Control & Operational Risk Management, Calyon Bank
2001 - 2008 Vice President, Bangkok Bank Public Company Limited

Shareholding in state owned enterprises/Ibank-related companies for over 10% of voting shares in 2020.

* None

Remarks * :

The auditing process is

1. To carry out directors' background check in 2020;
2. To examine reports of conflicts of interest. Directors must report any conflicts of interest when (1) accepting the offer of the position; (2) having a conflict of interest; and (3) at every July of each year.



AMPORN PURINTAWARAGUL

Director

- Member of Audit Subcommittee
- Member of Nomination, Remuneration and Performance Subcommittee
- Member of Corporate Governance and Corporate Social Responsibility (CG & CSR) Subcommittee

Age 57

Education and Degrees

- **Certified Public Accountant of Thailand**
- **Master Degree**
Master of Science in Accounting, Thammasat University
- **Bachelor Degree**
Bachelor of Accountancy (2nd class honours), Chulalongkorn University

Professional Experience

2019 - Present	Independent Director, Audit Committee, Nomination and Remuneration Committee, Thai Nippon Rubber Industry Public Co., Ltd.
2010 - 2018	Executive Vice President -Corporate Banking, Bangkok Bank Public Company Limited
2007 - 2010	Senior Vice President - Corporate Banking, Bangkok Bank Public Company Limited
2003 - 2007	Vice President - Project Department Investment Banking Group, Bangkok Bank Public Company Limited

Shareholding in state owned enterprises/Ibank-related companies for over 10% of voting shares in 2020.

* None



RABIL PORNPATKUL

Director

- Member of Risk Oversight Subcommittee
- Member of Corporate Governance and Corporate Social Responsibility (CG & CSR) Subcommittee

Age 61

Education and Degrees

- **Master Degree**
Master in Business Administration, Thammasat University
- **Bachelor Degree**
Bachelor of Science , Chemical Technology, Chulalongkorn University

Professional Experience

2020 - Present	Director, Neo Corp Co., Ltd.
2020 - Present	Executive Committee's Director, Pure Thai Energy Co., Ltd.
2003 - Present	Managing Director, 786 Alimex Co., Ltd.
2020	Risk Management Committee, Islamic Bank Asset Management
2017 - 2019	Director, Phayathai Assets Management (subsidiary of TMB)
2014 - 2019	Executive Vice President, TMB Bank PLC
2010 - 2013	Vice President : Eurotech Engineering International Co., Ltd.
2003 - 2011	Director, SCT Sahaphan Co., Ltd. (subsidiary of Pure Thai Energy)
2008	Honorable Advisor, DT Group of Companies
2005 - 2007	Chief Operation Officer, DT Group of Companies
2003 - 2004	Deputy Managing Director, TV Direct Co., Ltd.
1999 - 2002	Deputy Managing Director, Bangchak Greenet Co., Ltd.
1985 - 2002	Senior Director, Bangchak Petroleum PLC

Shareholding in state owned enterprises/Ibank-related companies for over 10% of voting shares in 2020.

* None



SUPAK CHAIYAWAN

Director

- Member of Corporate Governance and Corporate Social Responsibility (CG & CSR) Subcommittee

Age 50

Education and Degrees

- **Master Degree**
Master of Finance, St. Louis University
- **Bachelor Degree**
Faculty of Social Sciences, Major in Sociology and Anthropology, Chiang Mai University, Thailand

Professional Experience

2020 - Present	Deputy Director General, Fiscal Policy Office, Ministry of Finance
2016 - 2020	Director of the Fiscal Policy Bureau, Fiscal Policy Office, Ministry of Finance
2015 - 2016	Director of Bureau of Policy on Financial Benefit Protection System, Fiscal Policy Office, Ministry of Finance
2013 - 2015	Senior Expert on Fiscal System and Policy, Fiscal Policy Office, Ministry of Finance

Shareholding in state owned enterprises/Ibank-related companies for over 10% of voting shares in 2020.

* None



WUTTICHA SURARATCHAI

Director and President

Age 57

Education and Degrees

- **Master Degree**
Master of Business Administration (MBA), Thammasat University
- **Bachelor Degree**
Bachelor of Accounting (First-Class Honor), Thammasat University
Bachelor of Economics of Public Finance, Ramkhamhaeng University

Professional Experience

2011 - 2018	Executive Vice President, Thanachart Bank Public Company Limited
2004 - 2011	Executive Vice President, Siam City Bank Public Company Limited
1999 - 2003	First Vice President, Industrial Finance Corporation of Thailand (IFCT)
1993 - 1999	Executive Vice President, First City Investment Public Company Limited
1990 - 1993	First Vice President, Cathay Trust Finance and Securities Company Limited
1985 - 1990	Project Analysis Team Leader, Industrial Finance Corporation of Thailand (IFCT)

Shareholding in state owned enterprises/Ibank-related companies for over 10% of voting shares in 2020.

* None

Remarks * :

The auditing process is

1. To carry out directors' background check in 2020;

2. To examine reports of conflicts of interest. Directors must report any conflicts of interest when (1) accepting the offer of the position; (2) having a conflict of interest; and (3) at every July of each year.



ธนาคารอิสลาม แห่งประเทศไทย

ISLAMIC BANK OF THAILAND • البنك الإسلامي بتايلاند

รัฐวิสาหกิจสังกัดกระทรวงการคลัง





**ASST. PROF. DR. MARONING SALAEMING****Chairman of the Shariah Advisory Council****Age: 54****Education and Degrees**

- **Doctoral Degree**
Ph.D. in Principles of Jurisprudence, Islamic University of Madina, Saudi Arabia
- **Master Degree**
M.A. in Principles of Jurisprudence, Islamic University of Madina, Saudi Arabia
- **Bachelor Degree**
B.A. in Islamic Law, Islamic University of Madina, Saudi Arabia

Professional Experiences

- Lecturer of Islamic law, College of Islamic Studies, Prince of Songkhla University, Pattani Campus
- Director of Islamic Law Academicians of Southeast Asian Region
- Licensee of Udomsard Wittaya School, Mueng District, Yala
- Expert for Seikhul Islam Office
- Member of Shariah Advisory Committee, Bina Islamic Cooperative, Ltd.
- Deputy Secretary – General of Southern Provinces Administration Center with responsibility on developing five southern border provinces
- Chairman of Shariah Advisory Committee (Shariah Board), Dhipaya Insurance Ltd.
- Advisor to Foreign Affair Department, The Central Islamic Council of Thailand
- Research and academic journals on various topics, such as the mediation on family disputes and heritage in compliance with Islamic laws in the southern border provinces, the development of system and efficiency of the mediation on family disputes and heritage in compliance with Islamic laws in the southern border provinces, Shariah principles for financial transactions in the seminar on “Shariah and financial innovations”, the insurance in compliance with Islamic law, and the Shariah – applied investment in Thailand
- Member of the Shariah Advisory Council, Islamic Bank of Thailand from 2013 – 2018

**PRAMOTE MEESUWAN****Member of the Shariah Advisory Council****Age: 56****Education and Degrees**

- **Master Degree**
M.A. in Islamic Studies for Development, Bangkok Thonburi University, Bangkok, Thailand
- **Bachelor Degree**
B.A. in Islamic Propagation, Al-Azhar University, Cairo, Egypt

Professional Experiences

- Imam Badrulummineen Masjid (Sala Loi), Vadhana District, Bangkok
- Religious and Arabic teacher of senior high school level, Miftah El Uloom El Deneyah School (Ban Don)
- Chairman of the Board of Director, Pre-school Child Development Center, Sala Loi Community, Bangkok
- Guest Speaker on religious topics for radio programs on AM1251 and AM 981 stations
- Guest Speaker on religious topics for Visaidham Parithas, Kasetsart University Radio Station AM 1107 every Sunday
- Guest Speaker at religious institutions and organizations and at Friday prayer
- Advisor to Executive Committee, Alumni Association of Miftah El Uloom El Deneyah School
- Member of the Shariah Advisory Council, Islamic Bank of Thailand from 2013 - 2018
- Writer of academic text books :
 - “Key to Arabic Language”, a key to understand Arabic language as it contains part of Arabic grammar and more than 4,500 Arabic words.
 - “Dua..the brain of Ibadah”, one of the most complete book of Dua (supplication) with translation used in several occasions.
 - “Arabic–English–Thai Dictionary”, which contains more than 30,000 words including conversation dialogues in three languages.



SENEE YOOPENSUK

Member of the Shariah Advisory Council

Age: 49

Education and Degrees

- **Master Degree**
M.A. in Arabic Linguistics and Literatures, Aligarh Muslim University, India
- **Bachelor Degree**
B.A. in Al – Hadith and Islamic Studies, Abu Bakr University, Karachi, Pakistan

Professional Experience

- Headmaster, Khunathamwithaya School, Chacheongsao Province
- Committee Member of Non-formal Education, Donchimplee Sub-district, Bangnampriew, Chacheongsao Province
- Committee Member of Islamic Studies lesson development of Rajabhat Phrakorn University
- Guest Speaker at religious schools
- TMTV Academician at Thai – Muslim TV Station (TMTV)
- Advisor to Phillip Shariah Committee, Phillip Life Assurance PLC.
- Member of Committee to set up the Islamic insurance system, Siam Samsung Takaful Co. Ltd.
- Secretary of the Islamic Center Committee of Thailand, International department.
- Guest Speaker on religious issues for the TV station, website and ratio of Muslim Foundation (24 – hour TV Muslim)
- Advisor of Parent - Student Club of a religious school
- Independent Researcher on the Middle East (Politics and Economy), Institute of Asian Studies, Chulalongkorn University (2011 – 2001)
- Shariah Advisor, Krungthai Asset Management PLC. (Islamic Fund)
- Advisory Committee for Krungthai Shariah Funds
- Member of the Shariah Advisory Council, Islamic Bank of Thailand from 2013 –2018



SANTI SUASAMING

Member of the Shariah Advisory Council

Age: 49

Education and Degrees

- **Master Degree**
Certificate of Advance Islamic Studies, Samalik Institute, Ministry of Education of Egypt, Cairo, Egypt
- **Bachelor Degree**
B.A. in Islamic Theology (Al-Hadith), Al-Azhar University, Cairo, Egypt

Professional Experience

- Headmaster, Majlisuddeene School, Suanluang, Bangkok
- Chairman, Academic Section, Association of Islamic Teaching Schools (Sanawi Schools)
- Editor, Committee of Arab Student Alumni Association, (2546 B.E.)
- Member, Primary Education Curriculum Improvement Committee, Kurusampan Association.
- Member, Primary Islamic Education Textbook Compiling Committee.
- Advisor, Committee of Muslim Organization of Thailand (CMOT).
- Khatib (Preacher), Nurul Islam Masjid, Banpa, Suanluang, Bangkok
- Chairman, Jularachamontri Expert Sub-Committee.
- Jularachamontri Working Committee, Sheikul Islam Office.
- Committee, The World Organization for al-Azhar Graduates, Thailand Branch.
- Speaker, Television Programs (i.e. Sheikul Islam Office, Salam Ramadhan)
- Speaker, Radio Programs for Muslim (i.e. Vioce form Majlis, Muslim Broadcasting Assembly of Thailand, Al-Yuman Islam Office, Muslim Association of Al-Quran Reader of Thailand, Muslim Mass Media Association of Thailand and Islamic Center of Thailand)
- Committee, Summary Writing on Islamic Expert Seminar, National Legislative Assembly.
- Speaker, Southern Border Provinces Administration Centre/Internal Security Operations Command.
- Books/Articles on website,







WUTTICHAJ SURARATCHAI

Director and President

Age 57

Education and Degrees

- **Master Degree**
Master of Business Administration (MBA), Thammasat University
- **Bachelor Degree**
Bachelor of Accounting (First-Class Honor), Thammasat University
Bachelor of Economics of Public Finance, Ramkhamhaeng University

Professional Experiences

2011 - 2018	Executive Vice President, Thanachart Bank Public Company Limited
2004 - 2011	Executive Vice President, Siam City Bank Public Company Limited
1999 - 2003	First Vice President, Industrial Finance Corporation of Thailand (IFCT)
1993 - 1999	Executive Vice President, First City Investment Public Company Limited
1990 - 1993	First Vice President, Cathay Trust Finance and Securities Company Limited
1985 - 1990	Project Analysis Team Leader, Industrial Finance Corporation of Thailand (IFCT)



VISUIT BORERIBOON

Senior Executive Vice President Retail Banking Division

Age 57

Education and Degrees

- **Master Degree**
Master of Public Administration National Institute of Development Administration
- **Bachelor Degree**
Bachelor of Economic (Finance and Banking) Ramkhamhaeng University

Professional Experiences Islamic bank of Thailand

2019 - Present	Senior Executive Vice President Retail Banking Division and Acting Senior Executive Vice President Commercial Banking Division
2018 - 2019	Senior Executive Vice President Retail Banking Division
2018	Senior Executive Vice President Retail Banking Division and Acting President
2017 - 2018	Senior Executive Vice President Retail Banking Division
2017	Senior Executive Vice President Retail Banking Division and Acting Executive Vice President Social and Economic Department Group

Others

2016 - Present	Board of Amanah Leasing Public Company Limited
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Professional Experiences

2012 - 2014	Executive Vice President Marketing Group, Bangkok Metro Public Company Limited
2011 - 2012	Senior Vice President, Head of Field Operation & Support, Thanachart Bank Public Company Limited
2010 - 2011	Senior Vice President, Branch Administration Department 3 Acting Executive Vice President Group Head of Region Branch Administration, Siam City Bank Public Company Limited
2006 - 2010	Senior Vice President, Branch Administration Department 4 Siam City Bank Public Company Limited
2005 - 2006	Senior Vice President, Audit Department Siam City Bank Public Company Limited
2002 - 2005	First Vice President, Branch Administration Department 2 Siam City Bank Public Company Limited
2001 - 2002	Senior Vice President, Information Management Department Bangkok Metropolitans Bank Public Company Limited
1999 - 2001	Vice President, Regional Credit Department Bangkok Metropolitans Bank Public Company Limited



POL.CAPT.POOMIN PEONGSUJARIT

Executive Vice President Debt Restructuring and Legal Group

Age 46

Education and Degrees

- **Master Degree**
M.B.A. Kasetsart University
M.A. (Political Science) Ramkhamhaeng University
- **Bachelor Degree**
B.Eng. (Industrial) Kasetsart University

Professional Experiences Islamic bank of Thailand

2013 - Present	Executive Vice President, Debt Restructuring and Legal Group
2012	Senior Vice President, Compliance Department
2011	Vice President, Compliance Department

Others

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Professional Experiences

2008 - 2010	Vice President, Dhanarak Asset Development Co.,Ltd.
2004 - 2007	Special Case Inquiry Officer, Department of Special Investigation.
1997 - 2004	Sub - Inspector, Royal Thai Police.
1997	Factory Inspection Engineer, Department of Industrial Works.



MANOCH DANGKOMEN

Executive Vice President Administration and Human Resource Group

Age 57

Education and Degrees

- **Master Degree**
MBA in Financial Management, Ramkhamheang University
- **Bachelor Degree**
BBA – Faculty of Commerce and Accountancy, Thammasat University
Faculty of Law, Sukothai Thamathirath University
- **Certificate**
Guide Certificate, Chulalongkorn University

Professional Experiences Islamic bank of Thailand

2020 - present	Executive Vice President Credit Operations Group
2015 - 2020	Executive Vice President Administration and Human Resource Group, and Acting Vice President Human Resource Management Department
2013 - 2015	Senior Vice President Head of Foreign Business Department, and Acting Vice President Human Resource Management Department
2010 - 2013	Senior Vice President Head of Foreign Business Department
2009 - 2010	Vice President Head of Foreign Business Department

Others

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Professional Experiences

2005 - 2009	Vice President Head of Trade Finance Marketing Corporate & SME Business, Thai Military Bank PCL,
2000 - 2005	Assistance Vice President Risk Manager, Citibusiness CTB and Citicorp Leasing, Citigroup Inc.,
1999 - 2000	Senior Team Leader Corporate Department, The Siam Commercial Bank PCL.
1997 - 1999	Vice President & General Manager Bombay Branch, The Siam Commercial Bank PCL



ARPICHAD AKDHAKURA

Executive Vice President, Retail Banking Group

Age 50

Education and Degrees

- **Master Degree**
MBA, Cleveland State University
- **Bachelor Degree**
BBA, Assumption University

Professional Experiences Islamic bank of Thailand

2019 - Present	Executive Vice President, Retail Banking Group Acting Executive Vice President, Technology and Electronic Operation Group
2018	Executive Vice President, Retail Banking Group and Acting Retail Financing Project Department
2017	Executive Vice President, Retail Banking Group

Others

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Professional Experiences

2011 - 2015	Senior Vice President, Krungthai Bank Public Company Limited
2000 - 2011	Senior Vice President, Siam City Bank Public Company Limited
1998 - 2000	Manager, Bangkok Commerce Asset Management Company Limited
1996 - 1998	Executive Officer, Bangkok Bank of Commerce Public Company Limited
1994 - 1999	Specialist Officer, Industrial Finance Corporation of Thailand (IFCT)
1991	Officer, Thaimex Finance and Securities Company Limited



SUNSANEE METHISARIYAPONG

Executive Vice President Finance Group

Age 56

Education and Degrees

- **Master Degree**
M.B.A. (Finance) Oklahoma City University, USA.
- **Bachelor Degree**
B.A. (Accounting) Thammasat University
B.A. (Law) Sukhothai Thammathirat University

Professional Experiences Islamic bank of Thailand

2017 - Present	Executive Vice President Finance Group and Acting Vice President Treasury Department
2016 - 2017	Senior Vice President Treasury Department and Acting Executive Vice President Finance Group
2012 - 2016	Senior Vice President Treasury Department
2009 - 2012	Vice President Treasury Department
2008 - 2009	Deputy Vice President Acting Vice President Treasury Department
2005 - 2008	Deputy Vice President Corporate Department

Others

2017 - Present	Board of Amanah Leasing Public Company Limited
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Professional Experiences

2001 - 2005	Deputy Manager Business Department, Secondary Mortgage Corporation
2000 - 2001	Manager Corporate Division, Thanachart Bank
1994 - 1999	Deputy manager Corporate division, Krungthaitanakit Finance & Security Public Company
1992 - 1994	Senior officer Corporate division, Ekachart Finance & Security public Company



NUCHJAREE PAKDEECHAROEN

Executive Vice President Corporate Strategy Group
Age 49

Education and Degrees

- **Master Degree**
M.B.A. (Monetary and Industrial Economics) National Institution of Development Administration (NIDA)
- **Bachelor Degree**
B.A. (Science in Agricultural Business) Kingmongkut Institute of Technology Ladkrabang (KMITL)

Professional Experiences Islamic bank of Thailand

2020 - present	Executive Vice President Corporate Strategy Group Acting Vice President Corporate Strategy Department and Acting Vice President Organization and Development Department
2019 - 2020	Executive Vice President Corporate Strategy Group and Acting Vice President Corporate Strategy Department
2018 - 2019	Executive Vice President Management Support Group Acting Vice President Corporate Strategy Department
2015 - 2018	Senior Vice President Corporate Strategy Department
2014 - 2015	Senior Vice President Risk Management Department
2013 - 2014	Senior Vice President Risk Management Department. Acting Vice President Shariah Product Department
2012 - 2013	Senior Vice President Risk Management Department
2010 - 2011	Vice President Risk Management Department. and Acting Vice President Corporate Strategy Department
2009 - 2010	Vice President Risk Management Department
2006 - 2009	Deputy Vice President, Risk Management Department
2003 - 2006	Manager, Risk Management Department

Others

Director, Centre for Muslim World Policies-CMP The Faculty of Economics, Chulalongkorn University
Director, Investment Subcommittee National Savings Fund

Professional Experiences

1997 - 2003	Credit Risk Management Officer, Credit Risk Management Department UOB (Thai) Public Company Limited.
1996 - 1997	Researcher, Research Department Association of Finance Companies



TEERA YEEGOB

Executive Vice President of Branch Banking group
Age 49

Education and Degrees

- **Master Degree**
Master of Business Administration Program for Executive, Burapha University
- **Bachelor Degree**
Bachelor of Arts, Suan Sunandha Rajabhat University

Professional Experiences Islamic bank of Thailand

2018 - Present	Executive Vice President of Branch Banking Group and Acting Vice President Branch Administration 2 Department
2016 - 2018	Senior Vice President Branch Administration 2 Department and Acting Executive Vice President of Branch Banking Group
2016	Senior Vice President of Branch Administration Department Acting Vice President of Communication and Corporate Image Department
2015 - 2016	Vice President of Branch Administration Department Acting Vice President of Communication and Corporate Image Department
2014 - 2015	Vice President of Branch Administration Department
2012 - 2014	Deputy Vice President of SMEs Business Department
2011 - 2012	Assistance Vice President of SMEs Business Department
2008 - 2011	Manager / Senior Manager of Branch Administration Department
2007 - 2008	Manager of Thung Khru Branch / Asoke Branch
2006	Manager of Branch Administration

Others

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Professional Experiences

1991 - 2006	Siam Commercial Bank (SCB)
1989 - 1990	Thai Military Bank (TMB)



RADKLAO SITTHIJANYAWAN

Executive Vice President Administration and Human Resource Group

Effective from March 16, 2020 until present.

Age 58

Education and Degrees

- **Master Degree**
M.B.A. (Marketing), Saint John's University
- **Bachelor Degree**
Business Administrator , Sukothai Thammathirat

Professional Experience Islamic bank of Thailand

2020 - Present	Executive Vice President of Administration and Human Resource Group and Acting Vice President Human Resource Department
2019 - 2020	Senior Vice President Bank Operation Department and Acting Vice President Information echnology Operations and Services Department
2013 - 2019	Senior Vice President Cheque Clearing Center Department
2012 - 2013	Senior Vice President 2 Information and Technology Supports Department
2012	Senior Vice President 2 Wealth Management Department Acting Executive Vice President General Management Group
2009 - 2012	Vice President Information and Technology Supports Department Acting Vice President Human Resource Department
2007 - 2009	Deputy Vice President Information and Technology Supports Department

Others

-

Professional Experiences

1999 - 2007	Manager Personal and Administrative South City Enterprise Co.,Ltd
1989 - 1998	Vice President Assets Operation Department Siam City Credit Finance & Securities CO., LTD
1984 - 1989	Manager of Finance Department Thaimex Credit Finance & Securities CO., LTD



SUCHART WARACHAWANWANICH

Executive Vice President Technology and Electronic Operation Group

Effective from March 16, 2020 until present.

Age 52

Education and Degrees

- **Master Degree**
Master of Science Program in Computer Science NIDA-GRADUATE SCHOOL OF APPLIED STATISTICS
- **Bachelor Degree**
Bachelor of Science Program in Computer Science Khon Kaen University

Professional Experience Islamic bank of Thailand

2020 - present	Executive Vice President Information Technology and Electronic Operation Group
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Others

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Professional Experiences

1999 - 2019	Assistant Vice President - Senior Vice President Information Technology KIATNAKIN BANK PCL.
1990 - 1999	Officer - Manager Information Technology Phatra Thanakit Finance Co.Ltd.



YUWAPORN PRASERTSRI

Executive Vice President Corporate Banking Group
Effective from July 1, 2020 until present.

Age 49

Education and Degrees

- **Master Degree**
Master's degree in Financial Business
The National Institute of Development Administration
(NIDA)
- **Bachelor Degree**
Bachelor's degree in Business Administration
Thammasat University

Professional Experience Islamic bank of Thailand

2020 - Present Executive Vice President Corporate Banking Group and Acting Vice President Corporate Banking Department 1

Others -

Professional Experiences

2019 - 2020	First Vice President Commercial Banking CIMB Thai Bank Public Company Limited
2018 - 2018	Senior Vice President Commercial Banking United Overseas Bank Limited
2017 - 2018	Senior Vice President Client Relation Management, Wholesale Banking Thanachart Bank Public Company Limited
2014 - 2017	Team Head Commercial Banking, Senior Vice President Thai Credit Retail Bank Public Company Limited
2012 - 2014	Team Head of Regional Business Banking Thai Military Bank Public Company Limited
2011 - 2012	Vice President, Corporate Business Department 8 Bank of Ayudhya Public Company Limited
2008 - 2011	Head of Business Centers (Srinakarin and Sriracha Business Centers), Vice President Industrial and Commercial Bank of China (Thai)
2005 - 2008	Relationship Manager, Wholesale Banking, Siam Commercial Bank
2002 - 2005	Relationship Manager, Wholesale Banking, Bankthai Public Company Limited
1996 - 2002	Relationship Manager, Wholesale Banking, DBS Thai Danu Bank Public Company Limited
1993 - 1995	Credit officer Thai Finance and Securities Public Company Limited
1993 - 1993	Staff of International Trade Department Siam Commercial Bank

Shareholding Structure

As of December 31, 2020 The Bank's capital stock was 1,820,276,825,862 shares or calculated to be the total registered capital of 18,202,768,258.62 Baht. The proportion of Bank's shareholders as of December 31, 2020 as follows:

No.	List of Shareholders	Quantity	Shares	Ratio (%)
1.	Ministry of Finance		1,812,863,564,181	99.5927%
2.	Government Savings Bank		4,091,533,440	0.2248%
3.	Krungthai Bank Public Company Limited		1,010,208,044	0.0555%
4.	Ms. Asra Angkaria		436,235,586	0.0240%
5.	Mrs. Rahmah Moonsap		100,000,000	0.0055%
6.	Mrs. Cholthicha Al-umaree		73,000,000	0.0040%
7.	Ms. Chittra Sorhasan		51,302,579	0.0028%
8.	Lt. Surakampon Adulyarat		40,799,061	0.0022%
9.	MFC Asset Management Public		40,753,015	0.0022%
10.	Mr. Somsak Taksina		40,000,000	0.0022%
11.	Other shareholders		1,529,429,956	0.0840%
Toal			1,820,276,825,862	100.0000%

Bank's Creditors

	Million Baht		Change	
	2020	2019	Increased (Decreased)	Percent
Liabilities				
Bank of Thailand	198.19	-	198.19	100.00%
Government Savings Bank	1,122.30	984.04	138.26	14.05%
Krung Thai Bank	-	-	-	-

Budget Received from the Government

The implementation of the project in accordance with the government policy – Public Service Account (PSA) that has been approved by the Cabinet to compensate for the implementation of the Islamic Bank of Thailand projects in 2020, consisting of:

1. Financing project to promote the occupation of public transport in the 5 southern border provinces
2. Financing project to plans to improve the livelihoods of people and communities in special areas in 5 southern border provinces

3. Financing project to help small self-employed people affected by flood and windfall in 2010 (waiting for the cabinet resolution)

4. Financing project to emergency Financing Program for Muslim Brothers

The Islamic Bank of Thailand recognized the budget received from the project under the Public Service Account (PSA) Government policy. Year 2020 in the amount of 4,154,671.79 Baht (four million one hundred fifty four thousand six hundred seventy-one baht seventy-nine satang)

Operational Report

- Business Environment and Strategic Plan
- Business Operational Analysis
- Financial Position Analysis
- Risk Management
- Internal Control
- Internal Audit
- Report of the Shariah Governance
- Report of the Good Corporate Governance
- Appointment of the Board of Directors, subcommittees and working group
- Policy and Remuneration for the Board of Directors and Subcommittees
- Board of Directors and Subcommittees Meeting
- Remuneration for Top Executive
- Management Policy for Related Party Transactions
- Report of the Audit Subcommittee
- Report of the Corporate Social Responsibility (CSR)



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Business Environment in 2020 and Outlook for 2021



The Thai economy in 2020 contracted at 6.6% from 2019, mainly due to the COVID-19 epidemic, especially in the tourism sector, where the number of foreign tourists dropped by more than 80%. Meanwhile, private investment contracted by 9.9%, in accordance with domestic and international demand restricted by preventive measures to control the spread of COVID-19 worldwide. The value of exports contracted by 7.4%, in accordance with the economic conditions of trading partner countries. However, the Thai economy contracted less than expected, supported by the government's supportive factors, with public investment expanding at 10.0% from economic stimulus measures to support purchasing power such as Shop well-Get back, Half-Half and Travel Together. In addition, the relaxation of epidemic control measures in the country during the stable epidemic situation, included the Pent-Up Demand from the lockdown period, also resulted in a less severe contraction in private consumption than expected. For the headline inflation rate stood at negative 0.9%, according to energy prices and food prices.

As for the Thai economy in 2021, it is expected to expand at 3.2% following the easing of the COVID-19 epidemic situation. It is expected that Thailand will be able to start distributing more vaccines in the second half of 2021 and ongoing economic stimulus measures from the government such as Half-Half and We Won campaigns, etc. The government investment and consumption are expected to grow at 7.9% and 5.1%, respectively. Meanwhile, private investment is recovering and expanding at 4.9%, driven by recovering domestic demand and higher purchasing power from government stimulus measures. This also resulted in an improvement in private consumption. The export sector is likely to expand at 5.7%, following the expectation that the economic conditions of trading partners will be improve after the COVID-19 epidemic situation has subsided. Uncertainties from both the outbreak situation and the distribution of the COVID-19 vaccines, coupled with the risks of vaccine effectiveness, may affect the tourism sector. It is expected that the number of tourists should remain stable at a low level. For the headline inflation



is expected to stay at 1.0% in line with trends in energy prices and fresh food prices.

Precautionary factors are as follows; (1) uncertainty of the COVID-19 epidemic situation and timing of

vaccination in the country; (2) uncertainty in the domestic political situation; (3) unemployment and employment problems and (4) the debt of households and SMEs is at high level.

Economic projections and their components

(Percentage per year)	2019*	2020	2021
Economic growth rate	2.4	-6.6	3.2
Private sector consumption	4.5	-1.4	2.8
Private sector investment	2.8	-9.9	4.9
Government consumption	1.4	2.5	5.1
Government investment	0.2	10.0	7.9
Export goods value	-3.3	-7.4	5.7
Import goods value	-5.6	-14.1	7.7
Amount of foreign tourist (million people)	39.9	6.7	5.5
Headline inflation rate	0.7	-0.9	1.0

Credit: Bank of Thailand, Monetary policy report estimates in September 2020
Note: real data

Strategic Plan

The Organizational Strategy consistent with the National Strategy

The Bank's corporate strategy is a strategy that is consistent with the country's strategy linked to the National Strategy 2018-2037, The Twelfth National Economic and Social Development Plan (2017-2021), the overall SOE Strategic Plan and the SOE Strategic Plan for Financial Institutions. The strategic organizational framework consists of

Strategy 1 Financial services according to Islamic principles (Shariah principles)

We have fulfilled the mission of providing financial services that are accurate according to Islamic principles which is focusing on to create opportunities and expanding the foundation to access to financial services that are an alternative accurate according to Islamic principles for Muslim customers and Islam's business. Moreover, we are being considered choice for general customers, having a role in supporting the operations of community financial organizations according to various types of Islamic principles.

Strategy 2 Increase variety of financial services according to Shariah principles

We have developed financial products and services according to a variety of Sharia principles. We also have good infrastructures adjusting to meet customer's needs appropriately and increasing competitiveness, especially, responding to customer's needs in the mission area. There is a system of monitoring and supervision of banking, financial transactions that is accurate and in accordance with the Sharia clearly.

Strategy 3 Strengthen financial sustainability

We have taken steps to revive our organization and status to meet the goals and have financial stability under acceptable risk levels. We focus on expanding quality loans, asset quality management to reduce NPLs, improving branch efficiency, including seeking alliances with Islamic expertise at the right time.

Strategy 4 Potential Development of Human Resources

Seeking to increase the potential and quality of human resources to be ready for change. TStructure suitable HR Road Map, especially the development of Digital Literacy and Core Competency needed.

Strategy 5 Develop information technology systems to be able to effectively handle and support the changing times

We have developed Information Technology systems, service processes and operational efficiency in order to support the growth of the target business group and era. We are preparing to support the technology and innovation (Disruptive Technology) and prepare plans/ projects that are consistent with the Big Data Analytics project, as well as the technology to help improve operations to reduce costs and develop innovation.

Strategy 6 Increase operational efficiency and reduce management costs

To increase efficiency in operating cost management, financial cost management, asset and liability management, we have developed ways to use shared resources among State Owned Enterprises (SOE) financial institutions to increase work efficiency and help reduce management costs.

Strategy 7 Create Transparency and Integrity organization

We are running a balanced business with regard to the Economic, Social and Environment Responsibility through the creation and in line with the Business Ecosystem. Meanwhile, we encourage employees throughout the organization to be aware and give priority to business operations in accordance with having good governance, transparency, integrity and Zero Tolerance.



Direction and Plans in 2021

For our operations in 2021, the Bank focuses on customer first, both internal and external customers by improving Lean Process efficiency, developing products and services with customer satisfaction mainly, giving importance to and adhering to the iBank Core Value approach is to create a strong corporate culture, committed to working with a conscience that will drive the organization to success. This is the year of Customer First that will create a good impression and good experience through service that takes the customer first. Therefore, the Bank has formulated a sustainable organizational turnaround strategy plan and business plan for the year 2021 which divided into 7 main plans as follows:

1. Mission Implementation Plan: We focus on creating a roadmap to meet the implementation of our clear mission by developing financial products that can enhance the strength of the Muslim community at a fundamental level through mosque-centricity. By creating opportunities to access basic Islamic financial services while providing financial literacy that leads to financial discipline.

2. Non-Performing Financing Management Plan (NPF): We focus on the implementation of the NPF Debt Acceleration Policy, manage to block and resolve NPF debt in accordance with the Ministry of Finance's policy, including accelerating the legal process, and manage NPA assets to generate income for the Bank.

3. Expense reduction plan: in terms of financial expenses, manage excess liquidity and increase the proportion of CASA deposits to an appropriate proportion. In terms of operating costs, manage facility costs and

other expenses by regarding the highest efficiency of cost effective.

4. Loan Expansion Plan: We place great emphasis on credit quality and to maintain the Bank's existing customer base with a good track record as well as expanding access to new customers. Including providing assistance to customers affected by the COVID-19 epidemic situation continuously, appropriately according to the severity of the impact that customers receive. By controlling to comply with the SLA of the revised credit process and developing a credit facility to have an appropriate check & balance.

5. Branch Optimization Plan: We focus on increasing the revenue from the increase of the business, managing the branches for profit from operations, managing the budget and expenses by regarding the highest efficiency of cost effective.

6. Personnel Management Plan: We have carried out organizational restructuring to be more suitable and efficient, including increasing work efficiency with the current workforce, formulating management and personnel development strategies.

7. Organizational Development Plan : we have accelerated development and improvement of the internal infrastructure of our organization, including the development of information technology systems to increase productivity, reduce work processes to be appropriate, as well as improve the centralized operation process to reduce operational risks and increase operational efficiency.



Operating Performance Analysis

In 2020, the overall Thai economy slowed down due to the COVID-19 epidemic. Economic activities both at home and abroad were severely affected overall, especially the impact on the banking sector like never before. Under careful of risk management, the Bank has implemented assistance measures to assist affected customers in line with the Bank of Thailand's policy and measures taken by the Bank to mitigate the impact and encourage customers to come through the crisis in this time. The Bank has provided assistance to 12,417 affected customers with total loan debt of 17,331 million baht, or 42% of normal loans. Thus, at the end of 2020, there were customers who received assistance in accordance with the assistance measures (Including NPF) which decreased to 3,630, total debt of 11,734 million baht, accounting for 20% of total loans. In which customers whose assistance measures have ended in the second half of 2020, there were customers who can only partially repay their loans according to the conditions specified by the Bank. While more than 85% of them are able to repay their debts with ease of conditions or need further assistance through the Bank's self-contained assistance program. The Bank has regularly assessed the quality of the credit portfolio based on its debt repayment capability in order to know the overall credit portfolio quality status and proceed with proper management.

As the Bank faces challenges and impacts from the COVID-19 epidemic, as well as the impact of large state-owned enterprises facing financial problem and

undergoing business rehabilitation, which resulted in year 2020 as the total revenues of the bank decreased by 1,389 million baht, or 35% compared to year 2019, where total revenues decreased considerably compared to the previous year. As in 2019, the Bank recorded additional income from the reversal of bonus accrued which is a one-time transaction, which may not properly reflect comparative performance. In addition, in 2020, both loan income and debt restructuring income have dropped significantly. The Bank is also affected by extraordinary items from the cessation of revenue recognition and loss from the sale of investments of such a large state-owned enterprise as well. Although, the Bank was able to manage its financial and operating expenses very well with total expenses decreased by more than 391 million baht or 13% from 2019. However, due to the lower revenue impact, the Bank recognized an operating loss of 166 million baht. In addition, the Bank has set up a reserve for those large state-enterprise debtors in the amount of 2,480 million baht and when combined with the general reserve set up to accommodate asset quality risks during the economic slowdown resulting in a net loss of 2,767 million baht. However, excluding the impact of extraordinary items and the establishment of a reserve for a large state-enterprise debtor, the Bank will have operating profit of 35.17 million baht and net profit of 120.57 million baht which is better than forecast according to the 2020 Strategic Plan, review edition.

Analysis of Operating Result

Unit: million

Operating Result	2020	2019	Change (YoY)	
			Increased (Decreased)	%
Financial income (Total income from promissory notes IAM)	2,432	3,051	(619)	(20%)
Other incomes	124	894	(770)	(86%)
Total Incomes	2,556	3,945	(1,389)	(35%)
Financial expenses	1,041	1,316	(275)	(21%)
Operating expenses	1,681	1,797	(116)	(6%)
Total Expenses	2,722	3,113	(391)	(13%)
Operating profits (losses)	(166)	802	(968)	(121%)
Doubtful and Impairment	2,601	266	2,335	878%
Net profits (losses)	(2,767)	566	(3,333)	(589%)

1. Net financial income

Unit: million

Operating Result	2020	2019	Change (YoY)	
			Increased (Decreased)	%
Financial income	2,175	2,685	(510)	(19%)
Other incomes	1,037	1,310	(273)	(21%)
Total Incomes	1,138	1,375	(237)	(17%)

Net financial income in 2020 decreased by 237 million baht or 17% from the year 2019. Although the Bank was able to manage its financial expenses decreased by 273 million baht, the decrease in loan income was 510 million baht due to the impact of economic conditions and the COVID-19 situation, which reduced the ability of customers to pay off their debts, resulting in the need to take credit relief measures or require cessation of revenue recognition, including customer loan repayment. Large businesses that cannot be replaced in time from the expansion of retail loans, resulting in income from loan expansion is not meeting the target, therefore, the net financial income has decreased as mentioned above.

2. Net Fees and services income

Unit: million

Operating Result	2020	2019	Change (YoY)	
			Increased (Decreased)	%
Fees and services income	176	209	(33)	(16%)
Fees and services expense	33	34	(1)	(3%)
Net Fees and services income	143	175	(32)	(18%)

The Bank had income from fee and net service at 143 million baht which decreased of approximately 32 million baht or 18% from 2019, mainly due to default fee, followed by the non-binding fee and the credit service fee respectively.

3. Total expenses

Unit: million baht

	2020	2019	Changed (YoY)	
			Increased (decreased)	%
Monetary expenses	1,041	1,316	(275)	(21%)
Other operating expenses	1,681	1,797	(116)	(6%)
Total expenses	2,722	3,113	(391)	(13%)

The Bank had total expenses of 2,722 million baht, a decrease of 391 million baht or 13% from the previous year, mainly a decrease from financial expenses of more than 275 million baht or 21% as a result of excess liquidity management and fixed deposits with high costs to an appropriate level. Including the result of a reduction in the remittance rate of the Specialized Financial Institutions Development Fund from 0.25% per year to 0.125% per year. For other operating expenses decreased from the previous year by 116 million baht or 6%. Hence, most of the reduced expenses were employee expenses.

4. Doubtful and Impairment

Unit: million baht

	2020	2019	Changed (YoY)	
			Increased (decreased)	%
Net of Doubtful and Impairment	2,601	266	2,335	878%

In 2020, the Bank set a net allowance for bad debt and doubtful accounts of 2,601 million baht, an increase of 2,335 million baht or 878% from 2019. The main items came from setting up a reserve for a large state enterprise debtor amounting to 2,480 million baht, as well as set up a surplus reserve to accommodate the risks of customers affected by the COVID-19 situation and set up more general reserve to support asset quality risk that may occur in the future.

Analysis of Financial Standing

Unit: million baht

	2020	2019	Changed (YoY)	
			Increased (decreased)	%
Total Asset	76,361	81,316	(4,955)	(6%)
Financing	56,817	54,310	2,507	5%
Receivable from transfer of NPLs (Promissory notes and accrued income)	15,396	19,192	(3,796)	(20%)
Total Liabilities	79,852	82,193	(2,341)	(3%)
Deposit (include financial institutions)	77,014	79,845	(2,831)	(4%)
Owners' Equity	(3,491)	(877)	(4,368)	(498%)
Total Liabilities and Owners' Equity	76,361	81,316	(4,955)	(6%)

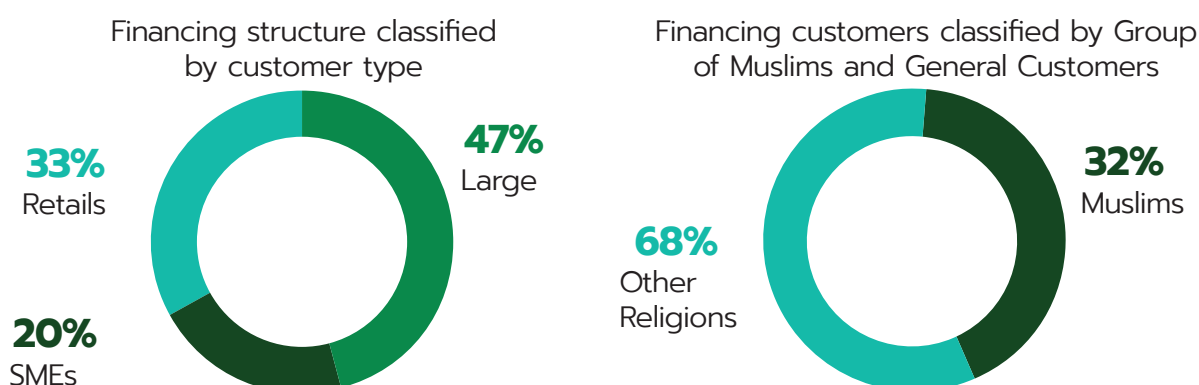
At December 31, 2020, the Bank had total assets of 76,361 million baht which decreased from 2019 by 4,955 million baht or 6%, mainly due to a decrease in NPL receivables of 3,796 million baht. The main item came from receivable from NPL transfer that decreased by 3,796 million baht. Debt in 2020 was 79,852 million baht, a decrease of 2,341 million baht due to a decrease in deposits (including financial institutions) and due to large maturity fixed deposits and excess liquidity management by reducing fixed deposits with high costs. For owners' equity was negative increased from business profits which loss, increasing from negative 877 million baht in 2019 to negative 3,491 million baht in 2020.

Key Items in the Statement of Financial Position

Financing

The expansion in 2020, the Bank has placed a high priority on Financing quality among the growing risks from the economic slowdown, the COVID-19 pandemic, and therefore credit expansion is cautious. At the same time, the Bank plans to expand Financing through MOU programs and aims to offer Financing products that meet the needs of customers. Especially the housing refinance Financing "Mee Tae Dai" that has been well received. Therefore, the Financing expansion slightly increased from the previous year. The Bank has implemented measures to help the general public and continues to have measures to support customers who need credit to increase liquidity for working in their business continually from the implementation of the assistance measures according to the Bank of Thailand's guidelines as follows; debt moratorium on principal or both principal and profit, repayment per period, margin reductions and debt restructuring, as well as debt consolidation of individual debtors to take advantage of the collateral the debtor has with banks that covered both business Financing and individual loans. As a result, customers in the group who need help have less debt burden and can extend the repayment period to be able to recover in the next period. In addition, the Bank also focuses on providing financial services to Muslim customers in accordance with its mission, resulting in Muslim loans and Financing supporting the southern border provinces to retail Financing and SMEs loans < 20 million baht (New Booking). 42.86% operating, higher than the 3.07% target.

At the end of 2020, the Bank had total Financing of 56,817 million baht (excluding Financing to financial institutions) which increased from the year 2019 by 2,507 million baht or 5%. In this regard, the Bank's overall Financing structure at December 2020 had large business Financing (amount greater than 200 million baht) in the proportion of 47 percent, with outstanding balance of 26,515 million baht, followed by retail Financing at 33%, with outstanding balance Outstanding 18,926 million baht and SMEs loans accounted for 20 percent, totaling 11,375 million baht. When considering the total number of Financing customers of the bank, approximately 32 percent of the customers are Islamic and about 68% of the customers are other religions.



Quality of and debt restructuring

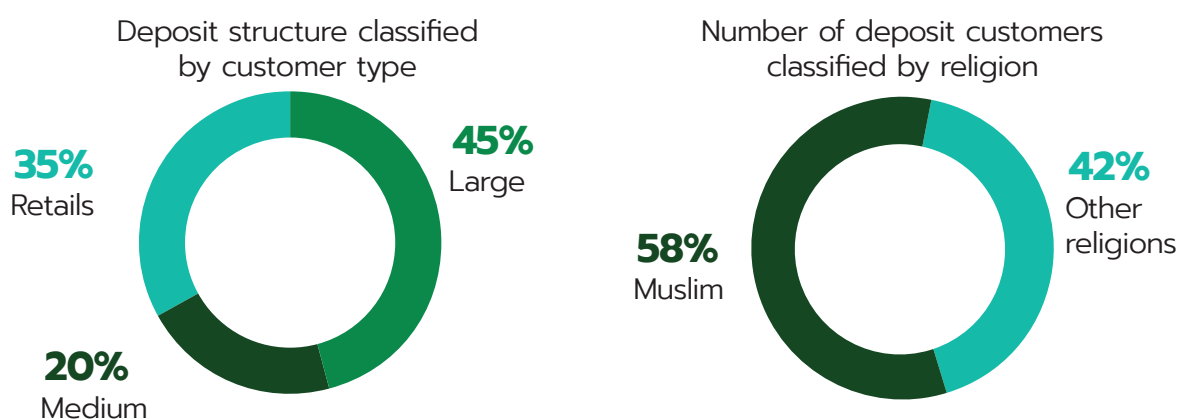
The Bank has focused on the management of NPF (Non-Performing Financing). In 2020, the Bank has accelerated the resolution of NPF debt with sufficient potential for debt restructuring. In 2020, the Bank had a remaining NPF of 13,517 million baht, or 24 percent of total loans, which increased 2,977 million baht from 2019. The main item

was NPF, which increased from large state enterprises that were facing financial problems and are in the process of business rehabilitation. In the case of excluding NPF from that state enterprise, there will be a remaining NPF of 11,071 million baht, which is better than the planned estimates. There is also a quality tactic NPF of 596 million baht to reduce credit risk and impact on future performance. As a result of conservative support for new loans, the ratio of new NPF debt to new loans is only 0.08%.

The amount of allowance for doubtful accounts at December 2020 was 9,750 million baht, an increase of 2,605 million baht or 36% from year 2019 where the allowance for doubtful accounts was 7,145 million baht. The main items that affect the increase in reserves are from large state enterprises that are experiencing financial problems and are in the process of rehabilitation as well.

Deposit

The total deposit at December, 2020 was 77,014 million baht which decreased at 2,831 million baht or 4% from 2019. This is because the Bank has managed excess liquidity in line with loan disbursement and reduced the proportion of high-yield fixed deposits. As a result, the proportion of Current and Saving Account to total deposit (CASA) increased to 32%, better than the planned target which effected the rate of return on deposits tends to decrease. The Bank's deposit structure in 2020 has the proportion of each customer group similar to the loan structure as follows; deposits of large customers proportion (limit more than 200 million baht) is 45% with a total amount of 34,677 million baht, the proportion of medium deposits (limit more than 20 million baht - 200 million baht) is 20 percent with a total amount of 15,361 million baht, and the proportion of retail deposits (limit amount up to 20 million baht) is 35 percent with a total amount of 26,976 million baht. There is approximately 58 percent of the bank's total deposit customers are Muslim and 42 percent are customers of other religions.



Owner's Equity

On December 31, 2020, the Bank's Owner's Equity was negative with an increase of 4,368 million baht or 498% compared to 2019, mainly due to a net loss. Owner's Equity was negative, increasing from 877 million baht in 2019 to a negative 3,491 million baht in Year 2020

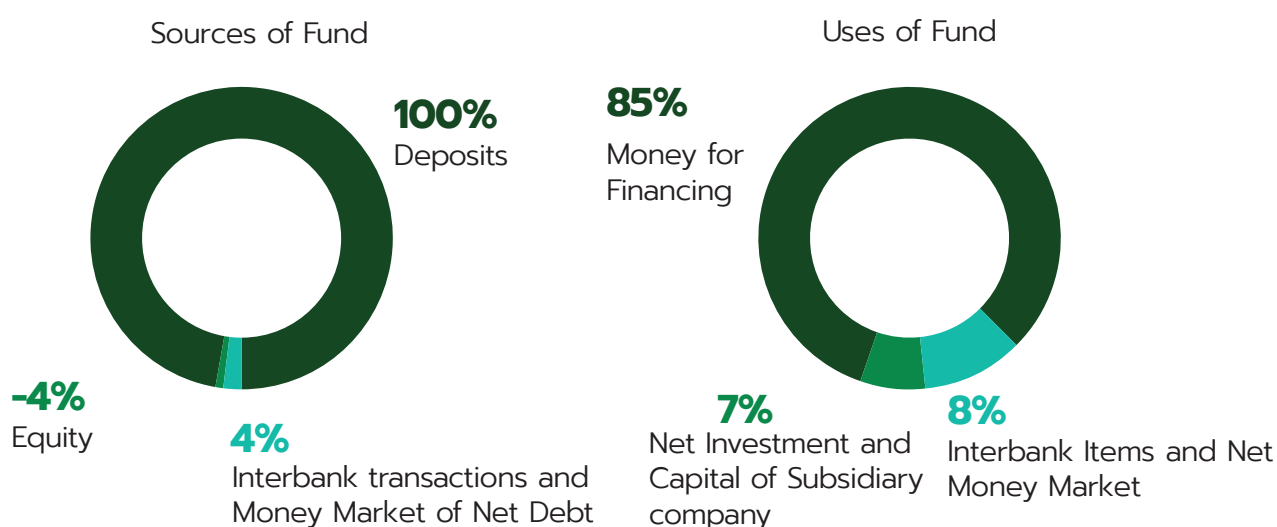
Legal Capital Funds

From a net loss turnover on December 31, 2020, effecting the negative BIS Ratio increased from negative 1.86% in 2019 to negative 6.51% in 2020. The Bank's BIS Ratio is still lower than the criteria under the Ministry of Finance Regulations on Capital Maintenance and Reserve Money and Liquidity Assets of the Islamic Bank of Thailand B.E. 2563. By allowing the Bank to maintain a capital fund set by the Bank of Thailand. This is consistent

with notification of the Bank of Thailand No.16/2562, regarding the composition of Specialized Financial Institutions' Fund (SFIs) requiring that the ratio of capital funds to be the ratio of assets and obligations is not less than 8.50%.

Analysis of the Sources and Uses of Funds

On December 31, 2020, the Bank's main source of funds is deposits. The Bank used 85% of its funds to provide financing using 8 % funds in interbank items and money market transactions and use 7% of the capital in net investments and capital in subsidiaries.



At the end of year 2020, the Bank has a total of 101 branches nationwide, of which 39 branches are opened in the Southern Region. There are 36 branches in Bangkok Metropolitan Region, the Central Region, the Eastern Region, the Western Region. There are 14 branches in the North and 12 branches in the Northeast. Due to the Bank's intention to focus on providing services in the areas according to its missions, the volume of deposit and loan transactions of Muslim customers in the southern region has been used and has the highest proportion of Muslim customers in the country.

Table of Use of Credit Facilities and Deposits of Customers Classified by Customer Groups and Regions at the end of 2020

Regions	Numbers Of Branches	Total of Deposit Customers		Muslim Deposit Customers		Total Credit		total Muslim Credit Customers	
		% of Cases	% of Amount	% of Cases Nationwide	% of Amount Nationwide	% of Cases	% of Amount	% of Cases Nationwide	% of Amount Nationwide
Southern Region	39	56.97%	18.82%	46.61%	10.59%	30.39%	20.24%	23.31%	14.06%
Bangkok Metropolitan Region, Central Region, Eastern Region, Western Region	36	29.27%	66.29%	9.88%	9.82%	55.40%	71.44%	7.71%	14.95%
Northern Region	14	6.66%	9.63%	0.79%	0.94%	7.21%	4.68%	0.53%	0.63%
Northeastern Region	12	7.10%	5.26%	0.25%	0.15%	7.00%	3.64%	0.16%	0.12%
Total	101	100.00%	100.00%	57.53%	21.50%	100.00%	100.00%	31.71%	29.76%

Financial Position Analysis

The bank's total assets on December 31, 2020 were 76,360.71 million baht, which decrease of 4,955.01 million baht or 6.09 percent from December 31, 2019. That mainly decrease was Interbank and money market and promissory note of Islamic Bank Asset Management Company Limited. However Financing increased of 2,506.14 million baht .

Total liabilities of the bank on December 31, 2020 were 79,852.35 million baht which decrease of 2,341.00 million baht or 2.85 percent from December 31, 2019. That mainly decrease was deposits. On 31 December, 2020, the Bank had total liabilities which were higher than total assets 3,491.64 million baht , as on December 31, 2019, the Bank had total liabilities which were higher than total assets 877.64 million baht. Shareholders' equities decreased 2,614.00 million baht or 297.84 percent.

In the year 2020, the bank had operating loss 166.16 million baht and net loss 2,766.71 million baht. The main impact was allowance for doubtful 2,475.00 million baht from large state-owned enterprise, which the cabinet had approved business rehabilitation to the Central Bankruptcy Court . In addition, an economic slowdown and the Coronavirus disease (COVID-19) pandemic had impact on the expansion of credit and reduced ability of customer to repayment. Many debtors entered relief payment program. This are a significant effect on Bank's financial performance.



Risk Management

1. Overview of the Bank's Risk Management

The operations of the Islamic Bank of Thailand have been adapted to respond to changes in technology, competition, and rules. As a result, risk management is a necessary management process that will allow the Bank to achieve its goals. Having an efficient and effective risk management will, therefore, reflect good management, transparency, and accountability as a foundation for the bank's strong and sustainable growth. The Islamic Bank of Thailand recognizes the importance of risk management and internal control and focuses on good management process and effective goal accomplishment under the rehabilitation and business plans 2019-2023. The bank has managed its risks based on the COSO 2017 framework which is a global standard for risk management. The framework highlights the connection between risk management and the Bank's operational plan and business opportunities which will ensure an

integrated risk management throughout the organization. This will allow the bank to fulfill its main objectives following its vision and mission. The Bank has created a risk map, key risk indicators (KRIs), risk appetite, and risk tolerance which cover major risks of the bank. Moreover, the Bank

has organized trainings to provide overall knowledge on risk management to the Bank's employees to ensure that employees understand that risk management is every employee's responsibility. By operating with risk management responsibility in mind, all units will be able to efficiently and effectively help the organization achieve its goals and conform to risk management which is based on the good governance principles, ensuring the Bank's strong and sustainable growth.

2. Risk Management Structure

The risk management structure (Governance Structure) is as follows:

2.1 Policy: The board of directors has the authority to approve the bank's key risk management policies which covers seven risks including Shariah risk, strategic risk, credit risk, market risk, liquidity risk, and operational risk, and Information Technology Risk.

2.2 Authority: The board of directors is authorized to approve the operations of the executives and subcommittees based on the decentralization of authority whenever appropriate and risk-based authority.

2.3 Subcommittee on risk management:

The roles and responsibilities of the subcommittee which involve risk management include approving risk management policies based on risk appetite and ensuring effective risk management system as follows:

1. Risk Oversight Subcommittee has a duty to determine and review the adequacy of risk management policies and system, determine strategies in accordance with the risk management policy, and monitor the overall risk management of the bank.

2. The Audit Subcommittee is responsible for reviewing the internal control system and good risk management in order to ensure that there is an internal control system and risk management which can prevent or reduce potential risks and adjust to the risks and business environment.

Moreover, in managing each type of risks, the bank has established a subcommittee to manage specific risks including the Asset and Liability Management Subcommittee (ALCO), Internal Control Assessment Committee, Compliance Subcommittee, Credit Subcommittee, and IT Steering Subcommittee.

3. The Bank's Management of Each Type of Risks in 2020

3.1 Shariah risk means risks arising from operations, work processes, product offering, and the bank's services that may not be consistent with the Shariah principle as required by the Shariah Advisory Council and / or in contrast to the Islamic Bank of Thailand Act B.E.2545 (2002) which may affect the status, reputation, liquidity, revenue, and capital funds which are the specific risks of the Islamic Bank of Thailand that the bank puts in a high priority and is considered as part of operational risk according to the definition of the types of risk specified in the bank's audit guidelines.

To ensure that the bank's operations and processes are consistent with the Shariah principle, the bank has established policies for managing Shariah risk which have been proved by the board of directors as a framework for providing financial services and developing products and services based on Islamic principles that can compete and meet the needs of target customers. Furthermore, the bank manages Shariah risk by analyzing, tracking, and reporting information related to the risk through risk status report, report on changes in the number of deposit customers and Muslim customers, report on any damages caused by operations that are inconsistent with the Shariah principles to the Shariah Advisory Council and relevant subcommittee on a regular basis. The reports are important to the formulation of strategies for managing Shariah risk. Moreover, the bank has emphasized the distribution of knowledge on the Shariah principles to employees across the organization through internal communication channels in order to ensure that employees have the knowledge, understanding, guidelines, and ability to effectively communicate the Shariah principles to customers under the same standard.

3.2 Strategic risk means risk arising from the formulation of strategies and operational plans and improper implementation of the strategies or operational plans that is inconsistent with the internal factors and external environment which affects the bank's revenue, capital, or the existence of the bank.

The bank has developed policies for managing strategic risk and annual risk management plans that are consistent with the rehabilitation plan and business plan for 2019 – 2023. The bank has adopted the Bank of Thailand's guidelines and good risk management principles as the organization's structural framework for integrated risk management which is based on the international principles of the Committee of Sponsoring Organizations of the Tread Way Commission (COSO). The guidelines and framework are used for analyzing internal and external risk factors which might affect the bank at present and in the future. The bank has prepared and reviewed the risk management policies and risk management plan by creating a risk map to identify the risk factors that will affect the bank as well as determining the key risk indicators (KRIs), Risk Appetite Level: Risk Tolerance that covers all risk factors and risk causes, including determining and reviewing the performance report in accordance with the Treatment Plan. The Risk Management department is responsible for monitoring, evaluating and reporting risk management results to the Risk Oversight Subcommittee and related Subcommittee regularly to monitor the risk management to be at acceptable levels and to meet the target.

3.3 Credit risk means risk of damage as a result of the contract party's failure to fulfill the obligations agreed and specified in the contract including the Bank's trading partners being downgraded the risk rating which may affect the income and capital maintenance of the bank.

Credit risk management has focused on various issues as follows

1. Credit risk management policy

The Bank has established a framework for credit risk management policy in accordance with the guidelines of external regulatory agencies, which based on a balance between business roles, credit risk and regulatory compliance. We focus on credit staff to have common goal is to expand credit under an acceptable risk and transparency. Moreover, our ultimate goal is to have a quality loan management, an efficient tracking and control process. In addition, the bank has set standards for credit approval operations in the same direction including the development and improvement of criteria, roles, responsibilities, regulation and credit structure to be consistent and systematically linked. Furthermore, we have also provided training courses to enhance credit knowledge for relevant employees in order to increase knowledge and develop skills at a level that is appropriate for the nature of customers that need to be continuously monitored.

31, 2020 the bank has NPFs of general and project in accordance with government policies (Excluding accrued financial income) due to the bank's financial statements in the total of 13,517.08 million baht, which increased of 2,976.77 million baht from the year 2019 (NPF for the year 2019 of 10,540.31 million baht), representing 23.79 percent of the total loan.

Credit risk management tools

The bank provided tools to assess credit risk of customers and credit distribution including setting profit margins in line with the risk of each customer group. Likewise, we have introduced a Credit Scoring System for consumer customers and improved credit risk rating tools and also brought the Credit Risk Rating System (CRR) in order to consider the risk of approval or rejection of all business credit customers of the bank.

In this regard, the Credit Risk Rating (CRR) tool has been developed to separate credit risk assessment forms

to cover more diverse and more accurate businesses, by dividing the tools into 13 tools as follows:

1. Credit Risk Rating for Medium and Large Corporation (Infrastructure)
2. Credit Risk Rating for Medium and Large Corporation (Communication)
3. Credit Risk Rating for Medium and Large Corporation (Energy)
4. Credit Risk Rating for Medium and Large Corporation (Services)
5. Credit Risk Rating for Medium and Large Corporation (Commerce)
6. Credit Risk Rating for Medium and Large Corporation (Industries)
7. Credit Risk Rating for Property Development
8. Credit Risk Rating for Property Investment
9. Credit Risk Rating for Co-operatives
10. Credit Risk Rating for Hire Purchase
11. Credit Risk Rating for Small Enterprise (Services)
12. Credit Risk Rating for Small Enterprise (Commerce)
13. Credit Risk Rating for Small Enterprise (Industries)

2. Credit Quality

The Bank has given importance to the management of quality of new credit facilities granted in 2019 with due care and has a close post-review monitoring with regular credit quality examination in order to prevent normal accounts from becoming troubled, emphasizing the reduction of NPF by expediting debt restructuring, legal action and execution with troubled, as follows:

1. Determine clear measures to enforce uncooperative debtors in negotiation or those having undergone several debt restructuring programs such as legal action and filing for bankruptcy

2. Require the credit facilitation units unit to regularly visit or call customers to increase the utilization in the good customer group and follow up on customers performance to plan and adjust the credit conditions to match their situation in order to prevent NPF and increase income from the good customer.

3. Having credit facilitation units report reasons and guidelines for handling of all B2 status customers and watch list customers in the large business customers group and SMEs that would possibly be turning into NPF and could not be promptly correcting the situation. Executives of sections/departments/ working groups shall take first priority to follow up and resolve the situation until the status is normal.

4. Credit facilitation units shall monitor TDR customer groups or those requesting for relaxing of credit conditions or debt repayment with change in the financial status. Current business status which may cause the customer to be NPF in the future.

5. Considering, allocating or grouping internal staffs to the agency which responsible for managing/ solving problem credit in order to urgently resolve NPF. There is an action plan and training to provide knowledge, skills and methods of remedial NPF needed.

6. Closely, systematically and continuously follow up and collect data and find causes of NPF re-entry and data of recovery rates.

3. Credit concentration risk

The bank credit policy defined the guidelines for overseeing the risk of credit concentration of in accordance with the rules of supervising large customers of external regulatory agencies, including the determination of to major debtors. There is a supervision of single and group exposure limits to not exceed specified criteria and the maximum credit limits for each industry (Sector Limit) for risk distribution and control to prevent the concentration of credit significantly. Thus, the bank has been cautious in supporting new customers in the business with concentrations that are similar to or

higher than the RA-Risk Appetite level. Therefore, there is a close monitoring of credit concentration risk. At the end of year 2019, bank granted to various industries which mainly in the Real Estate Business Group and Accommodation Business and catering services.

4. Improvement in credit granting processes

The bank has improved the credit granting processes using Ernst & Young's guidelines, which consist of 3 components,

4.1 The structure of the Credit Facility Department: The Bank has improved the business department structure into 2 major divisions are large enterprise groups and SMEs To be clear in the market including credit analysis and credit consideration with the Business Credit Risk Management (CR) as a credit screening unit responsible for the Check & Balance before approval.

4.2 Process of credit operation shall be divided into 2 steps:

4.2.1 Process of operation prior to credit approval: The process of price estimation has been developed and improved by adding the internal appraiser; meanwhile, powers shall be distributed, and roles and duties shall be increased for the certifier of cost estimate, and tools for credit risk assessment shall be improved, as well as the rules and regulations relating to credit facilitation in conformity with the actual operation, and the powers of credit approval shall be improved, and powers of credit review shall be distributed under the criteria prescribed by the Bank.

4.2.2 Process of operation after the credit approval: The standard contracts shall be improved by reducing types and the number of pages of contracts, including the supporting documents and the document storage system in strong room (DWS) shall be developed by means of scanning the source contract documents and increasing roles and duties of the Credit Settlement Officer.

4.3 Business Credit Application Form and Credit Screening Form Development (standard credit and credit under the Product Program), review of related forms to reduce the data redundancy.

3.4 Market Risk means financial risk resulted from the sensitivity and fluctuation of rates of return risk, foreign exchange rates and instrument prices in money markets and capital markets which have negative impact on the Bank's income and capital.

Market risks can be divided into 3 types, including:

Rate of Return Risk

is the risk that income or capital funds will be adversely affected by changes in the rate of return of the assets, liabilities and off-balance sheet Items showing all financial positions with Rate Sensitive Items which may affect Net Profit Income, Trading Account, and other income and expenses related to the rate of return such as credit service fees, deposit service fees and provisioning expenses, etc.

Foreign Exchange Risk

is the risk that the Bank's income or capital would be subject to negative impact from fluctuation of exchange rates, including risk from business transaction in foreign currencies (translation risk), risk from having assets or liabilities in foreign currencies (translation risk).

Price Risk

is the risk that the Bank's income or capital would be subject to negative impact from changes of prices of debt instruments and equity instruments, resulting in the Bank's devaluation of investment ports for trading and available for sale and for profit-making purpose.

The Bank has provided the market risk management where the Board of Directors has delegated authority to the Assets and Liabilities Management Subcommittee (ALCO) to determine strategies, guidelines and operation to manage liquidity risk, rate of return risk and market risk in conformity with the Risk Oversight Subcommittee's policy.

The Bank has focused on managing the market risk to reduce impact on the Rate of Return Risk because it is the root cause of the Bank's market risk. In addition, the Bank has determined the policy framework, measures and tools for market risk management, including control, risk assessment and monitoring of critical risk that may affect the Bank to ensure that the market risk management shall be effective and in conformity with the changing internal and external circumstances or risk factors.

Major activities in the market risk management are as follows:

1. Determination of policies related to the market risk management, including:

- Market risk management policy as a framework for market risk management.
- Review of market risk triggers and risk limit to suit the changing situation.

2. Creating tool for measuring and evaluating market risk which include:

- Use Repricing Gap Analysis tool for analyzing the risk of the movement of the rate of return in each period and evaluating possible impact from the movement of rate of return on Earnings Perspective and Economic Value Perspective.

- Value at Risk (VaR) to assess risk of possible loss in the Bank's investment portfolios. Market risk assessment based on trigger and risk limit covering cause of market risk, including foreign exchange risk and price, position limit and VaR limit, etc.

3. Market risk monitoring and report:

Monitoring of critical risk factors that may have direct and indirect impact on the market risk, e.g., economic trend, sensitivity and fluctuation of rate of return in money market, and of foreign exchange rate.

Monitoring and report related to the market risk, e.g., report on the market risk status, report on market, risk limit and trigger, etc., by directly reporting to the Board of Directors, the Risk Oversight Subcommittee, the Assets and Liabilities Management Subcommittee (ALCO) and the management on a regular basis so that they can determine and readjust strategies at hand in an efficient manner.

In order to provide efficient management of the market risk and in conformity with the changing situations, the Bank has regularly reviewed the tools, policy for management of the market risk, including the risk limit of the Bank.

3.5 Liquidity Risk means the risk resulted from the Bank's failure to pay debts and to comply with obligations when they become due because the Bank is unable to convert its assets into cash or to secure sufficient funding, or secure funding at the cost exceeding the risk appetite, which may affect the Bank's current and future income and capital. In addition, the liquidity risk also resulted from the Bank's failure to unwind or offset the existing risk from the assets held, forcing the Bank to sell assets at the price lower than the acquisition cost because such assets held had low liquidity or the market was in disruption mode.

The Bank, by the Board of Directors, has delegated authorities to the Assets and Liabilities Management Subcommittee (ALCO) to determine strategies, guidelines and operation regarding liquidity and rate of return risk management, and to manage market risk in conformity

with policy of the Risk Oversight Subcommittee. Liquidity risk management has been determined to be continuing operation to ensure that the Bank's liquidity is sufficient to support the Bank's business operation in normal circumstances and crisis under appropriate cost and with capability to meet financial obligations and in accordance with the policy framework and guidelines for liquidity risk management and under the risk appetite. The Bank has determined the policy framework, measures and tools for proper management of the liquidity risk as well as monitoring of the liquidity risk management as summarized below:

Major activities in the liquidity risk management are as follows:

1. Determination and review of policies related to the liquidity risk management, including:

- Review of the liquidity risk management policy as a framework for the Bank's liquidity risk management,
- Review of determination of liquidity risk triggers and risk limit to suit the changing situation.

2. Creating tool for measuring and evaluating liquidity risk which include:

Net Liquidity Report Form (Liquidity Gap) for evaluating the liquidity position at different times. The forms include both the report of the net contractual liquidity position report form (Contractual Liquidity Gap) and net behavioral liquidity position report form (Behavioral Liquidity Gap).

Liquidity risk assessment based on trigger and risk limit, for examples:

- (1) Number of months which Accumulated Net Behavioral Liquidity Gap starts the negative value
- (2) Concentration ratio of large deposit
- (3) Liquidity ratio
- (4) Amount on Net Run-off Deposits within 1 day
- (5) Accumulate Amount on Net Run-off Deposits within 3 days

The preparation of the liquidity risk stress test report which can be divided into three cases including crisis that happens in the bank. (Institution-Specific

Crisis), crisis that happens in the financial institution system which affects the bank's liquidity (Market-Wide Crisis), and crisis caused by the combination of both.

Assessment of impact from credit risk factors and reputation risk factors on the liquidity risk.

3) Monitoring and reporting of liquidity risk which includes:

Monitoring of major risk factors that might directly or indirectly affect liquidity risk such as economic trends, liquidity of the banking system, adjustment of the rate of return in the money market, and competition in products and services of financial institutions.

Monitoring and report related to liquidity risk, e.g., report on the liquidity risk status that may the liquidity risk, operation as per the liquidity risk limit, trigger, and mismatch fund, etc. The reports are submitted to the Board of Directors, the Risk Oversight Subcommittee, the Assets and Liabilities Management Subcommittee (ALCO) and executives of the Bank on a regular basis to ensure efficient risk management.

In order to provide efficient management of the liquidity risk and in conformity with the changing situations, the Bank has regularly reviewed the tools, policy for management of the liquidity risk, including the risk limit of the Bank.

3.6 Operational Risk means the risk resulted from the lack of good corporate governance in the Bank's internal operation process, personnel, work systems or external events that may affect the Bank's operating income and capital, including the legal risk but excluding strategic risk and reputation risk.

In managing the operational risk, the Bank has required the risk identification, risk assessment, risk monitoring, risk reporting, and risk control and reduction in accordance with international standard, The Bank had been prepared policies and operation plans to use as tools to define the scope of operations and risk management guidelines in terms of operational risk such as the Business Continuity Management Policy,

the Business Continuity Plan, the Emergency Plan in case of a serious infection disease pandemic and also included Loss Data reporting, etc.

3.7 Information Technology Risk means the risks that arising from the use of technology affecting the bank's systems or operations, including risks arising from Cyber Threat. Nowadays, changes in economic, social, customer behavior and innovation or technology development, resulting in new products and services to replace innovation or disruptive technology, which is the challenge of the organization in doing business from the rapid changes in technology. The Bank realizes the importance of the changes that have occurred. Therefore, in order to keep pace with the digital world society, the Bank focuses on a comprehensive risk management process in accordance with regulatory guidelines and international standards compliance guidelines. Along with the bank's business operations, good governance, integrated risk management and internal control, enhance risk management in terms of tools, systems and information to be able to manage risks covering all dimensions related to information technology as part of balancing business opportunity creation and Intelligent Risk Management. Including the enhancement of the Three Lines of Defense to enable the bank to grow stably and sustainably, be able to compete and serve customers effectively. Key actions for IT risk management in 2020 are as follows:

Policies, rules, regulations and manuals related;

1. Conduct a review of the Information Technology Risk Management Policy to be consistent and up-to-date with changes in the economy, customer behavior and innovation or technology developments.
2. Provide Cloud Service Provider Evaluation and Cloud Service Provider Assessment in cooperation with the Information Systems Security Agency for use in Cloud Service Provider Evaluation for the selection of Cloud Service Providers and Cloud Service Provider Assessment.
3. Prepare a procedure for "Cloud Exit Plan" for use in the event that the bank has a plan to terminate

the service from the previous cloud service provider, termination of the contract in advance, the user or the service provider wants to terminate the contract.

4. Review the Risk Assessment Methodology Operation Manual for use as a guideline and practice for assessing asset risks in information technology systems.

5. Set up Risk Limits to help control critical information technology risks of the Islamic Bank of Thailand to an acceptable level.

6. Develop Cyber Incident Severity Levels as a guideline in the event of a disaster in the face of cybersecurity threats.

Operational aspects of information technology risk management operators;

1. Conduct various risk assessments, projects related to electronic technology and operations with the Bank's Second Line, such as the procurement of computer servers, software and equipment to replace Core Banking System (CBS) and risk assessment of IT services from service providers to relocate the entire host computer center from the original backup center to the new backup center, etc.

2. Prepare a summary of information technology risk status according to Risk Limits to report to the Risk Oversight Subcommittee.

3. Organize IT Security & IT Risk Awareness training for the year 2020 together with the Information Systems Security Agency.

Internal control

Internal control is an important mechanism and a tool for the management of the executives to help enhance the efficiency of various activities to achieve the objectives. Internal control also helps to protect and preserve the assets of the organization in an efficient manner and helps the operations to be carried out correctly.

1. Internal control system

The bank uses Rules of the Ministry of Finance on Standards and Internal Control Practices for Government Agencies 2561 (2018), to have internal control related with the provisions of the State Fiscal and Financial Discipline Act, B.E. 2561 (2018). Moreover, it used as a guideline on internal control; including requiring continuous supervision and monitoring to ensure that the Bank's operations can achieve its objectives with efficiency. Meanwhile, financial reporting and operating are reliable, and operations are in accordance with the laws, rules and regulations, both internally and externally, as well as preventing actions that may damage the Bank's assets and reputation.

2. Structure of Internal Control

- The Internal Control Evaluation Committee, in which all senior executives and groups are also a joint committee by monitoring and overseeing the evaluation of internal controls to comply with the Ministry of Finance's Regulations on Standards and Criteria for Internal Control for Government Agencies 2561 (2018)
- The Audit Subcommittee is responsible for the appointment of the Auditor to propose to the Board of Directors to review and approve the charter, ethics of the internal audit department, the audit plan, and monitor the performance of the internal audit department including monitoring the risk management and internal control independently.

- The Bank has assigned its executives at all levels to participate in and take responsibility for complying with the Bank's internal control processes. The top management shall monitor the risk control self-assessment (RCSA) by means of review to ensure the adequacy and effectiveness of the internal control system and risk management of works within the scope of responsibilities. This is to gain reasonable confidence that the Bank is always capable of achieving the prescribed targets and objectives efficiently.

- The Bank has each department appoint the Risk-Internal Control Compliance Office (RIC Officer) with responsibility for risk-related coordination, internal control assessment and compliance with rules and regulations, including dissemination of related knowledge to employees. In addition, this participation is considered as part of operational risk management.

3. Key implementations related to internal control in 2020

1. Analysis of risk factors using RCSA which will be used to create an improvement plan for internal control at the organizational level and plan or measure to improve internal control in which there are observations at the level of sub-units in internal control.

2. Prepare an internal control evaluation report to be consistent with the Ministry of Finance's Regulations on Internal Control Standards and Rules for Government Agencies B.E. 2561 (2018)

3. Determine preventive and corrective measures for work processes and develop effective work processes in the areas that the centers and branches do not follow or are not aware of the official regulations and the bank.

4. Workshop on Risk Control Self Assessment (RCSA) for RIC Officers.

Internal Audit

“Internal Audit” provides assurance by means of systematic examination of efficiency and effectiveness of internal control processes, good governance, risk management and other operations of the Bank, and also reports the operating result and provides fair and independent advice to increase value and to enhance the Bank’s operation to efficiently achieve the prescribed targets or objectives. Internal audit adheres to the international standards for the Professional Practice of Internal Auditing and the State Enterprise Internal Audit Manual B.E.2555 by dividing into 6 items, as follows:

1) Qualifications of the Internal Auditor

- Internal auditors have a minimum of a bachelor's degree. In overall, internal auditors shall have various fields of knowledge and skills and expertise in skills necessary for the Bank.
- Internal auditors are regularly rotated and consideration is taken to transfer staff members from other units in the Bank to perform the audit work.
- Recruitment plan and annual training plan are prepared to ensure that training courses are provided to fill in the competency gap, and the internal auditor shall receive regular development.
- Internal auditors are encouraged to develop themselves in order to obtain professional certificates required. At present, internal auditors hold 4 certificates consisting of 2 persons, i.e., 1. Certified Public Accountant (CPA) License 2. Certified Information Security Management System Auditor 3. Certified Cyber security for Auditor 4. Certified IT Security Audit.
- Internal auditors perform their duties with a fair attitude, no prejudice, honesty and avoid conflicts of interest by reporting conflicts of interest annually.



2) Structure of the Internal Audit Department;

- The Internal Audit Department shall be independent and shall directly report to the Audit Subcommittee and the Internal Audit Department is a department in the Compliance and Audit Group.
- The Internal Audit Department shall have disclosure policy or actions to prevent or avoid impact on independence and fairness as well as any possible conflict of interest of internal auditors. Auditing activities always have written records.
- The roles, duties, and responsibilities of the Internal Audit Department, are set out in the Charter and Operation Manual with the approval of the Audit Subcommittee.
- Entitlement to access data and documents.

3) Relationship with the Management;

- Interview/discuss with the top management, the President, and the Audit Subcommittee about the business, risk, and internal control to take account of the comments to prepare the audit plan, and evaluate the



appropriateness and adequacy of the Bank's corporate governance whether the management is efficient and being able to achieve the prescribed objectives and targets.

- Liaison and discuss with external regulatory agencies such as the State Audit Office of the Kingdom of Thailand and the Bank of Thailand about the scope and guidelines for audit activities to prevent redundancy of work, discuss about significant observation or suggestion that are still open, and respond to the observations or suggestions of the Bank of Thailand and the State Audit Office of the Kingdom of Thailand.

4) Duties and Responsibilities;

- Provide regulations, charters, rules, guidelines and manuals for audit operation in accordance with the State Enterprise Audit Manual, communicate with the top management, the Audit Subcommittee, the Board of Directors and related parties to ensure their understanding on the internal audit, the code of ethics, and performance standards via the meetings and Intranet.
- Have a role in auditing that focuses on examining important risk issues which can affect the bank's strategic

objectives and operations according to the bank's policies and regulations as well as other relevant laws.

- Have responsibilities for prevention of fraud by reviewing and accessing the adequacy and effectiveness of internal control as well as the Bank's risk management.
- Conduct annual review on business ethics, disclosure of conflicts of interest of the Bank's employees and executives of the Bank.
- Provide advice, recommendation and related services to executives and business units with objective to increase value, improve the risk management process, and corporate governance of the Bank, without taking responsibilities in the capacity of executive.
- Internal audit results are reported to the Audit Subcommittee and the President at least once a quarter.

5) Operation and Reporting;

Operation:

- Provide the strategic audit plans of 2020-2024 including the systematic risk assessment for risk prioritization in the audit plan in conformity with resources of the Internal Audit Department and in accordance with risks, objectives and targets of the Bank and its plan, ensure the procedures of resource allocation for operations based on risk levels and identify man-days in each year.
- The annual audit plan for 2020 is related to the strategic audit plan, objectives and risks of the Bank, and combined with guidelines of the Significant Activity Approach of the Bank of Thailand. The audit plan in details will be prepared based on risk, with the risk assessment and control as per the activities' characteristics in every step. Activities are divided into core activities and support activities. The operation flows and control points in each step are clearly shown. Provision of advice and suggestion is also included in the plan with clear proportion of each work type.
- Audit issues regarding information technology are clearly determined in the plan in accordance with the Bank's objectives and targets, risk and the Management's requirements

- Auditing operations, collecting data and documents, recording audit results, reviewing and preparing audit reports and monitoring compliance with reports, recommendations that have been reported regularly and report to the Audit Subcommittee in case the auditing unit fails to comply with what has been suggested.

- Evaluate the adequacy and appropriateness of resources, guidelines for resource management, and budgets of the Internal Audit Department in conformity with the audit plan and the existing resources.

- The Management provided comments on the preparation of strategic audit plan which was approved by the Audit Subcommittee and proposed for the Board of Director's acknowledgment. In addition, discussion was made among the related parties before starting the audit activities.

- The implementation of the recommendations is systematically monitored and the results of the recommendations are reported to the Audit Subcommittee, the Bank's Board of Directors and relevant regulatory authorities.

- Changes and assessment of risks encountered by the Bank have been monitored at all times. The audit plan has been timely reviewed and adjusted for conformity as may be necessary and appropriate.

Reporting

- Provide a standard format for reporting of the audit result which has been approved by the Audit Subcommittee.

- A close meeting has been conducted with the audited business units and related parties. The final audit report with suggestions for improvement has been presented to executives, the audited units, the Audit Subcommittee and the President after the close meeting within the prescribed period of time.

- Report on the results of the Internal Audit Department and the results of monitoring progress in compliance with the recommendations of the Internal Audit Department and the Audit Subcommittee regularly at least once a quarter.

6) Maintenance of Internal Auditors' Work Quality

- Evaluate the performance of the audit team and receive opinions of the audited units regarding the operating result after the end of every operation. Opinions of the audited units are taken into consideration for continuous improvement of operation and measuring of performances.

- Establish a working group to officially evaluate the quality of audit work by itself. In at least every 5 years, a third party should be outsourced to conduct an audit quality assessment. The assessment result should be used for analysis to reduce the gap between the performance and the standard of good audit. Strategic plan should also be prepared to improve the annual audit performance in conformity with the self-assessment of the audit quality and assessment conducted by the third party.

- Review and improve regulations, manuals and operational guidelines in conformity with the changing work environment of the Bank as reviewed and approved by the Audit Subcommittee.

- Determine guidelines for careful performance of duties by taking account of sufficient awareness of responsibilities for performance of duties as professionals would do; and have guidelines for performance of duties with clear explanation and elaboration. Necessary works are considered and recorded to ensure that the audit objectives are met. Significant facts are disclosed in a report to prevent misunderstanding or misleading to any concealment of legal offences.

Regarding the compliance with all 6 items of these guidelines, the internal auditors shall adhere to the Four Business Ethics, namely, integrity, fairness, confidentiality and work abilities.

Corporate Governance Report According to Islamic Principles

In the name of Allah, the Most Gracious, the Most Merciful

The Islamic Bank of Thailand has conducted its corporate governance activities under Islamic principles in accordance with the criteria prescribed the Central Bank of Thailand's Notification No. 25/2562 Subject: Criteria for Governance of Specialized Financial Institutions Operating Financial Business under Islamic Principles dated on September 2, 2019 which is effective from October 1, 2019 and the Regulations of the Islamic Bank of Thailand No.20 on Governing Bank's Operations in accordance with the Islamic Principles (1st Amendment B.E.2562) dated on December 12, 2019 which is effective from November 21, 2019. In 2020, the Shariah Advisory Council of Islamic Bank of Thailand performed the following tasks;

1. Considered and recommended on the review of various regulations and operating manuals of the bank, especially related to credit operations, such as credit policy, underwriting standard, credit guideline, business credit operation manual and bank's notification on business classification regarding forbidden business according to Shariah and business that the bank cannot support financing for the bank to use as a guideline to be complied with the Islamic principles.

2. Considered and recommended for the approval of strategic planning to accomplish Shariah best practice under core value of Islamic Bank of Thailand which part of its action plans require the bank to have intensive and inclusive Shariah control, compliance and risk

management with the followed up remedial action and report. The action plans include:

2.1 Specify Shariah details that are prescribed in the policies, rules and regulations, standard and manuals of the bank for workers in charge of audit, compliance, credit review, risk management fraud and related functions to understand, utilize and create appropriate instruments and procedures based on such details in their working operations.

2.2 The Internal Audit Department, Compliance and Regulatory Department, Credit Review Department, Risk Management Department, Shariah Department, Fraud Prevention Office and other related units must operate according to the Shariah principles prescribed in the bank's policies, rules and regulations, standard and manuals and further review their working manuals and instruments accordingly. All of these departments and related units must report their operations and the follow-up remedial actions to the Shariah Advisory Council and executives.

2.3 Disclose the report on corporate governance in accordance with Islamic principles in the annual report of the Islamic Bank of Thailand.

3. The Shariah Advisory Council of Islam Bank of Thailand quarterly received operating reports related to the Islamic principles from departments and offices responsible for corporate governance activities in accordance with the Regulations of the Islamic Bank of Thailand No. 20 on Governing Bank's Operation in accordance with Islamic Principles B.E. 2562 (2019 A.D.) (1st Amendment) which include Internal Audit Department, Compliance and Regulatory Department, Credit Review Department, Risk Management Department, Shariah Department and Fraud Prevention Office. There is no report of any transaction or suspected activity violating the Islamic principles.



4. The Shariah Advisory Council of Islamic Bank of Thailand regularly provides knowledge and recommendations for the executives and staff through various monthly meetings and quarterly “Shariah Chill Chill” forums and social network VDO presentation upon implementing the Shariah principles in all aspects of their banking operations they are responsible in order to bring credibility and good image to the organization as a religious bank.

Guarantee by the Shariah Advisory Council of the Islamic Bank of Thailand

In 2020, the Shariah Advisory Council has organized totally 11 meetings and has considered various cases and issues from relevant documents and presented data, strictly adhering to Islamic principles, and hereby guaranteed as follows:

1. Products and services, regulations, operating manuals and contract documents of the bank used for business operation of the bank in terms of deposit, financing and services are in accordance with the Islamic principles.

2. All client’s business types that the bank has given support of financing and investment which become sources of incomes to be allocated as remuneration to depositors are in accordance with the Islamic principles.

3. Collection of compensations/penalty fees resulting from the default of debt payments or un-Islamic receipts will not be recognized as bank’s revenues but rather will be proceeded according to the regulation on the charging and processing of compensation or penalty resulting from the default of debt payments or inability to fulfil the contract obligations and the regulation on the processing of revenue received from customers who carry out any business or transaction that violates the Shariah law in order to comply with Islamic principles.

4. Allocation of Zakah donation by the Zakah sub-committee which is under the responsibility of the Shariah Advisory Council is in accordance with the Islamic principles. The donation helps to uplift livelihood, education, occupation and quality of living of the donees.

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*Allah is the provider of success and
leading to the upright way
Wassalam,*

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Good Corporate Governance Report

1. Good Corporate Governance Policy

The Islamic Bank of Thailand has reviewed and improved the original Good Corporate Governance Policy 2018 to be the Good Corporate Governance Policy 2020, which was approved by the Board of Directors Meeting No. 14/2020 and was promulgated. It is effective from 24 December 2020. It has been revised to be in line with the Good Governance guidelines and the implementation of the State Enterprise Assessment Model (SE-AM) Year 2020 of the State Enterprise Policy Office. The Bank's personnel at all levels can apply all 6 categories of corporate governance policies as operating guidelines as follows;

- Section 1 Supervision of Government operation
- Section 2 Rights and equality of government
- Section 3 Board Responsibilities
- Section 4 Roles of stakeholders
- Section 5 Information disclosure and transparency
- Section 6 Ethics and culture of integrity organization

In each category, there are 7 principles of good governance in accordance with international standards as follows:

- 1) Integrity is the quality of honesty, integrity and integrity.
- 2) Transparency is a feature of transparency, disclosure of information to stakeholders and accountability.
- 3) Accountability is the quality of responsibility for the work means having knowledge, ability and credibility in the performance of duties.
- 4) Responsibility is the qualification of responsibility in duty. It means having to be responsible for the obligations assigned with honesty, caution and prudence.
- 5) Equitable Treatment is a feature of treating stakeholders equally.
- 6) Best Practice is a feature to promote the development of good ethical and ethical governance.

7) Participation is a feature that encourages stakeholders to express their opinions about any action that will affect individuals, agencies and the environment.

In 2020, the bank received Integrity and Transparency Assessment: (ITA) 93%, rated A level with cooperation from the Bank's executives and employees to create transparency in operations, create fairness, equality, non-discrimination towards customers, the public, service users and all groups of stakeholders. By encouraging more people to participate in the assessment to promote and develop the Bank's operating standards to be higher in the future.

2. Conflict of Interest Prevention Policy

The Bank has an intention to operate its business by adhering to the principles of good corporate governance in order to help build confidence among shareholders and all stakeholders to operate with transparency and fairness, focusing on directors, executives, and stakeholders and employees work with the principles of accuracy, prudence, carefulness, taking into account the interests of customers and the bank the primary. By establishing the Islamic Bank of Thailand Regulation No. 23 on Code of Conduct for managing director, executives, and employees to prevent conflicts between private interest and public interests B.E. 2563 and set operating regulations, reporting and reviewing, disclosing conflicts of interest information in accordance with Good Corporate Governance principles. It also stipulates that there is proper control, supervision and prevention of transactions that may have conflicts of interest under the framework of good ethics, which is one of the important codes of conduct that directors, executives, and employees must strictly adhere to. In order to be trustworthy and trustworthy of all stakeholders according to the following criteria:



2.1 All directors, managers, executives and employees are required to prepare a disclosure form showing conflicts of interest between their personal interests and the public interest by disclosing information that is or may be a conflict of interest annually.

2.2 In the case of appointment of new directors, managers, executives or employees, a form showing disclosure of conflicts of interest between personal interests and public interests is required from the effective date of the appointment order.

2.3 In the case where facts and circumstance related to the person's reporting have changed materially, that person shall file a report showing the change within 30 working days from the date of acknowledgment of such change in facts and circumstances.

2.4 All directors, managers, executives and employees must maintain the confidentiality of customers and the Bank, including not to use the confidentiality for their own or others' benefit.

2.5 Directors, managers, executives, employees and related persons must not be parties to the Bank's contract which will cause conflicts between personal interests and common interests, except being a counterparty to providing services under normal transactions without exercising their powers and duties in acquiring such contract.

2.6 Directors, managers, executives must not be directors, advisors, representatives, employees or staffs, including employed or undertaking any work in a state enterprise or juristic person or a financial institution that operates the same business as a bank or operates businesses that cause conflicts between for personal and public interests that they perform their duties, except for performing duties as assigned by the Bank or representing state enterprises holding shares of the Bank not less than 25 percent of the total paid-up capital.

2.7 Directors, managers, executives and related persons are prohibited from acquiring securities of state enterprises or juristic persons with special privileges arising from the performance of such duties.

2.8 In the case where the Bank provides credit to senior executives from Assistant Managers upwards or related parties, including providing credit support to businesses with related interests, directors or executives with interests must not participate in the consideration of giving that credit.

2.9 In the event that the executive responsible for providing credit transfers the agency to another supervisory agency, must report the activities that he was responsible for in the provision of credit in the conflict of interest Disclosure Form within 30 working days from the effective date of the transfer order.

In this regard, the Bank requires that the results of the review of conflicts of interest of executives and employees be reported to the Audit Sub-Committee, the Compliance Sub-Committee, and the report on the conflicts of interest of managers and directors to the Chairman of the Board of Directors. The Bank is committed to providing executives and employees with knowledge, understanding and awareness about “Conflict of Interest Prevention Policy” in order to be able to operate properly and in accordance with the aforementioned guidelines.

In 2020, the Bank reviewed the Islamic Banking Regulations of Thailand No. 23 on Code of Conduct for directors, managers, executives and employees to prevent conflicts between personal benefits and public interests, according to the opinion of the Subcommittee with compliance with the criteria. By improving the report of personal conflicts and public interest to have information disclosure, more efficient and effective checks. Therefore, the Bank has organized training courses on Preventing conflicts of interest for the Bank's executives and employees to be aware of, and prepared an infographic, disseminated Compliance News to enhance knowledge and understanding of conflicts between personal conflicts and public interest via E-Internal mail of the bank for employees to be informed throughout the organization. The Bank also conducts an assessment of employees' understanding of Conflict of Interest via Google Form, and conducts a review of their performance in accordance with the Regulation No. 23 Disclosure of Conflict of Interest according to the Executive Conflict of Interest Report Form and employees by all employees signing to certify that there is no conflict of interest with the Bank. In order to clearly see whether the disclosure of information of executives and employees is true or not, the Bank has conducted a monitoring of all executives and randomly reviewed employees from other databases outside the Bank.

Appointment of the Board of Directors, Subcommittees and Working Groups

1. Executive Subcommittee

Scope of authorities of the Executive Subcommittee is as follows:

1. Determine overall investment policies, investment directions for potential companies that the Bank may invest in line with the Bank's investment policies, and hold authorities to approve investment direction and overall investment activities under the Bank's rules.

2. Consider and approve possible losses that may (or may not) arise from debt restructuring within the limit granted by the Board of Directors.

3. Consider and approve credit, debt restructuring, investment in securities and property, receipt of financial support, procurement and outsourcing, and other general expenses within the scope of authorities granted by the Board of Directors.

4. Recommend appropriate and efficient organization structure, propose policies and strategies in terms of personnel, manpower, remuneration and benefits for employees and workers to the Board of Directors for approval.

5. Review the Bank's master plans on human resource development both in short term and in long term as well as other ongoing projects.

6. Provide operational advice in terms of organization structure, personnel, remuneration, benefits and welfare, dynamic and sustainable organization development, and provide recommendations on employment of educational institutions or external consulting companies or consultants to improve the Bank's personnel management.

7. Develop human resources at all levels with readiness in all areas to ensure their vision, all-round knowledge, good personality and awareness.

8. Review and identify duties out of the authority scope of Subcommittees and propose them to the Board of Directors.

9. Consider other significant matters such as new businesses, remuneration policy, credit policy, accounting policy and lawsuits taken against the Bank.

10. Approve or acknowledge other management-related matters that the Executive Subcommittee deems necessary or proper by Subcommittees to be proposed for acknowledgment.

11. Consider any other matters assigned by the Board of Directors.

Directors of the Executive Subcommittee as of December 31, 2020 are as follows:

1. Mr.Niphon Hakimi	Chairman of Subcommittee
2. Miss Piyawan Lamkittha	Subcommittee
3. Mr.Chaichan Palanon	Subcommittee
4. President	Subcommittee and Secretary

Non for changing the Executive Subcommittee team during the year 2020.

2. Audit Subcommittee

The scope of responsibilities of the Audit Subcommittee is as follows:

1. Review the Bank's financial statements to ensure accuracy and adequacy.

2. Review the Bank's internal control system and internal audit to ensure appropriateness and effectiveness.

3. Review the Bank's compliance with the laws, regulations, rules, guidelines, the Cabinet's approval, and other notifications or orders related to banking operations

4. Propose the appointment of the Bank's auditor to the Board of Directors, monitor the auditor's performance and consider audit fees.

5. Make final decision in case the Bank's management and the auditor have contradictory opinions on the Bank's financial reports.

6. Consider other non-audit duties that the Bank may require the auditor to perform.

7. Consider and provide recommendations to the Board of Directors on the appointment, transfer, termination, remuneration determination, and annual performance evaluation of high-level executives of the internal audit department.

8. Consider related transactions and transactions that might lead to conflict of interest or corruption which might affect the Bank's operations.

9. Consider disclosing the Bank's information, especially in case of transactions that might lead to conflict of interest as well as public service account to ensure accuracy and completeness.

10. Determine the duties of the Audit Subcommittee and overall organizational changes including significant changes that affect the operations of the Audit Subcommittee in a written form approved by the Board of Directors and disclosed in the Bank's annual report.

11. Report to the Board of Directors for timely correction in case the Audit Subcommittee discovers or questions that there is possible conflict of interest, corruption, irregularities, or significant errors in the internal control, violation of the Bank's establishment law, the Bank of Thailand's regulations or other laws related to banking.

12. Execute Charters of the Audit Subcommittee in line with the scope of responsibilities for the Bank's operation with consent and approval of the Board of Directors.

13. Prepare the Audit Subcommittee's report on corporate governance to be disclosed in the Bank's annual report.

14. Review and approve the regulations and protocol on internal control, ethics of the internal auditor, work manual, and scope of internal control operations, audit

plan as well as budget of the internal audit department.

15. Conduct meetings with the management, auditor, internal auditor and external consultants as necessary and appropriate.

16. Have the authority to request information, documents, person, or relevant departments as well as ask for information and cooperation from relevant external parties.

17. Outsource consultants or professional experts to provide advice or assistance on audit activities at the expense of the Bank.

18. Delegate authorities to working groups in the Audit Subcommittee (if any) as appropriate.

19. Perform any other works as required by laws or designated by the Board of Directors, thus, within the scope of duties and responsibilities of the Audit Subcommittee.

Directors of the Audit Subcommittee as of December 31, 2020 are as follows:

1. General Dr. Natthipong Pueksakorn	Chairman of Subcommittee
2. Mrs. Amporn Purintawaragul	Subcommittee
3. Dr. Wichien Chubthaisong	Subcommittee
4. Vice President / Senior Vice President of Internal Audit Department or assigned person	Secretary

None for changing the Audit Subcommittee during 2020

3. Risk Oversight Subcommittee

The scope of responsibilities of the Risk Oversight Subcommittee is as follows:

1. Provide advice to the Board of Directors on the Bank's risk supervision framework.

2. Ensuring that senior management, including the head of the risk management unit, comply with risk management policies and strategies, including acceptable risk levels.

3. Supervise capital and liquidity management strategies to accommodate various risks of the bank is consistent with the approved acceptable risk level.

4. Review, collate the adequacy and effectiveness of overall risk management policies and strategies, including acceptable risk levels, at least once a year or when there are significant changes. The Risk Management Subcommittee should discuss and exchange views with the Audit Subcommittee to assess whether the Bank's risk management policies and strategies cover all types of risks, including emerging risks, and that such policies and strategies are implemented effectively.

5. Report to the Board of Directors on risk status, risk management efficiency and compliance status with a risk-aware corporate culture, as well as significant factors and problems and things that need to be revised in order to be consistent with the Bank's risk management policies and strategies.

6. Have an opinion or participate in evaluating the efficiency and effectiveness of the head of the risk management unit.

7. Assign and supervise senior management to formulate business process policies, including internal pricing processes and risk ceilings that are consistent with the overall risk management policy and strategy and acceptable risk levels, and communicate them to The relevant person acknowledges as well as to control the risk to be within the acceptable risk level and the specified risk limit.

8. Assign and supervise senior management to define policies, processes, and overall risk management systems and risk categories. This includes guidelines or practices for identifying, assessing, monitoring, controlling and reporting risks, including effective information systems. It can support the management and reporting of significant risks covering strategic risk, shariah risk, credit risk, market risk, liquidity risk, operational risk and information technology risk, as well as the use of risk management models to meet minimum standards set by the Bank of Thailand, and to assess and test their credibility of the model on a regular basis.

9. Consider, monitor and review the Bank's internal control adequacy assessment.

10. Integrate work processes related to Good Governance, Risk Management and compliance with the requirements of laws, regulations, regulations, notices and compliance to achieve the implementation of Integrity-Driven Performance.

11. Having power to approve all cases for non-classification of debtors by considering the results of proving related parties according to the indications specified in the guidelines for proving related persons in accordance with the regulations on supervising large debtors prescribed by the Bank of Thailand.

12. Having powers to retrieve data, documents or to demand people or related departments to be examined or provide clarification, and to submit minutes of the meetings for the Board of Directors' acknowledgment.

13. Having powers to appoint consultants, experts or specialists to give advice, opinions or recommendations regarding risk management and other issues for the Bank's benefits, and to receive remuneration as fixed by the Risk Management Subcommittee.

14. Take other activities as assigned by the Board of Directors.

Directors of the Risk Oversight Subcommittee as of December 31, 2020 are as follows:

- | | |
|---|-------------------------------|
| 1. Mr. Dhanasarn Suravudhiku | Chairman of Subcommittee |
| 2. Mr. Rabin Pornpatkul | Subcommittee |
| 3. President | Subcommittee |
| 4. Executive Vice President of Corporate Strategy Group | Subcommittee |
| 5. Vice President of Risk Management | Secretary |
| | Department or assigned person |

Details of change in the Risk Oversight Subcommittee during 2020:

1. Mr. Rabin Pornpatkul has been Subcommittee since September 17, 2020.

4. Corporate Governance and Corporate Social Responsibility (CG&CSR) Subcommittee

Scope of authorities of the Corporate Governance and Corporate Social Responsibility (CG&CSR) Subcommittee is as follows:

1. Propose Corporate Governance and Corporate Social Responsibility policy to the Board of Directors.
2. Regularly review Corporate Governance and Corporate Social Responsibility policy of the Bank.
3. Determine operational framework and guidelines in line with the Bank's code of ethics.
4. Provide recommendations on the Bank's business operation to achieve goals in accordance with the Bank's annual Corporate Governance and Corporate Social Responsibility plan.
5. Promote the dissemination of cultural information and transparent corporate governance to ensure understanding at all levels and practical outcome, including the participation of the Board of Directors, executives, employees and workers, communities, customers and the general public in CSR activities for sustainable development.
6. Integrate work processes related to Good Governance, Risk Management and compliance with the requirements of laws, regulations, regulations, notices and compliance to achieve the implementation of Integrity-Driven Performance.
7. Monitor the Bank's Corporate Governance and Corporate Social Responsibility operation and report it to the Board of Directors.
8. Supervise the bank's operational processes in an integrated manner with good corporate governance and corporate social responsibility, as well as supervise the preparation of annual reports on the Bank's good corporate governance and social and environmental responsibility.
9. Appoint working groups or consultants of the Corporate Governance and Corporate Social Responsibility Subcommittee to support the performance on corporate

governance and corporate social responsibility as necessary and appropriate.

10. Perform other duties as assigned by the Board of Directors.

Directors of the Corporate Governance and Corporate Social Responsibility (CG&CSR) Subcommittee as of December 31, 2020 are as follows:

- | | |
|--|----------------------------|
| 1). Mr. Chaichan Palanon | Chairman of Subcommittee |
| 2). Mrs. Amporn Purintawaragul | Subcommittee |
| 3). Mr. Rabin Pornpatkul | Subcommittee |
| 4). Ms. Supak Chaiwan | Subcommittee |
| 5). President | Subcommittee |
| 6). Executive Vice President of Compliance and Audit Group | Subcommittee |
| 7). Vice President of Communication and Corporate Image Department | Subcommittee |
| 8). Vice President of Compliance and Rules Department or assigned person | Subcommittee and Secretary |

Details of change in the Corporate Governance and Corporate Social Responsibility (CG&CSR) Subcommittee during 2020;

Mr. Rabin Pornpatkul and Ms. Supak Chaiwan have been Subcommittee since September 17, 2020 to a present day.

5. Nomination, Remuneration and Performance Appraisal Subcommittee

Scope of authorities of the Nomination, Remuneration and Performance Appraisal Subcommittee is as follows:

Nomination and Performance Appraisal

1. Determine policy, criteria and methods of selection and nomination of the Bank's directors and subcommittee Directors for the Board of Directors' approval, including the following matters:

i) Extent and varieties of essential knowledge, skills and experience of the Bank's directors.

ii) Types, size and components of subcommittees, including recommendation to the Board of Directors to appoint replacement for vacant positions due to directors' retirement by rotation or any other reasons.

2. Determine policy, criteria, nomination procedures, selection and nomination process for candidates in Deputy Managing Director and Assistant Managing Director positions to be presented to the board of directors for approval.

3. Determine policy, criteria, performance evaluation process, and approval process of performance of Executives, Department Directors, Assistant Managing Director, and Deputy Managing Director.

4. Disclose information and details of the nomination process in the annual report.

5. Ensure that the Bank has appropriate succession plan for the President and propose it to the Board of Directors for approval.

Remuneration

1. Determine a policy on remuneration and other benefits including the amount of remuneration and other benefits for members of the Subcommittees, Deputy Managing Director, and Assistant Managing Director based on clear and transparent criteria to be presented to the Board of Directors for approval.

2. Ensure that the Subcommittees, Deputy Managing Director, and Assistant Managing Director receive appropriate remuneration according to their duties and responsibilities. Directors who are assigned more responsibilities should receive remuneration that match their assigned duties and responsibilities.

3. Determine performance evaluation process of the members of the Subcommittees, Deputy Managing Director, and Assistant Managing Director to consider the adjustment of annual remuneration based on duties, responsibilities, and related risks.

4. Disclose the policy on remuneration determination and disclosure in various forms and prepare a report on

remuneration determination with at least details of the goals, operations, and opinion of the Subcommittee on remuneration in the Bank's annual report.

5. Take actions as assigned by the Board of Directors.

Directors of the Nomination, Remuneration and Performance Appraisal Subcommittee as of December 31, 2020 are as follows:

1. General Dr. Natthipong Pueksakorn	Chairman of Subcommittee
2. Mr.Dhanasarn Suravudhikul	Subcommittee
3. Mrs.Amporn Purintawaragul	Subcommittee
4. Vice President / Senior Vice President of Company Secretary Department	Secretary

None for changing the Nomination, Remuneration and Performance Appraisal Subcommittee during 2020.

6. Compliance Subcommittee

Scope of authorities of the Compliance Subcommittee is as follows:

1. Consider and screen the release or review of rules and regulations of the Bank issued in accordance with the law or the Bank's requirements relating to personnel management, banking and general operation management, provide advice or recommendation on the exercise of powers to issue, enforce and determine directions and legal issues regarding rules and regulations, and consider the summary and ensure the completeness of rules and regulations prior to submission thereof to the authorized person for approval.

2. Regularly review policy and charter of compliance with the official rules and regulations and propose it for the Board of Directors approval.

3. Having powers to appoint working groups or the Bank's employees to perform the assigned duties.

4. Having powers to invite working groups or the Bank's employees to provide information or clarification supporting the consideration.

5. Consider and provide comments or recommendations on compliance report and credit review and report the same to the Board of Directors for acknowledgment.

6. Endorse annual compliance report, compliance plan and credit review.

7. Provide recommendations on operation of the Compliance and Rules Department and the Credit Review Department.

8. Report to the Board of Directors for correction of any detected or suspicious non-compliance with the law, rules, regulations, standard and practices in any transactions that may cause compliance risk.

9. Take any other actions as assigned by the Board of Directors.

Directors of the Compliance Subcommittee as of December 31, 2020 are as follows:

- | | |
|---|--------------------------|
| 1. Mr. Niphon Hakimi | Chairman of Subcommittee |
| 2. Miss Piyawan Lamkitcha | Subcommittee |
| 3. Mr. Chaichan Palanon | Subcommittee |
| 4. Vice President/Senior | Secretary |
| Vice President of
Compliance and Rules
Department or assigned personal. | |

None of change in the Compliance Subcommittee during 2020.

7. President's Performance Appraisal Subcommittee

Scope of authorities of the President's Performance Appraisal Subcommittee is as follows:

1. Review the operation plan proposed by the President and ensure that such plan will be for the Bank's benefits.
2. Determine assessment guidelines in line with and achieve the Bank's vision, objectives, missions and target of operation as well as budget approved by the Board of Directors.
3. Set indicators and to measure the efficiency and effectiveness in the President's performance.

4. Considering the performance and evaluating the quality of the work according to the plans proposed by the bank manager, which has been approved by the bank's board of directors.

5. Give suggestions; take evaluation results, including problems, obstacles, and limitations of the bank manager's operations and plan to solve problems, obstacles, and limitations of the operations to the Board of Directors.

6. Review the target and performance criteria for the President and propose it to the Board of Directors for approval.

7. Present the performance result in comparison with such a mentioned target and criteria to the Board of Directors to consider appropriate remuneration and benefits for the President.

Directors of the President's Performance Appraisal Subcommittee as of December 31, 2020 are as follows:

- | | |
|-------------------------------|-----------------------------|
| 1. Miss Piyawan Lamkitcha | Chairman of
Subcommittee |
| 2. Mr. Niphon Hakimi | Subcommittee |
| 3. Mr. Dhanasarn Suravudhikul | Subcommittee |
| 4. Vice President of Company | Secretary |

None of change in the President's Performance Appraisal Subcommittee during 2020.

8. Employee Relations Committee

Scope of authorities of the Employee Relations Committee is as follows:

1. Provide comments on efficiency improvement for the Bank's operation and promote and develop the labor relations.
2. Seek reconciliation and resolve disputes in the Bank.
3. Improve work rules and regulations for the benefits of the employer, employees and the Bank.

4. Discuss and solve problems as per complaints of employees or employee union, including complaints relating to disciplinary action.

5. Discuss on solutions to improve the employment condition. The committee have the terms as specified in Section 20 and 21 of the State Enterprise Labor Relations Act B.E. 2543 (2000) with effective date from August 23, 2020– August 22, 2022.

Members of the Employee Relations Committee as of December 31, 2020 are as follows:

1. Dr.Wichien Chubthaisong Chairman of Committee
2. Employer's 7 representatives Committee
3. Employees' 7 representatives Committee

Employee Relations Committee during 2020;

Increase the number of employees in the employer department and employee's department from 5 people to 7 people since 20 August 2020.

9. Information System Development Subcommittee

The scope of responsibilities of the Information System Development Subcommittee is as follow:

1. Assign a clear information technology strategic plan for Information Technology & Information Technology Governance: (IT & ITG) to enhance operational efficiency and control the development of the Bank's information system.

2. Improve the Digital Roadmap to be able to respond to the needs and policies and strategies that need to change according to the organization's environment in order to meet the Bank's business plan and in accordance with the rules of external regulatory agencies that the Bank must comply with.

3. Consider investment, breakeven point, and value of operating systems to evaluate the monetary and non-monetary potential of information technology as well as the appropriateness of the information system.

4. Recommend corrective measures and provide advice on the solutions and obstacles regarding the bank's information system.

5. Have the authority to request information, documents, person, or relevant agencies for investigation or clarification and submit the report to the board of directors.

6. Perform other duties assigned by the board of director.

Directors of Information System Development Subcommittee as of December 31, 2020 are as follows:

1. Mr.Dhanasarn Suravudhikul Chairman of Subcommittee
2. Mr.Chaichan Palanon Subcommittee
3. President Subcommittee
4. Executive Vice President Subcommittee of Retail Banking Group
5. Executive Vice President Subcommittee and Secretary of Technology and Electronic Operation group

Details of change in Information System Development Subcommittee during 2020;

1. President had been Subcommittee since April 23, 2020 to a present day.

2. Executive Vice President of Retail Banking Group has been Subcommittee since April 23, 2020 to a present day.

Structure and Responsibilities of the Board

Board Structure of Islamic Bank of Thailand

The Board of the Islamic Bank of Thailand consists of 11 members, comprising experts with knowledge, skills, experience in managing in various fields. The meeting of shareholders of the bank will be the right person to be appointed as directors, which meets the criteria, procedures, laws and banking regulations. Each director has a term of office of 3 years and when any director has expired, the bank must arrange a shareholders' meeting to select a director to replace the director whose term expires. On December 2020, the Bank has 11 directors, with details and changes of directors during the past one year as follows:

No.	Name of the Board	Position/Responsibility	Previous Position
1.	Mr. Rathian Srimongkol	Chairman	Director
2.	Mr. Niphon Hakimi	-Director -Chairman of Executive Subcommittee -Chairman of Compliance Subcommittee -President's Performance Appraisal Subcommittee	Director
3.	General Dr. Natthipong Pueksakorn	-Director -Chairman of Audit Subcommittee -Chairman of Nomination, Remuneration and Performance Appraisal Subcommittee	Director
4.	Ms. Piyawan Lamkitcha	-Director -Chairman of President's Performance Appraisal Subcommittee -Executive Subcommittee -Compliance Subcommittee	Director
5.	Dr. Wichien Chubthaisong	-Director -Chairman of Employee Relations Committee -Audit Subcommittee	Director
6.	Mr. Chaichan Palanon	-Director -Chairman of Corporate Governance and Corporate Social Responsibility (CG & CSR) Subcommittee -Executive Subcommittee -Information System Development Subcommittee -Compliance Subcommittee	Director
7.	Mr. Dhanasarn Suravudhikul	-Director -Chairman of Risk Oversight Subcommittee -Chairman of Information System Development Subcommittee -Nomination, Remuneration and Performance Appraisal Subcommittee -President's Performance Appraisal Subcommittee	Director
8.	Mrs. Amporn Purintawaragul	-Director -Audit Subcommittee -Nomination, Remuneration and Performance Appraisal Subcommittee -Corporate Governance and Corporate Social Responsibility (CG & CSR) Subcommittee	Director
9.	Mr. Rabin Pornpatkul	-Director (Since September 3, 2020 - present) -Risk Oversight Subcommittee (Since September 17, 2020 - present) -Corporate Governance and Corporate Social Responsibility (CG & CSR) Subcommittee (Since September 17, 2020 - present)	Director
10.	Ms. Supak Chaiwan	-Director -Corporate Governance and Corporate Social Responsibility (CG & CSR) Subcommittee (Since September 17, 2020 - present)	Director
11.	Mr. Wuttichai Suraratchai	-Director and President -Executive Subcommittee and Secretary -Risk Oversight Subcommittee -Corporate Governance and Corporate Social Responsibility (CG & CSR) Subcommittee -Information System Development Subcommittee (Since April 23, 2020 - present)	Director

Policy and Remuneration of Directors

Remuneration of Directors consists of 3 parts which are monthly compensation, meeting allowance, and special remuneration (bonus) as following;

1. Monthly Compensation with the following rates; According to the Cabinet resolution on April 24, 2019,

The chairman receives monthly compensation of 20,000 baht

The directors receive monthly compensation of 10,000 baht

Therefore, in case of the directors could not serve a full month operation, they will receive monthly compensation in proportion to the operation's period.

2. Meeting allowances * with the following rates;

According to the Cabinet resolution on April 24, 2019,

The chairman receives meeting allowance of 12,500 baht.

The directors receive meeting allowance of 10,000 baht.

The Bank will pay meeting allowances 1 time per month. In case that is reasonable, the bank may consider paying meeting fees more than 1 time per month, but not more than 15 times per year or in accordance with the rules set by the Ministry of Finance.

For committee who has been appointed as subcommittee will receive a meeting allowance at the rate of 0.5 times of board meeting allowance. In this regard, the directors will receive a meeting allowance for subcommittee not more than 2 parties, each party not more than 1 time per month. The chairman of the subcommittee will receive allowance higher than subcommittee at 25 percent.

The meeting allowance of the Audit subcommittee paid monthly which equal to the directors' meeting allowance, whether there is a meeting or not and get paid 1 time/month. The chairman of the Audit Subcommittee will receive an additional 25% of the meeting allowance.

In the case that the committee or subcommittee appointed as the chairman of the meeting, the meeting allowance will be increased by 25 percent of meeting allowance.

3. Special remuneration: We paid allowance according to the Bank's performance in 2018, that considered the bonus

payment in accordance with the Cabinet resolution on July 2, 2013, based on the calculation of bonuses as follows;

In case that the Bank has a net profit of more than 500 to 700 million baht, the base bonus payment rate starts at 75,000 baht / person.

- The Chairman of the Board receives 25 percent more bonus than the directors.
- Directors who have absent for more than 3 months have received bonuses as follows criteria:
 - Absent from meetings for more than 3 months but less than 6 months, receiving a 25% reduction in bonuses.
 - Absent from meetings for more than 6 months but less than 9 months, receiving a 50% reduction in bonuses.
 - Absent from meetings for more than 9 months, bonus payment is reduced by 75%.
- Directors will receive additional bonuses based on the Bank's annual performance evaluation from criteria of the State Enterprise Assessment Model (SE-AM).

Summary of directors' remuneration individually in 2020

Unit: Baht

Name Lists of Directors	Remuneration			total
	Monthly Compensation	Meeting Allowance	Special Total Remuneration**	
Mr.Rathian Srimongkol	240,000.00	300,000.00	41,155.14	581,155.14
Mr.Niphon Hakimi	120,000.00	487,500.00	37,500.00	645,000.00
General Dr.Natthipong Pueksakorn	120,000.00	440,000.00	37,500.00	597,500.00
Ms. Piyawan Lamkitcha	120,000.00	430,000.00	37,500.00	587,500.00
Dr.Wichien Chubthaisong	120,000.00	460,000.00	37,500.00	617,500.00
Mr.Chaichan Palanon	120,000.00	487,500.00	37,500.00	645,000.00
Mr.Dhanasarn Suravudhikul	120,000.00	512,500.00	37,500.00	670,000.00
Mrs.Amporn Purintawaragul	120,000.00	580,000.00	37,500.00	737,500.00
Mr.Rabin Pornpatkul	39,333.33	140,000.00		179,333.33
Ms.Supak Chaiyawan	39,333.33	100,000.00		139,333.33
Mr.Wuttichai Suraratchai	120,000.00	240,000.00	32,924.11	392,924.11
Total	1,278,666.66	4,177,500.00	336,579.25	5,792,745.91

Note **Special Remuneration of the board of directors in 2019 (Received in 2020)

Summary of remuneration for former directors in the year 2020

Unit: Baht

Name Lists of Directors	Remuneration			total
	Monthly Compensation	Meeting Allowance	Special Total Remuneration**	
Mr.Monchai Rattanasatien	-	-	17,395.84	17,395.84
Dr.Pornchai Teeravej	-	-	22,908.27	22,908.27
Total	-	-	40,304.11	40,304.11

Note **Special Remuneration of the board of directors in 2019 (Received in 2020)

Remuneration of the board of directors in 2020

Name	total Monthly Remunerations	Board of Directors	Executive Subcommittee	Audit Subcommittee	Risk Management Subcommittee	CG & CSR Subcommittee	Compliance Subcommittee	Information System Development Subcommittee	Nomination, Remuneration and Performance Appraisal Subcommittee	President's Performance Appraisal Subcommittee	Employee Relations Committee	Total Amount 2020
1. Mr.Rathian Srimongkol	Chairman	240,000.00	300,000.00									540,000.00
2. Mr.Niphon Hakimi	Director	120,000.00	220,000.00	150,000.00			87,500.00			30,000.00		607,500.00
3. General Dr.Natthipong Pueksakorn	Director	120,000.00	240,000.00	300,000.00					100,000.00			760,000.00
4. Ms.Piyawan Lamkitcha	Director	120,000.00	220,000.00	110,000.00			50,000.00			50,000.00		550,000.00
5. Dr.Wichien Chubthaisong	Director	120,000.00	220,000.00	240,000.00								580,000.00
6. Mr.Chaichan Palanon	Director	120,000.00	240,000.00	125,000.00		62,500.00	40,000.00	20,000.00				607,500.00
7. Mr.Dhanasarn Suravudhikul	Director	120,000.00	220,000.00		125,000.00			137,500.00	10,000.00	20,000.00		632,500.00
8. Mrs.Amporn Purintawaragul	Director	120,000.00	240,000.00	240,000.00		30,000.00			70,000.00			700,000.00
9. Mr.Rabil Pornpatkul	Director	39,333.33	80,000.00		30,000.00	30,000.00						179,333.33
10. Ms.Supak Chaiyawan	Director	39,333.33	80,000.00			20,000.00						139,333.33
11. Mr.Wuttichai Suraratchai	Director	120,000.00	240,000.00									360,000.00
total	1,278,666.66	2,300,000.00	385,000.00	780,000.00	155,000.00	142,500.00	177,500.00	157,500.00	180,000.00	100,000.00	-	5,656,166.66

Note : The symbol (-) means a present director or former director/ Subcommittee in that party but did not receive meeting allowance due to they cannot receive meeting allowance from more than 2 Subcommittee party or wishes to not receive meeting allowance.

Summary of Directors' Meeting Attendance in 2020

Name	Board of Directors	Executive Subcommittee	Audit Subcommittee	Risk Management Subcommittee	CG&CSR Subcommittee	Compliance Subcommittee	Information System Development Subcommittee	Nomination, Remuneration and Performance Appraisal Subcommittee	President's Performance Appraisal Subcommittee	Employee Relations Committee
	14 Meetings	21 Meetings	15 Meetings	11 Meetings	5 Meetings	7 Meetings	11 Meetings	8 Meetings	4 Meetings	12 Meetings
1. Mr.Rathian Srimongkol	Chairman 14 / 14									
2. Mr.Nipphon Hakimi	Director 13 / 14	19 / 21				7 / 7			4 / 4	
3. General Dr.Natthipong Pueksakorn	Director 14 / 14		15 / 15					8 / 8		
4. Ms.Piyawan Lamkitcha	Director 12 / 14	14 / 21				6 / 7			4 / 4	
5. Dr.Wichien Chubthaisong	Director 13 / 14		13 / 15							12 / 12
6. Mr.Chaichan Palanon	Director 14 / 14	21 / 21			5 / 5	7 / 7	10 / 11			
7. Mr.Dhanasarn Suravudhikul	Director 13 / 14			11 / 11			11 / 11	7 / 8	4 / 4	
8. Mrs.Amporn Purintawaragul	Director 13 / 14		15 / 15		5 / 5			8 / 8		
9. Mr.Rabil Pornpatkul	Director 5 / 5			3 / 3	3 / 3					
10. Ms.Supak Chaiyawan	Director 5 / 5				2 / 3					
11. Mr.Wuttichai Suraratchai	Director 14 / 14	21 / 21		11 / 11						

Executive Compensation

In fiscal year 2020, the Bank pays remuneration to the executives consisting of directors and bank managers, deputy directors. Manager and Assistant Managing Director where the bank pays wages Provident fund and bonus contributions are Total amount 33,591,410.86 baht

Management Policy for Related Party Transactions

The bank policy is at the end of every quarter the related party transaction of Board of Director and executive officers including persons who hold that position during the year are collected. The executive officers are President, Senior Executive Vice President, Executive Vice President, Senior Vice President, vice President and acting Vice President in all departments. The information of the related party transactions as follows;

1. Financing
2. Deposit and bonds
3. Contingent Liability (Avals or Letter of Guarantee)
4. Bad debt or allowance for doubtful debt
5. Rent / lease more than 1 year
6. Employee benefits
7. Other transactions. such as buy & sell products/services, debt settlement for Bank or bank settlement for related persons .

The information of the Board of Directors and executive officers include close persons such as their husband / wife, children and private patronage of those Person, child of the husband / wife and private patronage of those person. The information have been collected and the bank will summarize and disclose the information in notes of Financial Statement in the topic of disclosure of related party transaction.

Report of the Audit Subcommittee

In 2019, The Board of Directors of Islamic Bank of Thailand passed a resolution to appoint the Audit Subcommittee consisting of members, as follows:

As per Order No.Gor.011/2562, the following members were appointed on June 12, 2019 until present:

As per Order No.Gor.015/2561, the following members were appointed on June 12, 2018 until June 11, 2019;

General Dr. Natthipong Pueksakorn

Mrs. Amporn Purintawaragul

Dr. Wichien Chubthaisong

Chairman of Audit Subcommittee

Subcommittee

Subcommittee

The Head of the Internal Audit Department is the Secretary of the Audit Subcommittee. At least one of the Audit Subcommittee of the Islamic Bank of Thailand must have sufficient knowledge and expertise to review the reliability of financial statements and perform their tasks within the scope of their responsibilities as specified in the Audit Subcommittee Charter approved by the Board of Directors of the Islamic Bank of Thailand which is in line with the Ministry of Finance's Regulations on Audit Committee and Internal Audit Unit of State Enterprises B.E. 2555 (2012) and a manual for evaluating state-owned enterprises' performance according to the new evaluation system. During the year 2020, the Audit Sub-Committee held 15 meetings to consider matters such as approval, charter, regulations, work manual, audit sub-committee and internal audit work manual, structure of the Internal Audit Department, audit plan and budget, adjusting the audit plan during the year to ensure compliance with resources, changes in business conditions and environment due to the coronavirus disease 2019 (COVID-19) epidemic situation. Assessing

the effectiveness of the internal audit department's performance, reviewing the results of the internal audit and external regulatory bodies, monitoring, and improving the deficiencies in the operations of the audited units' operational corrections. Audited in accordance with the observations and recommendations of the internal audit department and external regulators, etc. and by discussing with the Bank's management to consider the draft of the financial report, conflicts of interest, risk management, internal controls, regulatory compliance, regulations and relevant laws. and to follow up on the progress on important issues including meetings with external auditors include the State Audit Office of the Kingdom of Thailand and the Bank of Thailand for consideration of internal control system and observations from both agencies. The Audit Subcommittee reports the audit results of the internal audit department and prepare reports of the Subcommittee's meetings for the Board of Directors on a regular basis. The reports can be summarized as follows:



Review Financial Statement

The Audit Subcommittee has reviewed financial statements before and after the Auditor's review in quarterly and annual with the Internal Audit Department, the Auditor, Accounting and Finance Executives and Bank Executives. There are various issues affecting the financial statements such as accuracy of financial statements, Major Adjusting Entries, Thai Financial Reporting Standards, Change, Reserve and notes for financial statements. In addition, there provided observations and recommendations to ensure that accounting systems and financial reports prepared in accordance with Thai Financial Reporting Standards and the Bank of Thailand's Notification. Moreover, the disclosure information is sufficient, complete and reliable.

Review of Risk Management and Internal Control

The Audit Subcommittee had reviewed and followed up the risk management results by meeting with the Executives and risk management department to ensure that risk management in various aspects is appropriate and effective under acceptable risk of the bank.

There are also including the review of internal control from the report of the internal audit department, report of risk management from risk management department and external regulatory agencies as well as Internal Control Assessment Report of the Bank, self-assessment for internal control form and a review report for internal control assessment of internal auditors in accordance with the criteria of the Ministry of Finance on standards and Regulations on Internal Control Operations for Government Agencies B.E. 2561 (2018) to ensure that the Bank's internal control systems are consistently appropriate and adequate, including finding ways to prevent or reduce risks to an acceptable level, without affecting the Bank's operations.

Compliance with Regulations

The Audit Subcommittee reviewed the compliance with regulations together with executives regarding significant management-related issues that might affect the Bank to ensure that the Bank strictly complied with the law, rules, regulations and official requirements.

Supervision of internal audit

The Audit Subcommittee reviewed and approved the changes in the Charter and work manual of the Audit Subcommittee and Internal Audit Department by considering its appropriateness, scope of work, rights, duties, and independence. The Audit Subcommittee has also approved, reviewed, and provided feedback on the strategic audit plan which comprises long-term audit plan and annual audit plan. However, due to the Covid-19 epidemic. Due to the Covid 19 situation, including reviews and comments/suggestions, as well as monitoring progress of operations in accordance with the approved audit plan including the approval of the adjustment of the audit plan from resource management and the epidemic situation of COVID-19. To ensure the quality of internal audit work, the Audit Subcommittee conducts an evaluation of the internal audit work and encourages internal auditors to continuously acquire further knowledge and expertise by obtaining professional certificates.

The Transaction that Affects the Conflict of Interest, Ethics, Morals, and Transparency

The Audit Subcommittee reviewed the annual disclosure of conflicts of interest and ethics to ensure that operations that do not cause conflicts of interest in terms of regulations and are good governance, which related to Rules and Regulations on Ethics of Directors, President and Executives to prevent conflicts between personal and common interest in accordance with the guidelines of the State Enterprise Policy Office.

Self-Assessment of the Audit Subcommittee

The Audit Subcommittee reviewed and revised the Charter of the Audit Subcommittee and has prepared an operation manual of the Audit Subcommittee in 2020 and also provided self-assessment at least once a year to ensure that the operation of the Audit Subcommittee was efficient and achieved the prescribed objectives as per the Good Practice on Maintenance of Quality of Work of the Audit Subcommittee in the Work Manual of the Audit Committee in State Enterprises (Revision) B.E. 2555. This was to ensure that the Audit Subcommittee's operation was in accordance with the prescribed objectives in the Charters of the Audit Subcommittee.

Report on the Audit Subcommittee's Performance

The Audit Subcommittee prepared a performance report and presented it to the Board of Directors on a quarterly basis, except for the performance report in the 4th quarter which was prepared as annual performance report and submitted to the Ministry of Finance within 90 days from the year-end date.

Auditor Appointment

The Audit Subcommittee proposed the appointment of the State Audit Office of the Kingdom of Thailand as auditor and the audit fee to the Board of Directors to consider, and proposed the matter to the shareholders' meeting for approval.

The Audit Subcommittee has performed its duties with due care, independence and has been able to express opinions without limitation and in an equitable and accountable manner as per the good corporate governance principles to ensure that the Islamic Bank of Thailand can move forward in a sustainable manner.



General Dr. Natthipong Pueksakorn
Chairman of the Audit Subcommittee



Corporate



Social



Responsibility

Corporate Social Responsibility according to ISO 26000

The Islamic Bank of Thailand (“Bank”) has a policy to pursue corporate social responsibility in process and after process in order to achieve sustainable growth and to enable all employees to participate in embedded with a sense of responsibility to society.

Corporate Social Responsibility in Process (CSR-in-Process)

The Bank implement CSR-in-Process that aligns with international standards, ISO26000. All level of employees are encouraged to participate in social activities and focused on the code of conducts and ethics in response to the satisfaction of stakeholders, economics, societies, communities and environment. There are 7 code of conducts and ethics that are essentially comply to the ISO 26000 standard, consisting of 7 Principles and 7 Core Subjects.

Seven principles of CSR-in-Process are as follows;

- 1) Accountability
- 2) Transparency
- 3) Ethical Behavior
- 4) Respect for Stakeholder Interests
- 5) Respect for Shariah and the Rule of Law
- 6) Respect for the International Norms of Behavior
- 7) Respect for Human Rights

In addition to the 7 Principles of CSR, which are the 7 ethical behaviors as mentioned above. The Bank has set personnel to practice with 7 Core Subjects in showing CSR as follows:

1. Organizational Governance

Good governance is the primary mechanism for driving the Bank to operate with excellence under the principles of morality, ethics and responsibility. The main role in the success of the operation is the Board of Directors. As a representative of shareholders, the principles of good governance can be put into practice within the bank until achieve successful results. This is an operation that meets international standards and is in accordance with the principles of good governance in the dimension of stakeholder roles. According to the guidelines of the State Enterprise Policy Office (SEPO), Ministry of Finance, including setting the direction and values of governance. To enable the Bank to operate with responsibility for the consequences of actions affecting all groups of stakeholders and sustainability development in accordance with the guidelines set by government shareholders.

2. Human Rights

Human rights are regard for each other's lives, caring for each other's suffering and happiness including helping each other when there is a disaster It is a fundamental virtue of human life. For the Banks, stakeholders are treated as employees, customers, communities and the society around them with respect for human values and does not violate the fundamental rights of everyone.

3. Labor Practice

Employees are human resources that are the key to driving the business towards its goals. The Bank demonstrates social responsibility by treating employees fairly under the scope of fair treatment of labor, which can be divided into 3 areas as follows:

3.1 Respect the right to work in accordance with the principles of human rights and the Declaration on Fundamental Principles and Rights at Work of the International Labor Organization such as Non-discrimination or non-use of forced labor or respect for the rights and freedoms of employees to form a union, etc.

3.2 The provision of social protection and protection of working conditions for employees includes the payment of wages and compensation in various forms. Working time, leave days, vacation, or disciplinary action, or dismissal, or protection of female employees from pregnancy to childbirth, as well as welfare provisions such as safe drinking water, sanitation in the workplace, access to the Bank's provided medical services, and security insurance in the event of unemployment, sickness, disability, old age or death.

3.3 Provide health and safety protection in work.

4. The environment

Environmental management adds value and creates sustainability for the business, society and nation. Even if there are no operations that directly negatively affect the environment Rather, the bank promotes environmental management covering key operational dimensions, including pollution prevention, sustainable use of resources, mitigation and adaptation to global warming, environmental protection and biodiversity including the restoration of the natural environment and ecosystems around the Bank's office space.



5. Fair Operating Practices

The Bank conducts business with fairness in accordance with the ISO 26000 standard that specifies the scope of fair business operations in all 4 main areas:

1. Fair competition in order to prevent monopoly, anti-dumping and lack of transparency in procurement,
2. Promoting social responsibility in trading partners,
3. Respecting property rights, whether physical and intellectual property, and
4. Responsible involvement in politics. The Bank prohibits executives and employees from using unethical dominance. Avoid behaviors such as manipulation, intimidation, and political coercion.

6. Consumer Issues

The Bank is committed to creating satisfaction in products and services to customers by offering products and services that meet customers' needs and are of high quality with willingness, full capacity, with equality and fairness. By disclosing information about products and services in a complete, accurate and truthful manner, strictly complying with the conditions specified in the contract.

In addition, the bank provides clear and effective communication and understanding channels with customers, ready to give advice, help customers, listen to problems and try to find causes and solutions to customers quickly.

7. Community Involvement and Development

Enhancing participation and community strength development is one of the key mechanisms in driving the Bank's mission to strengthen security, economic and social development, especially in the five southern border provinces completely as required. The Bank adheres to the moral principle of having a public mind for the community and society as a whole. There is information about the community in terms of geography, demographics, opinions and needs of the community under the readiness and resources that the bank exists. The Bank has clear goals and operating guidelines, as well as strengthening communities to have good immunity in order to lead to long-term self-reliance, upgrading social quality. As a result, the Bank also has a good economic and social environment.

CSR-in-Process Activities

1. Organizational Governance

1.1 Implementation of the audit plan: The internal audit and internal control system is an extremely important part of the good corporate governance process. The Bank has an efficient and effective internal audit system to build trust among its stakeholders. It provides fair and independent consulting to enhance the organization's operational value, helping the organization achieve its goals by evaluating and improving the effectiveness of risk management processes and systematic controls and governance in accordance with Regulations of the Ministry of Finance and International Standards for Professional Practice of Internal Auditing.

In 2020, The Bank was able to operate according to the audit plan with efficiency and effectiveness in accordance with the standard criteria successfully completed according to the plan. In this regard, the progress of the recommendations has been followed up in all cases within the specified period and there is a decrease in outstanding observations than in 2019. In performing internal audits, discussions are held with the bank's management to consider the drafting of financial reports, risk management, internal control, compliance with the Bank's regulations and regulations. relevant laws and follow up on the progress of important issues. Meetings are held with external auditors to ensure that the Bank's internal control system is continually appropriate and adequate at an acceptable level. There were no deficiencies that would affect the Bank's operations, and discussions were held between the Audit Committee of the Office of the Auditor-General of Thailand and the Bank of Thailand to consider the internal control system and observations from the audit results of both agencies.

1.2 Credit Review: Credit review is an important tool using in risk management of the Bank. There is a Second Line of Defense which is independent. To ensure that the bank's credit transaction processes, including credit risk control and management processes after credit approval. It complies with the regulations set forth by the Bank and in accordance with the Bank of Thailand's policy guidelines.

In 2020, the Bank will be able to fully monitor the implementation of recommendations and revisions from the credit review department without remarks from both internal audit and external regulators.

1.3 Monitoring and reporting the Bank's Performance: It is important to know to what extent the Bank's project plan has achieved its objectives and goals. The result of monitoring and reporting will be the information that demonstrates success and improvement guidelines will help the Bank's management of plans and projects to be more efficient. There will be continuous and consistent monitoring on the performance of various departments/divisions and regularly monitored and the results of the projects/progresses are reported to the sub-committees as well as the Board of Directors to receive information/operating results every month. In case of the performance does not meet the Bank's goals, it will be able to notify the departments / divisions to review the plan immediately or able to operate in accordance with the established plans successfully. Performance monitoring can help the Bank's financial and non-financial performance to achieve the set goals and can use recommendations to improve the performance to achieve the goals as planned or have a better performance for the Bank.

2. Human Rights

2.1 Human Rights Policy: The Bank adheres to and complies with human rights laws, including: International Human Rights Instrument, Universal Declaration of Human Rights, The International Covenant on Civil and Political Rights, the International Covenant on Economic, Social, and Cultural Rights are guidelines for the management of human rights to be use as the same standard throughout the organization. In 2020, the Bank has developed a human rights policy aimed at supporting the implementation of human rights principles. The Bank has announced a human rights policy to ensure that it operates responsibly, transparently, and participates in managing human rights impacts that may occur in all relevant sectors, both inside and outside the bank.

2.2 Improving Compliant Service: in the Complaints and Crashes Regulations in 2020, the Bank has revised the complaints handling process in the Complaint Receiving Regulations and Crashes that may occur with the bank to be standardized and efficient, effective by adding a human rights consideration process to the Complaints and Crashes Regulations. The most important aspect of effective complaint management is the ability to determine the exact cause of the business damage caused, such as the cause of the damage caused by customer complaints in order to improve the operational process quickly. It also creates customer satisfaction and that the bank can effectively implement Market Conduct to ensure that appropriate corrective actions are taken according to the cause of damage to the Bank.

3. Labor Practices

3.1 Human Resource Development:

The Bank has formulated a strategy for human resource potential development by systematically preparing personnel for the development of knowledge and skills related to New Skill/Re-Skill/Upskill operations to support the needs of customers, competition conditions and changes in technological advancement. The Bank has an Action plan for the year 2020 based on the Corporate Strategic Plan, Strategic Positioning, the Bank's Core Action Plan and the Human Resources Management and Development Plan. In term of optimizing human resources to be used as information for the preparation of training development plans for employees to effectively perform tasks as expected by the Bank. For the key elements in the preparation of the training development plan, the Bank considered from the Competency Gap assessment data of employees. By setting goals to reduce the number of employees with Competency Gap in every aspect. In addition, the need for training development from the Bank's main departments was also surveyed to select urgently needed projects/courses that can enhance and develop personnel to have the knowledge, competence and skills necessary to perform their duties.

In 2020, the Bank has achieved results in the development of human resources potential according to the Action plan, with 24 internal training courses, 38 generations and external training. The Bank has sent employees for external training in Functional Competency from various institutions, amounting to 42 courses with 95 trainees from 18 departments, and Knowledge Management (KM) and Innovation in Organization (INNO). In this regard, 4 projects/activities to support knowledge enhancement and organizational innovation have been established. There has been a policy for promoting innovation and creativity management, the Innovation Master Plan 2020 - 2024



of the Islamic Bank of Thailand and the Charter of the Knowledge Management and Organizational Innovation Committee, and communicate with employees to have knowledge, understanding, awareness of creativity and innovation throughout the organization.

3.2 Annual health check-up for the bank's executives, personnel and employees: It is an operation whose direct objective is to encourage employees to have good health which affects operational efficiency by emphasizing on health building and unhealthy behavior modification. It also has an indirect goal of enhancing the employee's good attitude towards the Bank and the employee, resulting in a bond with the organization.

3.3 First Aid: CPR is an important performance in building and promoting safety management by providing training on the basic knowledge and practices of safety and hygiene for employees, including training for employees, basic CPR courses and the use of an automatic defibrillator (Basic CPR & AED) for 2 generations in the head office of 117 people. This aims to raise awareness and focus on staff safety and assistance to emergency patients in cardiac arrest. The bank purchases a regular AED defibrillator in front of the infirmary, and has a manual at public relations points and a list of people who can provide first aid, CPR, and AED use.

3.4 Annual Basic Fire Fighting and Evacuation

Fire Drill Training: In order to comply with the ministerial regulations, set standards for the management and operation of occupational safety, health and working environment regarding fire prevention and suppression B.E. 2555, must provide training courses as required by law for employees of the head office/branch. In 2020, the Bank organized the Annual Basic Fire Fighting and Evacuation Fire Drill Training within the head office together with the Q House Asoke building and 14 bank branches including; Surat Thani Branch, Chonkasem Road, Surat Thani, Narathiwat Branch, Economic and Social Development Department of 5 Southern Border Provinces, Narathiwat Province, Pattani and Yala, Phumacheep Road Branch at Yala, Yala Branch, Pattani Branch, Hat Yai Branch, Niphat Uthit Road, Hat Yai, Khon Kaen Branch, Phitsanulok Branch, Chang Phueak Road Branch, Chiang Mai. Therefore, it is for the trainees to know how to evacuate fire and to be able to act properly and have a plan to reduce the loss of life and property. In case of an unexpected event where every employee can apply the knowledge gained from the training to their workplace and daily life.

4. The Environment;

The Bank realizes the importance of the environment and therefore operates "Paper Reduction Project" in the organization by reducing the level of paper use to reduce global warming. In this regard, the Bank promotes employee participation in CSR-in-Process practices by integrating cooperation throughout the organization to create collaborative thinking and actions to achieve maximum results. In 2020, the Bank can reduce the amount of paper usage as targeted by at least 15 percent from 2019 in order to reduce the cutting of trees for pulping.

5. Fair Operating Practice

5.1 Guidelines to promote competition and fair service; The Bank of Thailand has issued guidelines for service providers to improve the management of the work systems related to the provision of services to customers in order to create fair services. Therefore, the Bank has a Market Conduct Policy to focus on and promote fair service to customers and raise the standard of service, including fair work processes. By serving customers with sincerity, not taking advantage, not forcing, not deceitful, not disturbing, and providing open and transparent services.

Therefore, in order to perform the operations of the bank personnel in accordance with the official rules and in accordance with those policies of the Bank. The department responsible for overseeing the Bank's departments has disseminated important issues of the BOT's announcement on Market Conduct to all employees for acknowledgment and compliance. Organize training to create knowledge and understanding for service personnel, to understand the basic rights of consumers, knowledge of the rules prescribed by the government and guidelines for compliance with the rules in all 9 areas. In order to provide employees with fair service to customers, and conduct a Compliance Test on the management of the Market conduct to review the operations and reinforce the employees to perform their duties properly and fairly.

In addition, there is a review of the branch's operations, as well as giving advice to employees to be aware of providing fair customer service according to the rules. To ensure that the operation in 2020 does not receive complaints from customers regarding unfair customer service according to the goals.

5.2 Adjustment the system according to Criteria for calculating the penalty of default from the principal of the defaulted installment; The bank is considered to be the first and the only bank to charge compensation for default on the basis of installment payments only for the defaulted period. (Which in the installment payment will have the principal part and the profit part). This is different from the regulations of other financial institutions that charge a penalty based on the total amount of outstanding debt. Moreover, according to the Islamic banking system, compensation for default is only intended to compensate the debtor for default, it is not counted as the bank's legitimate income.

In 2020, under the epidemic situation of the Covid-19, together with the Bank of Thailand's Market Conduct supervision, therefore, a circular has been issued to determine the calculation of default interest for loans with repayment periods on the principal base of the installment's overdue by the debtor only. The Bank has made a slight amendment according to the Bank of Thailand's notification, which has been completed on time.

The Bank has a Market Conduct Policy.... By serving customers with sincerity, not taking advantage, not forcing, not deceitful, not disturbing, and providing open and transparent services.

6. Consumer Issue

6.1 Launched measures to help debtors affected by the economic situation or the COVID-19 epidemic situation; The Bank has issued measures to provide assistance to debtors affected by the economic situation or the COVID-19 epidemic situation in order to assist the bank's debtors as well as the general public as follows:

"Measures to assist debtors affected by the economic downturn in 2020" covers personal loan and business loan debtors with a grace period of up to 12 months. The bank also provides additional assistance according to the severity of the debtor's financial problems and risks on a case-by-case basis, such as extending the principal repayment moratorium for more than 12 months, reducing the profit margin, considering additional working capital limits, or transfer of assets, debt repayment, etc., which covers personal and business loans.

"Retail excellent receivable assistance measures" in accordance with the guidelines set by the Bank of Thailand as a minimum measure to assist potential debtors for debtors who wish to reduce short-term installment payments and gain convenience and speed in the service of the bank. Provide short-term assistance for retail debtors, both personal and business loans,

including car hire purchase loans that are good debtors of the Bank.

"Delaying payment of debts for SMEs and MSMEs with financial amounts not exceeding 100 million baht" according to the Royal Decree on financial assistance to enterprises affected by the outbreak of COVID-19 B.E. 2563 and the Bank of Thailand's announcement No. SorKorSor1.3/2563 regarding the delay in automatic payment of installments for a period of 6 months for installment payments due from April 23, 2020 to October 22, 2020.

"Credit to Support Soft Loan Project" to be a low-cost source of fund for the Bank's existing customers, increase the council in terms of business operations, reducing the effect of hiring work by giving a maximum limit of not more than 20% of the outstanding debt as of December 31, 2019, profit margin 2% per year..

"Measure to give assistant for additional retail debtors, phase 2" according to the Bank of Thailand's Notification No. BOT. PhoNorSor.(01) Wor.648/2563, the Bank has issued such measures to help retail debtors in the category of personal loans and car purchase loans in accordance with the BOT regulations.

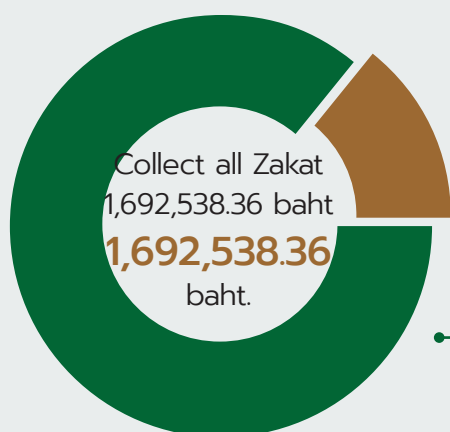
Measures/Projects	Start-End	Number of Customers
1. Measures to assist debtors affected by the economic downturn in 2020	February 6, 2020 – December 31, 2021	3,254
2. Retail excellent receivable assistance measures	April 1 – June 30, 2020	2,749
3. Delaying payment of debts for SMEs and MSMEs with financial amounts not exceeding 100 million baht	April 23 – October 22, 2020	3,908
4. Credit to Support Soft Loan Project	April 24, 2020 - until the project limit is exhausted	66
5. Measure to give assistant for additional retail debtors, phase 2	July 1 -December 31, 2020	482
6. Debt Restructuring Measures for Retail Debt Consolidations	October 2, 2020- December 31, 2021	-
7. Measures to delay debt repayment "Debt Holiday" Phase 2	October 15, 2020 - December 31, 2020	236
Total		10,695

6.2 Development of communication channels for banking products and services via the website; the Bank has developed and improved the Bank's website www.ibank.co.th by using new technology to enhance efficiency, increasing convenience, easy to use in terms of accessibility of design, layout and content layout. In

order to be a data center and communication channel for products/services with customers as well as the general public in real time. Therefore, the customers will receive information on financial products and services, including operational information and knowledge with convenient, speed, accuracy, completeness, easy to understand and sufficient for decision-making. This will lead to the expansion of the customer base and the use of banking products.

6.3 Inquiring about the completeness of information that is important to Takaful customers (life insurance); The Bank operates in accordance with the Bank of Thailand's policy which requires financial institutions to operate their business using Market Conduct management principles. Therefore, in order to ensure that the Bank's personnel perform their duties responsibly and fairly, the Bank conducts an inquiry with the Bank's customers after the customer has completed the Takaful contract. To ensure that employees are able to perform their duties correctly and completely, as well as assessing the satisfaction of the insurance companies that are allies with the bank.

Of all 100 percent of customer contacts, there are 67% that the Bank was able to contact customers for feedback and assess their satisfaction. By the number of customers that the bank can contact, they commented that the bank's sales staff were completely correct and complete at 95.8% and 98% satisfied with the insurance company.



7. Community Involvement and Development

The management of Zakat accounts for occupational capital types; Results of Zakat Management Performance as of December 31, 2020 showed that the bank receives Zakat from customers or individuals (Muslims) who are obliged to pay Zakat and wish the bank to pay Zakat on behalf of those eligible to receive Zakat on a monetary basis with a total of 1,692,538.36 baht. The Bank has made Zakat payments to 237 people eligible to receive Zakat, totaling 1,456,000 baht, which is 86.02% of the amount in their Zakat accounts in 2020. According to the results of tracking of 62 occupational capital types of Zakat recipients, the bank paid Zakat totaling 434,000 baht and found that 44 percent of those who applied for the zakat had improvement in their status. Considering from the status of those who were allocated zakat, 18 percent of the status changed from poor to needy and shifted from needy to liberated at 26% and increased income at 74% which is based on income assessment of people who have been allocated Zakat for occupational capital in 2020.

The performance of Zakat management in 2020 was better than the planned targets set for 2020. Zakat was paid 80 percent of the amount in the Zakat account and those who have been allocated Zakat have a better quality of life. They can shift from poor to needy and/or earn more than 50 percent of the total number of people allocated Zakat for Occupational Capital by 2020.

The bank proceeds to pay zakat on behalf of eligible persons who receive zakat according to the principle of the total amount of 1,456,000 baht.

1,456,000 baht

86.02 %
of the amount in the Zakat
account in 2020

Total
237

CSR-after-Process Activities



Glorify the Royal Institution Dimension

The auspicious occasion ceremony and take an oath of allegiance; the Bank had offered the auspicious blessing to His Majesty King Maha Vajiralongkorn Phra Vajiraklaochaoyuhua in the occasion of H.M. King Maha Vajiralongkorn's Birthday on July 28, 2020 to show loyalty and gratitude at the National Broadcasting Services of Thailand (NBT), the Government Public Relations Department.

In addition, employees and executives were invited to pray for blessings to say Dua. (Arabic Blessings) Blessings on auspicious occasions to His Majesty the King for a long life and take an oath of allegiance within the bank to be a good state enterprise employee and the power of the land on the occasion of H.M. King Maha Vajiralongkorn's Birthday on July 28, 2020 at the headquarters building Islamic Bank of Thailand.

Religion and Culture Dimension

iBank, Ramadan Relations 2020; the Bank organized the “iBank, Ramadan Relations 2020”. It is an event held in the holy month of Ramadan. All Muslims must do fasting to practice physical and mental endurance, abstaining from all sins. In the past year, the entrance to Ramadan 1441 Hijri year is between April 24, 2020 and ends on May 22, 2020, according to the announcement of Sheikhul Islam Office. Amid the spread of COVID-19 In the past year, iBank has organized activities strictly in accordance with the guidelines of the Center for the Administration of the Situation due to the Outbreak of the Communicable Disease Coronavirus (COVID-19) (CDC). By avoiding gatherings such as Iftar feasts that are usually held in mosques every year, they switch to giving dates, drinking water, dry food, and essential items such as face masks to customers or through community representatives, Muslim organizations and mosques. In order to use the opportunity during the holy month to promote the goodness, strengthening love, unity and good relationship between each other.



Society and Environment Dimension

The Bank organized “iBank...Sharing Computers to the Community, No.1”; under the Sharing and giving opportunity project according to the Bank's 2020 Corporate Social and Environmental Responsibility Action Plan (CSR) by providing a total of 750 good and working second-hand computers, divided into 22 schools and one other organization.

Moreover, there was “CSR, iBank loves community project” which was about planting trees, landscape improvement and increase green space to give as a gift to the Eid al-Adha of the year 1441 A.H., the important day of the Muslim world for the public benefit to religious worshipers, both Thai Muslims and foreigners, approximately 1,500 people per week at Thai Islamic Center.



Education and Sport Dimension

The Bank organized the CSR activity of Opening the World of Islamic Finance on “Financial Literacy for Students of Prince of Songkla University, Pattani Campus”. The Bank has organized a workshop on improving Islamic finance knowledge for students of the Faculty of Islamic Science. This activity has been organized by the bank for the 3rd year in order to share knowledge and understanding of Islamic Banking and Finance planning with students and interested parties so that they can apply knowledge in their daily lives and pass it on to close ones in a right way, at Al-Imam Al-Bukhari Conference Room, Faculty of Islamic Science, Prince of Songkla University, Pattani Campus.



The background features a light orange grid. A white line graph with a peak is overlaid, with numerical values like 1,85, 2,01500, 3,120000, 4,100000, and 6,710 visible. At the bottom, there are blurred images of gold coins.

Financial Reports

- The Board of Directors' Responsibilities for Financial Reports
- Auditor's Report
- Financial Statements and Notes to Financial Statements



The Board of Directors' Responsibilities for Financial Reports

The Board of Directors has attached great importance and has been well aware of its duty as Directors to take responsibility for the consolidated financial statements of Islamic Bank of Thailand and its subsidiary in the annual report. Financial statements for the year ended December 31, 2020 have been prepared in accordance with Thai Accounting Standards, Thai Financial Reporting Standards, including the rules on the Preparation and Announcement of Financial Statements of Specialized Financial Institutions and appropriate accounting policies applied on a consistent basis. Where judgment and estimates were required, these were made with careful and reasonable consideration, and adequate disclosures have been made in the notes to the financial statements. These financial statements have been audited by the State Audit office of the kingdom of Thailand who have given their unqualified opinions.

The Board of Directors supports the Bank to have good corporate governance to enhance good governance continually and to ensure the Bank's operations are efficient, transparent, and credibility. They have established Internal Control and Risk Management System to provide accurate financial information and reasonably complete. Therefore, the Board of Directors has appointed an Audit Sub-Committee to be responsible for reviewing financial reports and sufficient internal control and internal audit system. Finally, the Audit Sub-Committee has expressed opinions on those issues which appeared in the report of the Audit Sub-Committee which has been shown in the annual report.

The Board of Directors' opinion is that the overall internal control is sufficient and appropriate. It contributes to enhance reasonable confidence that the Bank's financial statements and the consolidated financial statements of the Bank and its subsidiary for the year ended December 31, 2020 meet generally accepted accounting standards and comply with relevant laws and regulations.



Mr. Rathian Srimongkol
Chairman
Islamic Bank of Thailand



AUDITOR'S REPORT AND FINANCIAL STATEMENTS

ISLAMIC BANK OF THAILAND

FOR THE YEAR ENDED DECEMBER 31, 2020

สำนักงานการตรวจเงินแผ่นดิน



(TRANSLATION)

AUDITOR'S REPORT**To the Shareholders of Islamic Bank of Thailand*****Opinion***

The State Audit Office of the Kingdom of Thailand has audited the accompanying consolidated financial statements of Islamic Bank of Thailand and its subsidiaries (the Group) and the Bank's financial statements of Islamic Bank of Thailand (the Bank), which comprise the consolidated and the Bank's statements of financial position as at December 31, 2020, the consolidated and the Bank's statements of profit or loss and other comprehensive income, the consolidated and the Bank's statements of changes in equity and the consolidated and the Bank's statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In the State Audit Office of the Kingdom of Thailand's opinion, the accompanying consolidated and the Bank's financial statements present fairly, in all material respects, the consolidated financial position of Islamic Bank of Thailand and its subsidiaries, and the Bank's financial position of Islamic Bank of Thailand, as at December 31, 2020, and its consolidated and the Bank's financial performance and its consolidated and the Bank's cash flows for the year then ended in accordance with the regulation related to the Preparation of Accounts and Financial Reports for Specialized Financial Institutions and other regulations of the Bank of Thailand as disclosed in Note 2.

Basis for Opinion

The State Audit Office of the Kingdom of Thailand conducted the audit in accordance with the State Audit Standards and Thai Standards on Auditing (TSAs). The State Audit Office of the Kingdom of Thailand's responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated and the Bank's Financial Statements section of the State Audit Office of the Kingdom of Thailand's report. The State Audit Office of the Kingdom of Thailand is independent of the Group and the Bank in accordance with the ethical requirements set out in the State Audit Standards issued by the State Audit Commission and the Federation of Accounting Professions' Code of Ethics for Professional Accountants that are relevant to the audit of the consolidated and the Bank's financial statements, and the State Audit Office of the Kingdom of Thailand has fulfilled other ethical responsibilities in accordance with these requirements. The State Audit Office of the Kingdom of Thailand believes that the audit evidence the State Audit Office of the Kingdom of Thailand has obtained is sufficient and appropriate to provide a basis for the State Audit Office of the Kingdom of Thailand's opinion.

State Audit Office of the Kingdom of Thailand



Emphasis of Matter

The State Audit Office of the Kingdom of Thailand draw attention to Notes to the financial statements as follows:

1. Note No. 2.1 Basic for preparation of the financial statements, the Bank prepares the financial statements of the year 2019 as a comparative period in accordance with the financial reporting standards of the Federation of Accounting Professions and the regulation of the Bank of Thailand.

The Bank prepares the financial statements of the year 2020 in accordance with the Notification of the Bank of Thailand No. Sor Gor Sor2. 7/2564 dated April 9, 2021 regarding the Preparation of Accounts and Financial Reports for Specialized Financial Institutions, which used to replace the Financial Reporting Standards related to financial instruments. The Notification is align with the approval of the Minister of Finance that requires SFIs to prepare such Thai Financial Reporting Standards related to financial instruments by delay the adoption period for 5 years until January 1, 2025. However, transactions or items that are not related to financial instruments, the Bank still complies regulation for accounting and financial reporting standard of the Federation of Accounting Professions as the year 2019

2. Note No. 7 Going concern, which described the operating of the National Strategy for restoration and business plan for 2019 - 2023 and the strategic and business plan 2020 - 2024 (Revised), to resolve the accrued loss of operating outcome and rehabilitate the enterprise. Ministry of Finance's chancellor has to continue monitoring the Bank's operations in order to align with the Bank's missions and resolving's plan. Regarding to the situation of the coronavirus infection (COVID-19) that impact to the debtor's operations, therefore, the Bank has recorded the allowance for doubtful accounts for large debtors amounting to Baht 2,500 million and the COVID-19 infection impact to the Bank's operation continuously.

However, the State Audit Office of the Kingdom of Thailand's opinion is not qualified in respect of these matters.

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's financial statements and auditor's report thereon. The annual report is expected to be made available to the State Audit Office of the Kingdom of Thailand after the date of this auditor's report.

The State Audit Office of the Kingdom of Thailand's opinion on the consolidated and the Bank's financial statements does not cover the other information and the State Audit Office of the Kingdom of Thailand will not express any form of assurance conclusion thereon.

State Audit Office of the Kingdom of Thailand

(TRANSLATION)



In connection with the audit of the consolidated and the Bank's financial statements, the State Audit Office of the Kingdom of Thailand's 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's financial statements or the State Audit Office of the Kingdom of Thailand's knowledge obtained in the audit, or otherwise appears to be materially misstated.

When the State Audit Office of the Kingdom of Thailand reads the annual report if the State Audit Office of the Kingdom of Thailand concludes that there is a material misstatement therein, the State Audit Office of the Kingdom of Thailand is required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the consolidated and the Bank's Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and the Bank's financial statements in accordance with the regulation the preparation of accounts and financial reports for Specialized Financial Institutions of Thailand, and for such internal control as management determines is necessary to enable the preparation of the consolidated and the Bank's financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and the Bank's 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's Financial Statements

The State Audit Office of the Kingdom of Thailand's objectives are to obtain reasonable assurance about whether the consolidated and the Bank's 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 the State Audit Office of the Kingdom of Thailand's opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the State Audit Standards and Thai Standards on Auditing (TSAs) will always detect a material misstatement when it exists.

(TRANSLATION)



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's financial statements.

As part of an audit in accordance with the State Audit Standards and Thai Standards on Auditing (TSAs), the State Audit Office of the Kingdom of Thailand exercises professional judgment and maintain professional skepticism throughout the audit. The State Audit Office of the Kingdom of Thailand also:

- Identifies and assesses the risks of material misstatement of the consolidated and the Bank's financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for the State Audit Office of the Kingdom of Thailand's 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.
- Obtains 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.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concludes 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 the State Audit Office of the Kingdom of Thailand concludes that a material uncertainty exists, the State Audit Office of the Kingdom of Thailand is required to draw attention in the auditor's report of the State Audit Office of the Kingdom of Thailand to the related disclosures in the consolidated and the Bank's financial statements or, if such disclosures are inadequate, to modify the State Audit Office of the Kingdom of Thailand's opinion. The State Audit Office of the Kingdom of Thailand's conclusions are based on the audit evidence obtained up to the date of the auditor's report of the State Audit Office of the Kingdom of Thailand. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.
- Evaluates the overall presentation, structure and content of the consolidated and the Bank's financial statements, including the disclosures, and whether the consolidated and the Bank's financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



(TRANSLATION)

● Obtains 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. The State Audit Office of the Kingdom of Thailand is responsible for the direction, supervision and performance of the Group audit. The State Audit Office of the Kingdom of Thailand remains solely responsible for the State Audit Office of the Kingdom of Thailand's audit opinion.

The State Audit Office of the Kingdom of Thailand communicates 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 the State Audit Office of the Kingdom of Thailand identifies during the State Audit Office of the Kingdom of Thailand's audit.

(Signed) *Pattra Showsri*
(Pattra Showsri)
Deputy Auditor General

(Signed) *Wilaiwan Phromyu*
(Wilaiwan Phromyu)
Auditor, Senior Professional Level

Acting Director of Financial and Procurement Audit Office No. 5

(TRANSLATION)

6

ISLAMIC BANK OF THAILAND AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

Unit : Thousand Baht

		Consolidated Financial Statements		The Bank's Financial Statements	
	Notes	2020	2019	2020	2019
Assets					
Cash		1,352,523	1,429,934	1,352,359	1,429,767
Interbank and money market items, net	8.2	5,618,665	7,248,091	5,521,267	7,147,996
Derivatives assets	8.3	5	15	5	15
Investments, net	8.4	4,826,958	4,802,670	4,826,958	4,802,670
Investments in subsidiaries, net	8.5	-	-	560,347	560,347
Financing to customers and financial accrued income, net	8.6				
Financing to customers		59,577,455	56,872,505	56,431,052	53,942,330
Financial accrued income		395,735	165,015	230,271	89,147
Total financing to customers and financial accrued income		59,973,190	57,037,520	56,661,323	54,031,477
Less Deferred revenue		1,697,805	1,635,195	4,667	4,781
Less Allowance for doubtful accounts	8.7	9,847,728	7,262,500	9,640,874	7,036,128
Less Revaluation allowance for debt restructuring	8.8	-	5,097	-	5,097
Total financing to customers and financial accrued income, net		48,427,657	48,134,728	47,015,782	46,985,471
Financing to customers from Public Service Account					
and financial accrued income, net					
Financing to customers from Public Service Account					
Portion that is not subject to government compensation for		390,637	373,654	390,637	373,654
Financial accrued income from Public Service Account					
Portion that is not subject to government compensation for		964	611	964	611
Total financing to customers from Public Service Account					
and financial accrued income		391,601	374,265	391,601	374,265
Less Deferred revenue from Public Service Account		442	760	442	760
Less Allowance for doubtful accounts					
from Public Service Account	8.38.3	108,707	109,396	108,707	109,396
Total financing to customers from Public Service Account					
and financial accrued income, net	8.38.1	282,452	264,109	282,452	264,109
Receivables waiting for government compensation		1,605	-	1,605	-
Properties for sale, net	8.10	309,909	110,946	240,521	54,458
Premises and equipment, net	8.11	307,473	380,517	280,617	355,203
Right-of-use assets, net	8.12	280,769	-	257,422	-
Goodwill and other intangible assets, net	8.13	162,361	50,434	157,457	43,641
Deferred tax assets	8.14	51,161	36,986	-	-
Receivables from transferring non-performing assets	8.15				
Promissory note		15,381,070	18,881,070	15,381,070	18,881,070
Accrued compensations from promissory notes		15,205	310,588	15,205	310,588
Total receivables from transferring non-performing assets		15,396,275	19,191,658	15,396,275	19,191,658
Other assets, net	8.16	528,680	533,845	467,647	480,380
Total Assets		77,546,493	82,183,933	76,360,714	81,315,715

Notes to the financial statements are an integral part of these financial statements.

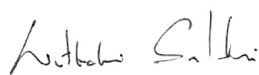
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7

ISLAMIC BANK OF THAILAND AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT DECEMBER 31, 2020

		Consolidated Financial Statements		Unit : Thousand Baht The Bank's Financial Statements	
	Notes	2020	2019	2020	2019
Liabilities and Equity					
Deposits	8.17	75,124,252	79,264,890	75,168,516	79,307,494
Interbank and money market items, net	8.18	3,266,167	1,524,877	3,166,167	1,521,939
Liability payable on demand		54,585	41,967	54,585	41,967
Derivatives liabilities	8.3	1	101	1	101
Lease liabilities, net	8.19	326,411	-	302,755	-
Provisions	8.20	528,615	547,358	506,296	528,709
Accrued expenses		147,701	240,056	122,063	220,389
Accrued compensation on deposits		243,679	241,158	243,679	241,158
Trade account payable		68,789	82,223	48,998	49,371
Income from government grant received in advance		98,878	101,428	98,878	101,428
Other liabilities	8.21	191,442	208,506	140,416	180,796
Total liabilities		80,050,520	82,252,564	79,852,354	82,193,352
Equity					
Share capital	8.22				
Authorized share capital					
1,820,276,825,862 ordinary shares, Baht 0.01 par value		18,202,768	18,202,768	18,202,768	18,202,768
Issued and paid-up share capital					
1,820,276,825,862 ordinary shares, Baht 0.01 par value		18,202,768	18,202,768	18,202,768	18,202,768
Equity from share-based payment		269	316	-	-
Other components of equity		2,129	(150,580)	2,129	(150,580)
Retained earnings (deficit)					
Appropriated					
Legal reserve	8.24.1	109,678	109,678	109,678	109,678
Unappropriated		(21,638,280)	(18,950,633)	(21,806,215)	(19,039,503)
Total Bank's equity		(3,323,436)	(788,451)	(3,491,640)	(877,637)
Non-controlling interest		819,409	719,820	-	-
Total equity		(2,504,027)	(68,631)	(3,491,640)	(877,637)
Total liabilities and equity		77,546,493	82,183,933	76,360,714	81,315,715

Notes to the financial statements are an integral part of these financial statements.



(Mr. Wuttichai Suraratchai)

President



(Miss Sunsanee Methisariyapong)

Executive Vice President Finance Group

(TRANSLATION)

8

ISLAMIC BANK OF THAILAND AND SUBSIDIARIES
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2020

Unit : Thousand Baht

	Notes	Consolidated Financial Statements		The Bank's Financial Statements	
		2020	2019	2020	2019
Financial income	8.30	2,722,250	3,204,759	2,175,100	2,684,861
Financial expenses	8.31	1,037,976	1,310,066	1,036,592	1,309,840
Financial income, net		1,684,274	1,894,693	1,138,508	1,375,021
Fees and service income		219,443	268,053	176,496	209,381
Fees and service expenses		33,399	33,766	33,399	33,766
Fees and service income, net	8.32	186,044	234,287	143,097	175,615
Gains on tradings and foreign exchange transactions, net	8.33	3,324	3,718	3,324	3,718
Losses on investment, net	8.34	(172,594)	(459)	(172,594)	(459)
Compensations from promissory notes (AMC)		248,376	353,635	248,376	353,635
Bad debt recoveries		60,198	38,060	19,485	16,494
Other operating income	8.35	78,553	683,237	70,221	636,145
Income from Public Service Account	8.38.4	35,735	41,159	35,735	41,159
Total operating income		2,123,910	3,248,330	1,486,152	2,601,328
Other operating expenses					
Employees' expenses		1,051,431	1,125,471	905,580	980,843
Directors' remuneration		22,410	20,575	10,240	9,892
Premises and equipment expenses		357,050	454,869	325,425	407,011
Depreciation of right-of-use asset		127,865	-	116,702	-
Taxes and duties		85,766	89,685	85,728	89,648
Other expenses	8.36	221,611	251,849	143,919	189,131
Total other operating expenses		1,866,133	1,942,449	1,587,594	1,676,525
Expenses from Public Service Account	8.38.5	64,713	92,985	64,713	92,985
Bad debt and doubtful accounts	8.37	2,699,391	363,016	2,600,557	265,807
Profit (loss) from operating before income tax expenses		(2,506,327)	849,880	(2,766,712)	566,011
Income tax expenses		25,242	39,803	-	-
Net profit (loss)		(2,531,569)	810,077	(2,766,712)	566,011

Notes to the financial statements are an integral part of these statements.

(TRANSLATION)

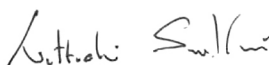
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ISLAMIC BANK OF THAILAND AND SUBSIDIARIES
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2020

Unit : Thousand Baht

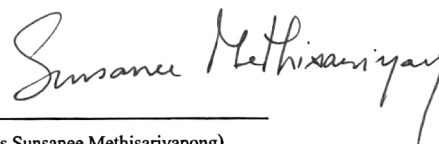
	Consolidated Financial Statements		The Bank's Financial Statements	
Notes	2020	2019	2020	2019
Other comprehensive income (loss)				
Items that will be reclassified subsequently to profit or loss				
Gains (losses) on remeasuring available-for-sale investment	152,709	(24,958)	152,709	(24,958)
Items that will not be reclassified subsequently to profit or loss				
Actuarial gains (losses) on defined employee benefit plans	(1,317)	(18,596)	-	(16,930)
Total other comprehensive income (loss), net	<u>151,392</u>	<u>(43,554)</u>	<u>152,709</u>	<u>(41,888)</u>
Total comprehensive income (loss)	<u>(2,380,177)</u>	<u>766,523</u>	<u>(2,614,003)</u>	<u>524,123</u>
Net income (loss) attributable				
Owners of the Bank	(2,681,291)	682,960	(2,766,712)	566,011
Non-controlling interest	149,722	127,117	-	-
	<u>(2,531,569)</u>	<u>810,077</u>	<u>(2,766,712)</u>	<u>566,011</u>
Total comprehensive income (loss) attributable				
Owners of the Bank	(2,529,221)	640,263	(2,614,003)	524,123
Non-controlling interest	149,044	126,260	-	-
	<u>(2,380,177)</u>	<u>766,523</u>	<u>(2,614,003)</u>	<u>524,123</u>
Earnings (loss) per share				
Basic earnings (loss) per share (Baht)	8.25	(0.00147)	0.00038	(0.00152)
				0.00031

Notes to the financial statements are an integral part of these financial statements.



(Mr. Wuttichai Suraratchai)

President



(Miss Sunsanee Methisariyapong)

Executive Vice President Finance Group

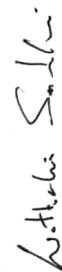
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ISLAMIC BANK OF THAILAND AND SUBSIDIARIES
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2020

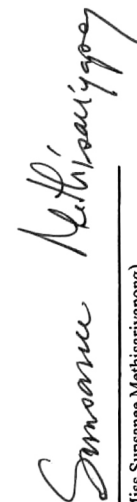
	Consolidated Financial Statements							Unit : Thousand Baht		
	Issued and paid-up share capital	Premium (discount) on ordinary shares	Equity from share-based payment	Other components of equity		Retained earnings (deficit)		Total Bank's equity	Non-controlling Interest	Total
				Surplus (deficit) on revaluation of investments	Appropriated Legal reserve	Unappropriated				
Balance as at January 1, 2019	18,202,768	-	334	(125,622)	53,077	(19,554,770)	(1,424,213)	588,882	(835,331)	
Subsidiaries common share insurance from warrants	-	-	-	-	-	1,775	1,775	1,875	3,650	
Legal reserve	-	-	-	-	56,601	(62,964)	(6,363)	6,363	-	
Dividends paid	-	-	-	-	-	-	-	(3,652)	(3,652)	
Share-based payments	-	-	(18)	-	-	105	87	92	179	
Actuarial losses on defined employee benefit plans	-	-	-	-	-	(17,739)	(17,739)	(857)	(18,596)	
Total comprehensive income (loss)	-	-	-	(24,958)	-	682,960	658,002	127,117	785,119	
Balance as at December 31, 2019	18,202,768	-	316	(150,580)	109,678	(18,950,633)	(788,451)	719,820	(68,631)	
Balance as at January 1, 2020	18,202,768	-	316	(150,580)	109,678	(18,950,633)	(788,451)	719,820	(68,631)	
Subsidiaries common share insurance from warrants	-	-	-	-	-	1,682	1,682	1,789	3,471	
Legal reserve	-	-	-	-	-	(7,492)	(7,492)	7,492	-	
Dividends paid	-	-	-	-	-	-	-	(58,783)	(58,783)	
Share-based payments	-	-	(47)	-	-	92	45	48	93	
Actuarial losses on defined employee benefit plans	-	-	-	-	-	(638)	(638)	(679)	(1,317)	
Total comprehensive income (loss)	-	-	-	152,709	-	(2,681,291)	(2,528,582)	149,722	(2,378,860)	
Balance as at December 31, 2020	18,202,768	-	269	2,129	109,678	(21,638,280)	(3,323,436)	819,409	(2,504,027)	

Notes to the financial statements are an integral part of these financial statements.



(Mr. Wuttichai Suraratchai)

President



(Miss Sumsanee Methisariyapong)

Executive Vice President Finance Group

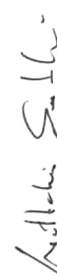
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11

ISLAMIC BANK OF THAILAND AND SUBSIDIARIES
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2020

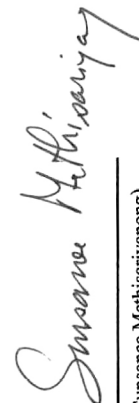
	The Bank's Financial Statements					Unit : Thousand Baht
	Issued and paid-up share capital	Premium (discount) on ordinary shares	Other components of equity		Total	
			Surplus (deficit) on revaluation of investments	Retained earnings (deficit)		
				Appropriated Legal reserve	Unappropriated	
Balance as at January 1, 2019	18,202,768	-	(125,622)	53,077	(19,531,983)	(1,401,760)
Legal reserve	-	-	-	56,601	(56,601)	-
Actuarial losses on defined employee benefit plans	-	-	-	-	(16,930)	(16,930)
Total comprehensive income (loss)	-	-	(24,958)	-	566,011	541,053
Balance as at December 31, 2019	18,202,768	-	(150,580)	109,678	(19,039,503)	(877,637)
Balance as at January 1, 2020	18,202,768	-	(150,580)	109,678	(19,039,503)	(877,637)
Total comprehensive income (loss)	-	-	152,709	-	(2,766,712)	(2,614,003)
Balance as at December 31, 2020	18,202,768	-	2,129	109,678	(21,806,215)	(3,491,640)

Notes to the financial statements are an integral part of these financial statements.



(Mr. Wuttichai Suratratchai)

President



(Miss Sumsanee Methisariyapong)

Executive Vice President Finance Group

(TRANSLATION)

12

ISLAMIC BANK OF THAILAND AND SUBSIDIARIES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Consolidated Financial Statements		Unit : Thousand Baht The Bank's Financial Statements	
	2020	2019	2020	2019
Cash flows from operating activities				
Profit (loss) from operating before income tax expenses	(2,506,327)	849,880	(2,766,712)	566,011
Adjustments to reconcile profit (loss) from operating before income tax expenses to cash received (paid) from operating activities				
Depreciation and amortization	210,027	124,348	188,933	112,014
Bad debt and doubtful accounts	2,699,391	363,016	2,600,557	265,807
Provisions (reversal)	44,493	(246,641)	41,970	(250,148)
Loss (gain) on disposal of premises and equipment	397	2,382	(21)	(8)
Share-based payment	93	179	-	-
Loss on impairment of properties for sale (reversal)	(1,226)	109	(1,142)	5,783
Reversal of impairment of premises and equipment	-	(1,075)	-	(1,075)
Loss on impairment of intangible assets	-	1,588	-	-
Expense on lease liabilities	5,795	-	4,854	-
Loss from investments, net	172,594	459	172,594	459
Loss on impairment of other assets (reversal)	2,104	17,577	2,104	17,577
Loss on discontinued assets	129	352	129	242
Gain on discontinued right-of-use assets under leases	(228)	-	(228)	-
Loss on disposal of properties for sale	806	-	-	-
Loss on tradings and foreign currency transactions	985	1,030	985	1,030
Advance income from Public Service Account	(2,550)	(3,179)	(2,550)	(3,179)
Promissory note income	(248,376)	(353,635)	(248,376)	(353,635)
Decrease in accrued expenses	(41,180)	(351,598)	(47,150)	(347,492)
Financial income, net	(1,692,833)	(1,900,916)	(1,147,066)	(1,381,244)
Dividend income	-	(175)	(55,564)	(3,648)
Cash received from financial income	2,512,601	3,230,918	2,042,470	2,703,754
Cash paid for financial expenses	(1,086,420)	(1,271,750)	(1,085,536)	(1,271,244)
Dividend received	-	175	-	175
Cash received from promissory note of non-performing asset transferation	543,760	74,221	543,760	74,221
Income tax paid	(20,764)	(49,204)	-	-
Operating profit before changes in operating assets and liabilities	593,271	488,061	244,011	135,400
(Increase) decrease in operating assets				
Interbank and money market items, net	1,676,669	(23,241)	1,625,570	53,273
Financing to customers	(3,223,991)	(4,743,673)	(2,686,277)	(4,226,071)
Receivables waiting for government compensation	(1,605)	-	(1,605)	-
Properties for sale, net	229,113	269,501	(6,293)	(2,977)
Other assets, net	2,295	(268,330)	10,128	(277,486)

Notes to the financial statements are an integral part of these financial statements.

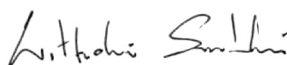
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13

ISLAMIC BANK OF THAILAND AND SUBSIDIARIES
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2020

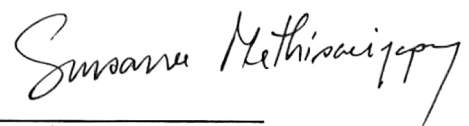
	Consolidated Financial Statements		Unit : Thousand Baht The Bank's Financial Statements	
	2020	2019	2020	2019
Increase (decrease) in operating liabilities				
Deposits	(4,183,242)	804,283	(4,138,978)	846,886
Interbank and money market items, net	1,741,291	(48,830)	1,644,228	(45,727)
Liabilities payable on demand	12,618	1,223	12,618	1,223
Provision of employee benefit	(12,873)	(16,412)	(12,375)	(16,347)
Trade account payables	(5,615)	(145,154)	7,446	(142,189)
Other liabilities	(37,170)	28,367	(40,380)	33,453
Net cash used in operating activities	(3,209,239)	(3,654,205)	(3,341,907)	(3,640,562)
Cash flows from investing activities				
Purchases of investments	(13,283,870)	(12,998,927)	(13,283,870)	(12,998,927)
Proceeds from disposal of investments	13,239,696	12,784,233	13,239,696	12,784,233
Cash received on dividend income from a subsidiary	-	-	55,564	3,473
Purchases of premises and equipment	(25,422)	(29,077)	(13,358)	(23,156)
Proceeds from disposal of premises and equipment	2,429	23,473	36	8
Purchases of intangible assets	(128,684)	(3,682)	(128,354)	(3,262)
Proceeds from promissory note (AMC)	3,500,000	3,500,000	3,500,000	3,500,000
Net cash received from investing activities	3,304,149	3,276,020	3,369,714	3,262,369
Cash flows from financing activities				
Proceeds from exercise of warrants	3,471	3,650	-	-
Cash paid for lease liabilities	(117,009)	-	(105,215)	-
Dividend paid	(58,783)	(3,652)	-	-
Net cash used in financing activities	(172,321)	(2)	(105,215)	-
Net decrease in cash and cash equivalents	(77,411)	(378,187)	(77,408)	(378,193)
Cash and cash equivalents as at beginning	1,429,934	1,808,121	1,429,767	1,807,960
Cash and cash equivalents as at ending	1,352,523	1,429,934	1,352,359	1,429,767

Notes to the financial statements are an integral part of these financial statements.



(Mr. Wuttichai Suraratchai)

President



(Miss Sunsanee Methisariyapong)

Executive Vice President Finance Group

(TRANSLATION)

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ISLAMIC BANK OF THAILAND AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

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ISLAMIC BANK OF THAILAND AND SUBSIDIARIES**NOTES TO FINANCIAL STATEMENTS****FOR THE YEAR ENDED DECEMBER 31, 2020**

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ISLAMIC BANK OF THAILAND AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

1. General information

1.1 Bank's general information

Islamic Bank of Thailand (the "Bank") is incorporated in Thailand under the Islamic Bank of Thailand Act B.E. 2545. The principal businesses of the Bank are financial services based on Islamic principles and conducts its business in all regions throughout Thailand.

The Bank has registered office at 66, M, 12th, 14th, and 18th and 20th - 23rd Floor, Q House Asoke Building, Sukhumvit 21 Road, North Klongtoey, Wattana, Bangkok and has branches all over Thailand.

1.2 The spread of the Coronavirus 2019 pandemic

The spread of the Coronavirus disease 2019 (COVID-19) pandemic is continuing to evolve, resulting in an economic slowdown and impacted various businesses and industries, directly or indirectly. This situation may bring uncertainties and affect the Bank's and its subsidiaries' business activities which may impacting the Bank's and its subsidiaries operating results and cash flows, at present and in the future These effects cannot be reasonably estimated at this time.

2. Basis for presentation of the financial statements

2.1 Basis for preparation of the financial statements

The financial statements are prepared in accordance with the Notification of the Bank of Thailand ("BOT") No. Sor Gor Sor. 27/2562 dated September 2, 2019 regarding the Preparation and Announcement of Financial Statements of Specialized Financial Institutions ("SFIs"). This is to enable all SFIs to use the same standardized financial statements format and to be comparable, that enhance the usefulness of the supervision and the use of information of users of the financial statements and to comply with the Notification of BOT No. Sor Gor Sor2. 7/2564 dated April 9, 2021 regarding the Preparation of Accounts and Financial Reports for Specialized Financial Institutions, in order to set the requirement for SFIs to account for recording and preparing financial reports for transactions or items related to financial instruments during the SFIs are extended the adoption of Thai Financial Reporting Standards related to financial instruments issued by the Federation of Accounting Professions which become effective for the periods beginning on or after January 1, 2020.

(TRANSLATION)

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2.1 Basis for preparation of the financial statements (Continued)

The Minister of Finance has approved the Bank of Thailand to issue a notification regulating on the Preparation of Accounts and Financial Reports for Specialized Financial Institutions effective on or after January 1, 2020 will be significantly affected as follows:

“(1) Transactions or items that are not related financial instruments transactions are complied with the Conceptual Framework for Financial Reporting, Thai Accounting Standards and Thai Financial Reporting Standards issued by the Federation of Accounting Professions, including the preparation of other relevant accounting and reporting in accordance by the Bank of Thailand.

(2) Transactions or items that are related financial instruments, transactions and other transactions referred to Thai Financial Reporting Standards issued by the Federation of Accounting Professions with reference to TFRS9 shall comply with this accounting regulation in appendix of the announcement and other additional regulation announced by the Bank of Thailand.”

Titles of the regulation for preparing accounts and financial reports for SFIs (the “Regulation”) prescribed by the Bank of Thailand use for financial instruments are as follows:

1. Regulations on doubtful debts and bad debts as specified by the BOT
2. Regulations for troubled debt restructuring as specified by the BOT
3. Regulations on accounting for investments in debt and equity securities as specified by the BOT
4. Regulations for writing off financial assets and financial liabilities as specified by the BOT
5. Regulations for recording stock dividend accounts as specified by the BOT
6. Regulations on assets transferred to the debtor for the payment of debts as specified by the BOT
7. Regulations on disclosure of information in the Bank’s financial statements and similar financial institutions specified by the BOT
8. Regulations on presentation and disclosure for financial instruments as specified by the BOT
9. Regulations on the treasury shares of the business as specified by the BOT

The aforementioned regulations will be replaced Thai Financial Reporting Standards related to financial instruments during the Bank is in the process of preparing to apply Thai Financial Reporting Standards related to financial instruments. The Bank will be able to use such regulations until January 1, 2025.

(TRANSLATION)

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2.1 Basis for preparation of the financial statements (Continued)

Thai Financial Reporting Standards related to financial instruments which the Bank extended the adoption are as follows:

1. TAS 32 Financial Instruments: Presentation
2. TFRS 7 Financial Instruments: Disclosures
3. TFRS 9 Financial Instruments
4. TFRIC 16 Hedges of a Net Investment in a Foreign Operation
5. TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments
6. Thai Accounting Guidance Financial Instruments and Disclosures for Insurance Business

The Bank has no transactions related to the mentioned financial reporting standards no. 4-6.

The Notification of BOT No. Sor Gor Sor2. 7/2564 dated April 9, 2021 regarding the preparation of accounts and financial reports for Specialized Financial Institutions become effective for the SFIs' financial statements for the periods beginning on or after January 1, 2020 onwards.

The Financial statements are prepared in Thai language in order to report in Thailand. The Bank's Financial Statements in English have been prepared for the convenience of readers who do not familiar with the Thai language. In case of a conflict or a different in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies. The financial statements are presented in thousand Baht, and notes to financial statements are presented in million Baht, unless otherwise stated.

The financial statements included the accounts of the head office and all branches of the Bank which all material intercompany transactions and balances have been eliminated.

In the Bank's financial statements, investments in subsidiaries are accounted for the cost method.

The Bank has also separated Public Service Account (PSA) as according to the Notification of BOT, No. Sor Gor Sor. 28/2562 regarding Regulatory for Public Service Account dated September 2, 2019 and used allocation method to other operating expenses and fees and service income for recording government policy transactions as approved by the Fiscal Policy Office in accordance with the official letter No. Gor Kor 1006/Wor 2990 dated August 2, 2016.

(TRANSLATION)

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2.2 Basis for preparation of the Consolidate Financial Statements

The consolidated financial statements included the accounts of head office, all branches and subsidiaries (Enterprise Group) where the Bank has the controls both directly and indirectly in determine the financial and operating policies in order to obtain the benefits from subsidiaries' activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The consolidated financial statements included the accounts of the Bank and subsidiaries which the significant business transactions and outstanding balances between the Bank and its subsidiaries are eliminated on consolidation.

The consolidated financial statements for the year ended December 31, 2020 also including Amanah Leasing Public Company Limited, which is 48.46 percent owned subsidiary of the Bank where the Bank has the controls that give it the ability to direct relevant activities (See Note 8.5).

2.3 New and revised Thai Financial Reporting Standards

The adoption of new and revised financial reporting standards which become effective for the period beginning on or after January 1, 2020 and have significant impact to the Group.

Financial instruments

The Federation of Accounting Professions has announced the Notification regarding Thai Financial Reporting Standard (TFRSs) (TFRSs) on Group of Financial Instruments which become effective for the financial statements for the periods beginning on or after January 1, 2020 onwards, as follows:

1. TAS 32 Financial Instruments: Presentation
2. TFRS 7 Financial Instruments: Disclosures
3. TFRS 9 Financial Instruments
4. TFRIC 16 Hedges of a Net Investment in a Foreign Operation
5. TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments
6. Accounting Guidance related to financial instruments and disclosures applicable to insurance business

The Fiscal Policy Office, Ministry of Finance announced in the letter No. Gor Kor 1006/1254 dated March 19, 2019 regarding the Adoption of Thai Financial Reporting Standards No. 9 "Financial Instruments" ("TFRS9") of Specialized Financial Institutions. The Ministry of Finance's chancellor has agreed that the SFIs prepare to apply such Thai Financial Reporting Standards until January 1, 2025.

(TRANSLATION)

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2.3 New and revised Thai Financial Reporting Standards (Continued)

In the meantime, of non-compliance with 6 Thai Financial Reporting Standards related to financial instruments as mentioned above, the Minister of Finance approved the BOT to issue 9 notifications regarding the preparation of accounts and financial reports (see Note 2.1) for Specialized Financial Institutions applying 6 Thai Financial Reporting Standards related to the financial instruments until January 1, 2025.

Currently, the Bank engaged a leading advisory firm to assess the impact it may have on the financial statements in the period of initial application of Thai Accounting Standards and Thai Financial Reporting Standards related to financial instruments.

For transactions or items that are not related to financial instruments, the Bank continues to comply with Thai Accounting Standards and Thai Financial Reporting Standards issued by the Federation of Accounting Professions.

Leases

The Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standard No. 16 “Leases” (TFRS16) which become effective for the financial statements for the periods beginning on or after January 1, 2020 onwards. The Bank applied this standard which does not restate the comparative information but recognize the cumulative effect of initially applying TFRS16 as an adjustment to the opening balance of retained earnings at the date of initial application. The Bank adjusted the right-of-use assets and recognized lease liabilities for leases previously classified as operating leases, initially measured at the present value of the remaining lease payments discounted using the Bank’s discount rate.

TFRS16 impacts how the Group, as lessees, accounts for all leases in the statement of financial position and does not classify leases as either operating leases or finance leases. The Group recognizes right-of-use assets and lease liabilities except for short-term leases and leases of low-value assets.

As at January 1, 2020, the Group has adopted TFRS16, the Bank recognized right-of-use assets at amount equal to the lease liabilities in the consolidated financial statements of Baht 336.99 million and in the Bank’s financial statement of Baht 312.52 million.

(TRANSLATION)

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3. Significant accounting policies**3.1 Recognition of income****Income from financing to customer**

Income from financing to customer is recognized in form of profits or other income on an accrual basis for income from financing which was accrued over three months from due date. The Bank reverses all accrued income from statement of profit or loss and other comprehensive income and recognizes income on a cash basis. After the income in arrears is fully received, the Bank normally recognizes the income on an accrual basis. Except for income from financing under debt restructuring, the Bank would recognize on cash basis as the term of contract. The recognition of income from such financing to customer in accordance with the notifications of BOT.

The Bank recognizes income from loans for project loans and restructured loans undertaken on an accrual basis over the moratorium. According to the BOT's Circular No. BOT. For Gor Chor.(72)Wor. 406/2563 dated April 7, 2020, regarding guidelines for Specialized Financial Institutions to implement measures to assist debtors who are affected by the coronavirus outbreak or COVID-19. The Bank has set aside an allowance for doubtful accounts to cover the losses for the accrued income which fully recognized of high-risk debtors.

Income from hire-purchase and finance lease contracts

Income from hire-purchase and finance lease contracts are recognized in form of profits on an accrual basis according to the effective rate method through the term of hire-purchase and finance lease contracts except the income from hire-purchase and finance lease contracts which was accrued over three months from due date. The Bank reverses the accrued income from statement of profit or loss and other comprehensive income and recognizes income on a cash basis. After the income in arrears is fully received, the Bank recognizes the income on an accrual basis normally. Except, income from hire-purchase and finance lease contracts under debt restructuring, the Bank would recognize on cash basis as the term of contract. The recognition of Income from hire-purchase and finance lease contracts is in accordance with the notifications of BOT.

Income from government grant and other operations

Income from government grant and other operations are recognized on an accrual basis.

(TRANSLATION)

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3.2 Recognition of expenses

Financial expenses

Compensations paid to depositor is recognized on an accrual basis. Returns on Wadiah account are based on the resolution of Deposits compensation Sub-Committee.

Other operating expenses

Other operating expenses are recognized on an accrual basis.

Expenses under operating leases

Expenses under operating leases are recognized through profit or loss in the statements of profit or loss and other comprehensive income on a straight-line basis over the lease term.

3.3 Recognition of income and expenses from Public Service Account : PSA

Public Service Account : PSA, the Bank separated Public Service Account (PSA) regarding the allocation expenses guideline according to the approval of Fiscal Policy Office in accordance with the official letter of Ministry of Finance No. Gor Kor. 1006/Wor. 2990 dated August 2, 2016 towards "The Agreed Regarding the Method of Allocation Public Service Account Expenses of the Islamic Bank of Thailand's Policies"

Expenses

Financial cost is calculated from the weighted average cost throughout the period multiplied by the weighted average financing from PSA from PSA of the period.

Other operating expenses and other expenses including fees and service expenses, except loss from provisions, are computed from other operating expenses and other expenses multiplied by (the weighted average number of accounts PSA financing of the period divided by the weighted average number of accounts total financing of the period).

Income

Fees and service income are calculated by applying the method consistent with the method used in other operating expenses.

3.4 Cash and cash equivalents

Cash and cash equivalents are cash in hand and cash on collection.

(TRANSLATION)

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3.5 Derivatives

The Bank enters into derivative contract to hedge risk exposures arising from exchange rates volatility (banking book) without speculation policy. Forward exchange rate contracts for the purpose of hedging financial risk, the Bank initially recognizes gains (losses) on foreign exchange transaction that is the difference between contract rates and spot rates on trade date.

Recognition methods of financial derivatives are as follows:

1. Financial derivatives for trading are initially recognized at fair value. Transaction costs are recognized through profit or loss from operating in statement of profit or loss and other comprehensive income and are subsequently measured at fair value, which profit or loss from subsequent measurement from remeasured at fair value is recognized through profit or loss from operating in the statement of profit or loss and other comprehensive income immediately.
2. Hedging derivatives on the hedged items are measured in the same manner of the hedged items.

3.6 Investments

Investments are classified as follows:

3.6.1 Trading investments

Trading investments consist of marketable equity securities and debt securities that are acquired with the intent to hold for trading, carried at fair value determined by bid price. Profit or loss on changes in fair value recognized through profit or loss in the statements of profit or loss and other comprehensive income.

3.6.2 Available-for-sale investments

Available-for-sale investments consist of marketable debt securities and equity securities other than trading investments are classified as available-for-sale investments and carried at fair value. Profit or loss on changes in fair value recognized through other comprehensive income in the statement of profit or loss and other comprehensive income and transferred to other components of equity in the statement of changes in equity. On disposal of the investments, the difference between book value and selling price is recognized through profit or loss from operating in the statements of profit or loss and other comprehensive income. The impairment losses on investments are recognized through profit or loss from operating in the statements of profit or loss and other comprehensive income.

(TRANSLATION)

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3.6.3 General investments

General investments include non-marketable equity securities and carried at cost, net of impairment loss. Investments in unit trusts are stated at net asset value.

3.6.4 Investment in receivables

Investments in receivables are classified as held-to-maturity securities, which are recognized at contract price. The differences between contract price and non-discounted estimated cash flows expected to be collected from receivables are counted as the non-performing differences and difference between non-discount estimated cash flows expected to be collected from receivables and the fair value of asset used for exchange are counted as performing differences.

The profit from receivable's payment is recognized on the effective profit method and performing differences are amortized into the profit or loss from operating in the statements of profit or loss and other comprehensive income. In addition, the Bank will assess the impairment when estimated future cash flows decrease from expected cash flows from contract from contract or expected cash flows to be collected, which is recognized through profit or loss from operating in the statements of profit or loss and other comprehensive income. When such cash flows subsequently increase, the impairment recognized in previous period will be reversed.

3.6.5 Investment in subsidiaries

Subsidiary is the entity that the Bank has the controlling power in financial operating policies, and in generally the Bank will hold more than half the voting right. In assessing whether the Bank controls another company or not, the Bank considers the existence and effect of potential voting rights, that are currently exercisable or convertible debt instruments, including potential voting rights held by another entity. The subsidiaries' financial statements are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Business combination is accounted for under the purchase method. The cost of an acquisition is measured at the fair value of the assets given or equity instruments issued and liabilities which the Bank has obligation since the date of acquired its subsidiaries the identifiable assets and liabilities acquired from acquisition date are initially measured at fair value regardless of the non-controlling interest.

The excess of the cost of acquisition over the fair value of the subsidiaries' share of the net assets acquired is recognized as goodwill and tested for the impairment at each the end of reporting period.

The excess of the fair value of the subsidiaries' share of the net assets acquired over the cost of acquisition is recognized immediately through profit or loss from operating in the statements of profit or loss and other comprehensive income.

(TRANSLATION)

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3.6.5 Investment in subsidiaries (Continued)

The balances, transactions and unrealized gains or losses arising from intra-entity transaction are eliminated except for realized loss which the Bank considers that there is indication of impairment. The Bank will change accounting policies of its subsidiaries if it is necessary to comply with the accounting policies of the Bank.

Investments in subsidiaries in the Bank's financial statements are stated at cost. Income from investment in subsidiaries is recognized when the dividend has been declared.

Fair value of investments

At the end of month, the Bank presents fair value by following methods:

1. For equity securities which are listed securities, fair value is determined by the last bid price or the last ask-bid price when the economy has not been significantly changed during the measurement date and the date of the last ask-bid price at the end of month.
2. Marketable unit trusts are stated at fair value by the last bid price or the closing price at the end of month, non-marketable unit trusts are stated at fair value by net assets value at the end of month.
3. Marketable debt securities are stated at fair value by the last average yield or bid price or clean price at the end of month.

Disposal of investments

On disposal of the investments, the difference between net proceeds from disposal and the carrying amount included unrealized gains or losses on remeasuring investment which were recorded as a component of equity will be recognized thorough profit or loss on investments as gains (losses) from operating in the statements of profit or loss and other comprehensive income.

3.7 Financing

Financing consists of financing, hire-purchase receivables, finance lease receivables and other financing are presented at cost net of deferred revenue, allowance for doubtful accounts and revaluation allowance for debt restructuring.

3.8 Allowance for doubtful accounts

The Bank applies guideline regarding the allowance for doubtful accounts according to the Ministry of Finance's Notification regarding the Classification and Provision Criteria of Islamic Bank of Thailand, which become effective from July 9, 2020, accordance to the Notification of BOT No. Sor Gor Sor. 23/2562 dated September 2, 2019, regarding the Classification and Provision Criteria of Specialized Financial Institutions. The Bank has classified its loan portfolios with 2 criteria as follows:

(TRANSLATION)

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3.8 Allowance for doubtful accounts (Continued)

3.8.1 Quantitative criterion; the Bank considered based on the past due period and/or profit from due date.

3.8.2 Qualitative criterion; the Bank considered the factor that effects to payment ability of debtors i.e. money shortage or s, industry condition and business recession.

The Bank has classified its loan portfolios into six categories. For the financing classified as normal and special-mention, the allowances for doubtful accounts are calculated based on the minimum percentage is in accordance with the BOT's guidelines in which the collateral value was taken into consideration, where the collateral type being applied is qualifying factor. For financing classified as sub-standard, doubtful and doubtful of loss, the allowance on these accounts is calculated at 100 per cent of the difference between the book value of the outstanding financing and the present value of the expected cash flows from the disposal of collateral in accordance with the BOT's guidelines.

Subsidiary companies estimate the allowance for doubtful accounts by considering the overdue period and applying a percentage as follows:

<u>Number of installment periods overdue</u>	<u>Percentage applied</u>
Not over 1 period	1 after deducted by collateral
Over 2 period to 3 periods	2 after deducted by collateral
Over 4 periods to 6 periods	100 after deducted by collateral
Over 7 periods to 12 periods	100 before deducted by collateral
Over 12 periods	100 before deducted by collateral

Additional allowance for doubtful accounts set aside of the Bank and its subsidiaries is recognized as bad debts and doubtful account in the statements of profit or loss and other comprehensive income. For write off case, the Bank and its subsidiaries record as expenses and the bad debt recovered is show as income in the statement of profit and loss and other comprehensive income.

Apart from stated above, the Bank has surplus reserve and general reserve to sustain loss which may be occurred in addition to the allowance as the abovementioned basis for all cases including the process to decrease the risk or to improve financial statements or to align with notification/announcement from regulator. The Bank will consider the changes of surplus reserve and general reserve to specific reserve on appropriateness and consistency with the situation by time.

(TRANSLATION)

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3.8 Allowance for doubtful accounts (Continued)

The Bank classifies the debtor that has been on hold delay the payment of debts that enter the same project for granting loans. For the project loans, the expected value of government compensation will be deducted from the book value of the debtor before setting aside the reserve according to the BOT's Circular No. BOT. For Gor Chor. (72)Wor. 406/2563 dated April 7, 2020, on guidelines for Specialized Financial Institutions to implement measures to assist the debtors who are affected by the Coronavirus or COVID-19 infection and the BOT's Circular No. BOT. For Nor Sor. (23)Wor. 450/2563 dated April 24, 2020, on submitting the Accounting Guidelines for temporary relief measures for businesses that provide assistance to debtors who are affected by the impacted economy situation.

3.9 Troubled debt restructurings

In case where the debt restructuring involves modification of payment schedule, the Bank calculates the fair value of debt after debt restructurings based on the present value of the expected future cash flows discounted by financial cost at the date of debt restructuring. If financial cost rate lower than profit rate according to debt restructuring criteria, then discounted by the profit rates at the date of debt restructuring. In case when fair value of debts lower than carrying amount of debts at restructuring date, the Bank recorded difference between the fair value of debts, and the carrying amount of debts at restructuring date as expenses through profit or loss from operating in the statements of profit or loss and other comprehensive income. Losses arising from restructuring by waiver of part of principal or recorded accrued profit receivable, less recorded allowance, are recognized as expenses through profit or loss from operating in the statements of profit or loss and other comprehensive income when incurred.

Apart from stated above, the Bank has quarterly reviewed and recognized loss and will recognize loss occurred from reviewing as expense through profit or loss from operating in the statements of profit or loss and other comprehensive income.

The Bank has relieved the terms of payment for debtors who are affected by the economic by using pre-emptive restructuring for the non-NPL debtors and they are classified as normal immediately after analyzing the debtor's financial position and business that the debtor can comply with the debt restructuring agreement without waiting to follow up on the performance of the debt restructuring conditions.

For non-performing debtors, since January 1, 2019, the Bank has restructured troubled debts by classifying such debtors as normal if the debtors are able to make payments under the debt restructuring agreement at least 3 consecutive months or 3 payment installments, whichever is longer, according to the BOT's Circular No. BOT. For Gor Chor. (72)Wor. 277/2563 dated February 28, 2020, on guidelines for providing assistance to debtors who have been affected by economy situations.

(TRANSLATION)

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3.10 Properties for sale

Properties for sale consist of immovable and movable properties from debt repayment or troubled debt restructuring which are awaiting for sale.

Properties for sale are recorded at fair value less estimated selling expenses but not to exceed the carrying amount of debt plus unrecognized gains entitled by the Bank. Assets for hire-purchase and financial lease repossessed from the default debtors, the Bank records at cost of the lower of carrying amount of the receivable or market value.

Losses arising from impairment are recognized to other expenses in profit or loss of the statements of profit or loss and other comprehensive income. Gains or losses arising from disposal of properties for sale are recognized to other income or other expenses in the statements of profit or loss and other comprehensive income.

3.11 Premises and equipment

Land is stated at cost. Premises and equipment are presented at cost, net of accumulated depreciation and allowance for impairment losses.

Cost is comprised of acquisition cost including costs necessary to bring the asset to place and working condition for its intended use. Cost of dismantling and removing the asset and restoring the site, and borrowing cost are included in the cost of assets.

Building improvement and leasehold improvement are recognized as assets at acquisition price. At each of the end of month, depreciation is calculated based on the economic benefits and term of lease agreement.

In case of price of acquired asset per transaction is less than Baht 5,000, the Bank records as expenses in profit or loss from operating in the statements of profit or loss and other comprehensive income in related section.

Significant component of premises and equipment in which reflect different useful lives of economic benefits are recorded as separated items in premises and equipment, and depreciation being calculated based on useful lives of each economic benefits.

Subsequent expenditure

Subsequent expenditures relating to premises and equipment are additional recorded in related assets accounts if it is probable that the future economic benefits will flow to the Bank.

In terms of replacement cost of major part of the assets, the Bank recognizes the part of such an item as new assets and the part that is replaced will be derecognized.

Other subsequent expenditures, for example, maintenance cost, are recorded as expenses in profit or loss from operating of the statements of profit or loss and other comprehensive income.

(TRANSLATED)

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3.11 Premises and equipment (Continued)**Depreciation**

The Bank records depreciation as expenses in profit and loss from operating in the statements of profit or loss and other comprehensive income based on a straight-line basis over the estimated useful lives of economic benefit of each item of assets in accordance with the Bank's guideline and in conformity to the Revenue Department's regulation.

The Bank will review the useful lives of economic benefits of assets at least every year and appropriately adjusted. The estimated useful lives are as follows:

Type of assets	Useful Lives
Building	20 years
Building improvements	10 years
Land improvements on lease land	10 years
Leasehold improvements	3-10 years
Furniture, fixture and equipment	5 - 6 years
Vehicle	5 years

3.12 Thai Financial Reporting Standards related to leases

The Bank has applied TFRS 16 since January 1, 2020 and the Bank recognizes right-of-use assets and lease liabilities according to the conditions as follows:

1. Long-term lease with a term more than 12 months and high value of the underlying asset with the value per transaction more than Baht 150,000.
2. Short-term lease with a term of 12 months or less and the Bank has an option to purchase that has high value underlying assets with the value per transaction more than Baht 150,000.

If in the same lease contract is longer than 12 months and the underlying assets under the lease are low and high value. The Bank recognizes the leases as leasehold assets and lease liabilities in the aggregate.

Rights-of-use assets

The Bank recognizes the right-of-use assets at the effective date of the lease. The cost consists of amount of the lease liability from the initial measurement. Initial direct costs incurred the amount paid under the lease as of the effective date of the lease or before the effective contract date less any incentives received. Cost estimate to take place in the dismantling, relocation and restoration of the right-of-use assets to the condition stipulated in the lease terms and conditions.

The Bank subsequently measures the right-of-use assets at cost less accumulated depreciation and accumulated impairment losses and adjusted by measuring the new lease liability.

(TRANSLATION)

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3.12 Thai Financial Reporting Standards related to leases (Continued)

If the Bank does not have reasonable assurance that the ownership of the underlying assets will be transferred to the Bank at the end of the lease term or reflect that the Bank will exercise a purchase option, the Bank shall depreciate the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Lease liabilities

At the commencement date, the Bank recognizes the lease liabilities at the present value of the lease payments that are not paid at that date plus the estimated cost of decommissioning. The discount is applied at the cost of financing cost calculated at the end of each month. After the commencement date, the book value of lease liabilities increases to reflect return on the lease liabilities and decreases to reflect the lease payment made. In addition, the carrying amount of the lease liabilities is re-measured when there is any reassessment or lease modifications.

Short-term leases and leases for which the underlying asset is of low value.

The Bank recognizes the payment made under short-term lease that has a lease term of 12 months or less from the commencement date, or long-term lease that has a lease term more than 12 months, but its underlying asset has low value which the value per transaction is not exceeding Baht 150,000 as an expense on a straight-line basis over the lease term.

3.13 Goodwill and other intangible assets**Goodwill**

Goodwill derives from differences between costs of business acquisition at acquisition date and fair value of identifiable net assets of the acquirer's interest and stated at cost less allowance for impairment losses, which impairment must be tested annually.

Goodwill and intangible assets are presented at costs net of accumulated amortization and allowance for impairment loss except the intangible assets which is indefinite useful life i.e. goodwill is stated at cost net of allowance for impairment loss.

Amortization of intangible assets

Amortization of intangible assets is recognized as expenses in profit or loss from operating in the statements of profit or loss and other comprehensive income and calculated amortization of intangible assets based on a straight-line basis regarding to each of its estimated useful lives of economic benefits. The estimated useful lives are as follows:

(TRANSLATION)

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3.13 Goodwill and other intangible assets (Continued)

Type of assets	Useful Lives
Rights to use computer software	5 - 10 years
Computer system	5 - 6 years

3.14 Leaseholds rights

Leasehold rights comprising buildings leasehold rights in which stated at cost less accumulated amortization. The amortization is based on a straight-line basis according to the term of lease agreement and is recognized as expenses in profit or loss from operating in the statements of profit or loss and other comprehensive income.

3.15 Impairment

The carrying amounts of the Bank's assets are reviewed at each the end of reporting period to determine whether or not there is any indicator that they may be impaired except that intangible asset with indefinite useful lives must be tested for impairment at least once a year or when there is an indicator of impairment. If any such indicator exists, the assets' recoverable amounts are estimated. An impairment loss is recognized as expense in profit or loss of the statements of profit or loss and other comprehensive income whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Reversals of impairment

If there has been a change in the expected recoverable amount, the Bank reverses an impairment loss 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 amortization, as if no impairment loss had been recognized.

Calculation of recoverable amount

The recoverable amount of asset is the greater of the assets' net selling price and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate to reflect 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 independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(TRANSLATION)

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3.16 Provisions

The Bank sets provisions for off-statements of financial position obligation in the extent of high credit risk transaction as BOT's guidelines for maintenance an adequate level of capital using credit conversion factor equal to 1.0 such as guarantees of financing, avals to bills or irrevocable obligation by the Bank. Provisions are recognized when the transactions relating to off-statements of financial position of debtors that are classified as sub-standard, doubtful and doubtful of loss. The provision has been specifically determined by using the same rate as the allowance for doubtful accounts on each of those debtors in conformity to Thai Accounting Standard No.37 (Revised 2019) regarding Provisions, Contingent Liabilities and Contingent Assets. The Bank is required to set provisions for off-the statements of financial position obligation when satisfied all of the following criteria:

3.16.1 A present obligation resulting from past events that may be a legal or a constructive obligation.

3.16.2 It is probable that there will be a future outflow of resources embodying economic benefit to settle such obligation.

3.16.3 A reliable estimation of the value of the obligation.

Apart from stated above, the Bank has considered to establish the estimation of provision by estimated from unavoidable uncertainty and inconsistency that connected to the atmosphere around such incidents and situations by using conservatism assumption to consider possible results that will arise from such information such as news from media, prosecution between debtor and beneficiary, and the duration of litigation in the case that the Bank got accused to disclose provision of commitment and reliable of such debtor possible damage that may arise in the future which the Bank will consider and review from provision of commitment regularly every year.

3.17 Deferred income

Deferred income is a government grant in which the grants are intended to compensate and assist specifically relating to the operating activities and is presented as liabilities under deferred income and periodically recognized in revenue over the period.

(TRANSLATION)

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3.18 Employee benefits**3.18.1 Provident Fund and Retirement Pay**

The Bank and staff or employees agreed to establish a Provident Fund which registered under the Provident Fund Act B.E. 2530. The provident fund is managed by an external fund manager. All staff and employees are entitled to apply for membership according to the registered Islamic Bank of Thailand Provident Fund's regulations. Employee's benefits are recognized by the Bank's supplemental contribution as employee expenses in the statement of profit or loss and other comprehensive income. Salary deduction rates and contributions payment are as follows:

Working years	The Bank's contribution rates
Pass probation - 2 years	3 %
Over 2 years - 5 years	5 %
Over 5 years - 9 years	7 %
Over 9 years - 15 years	8 %
Over 15 years - 20 years	9 %
Over 20 years	10 %

3.18.2 Defined benefit plan**Long-term benefit**

The Bank provides the defined benefit plan for their employees under the employment agreements. The employee benefit obligation is assessed by an actuary using the actuarial techniques called Projected Unit Credit Method. Under this method, the determination is based on statistical data to determine the present value of cash flows of employee benefits expected to be paid in the future and discount by using yields on Thai government bonds with the approximate maturity of those periods of employee benefit obligations at the valuation date. Calculation average expected period of employee benefits obligations weighted by expenditure of estimated benefits is recognized to a part of the provisions. Increasing or decreasing of the difference from actuarial's estimation in each period will be recognized as expenses or income to other comprehensive income for the period.

Short-term benefit

The Bank provides the accumulated leave entitlement which is still be paid in the form of salary. The employee benefits obligation is calculated using the expected costs of unused entitlement. The Bank expects to pay due to unused employee rights at the end of the reporting period.

(TRANSLATION)

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3.19 Income tax

The Bank is exempted from income tax since it is not the juristic person as specified in the Section 39 of the Revenue Code. Therefore, income tax and deferred income tax in the financial statements derived from the Bank's subsidiaries.

Income tax expense represents the sum of corporate income tax currently payable and deferred income tax.

- 1) Current tax is the tax currently payable base on taxable profit for the period by Revenue Code.
- 2) Deferred income tax is recognized on temporary difference between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit (loss) (tax base). Deferred tax assets of subsidiaries are generally recognized for temporary differences to the extent that it is probable that taxable profits will available against which those temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at the end of the reporting date. Deferred tax asset shall be reduced to the extent that utilized tax will be used.

Subsidiary company recognize deferred income tax directly in equity, if they related to transaction in equity.

Deferred tax assets and liabilities of subsidiaries are measured at the tax rates or accepted to effective at the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off the recognized amounts and income tax levied by the same taxation authority.

3.20 Basic earnings per share

Basic earnings per share is computed by dividing net profit/(loss) by the weighted average number of ordinary shares in issue and paid up.

3.21 Foreign currency transactions

Assets and liabilities transaction in foreign currencies

3.21.1 Functional currency and presentation currency in Baht.

3.21.2 Transactions in foreign currencies are translated into Baht at the foreign exchange rates prevailing at the transaction date or the date when the transaction is remeasured. Gains or losses from generates receipt and expends on foreign currency and on translation of monetary assets and liabilities denominated in foreign currencies by using the exchange rate on the reporting date are recognized in profit or loss.

3.21.3 Gains or losses on foreign currency exchange and foreign currency translation are presented in the statements of comprehensive income as gains (losses) on trading and foreign exchange transactions, net.

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3.22 Operating segment

The Bank has operated under the Shariah principles in which the Bank provides services within a domestic geographical area then the Bank subject to only one geographic area.

3.23 Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards

During the current period, the Group has applied TFRS16 using the cumulative catch-up approach which requires the Group to recognize the adjustment to the opening balance of retained earnings as at January 1, 2020 and does not restate the comparative prior period financial statements.

In this regard, the changes in accounting policies due to adoption of TFRS16 does not impact to retained earnings (deficits) as at January 1, 2020.

Amounts of the adjustment transactions that have an impact to the statement of financial position as at January 1, 2020 due to the changes in accounting policies by adopting TFRS16, presented as follows:

Unit : Million Baht			
Consolidated financial statements			
	December 31, 2019	Impact on TFRS16	January 1, 2020
Statement of financial position			
Assets			
Right-of-use assets	-	336.99	336.99
Liabilities and Equity			
Lease liabilities	-	336.99	336.99

Unit : Million Baht			
The Bank's financial statements			
	December 31, 2019	Impact on TFRS16	January 1, 2020
Statement of financial position			
Assets			
Right-of-use assets	-	312.52	312.52
Liabilities and Equity			
Lease liabilities	-	312.52	312.52

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3.24 Leases

The first-time adoption of TFRS16, the Group recognize lease liabilities for leases previously classified as operating leases, at the present value of the remaining lease payments discounted using the Bank's and its subsidiaries' cumulative average cost of financing at January 1, 2020. For leases that were classified as finance leases, the Group recognize the book value of lease assets and liabilities at their original book value prior to the date of first-time adoption of TFRS16.

As at January 1, 2020, lease liabilities are presented in the consolidated financial statements and the Bank's financial statement in the amount of Baht 336.99 million and Baht 312.52 million, respectively, as follows:

	Unit : Million Baht	
	<u>Consolidated</u>	<u>The Bank's</u>
	<u>Financial Statements</u>	<u>Financial Statements</u>
Operating lease commitments as at December 31, 2019	616.81	585.73
<u>Add</u> Option to extend or terminate the lease	1.73	-
Right-of-use asset - obligation for costs to dismantle and remove a leased asset	54.58	54.58
<u>Less</u> Short-term leases and leases of low-value assets	(95.69)	(92.92)
Operating lease commitments	(229.62)	(225.96)
Deferred lease payment	(10.67)	(8.91)
Others	(0.15)	-
Increasing in lease liabilities from first-time adoption of TFRS 16	336.99	312.52
Financial lease liabilities recognized as at December 31, 2019	-	-
Lease liabilities recognized as at January 1, 2020	<u>336.99</u>	<u>312.52</u>

The list of adjustments to rights-of-use asset, from the initially adoption of TFRS16 as of January 1, 2020, can be summarized as follows:

	Unit : Million Baht	
	<u>Consolidated</u>	<u>The Bank's</u>
	<u>Financial Statements</u>	<u>Financial Statements</u>
Building	201.56	177.09
Equipment	1.86	1.86
Vehicle	80.15	80.15
Demolition cost	53.42	53.42
Total right-of-use assets	<u>336.99</u>	<u>312.52</u>

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4. Risk Management

Risk management is an essential management process and plays such an important role in leading the business to achieve the goals. Therefore, the Islamic Bank of Thailand prioritize the risk management by adopting a standardized guideline for operations such as the BOT and the Ministry of Finance's guidelines in order to cover the major risks of the Bank.

4.1 Shariah Risk is the risk that result from the operations and the Bank's products and services offering process which may not comply with Shariah principles according to Shariah Advisory Council established and/or not comply with Islamic Bank of Thailand Act B.E. 2545. This may impact to the status, reputation, liquidity, income and capital fund which is the specific risk of the Bank that the Bank prioritize and consider as part of operational risk according to the definition of risk categories defined in the Bank's audit guideline.

To ensure that the Bank's operations and all operational processes are complied with Shariah principles, the Bank set the Shariah risk management policy to be a framework on Shariah risk management, which are approved by the Bank's Board of Directors. And to ensure that the Bank's operations and operational processes are all complied with Shariah principles, the Bank control Shariah risk by analyzing, monitoring and reporting the information related to Shariah risk such as, Shariah risk status report, damage which may cause by non-compliance of Shariah principles report to related committees to support Shariah risk management strategy determination.

4.2 Strategic Risk is the risk that results from inappropriate defining and implementing the strategic and operational plans or inconsistent between the plans and the internal factors and external environment; hence they have unfavorable effects on income, capital requirements and existence of the business.

The Bank's strategic management action is to prepare Strategic Risk Management Policy, and annual risk management plan which is consistent with rehabilitation plan and business plan for the year of 2020 - 2024, Memorandum of Bank's performance evaluation and BOT's notification which brings good risk management principles to be a framework of corporate integrative risk management structure according to the approach from Committee of Sponsoring Organizations of the Tread way Commission (COSO 2017) Enterprise Risk Management in order to analyse risk factors from internal and external environment which might affect the Bank in the present and in the future. In addition, the Bank's strategic risk management is under Board of Directors and related Sub-Committee. Moreover, the Bank had provided risk map for specify risk factor which affected to the Bank, KRIs for risk appetite, risk tolerance and risk cause to monitor the risk management if it is in the level of the Bank risk tolerance and straight to the target and provide strategic risk and strategic risk

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4.2 Strategic Risk (Continued)

ceiling status report, included, defined to treatment plan in order to follow the project. Risk Management is responsible for monitoring, assessing, and reporting the result of risk management to Risk Management Sub-Committee and related Sub-Committee continuously.

The Bank also organized annually seminar as well as sharing knowledge about how to manage uncertainty in order to enhancing Boards of Directors, management and employee knowledge about risk management and involvement in the Bank's risks management, this will make organization be able to achieve its own objective efficiently and effectively. At the same time organization also has to manage under the regulation of corporative governance along with great management strategy, this will help the Bank grown consistency and sustainably.

4.3 Credit Risk is the risk that counterparties or borrowers fail to fulfil their obligations under contractual agreements or the deterioration of assets' quality resulting in non-repayment debts as set out in the contract in which an adverse effect over the Bank's income and capital adequacy.

The Bank has credit risk from the general financing, PSA (Public Service Account), and Non - PSA (Non - Public Service Account) i.e. the project according to the government policies corresponding with the Bank's mission and objectives. The credit risk is considered from Non-Performing Financing (NPF) which is a significant risk of the Bank. As at December 31, 2020, the Bank had NPF including the general financing and PSA (excluding accrued financial revenues) according to the Bank's financial statements amounting to Baht 13,517.08 million in which increased from 2019 amounting to Baht 2,976.77 million (NPF amount in 2019 of Baht 10,540.31 million). NPF per total financing is 23.79 percent (2019: NPF per total financing is 19.41 percent).

Besides, the Bank also has default risks that counterparties fail to fulfil their obligation under contractual agreements arising from contingencies, such as aval to bills, liability under unmatured import bills, letters of credit, and other commitments, etc. The Bank has established the credit monitoring process in accordance with the regulatory guidelines to ensure that the Bank has complied with comprehensive credit underwriting processes and/or troubled financing restructurings processes.

In addition, the Bank focuses on developing the process of credit risk management systemically with effective practical standard, updating the process of credit management, and developing credit managerial tools to support growth of credit and investment with quality. Furthermore, the Bank also monitors and controls credit risk to remain on the acceptable level which is stated as follows:

1. Reviewing the Bank internal policy such as reviewing credit policy framework in each type of business. Credit risk rating tools and guides, Credit policy, Bank regulations related to credit granting including guidelines for considering credit.

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4.3 Credit Risk (Continued)**2. Monitoring and controlling credit risk such as,**

- Determining the single lending limit ratio for risk management to prevent giving company or a group of companies over credit limit or over investment.
- Determining and reviewing industry limit for diversification, which prevent investment in only one bunch, one industry.
- Reviewing loan appropriately in accordance with the guideline of regulator.

Developing plan to increase efficiency of credit acceptance in long-term by establishing Risk Management team including Credit Risk management, Business Credit Risk management, and Retail Credit Risk management in order to appropriately manage each type of risk in accordance with the Bank's business operation.

4.4 Market Risk is the financial risk that arises from the fluctuation of rates of return (rate of return risk), foreign exchange rates, and security prices in money markets and capital markets which may have an adverse effect on the Bank's income and capital adequacy.

The Bank has regulated policy in managing market risk according to the regulation of the Bank of Thailand under the consensual of the Risk Management Sub-Committees and approval of the Board of Directors in order to use as a boundary of market risk management.

The Bank focuses on Market risk management to be in line with risk appetite and consistent with policy in managing market risk of the Bank along with monitoring and reporting market risk to Asset and Liability Management Sub-Committee ("ALCO"), the Risk Management Sub-Committee and Board of Directors to ensure that strategic decisions will be made in appropriate circumstances and timely manner, which the summary is as follows:

1) Rate of return risk

Rate of return risk arises from the possibility that change in rate of return will have adverse effect on the net financial income and capital adequacy of the Bank. The Bank is exposed to rate of return risk as a result of structure, characteristic and mismatches or gap in the amount of assets and liabilities and off-statements of financial position instruments that mature or re-price in a given period, or mismatches of sensitivity to the rate of return which may have adverse effect to net profit income and trading account of the Bank, including other income and expenses in relation to the rate of return. The Bank manages rate of return risks by risk assessment through repricing gap tools in order to assess the impact on changes in rate of return to the Bank's net profit income comparing to determined risk tolerance ceiling i.e. gap limit on the passage of time.

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4.4 Market Risk (Continued)**2) Foreign Exchange Risk**

Foreign exchange rate risk refers to the loss affecting net financial income and capital adequacy arising from foreign exchange rate fluctuations as a result of the Bank deals in foreign currency transactions or structure and position of the Bank's assets and liabilities. The Bank may incur declination of carrying value or gain on foreign exchange rates and incur losses on foreign exchange rates as a result of foreign currency translation from foreign currency positions into Thai Baht. All this, the Bank enters into foreign currency transaction without speculation policy in respect to services provided to the Bank's customers basis and comply with Shariah principle. The Bank manages its foreign currency risk by setting the limits in term of amount of transaction and loss incurred under an acceptable risk level (Forex Limit).

3) Price Risk

Price risk refers to loss affecting net financial income and capital adequacy from movement in securities price. The Bank may incur declination of value on trading and available-for-sale investment portfolios. Thus, the Bank monitors and controls its price risk by comparative approach on established risk level under the specified Risk limits using the Value-at-Risk method.

In addition, in order to effectively and efficiently manage the risks under various scenarios, the Bank regularly review tools and policies of market risk management including risk limit to make efficient management and consistent with any situations.

4.5 Liquidity Risk means risk resulting from the Bank's failure to pay debts and obligations when they fall due because of its inability to convert assets into cash, or its failure to procure sufficient funds, or, use of funds with the excess of the limit of acceptable cost of capital that may adversely affect present and future net financial income and capital adequacy of the Bank. Besides, liquidity risk may arise from failure to unwind or offset the risk from its assets resulting to liquidation of assets below their acquisition costs since the assets has low liquidity or no active market at that time.

The Bank has liquidity risk management by applying regulation of maintaining current assets according to Bank of Thailand and Ministry of Finance or any other related regulations. The Bank has assigned The Asset and Liability Management Committee (ALCO) to establish the liquidity risk management strategy and has monitored and managed overall liquidity position to ensure that the Bank has adequate liquidity for its business operations, able to support its growth in business-as-usual situations and has readiness of funds or assets which can be liquidated or realized as needed under crisis situations. The Bank has established the liquidity management policy according to the regulation of the Bank of Thailand under the consensual of the Risk Management Sub-Committees and approval of the Board of Directors in order to use as a boundary of liquidity risk management in which are

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4.5 Liquidity Risk (Continued)

assigned to monitor key risk indicators for evaluation of prospected risk position and risk level that in line with the risk trigger, risk limit and risk appetite. Besides, the tools which are used to measure and evaluate the liquidity risk such as assessment of expected cash flow including maturity gap analysis, net liquidity assets to net liquidity gap ratio analysis by preparing both contractual maturity and behavioral maturity, evaluation of concentration ratio on major depositors, liquidity assets maintenance, scenarios analysis i.e. continuously withdrawing deposits from major customers by conducting stress test.

Moreover, for the efficiency of liquidity risk and compliance with the current changing situation, the Bank reviews tools, policies, and liquidity risk management including Risk Limit of the Bank regularly.

Sources and uses of funds as at December 31, 2020 and 2019 as follows:

Sources and uses of funds	Unit : Million Baht			
	December 31, 2020		December 31, 2019	
	Book value	Proportion (Percentage)	Book value	Proportion (Percentage)
Sources of funds				
Deposits	75,168.52	100.43	79,307.49	99.19
Interbank and money market items, net (liabilities)	3,166.17	4.23	1,521.94	1.90
Equity	(3,491.64)	(4.66)	(877.64)	(1.09)
Total	74,843.05	100.00	79,951.79	100.00
Uses of funds				
Financing to customers	56,816.58	84.59	54,310.44	81.96
Interbank and money market items, net (assets)	5,521.27	8.22	7,148.00	10.79
Investments, net	4,826.96	7.19	4,802.67	7.25
Total	67,164.81	100.00	66,261.11	100.00

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4.5 Liquidity Risk (Continued)

Financial assets and liabilities as at December 31, 2020 and 2019 categorized by maturity periods as follows:

Unit : Million Baht

	December 31, 2020						
	At call	0 - 3 months	3 - 12 months	Over 1 year	No maturity	Stop accrued	Total
Financial assets							
Interbank and money market items, net	5,493.03	28.24	-	-	-	-	5,521.27
Investment, net	-	2,657.09	2,147.71	-	22.16	-	4,826.96
Financing to customers	-	8,600.94	1,915.88	32,782.68	-	13,517.08	56,816.58
Promissory note from transferring non-performing asset	-	-	-	15,381.07	-	-	15,381.07
Total financial assets	5,493.03	11,286.27	4,063.59	48,163.75	22.16	13,517.08	82,545.88
Financial liabilities							
Deposit	25,941.92	18,612.77	23,792.88	6,820.95	-	-	75,168.52
Interbank and money-market items, net	1,685.02	255.01	926.97	299.17	-	-	3,166.17
Total financial liabilities	27,626.94	18,867.78	24,719.85	7,120.12	-	-	78,334.69

Unit : Million Baht

	December 31, 2019						
	At call	0 - 3 months	3 - 12 months	Over 1 year	No maturity	Stop accrued	Total
Financial assets							
Interbank and money market items, net	7,128.14	-	19.86	-	-	-	7,148.00
Investment, net	-	3,014.27	1,729.86	-	58.54	-	4,802.67
Financing to customers	-	9,082.20	1,956.87	32,731.06	-	10,540.31	54,310.44
Promissory note from transferring non-performing asset	-	-	1,000.00	17,881.07	-	-	18,881.07
Total financial assets	7,128.14	12,096.47	4,706.59	50,612.13	58.54	10,540.31	85,142.18
Financial liabilities							
Deposit	20,596.12	17,134.91	28,679.35	12,897.11	-	-	79,307.49
Interbank and money market items, net	459.28	187.53	834.17	40.96	-	-	1,521.94
Total financial liabilities	21,055.40	17,322.44	29,513.52	12,938.07	-	-	80,829.43

4.6 Fair value of financial instruments is the amounts which the buyer and seller agree for an asset can be exchanged, or liability settled, between knowledgeable and willing parties in an arm's length transaction. In terms of determining the fair value of financial assets and financial liabilities, the Bank determines current conditions on the cost of exchange, or liability settled under the financial instruments.

Following data is summary of outstanding balances as shown in the financial statements and estimated fair value of financial assets and liabilities as at December 31, 2020 and 2019.

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4.6 Fair value of financial instruments (Continued)

Types of financial instruments	Unit : Million Baht			
	December 31, 2020		December 31, 2019	
	Book Value	Fair Value	Book Value	Fair Value
Financial assets				
Cash	1,352.36	1,352.36	1,429.77	1,429.77
Interbank and money market items, net	5,521.27	5,521.27	7,148.00	7,148.00
Derivatives	0.01	0.01	0.02	0.02
Investment, net	4,826.96	4,826.96	4,802.67	4,802.67
Financing to customers, net	47,298.23	47,298.23	47,249.58	47,249.58
Permissory note from transferring non-performing asset	15,381.07	15,381.07	18,881.07	18,881.07
Total	74,379.90	74,379.90	79,511.11	79,511.11

Types of financial instruments	Unit : Million Baht			
	December 31, 2020		December 31, 2019	
	Book Value	Fair Value	Book Value	Fair Value
Financial liabilities				
Deposits	75,168.52	75,168.52	79,307.49	79,307.49
Interbank and money market items, net	3,166.17	3,166.17	1,521.94	1,521.94
Liabilities payable on demand	54.59	54.59	41.97	41.97
Derivatives liabilities	-	-	0.10	0.10
Compensation payable on deposit	243.68	243.68	241.16	241.16
Total	78,632.96	78,632.96	81,112.66	81,112.66

5. Capital fund

The Bank calculated its capital fund in accordance with the ministerial regulations, Ministry of Finance, regarding the Capital Maintenance and Maintenance of Cash Reserve and Liquid Assets for Islamic Bank of Thailand B.E. 2563 which effective since November 26, 2020 onwards. The Bank maintains its capital fund in accordance with BOT's requirement which is consistent with BOT's notification No. SorGorSor. 16/2562 regarding Composition of Capital Funds for Specialized Financial Institutions which requires to maintain total capital to risk assets and contingencies ratio of not less than 8.5 percent under the condition that Common Equity Tier 1 must not be less than 4.25 percent of such assets and contingencies.

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5. Capital fund (Continued)

As at December 31, 2020 and 2019 the Bank maintained capital fund and assets and contingencies ratio as Follows:

Unit : Million Baht		
The Bank's Financial Statements		
	December 31, 2020	December 31, 2019
Tier 1 capital		
Paid-up share capital	18,202.77	18,202.77
Legal reserve	109.68	109.68
Unappropriated retained deficit	(21,806.22)	(19,039.50)
Total tier 1 capital	(3,493.77)	(727.05)
Total capital fund before deficit	(3,493.77)	(727.05)
Less Deficit on revaluation of available-for-sale equity securities	-	(152.04)
Total capital fund	(3,493.77)	(879.09)

The Bank's Financial Statements		
Percentage		
	December 31, 2020	December 31, 2019
Total capital fund	(6.51)	(1.66)
Tier 1 capital	(6.51)	(1.37)

However, the Bank maintained its liquidity assets as at December 31, 2020 of 14.53 percent which is higher than the requirement of the ministerial regulations, Ministry of Finance, regarding the Capital Maintenance and Maintenance of Cash Reserve and Liquid Assets for Islamic Bank of Thailand B.E. 2563 which effective since November 26, 2020 onwards. The Bank maintains its capital fund in accordance with BOT's requirement which is consistent with the notification of BOT No. Sor Gor Sor. 21/2562 regarding Regulations for maintaining liquid assets for Specialized Financial Institutions which requires to maintain current assets as at the last day of the month not less than 6 percent of all types of deposits at the end of the day.

6. Estimates and judgements

The preparation of financial statements in conformity with Thai Financial Reporting Standards requires management to make estimates and judgements that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated judgements are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources. Accordingly, actual results may differ from these estimates.

The estimates and judgements are reviewed on a regular basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and foreseeable impact in the future.

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7. Going concern

The Bank has reviewed the strategic plan and business plan for the year 2020 - 2024 due to the economy is impacted severely by the coronavirus disease 2019 (COVID-19) pandemic which approved the strategic plan and business plan for the year 2020 - 2024 (Revised) at the Board of Directors meeting No. 6/2020 on May 18, 2020. In order to maintain operation continuously, the Bank focuses on providing financial services to Muslim group as the Bank's Mission, it causes the higher ratio of financing for Muslim and supporting the southern border province to financing for retail and SMEs debtors than the target. The Bank's financial performance for the year ended December 31, 2020, the Bank has operating loss of Baht 166.16 million and net loss of Baht 2,766.71 million. The main causes are that the impact from a large state-own enterprise debtor's financial troubles, which the Cabinet resolution has approved the debtor filed for business' rehabilitation with the Central Bankruptcy Court. In addition, an economic slowdown and the COVID-19 pandemic has impact on the expansion of credit that will be slow down and reduced ability of customer to repayment. It causes that the entering to the relief measures provided assistance to debtors. This has a significant effect on Bank's financial performance.

In this regard, the Bank has prepared the strategic plan and business plan for the year 2021 - 2025 which approved by the Board of Directors' meeting No. 12/2020 on October 14, 2020. However, to update the situation and the period of the COVID-19 new outbreak, the Bank has revised the operation plan by providing the strategic sustainability plan and business plan for the 2021, which approved by the Board of Directors' meeting No. 3/2021 on March 25, 2021 and also reviewed the financial budget for 2021 after implementing the quick win operation plan. The Bank has revised its operation as follows:

1. Focus on fulfilling the mission by using Accessibility Arms to reduce the inequality of Muslims who are unable to access the formal financial system and able to enhance the financial strength of the Muslim community at the foundation level through Accessibility Arms for selecting Good Behavior of the community who the Bank should provide financial support. Implementation of Project will be integrated through 3 major projects as the follows:
 - 1) Honest Community Product Project
 - 2) Good Behavior Project
 - 3) Takaful Project

In addition, the Bank has also introduced an approach to integrating the allocation of Zakat into the community that is a good network for the Bank.

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7. Going concern (Continued)

2. Improve quick win operation plan to drive the implementation of its strategies and problem solving to revive the organization, increasing revenues, reducing cost by establishing 7 operational plans to revive the organization as follows:

- 1) Operation plan
- 2) NPF debt management plan
- 3) Cost reduction plan
- 4) Financing expansion plan
- 5) Branch optimization plan
- 6) Human resource management plan
- 7) Organization development plan

8. Supplementary information**8.1 Supplementary disclosures of cash flow information**

Significant non-cash items for the years ended December 31, 2020 and 2019 were as follows:

	Unit : Million Baht			
	Consolidated Financial Statements		The Bank's Financial Statements	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Account payable from purchasing properties	0.24	0.07	0.24	0.07
Account payable from intangible assets	2.68	10.68	2.68	10.68
Change from revaluation of available-for-sale securities	152.71	(24.96)	152.71	(24.96)
Receive transferred properties for sale for repayment	427.66	320.51	178.63	54.85
Transfer lease receivables and loan receivable for purchasing goods to other non-current assets	15.08	52.32	-	-
Transfer properties for sale to premises and equipment	-	0.45	-	-
Transfer equity from share-based payment	0.19	0.22	-	-
Actuarial gains (losses) on defined employee benefit plans	(1.32)	(18.60)	-	(16.93)

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8.2 Interbank and money market items, net (assets)

Unit : Million Baht

	Consolidated Financial Statements					
	December 31, 2020			December 31, 2019		
	At call	Time	Total	At call	Time	Total
Domestic items						
Bank of Thailand	5,427.29	-	5,427.29	7,037.84	-	7,037.84
Commercial banks and money markets	129.63	-	129.63	132.62	-	132.62
Specialized financial institutions	4.17	-	4.17	23.50	-	23.50
Other financial institutions	-	30.11	30.11	-	30.96	30.96
Total	5,561.09	30.11	5,591.20	7,193.96	30.96	7,224.92
<u>Add</u> Financial accrued income	-	-	-	-	-	-
<u>Less</u> Deferred revenues	-	(1.79)	(1.79)	-	(11.09)	(11.09)
<u>Less</u> Allowance for doubtful accounts	-	(0.08)	(0.08)	-	-	-
Total domestic items	5,561.09	28.24	5,589.33	7,193.96	19.87	7,213.83
Foreign items						
USD	26.52	-	26.52	31.77	-	31.77
JPY	-	-	-	0.02	-	0.02
EUR	1.14	-	1.14	1.54	-	1.54
Others	1.68	-	1.68	0.93	-	0.93
Total foreign items	29.34	-	29.34	34.26	-	34.26
Total domestic and foreign items	5,590.43	28.24	5,618.67	7,228.22	19.87	7,248.09

Unit : Million Baht

	The Bank's Financial Statements					
	December 31, 2020			December 31, 2019		
	At call	Time	Total	At call	Time	Total
Domestic items						
Bank of Thailand	5,427.29	-	5,427.29	7,037.84	-	7,037.84
Commercial banks and money markets	33.96	-	33.96	33.72	-	33.72
Specialized financial institutions	2.44	-	2.44	22.31	-	22.31
Other financial institutions	-	30.11	30.11	-	30.96	30.96
Total	5,463.69	30.11	5,493.80	7,093.87	30.96	7,124.83
Add Financial accrued income	-	-	-	-	-	-
Less Deferred revenues	-	(1.79)	(1.79)	-	(11.09)	(11.09)
Less Allowance for doubtful accounts	-	(0.08)	(0.08)	-	-	-
Total domestic items	5,463.69	28.24	5,491.93	7,093.87	19.87	7,113.74
Foreign items						
USD	26.52	-	26.52	31.77	-	31.77
JPY	-	-	-	0.02	-	0.02
EUR	1.14	-	1.14	1.54	-	1.54
Others	1.68	-	1.68	0.93	-	0.93
Total foreign items	29.34	-	29.34	34.26	-	34.26
Total domestic and foreign items	5,493.03	28.24	5,521.27	7,128.13	19.87	7,148.00

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8.3 Derivatives assets and liabilities

The fair values and the notional amounts classified by type of risks were as follows:

Unit : Million Baht

Types of risk	Consolidated and the Bank's Financial Statements					
	December 31, 2020			December 31, 2019		
	Fair value		Notional amount	Fair value		Notional Amount
	Assets	Liabilities		Assets	Liabilities	
Foreign exchange rate						
Derivatives held for trading	-	-	1.00	0.02	(0.10)	27.97
Derivatives held for hedging	0.01	-	10.05	-	-	2.67
Total	0.01	-	11.05	0.02	(0.10)	30.64

The proportions of derivatives transactions classified by type of counterparty based on notional amount were as follows:

	Consolidated and the Bank's Financial Statements	
	December 31, 2020	December 31, 2019
	Proportion (Percentage)	Proportion (Percentage)
Financial institutions	95.48	91.75
Others	4.52	8.25
Total	100.00	100.00

8.4 Investments, net**8.4.1 Available-for-sale securities**

Unit : Million Baht

	Consolidated and the Bank's Financial Statements	
	December 31, 2020	December 31, 2019
	Fair value	Fair value
Government securities	4,804.80	4,744.13
Domestic marketable equity securities	-	34.00
Total	4,804.80	4,778.13

As at November 10, 2020 the Bank pledged the rights under the government and state enterprise securities amounting to Baht 400 million, collateral amounting to Baht 4,500 million and signed the credit agreement with Krung Thai Bank Public Company Limited, which was pledged on December 28, 2017. (Memorandum of Understanding for 14th loan agreement).

(TRANSLATION)

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8.4 Investments, net (Continued)**8.4.2 General investments**

Unit : Million Baht

Consolidated and the Bank's Financial Statements

	December 31, 2020	December 31, 2019
	Cost	Cost
Domestic non-marketable unit trusts	25.00	25.00
Less Allowance for impairment	(2.84)	(0.46)
Total	22.16	24.54
Total investment, net	4,826.96	4,802.67

8.4.3 Surplus (Deficit) on revaluation of investments

Unit : Million Baht

Consolidated and the Bank's Financial Statements

	December 31, 2020	December 31, 2019
Equity securities	-	(152.04)
Debt securities	2.13	1.46
Total	2.13	(150.58)

8.4.4 Time to maturity of debt securities

Unit : Million Baht

Consolidated and the Bank's Financial Statements

	December 31, 2020				December 31, 2019			
	Maturity				Maturity			
	1 Year	1 - 5 Years	Over 5 Years	Total	1 Year	1 - 5 Years	Over 5 Years	Total
<u>Available-for-sale securities</u>								
Government and state enterprise securities	4,802.67	-	-	4,802.67	4,742.67	-	-	4,742.67
<u>Add Allowance for revaluation</u>	2.13	-	-	2.13	1.46	-	-	1.46
Total	4,804.80	-	-	4,804.80	4,744.13	-	-	4,744.13

(TRANSLATION)

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8.5 Investments in subsidiaries, net**The Bank's Financial Statement****December 31, 2020**

Subsidiaries	Type of business	Type of investment	Paid-up	Share	Investment
			capital	holding	cost
			(Million Baht)	(Percentage)	Method
Amanah Leasing Public Company Limited	Hire-purchase-vehicle	Common share	1,031.99	48.46	560.35
Amanah Haj and Umrah Company Limited	Provides and operates	Common share	10.00	49.00	4.90
	The Haj and Umrah tour				
Total					565.25
Less Allowance for impairment					(4.90)
Investment in subsidiaries, net					560.35

Amanah Haj and Umrah Company Limited have losses on operation. Consequently, it was recorded the allowance for impairment of investment by the Bank in the full amount. The subsidiary has ceased their operation and deregistered on May 14, 2013. Subsequently, on February 15, 2021, the Revenue Department Amanah Haj and Umrah Company Limited has delisted from the VAT registration.

The Bank's Financial Statement**December 31, 2019**

Subsidiaries	Type of business	Type of investment	Paid-up	Share	Investment
			capital	holding	cost
			(Million Baht)	(Percentage)	Method
Amanah Leasing Public Company Limited	Hire-purchase-vehicle	Common share	1,029.13	48.59	560.35
Amanah Haj and Umrah Company Limited	Provides and operates	Common share	10.00	49.00	4.90
	The Haj and Umrah tour				
Total					565.25
Less Allowance for impairment					(4.90)
Investment in subsidiaries, net					560.35

On April 24, 2019, according to the resolution of the Annual Ordinary Shareholder's Meeting of Amanah Leasing Public Company Limited approved dividend payment for the year 2018, which included cash dividend for Bath 0.00740741 per share, totaling Baht 3.47 million, and stock dividend in the ratio of 15 existing shares to 1 stock dividend, resulting in the increase in the Bank's number of shares from 468,825,000 shares to 500,080,000 shares.

(TRANSLATION)

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8.6 Financing to customers and financial accrued income, net**8.6.1 Classified by type of financing**

	Consolidated Financial Statements		The Bank's Financial Statement	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	Unit : Million Baht			
Contracts receivables				
- Cash withdrawal	557.32	765.92	557.32	765.92
- General	35,719.05	33,416.82	37,692.54	35,482.65
Financing receivables	29.87	23.96	-	-
Receivables from factoring contracts	1,414.71	1,368.38	1,414.71	1,368.38
Hire-purchase receivables	5,109.82	4,997.42	20.06	26.14
Financial lease receivables	0.26	0.82	-	0.06
Debt restructuring receivables	16,730.29	16,246.35	16,730.29	16,246.35
Others	16.13	52.83	16.13	52.83
<u>Less</u> Deferred revenue	<u>(1,697.80)</u>	<u>(1,635.19)</u>	<u>(4.67)</u>	<u>(4.78)</u>
Total financing net of deferred revenue	57,879.65	55,237.31	56,426.38	53,937.55
<u>Add</u> Financial accrued income	<u>395.74</u>	<u>165.02</u>	<u>230.27</u>	<u>89.15</u>
Total financing net of deferred revenue plus financial accrued income	58,275.39	55,402.33	56,656.65	54,026.70
<u>Less</u> Allowance for doubtful accounts				
1. Minimum provision according to the BOT's requirement	(7,840.33)	(5,106.33)	(7,697.47)	(4,973.18)
2. Surplus reserve from minimum requirement	(705.96)	(1,011.19)	(705.96)	(1,011.19)
3. General provision	(1,301.44)	(1,144.98)	(1,237.44)	(1,051.76)
<u>Less</u> Revaluation allowance for debt restructuring	<u>-</u>	<u>(5.10)</u>	<u>-</u>	<u>(5.10)</u>
Total financing to customers and financial accrued income, net	<u>48,427.66</u>	<u>48,134.73</u>	<u>47,015.78</u>	<u>46,985.47</u>

As at December 31, 2020 and 2019, the Bank had suspended income recognition credits amounting to Baht 511.71 million and Baht 406.69 million, respectively.

BOT Circular No. BOT. For Kor Chor. (72)Wor. 277/2563 dated February 28, 2020, on guidelines for providing assistance to debtors affected by situations that affect the Thailand's economy. The Bank has measures to assist debtors who have been affected by the situation affecting the economy in 2020 during April 17, 2020 - December 31, 2021 by easing the repayment terms for existing debtors who are not inferior or non-performing debtor since January 1, 2019, which has been affected by the economy. The Bank has implemented pre-emptive debt restructuring for non-NPL and are classified as normal immediately. If the Bank analyzes the debtor's status and their business that the debtor can fulfill the debt restructuring agreement without waiting to follow up on the performance of the debt restructuring conditions. For non-performing debtors, since January 1, 2019, the Bank has restructured troubled debts by classifying receivables as normal if the debtors are able to make payments under the debt restructuring agreement at least 3 consecutive months, or 3 payment installments whichever is longer.

(TRANSLATION)

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8.6.1 Classified by type of financing (Continued)

BOT Circular No. BOT. For Nor Sor. (01)Wor. 380/2563 dated March 26, 2020, on guideline for providing the additional assistance to debtors during the COVID-19 outbreak. The Bank provides the additional assistance to debtors during the COVID-19 outbreak for the period April 1, 2020 to June 30, 2020 for the good debtors of the personal loan, business loan and hire-purchase loan that is not the non-performing receivables by reducing the burden of instalment for the short-term instalments up to 3 months which the Bank does not constitute a cause of breach of the contractual payment conditions and does not constitute a debt restructuring, as well as exempting penalty from default by maintaining debt classification as a debt class before entering the measure.

BOT Circular No. BOT. For Nor Chor. (01)Wor. 648/2563 dated June 19, 2020, regarding measures to provide additional assistance to retail debtors during the COVID-19 outbreak Phase 2, the Bank has issued additional measures for Phase 2 during July 1 to December 31, 2020 to assist debtors according to the minimum measures issued by the BOT on March 26, 2020 that gradually ended from the end of June 2020. This will cover both former debtors and those who have not previously participated in the measures including debtors with multiple types of loans to maintain cash flows for necessary living expenses and continue working.

The Notification of BOT No. Sor Gor Sor. 1/2563, on guideline for providing the additional assistance to enterprise entrepreneurs during the COVID-19 outbreak dated April 22, 2020. The Bank has launched a credit program to support the soft loan measure without principal payment for 6-12 months to alleviate the impact of the COVID-19 pandemic, especially the SMEs, that have a source of funds which has a low cost for existing the Bank's customers who have the purpose of requesting credit for additional liquidity in order to operate a business to reduce the impact on employment. There is a total limit of the group as of December 31, 2019 not more than Baht 500 million.

The Notification of the Islamic Bank of Thailand regarding measures to delay the debt repayment, Debt Holiday Phase 2, the Bank has issued additional measures between October 5, 2020 - December 31, 2020 to provide assistance to the debtor in line with the business conditions and the declining income of the debtor. Under the conditions set by the Bank, for debtors who have been suspended in accordance with the Emergency Decree on financial assistance for enterprise entrepreneurs affected by the COVID-19 in 2020 which ended the deferred period on October 23, 2020.

(TRANSLATION)

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8.6.1 Classified by type of financing (Continued)

BOT Circular No. BOT. For Nor Sor. (01)Wor. 912/2563 dated August 27, 2020, regarding guidelines for debt restructuring for retail debtors through debt consolidation. The Bank has launched a measure measures to provide assistance to retail debtors affected by the COVID-19 outbreak, trade war or natural disaster, which there is a home loan facility and a multi-purpose unsecured credit facility together within the same financial institution to utilize the remaining collateral value for the remaining home loan to restructure debt by adjusting profit margins and installment periods for unsecured multi-purpose loans to provide the debtors with sufficient liquidity for a living. During the year, there were no debtors participating in this program.

As of December 31, 2020, there are debtors that the Bank provides assistance according to the above criteria as follows:

Unit : Million Baht					
<u>No.</u>	<u>The Bank's measures</u>	<u>Project period</u>	<u>Number of transaction</u>	<u>Number of account</u>	<u>Outstanding loans</u>
1	Measure to assist debtors who are effected from the situations that affected Thailand's economy	Feb 6, 2020 - Dec 31, 2021	3,143	5,219	10,150.01
2	Additional assistance to retail debtors - Phase 2	Jun 30, 2020 - Dec 31, 2020	240	338	235.07
3	Credit program to support the soft loan measure	Apr 24, 2020 - Depend on credit limit and credit term from BOT's soft loan measure	66	66	197.46
4	Measure to delay debt repayment, Debt Holiday - Phase 2	Oct 5, 2020 - Dec 31, 2020	187	192	22.88
			<u>3,636</u>	<u>5,815</u>	<u>10,605.42</u>

This data is prepared to report outstanding balance of receivables for each measure by reporting of 1 account / 1 measure only. In case, the debtor receives assistance during the same period, the measures with the longest length of assistance will be considered.

(TRANSLATION)

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8.6.2 Classified by currency and residence of the debtors

Unit : Million Baht

<u>Consolidated Financial Statements</u>						
	<u>December 31, 2020</u>			<u>December 31, 2019</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Thai Baht	57,879.65	-	57,879.65	55,237.31	-	55,237.31
Total	57,879.65	-	57,879.65	55,237.31	-	55,237.31

Unit : Million Baht

<u>The Bank's Financial Statements</u>						
	<u>December 31, 2020</u>			<u>December 31, 2019</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Thai Baht	56,426.38	-	56,426.38	53,937.55	-	53,937.55
Total	56,426.38	-	56,426.38	53,937.55	-	53,937.55

8.6.3 Classified by business type and classification

Unit : Million Baht

<u>Consolidated Financial Statements</u>						
	<u>December 31, 2020</u>					
	<u>Normal</u>	<u>Special Mention</u>	<u>Sub-Standard</u>	<u>Doubtful</u>	<u>Doubtful of Loss</u>	<u>Total</u>
Agriculture and mining	221.15	4.63	0.09	2.40	1,712.65	1,940.92
Manufacturing and commerce	2,691.87	3,118.09	29.24	227.80	1,017.82	7,084.82
Property development and constructi	4,417.12	625.09	832.48	776.77	2,056.43	8,707.89
Public utility and services	10,425.79	3,682.03	100.77	2,696.26	3,024.57	19,929.42
House financing	7,616.81	341.68	51.04	66.12	350.04	8,425.69
Others	10,445.07	760.89	117.52	101.23	366.20	11,790.91
Total	35,817.81	8,532.41	1,131.14	3,870.58	8,527.71	57,879.65

Unit : Million Baht

<u>Consolidated Financial Statements</u>						
	<u>December 31, 2019</u>					
	<u>Normal</u>	<u>Special Mention</u>	<u>Sub-Standard</u>	<u>Doubtful</u>	<u>Doubtful of Loss</u>	<u>Total</u>
Agriculture and mining	246.08	5.60	0.31	1,699.54	24.19	1,975.72
Manufacturing and commerce	2,093.29	3,348.14	218.20	194.75	872.64	6,727.02
Property development and constructi	5,905.67	774.66	615.33	532.41	2,136.95	9,965.02
Public utility and services	14,353.58	1,709.67	141.70	335.59	2,639.79	19,180.33
House financing	6,614.25	268.01	50.62	86.13	437.62	7,456.63
Others	8,585.08	747.12	137.94	160.58	301.87	9,932.59
Total	37,797.95	6,853.20	1,164.10	3,009.00	6,413.06	55,237.31

(TRANSLATION)

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8.6.3 Classified by business type and classification (Continued)

Unit : Million Baht

<u>The Bank's Financial Statements</u>						
<u>December 31, 2020</u>						
	<u>Normal</u>	<u>Special Mention</u>	<u>Sub-Standard</u>	<u>Doubtful</u>	<u>Doubtful of</u>	<u>Total</u>
Agriculture and mining	221.15	4.63	0.09	2.40	1,712.65	1,940.92
Manufacturing and commerce	2,691.87	3,118.09	29.24	227.80	1,017.82	7,084.82
Property development and construction	4,417.12	625.09	832.48	776.77	2,056.43	8,707.89
Public utility and services	10,425.79	3,682.03	100.77	2,696.26	3,024.57	19,929.42
House financing	7,616.81	341.68	51.04	66.12	350.04	8,425.69
Others	9,612.03	264.07	49.14	73.44	338.96	10,337.64
Total	34,984.77	8,035.59	1,062.76	3,842.79	8,500.47	56,426.38

Unit : Million Baht

<u>The Bank's Financial Statements</u>						
<u>December 31, 2019</u>						
	<u>Normal</u>	<u>Special Mention</u>	<u>Sub-Standard</u>	<u>Doubtful</u>	<u>Doubtful of Loss</u>	<u>Total</u>
Agriculture and mining	246.08	5.60	0.31	1,699.54	24.19	1,975.72
Manufacturing and commerce	2,093.29	3,348.14	218.20	194.75	872.64	6,727.02
Property development and construction	5,905.67	774.66	615.33	532.41	2,136.95	9,965.02
Public utility and services	14,353.58	1,709.67	141.70	335.59	2,639.79	19,180.33
House financing	6,614.25	268.01	50.62	86.13	437.62	7,456.63
Others	8,047.06	163.71	56.98	91.44	273.64	8,632.83
Total	37,259.93	6,269.79	1,083.14	2,939.86	6,384.83	53,937.55

(TRANSLATION)

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8.6.4 Classified by type of classification

Unit : Million Baht

Consolidated Financial Statements				
December 31, 2020				
	Financing and financial accrued income**	Outstanding balance (Net of collateral)*	Percentage of Allowance for Doubtful account (%)	Allowance for doubtful account
1. Minimum allowance per BOT's regulations				
Normal	36,129.09	14,436.01	1	171.41
Special Mention	8,605.17	2,352.74	2	91.43
Sub-Standard	1,139.46	548.88	100	537.12
Doubtful	3,872.80	2,771.67	100	2,760.07
Doubtful loss	8,528.87	4,280.30	100	4,280.30
2. Surplus Reserve				
- Surplus reserve from minimum requirement	-	-		705.96
- General reserve	-	-		1,301.44
Total	58,275.39	24,389.60		9,847.73

Unit : Million Baht

Consolidated Financial Statements				
December 31, 2019				
	Financing and financial accrued income**	Outstanding balance (Net of collateral)*	Percentage of Allowance for Doubtful account (%)	Allowance for doubtful account
1. Minimum allowance per BOT's regulations				
Normal	37,921.22	16,285.54	1	162.86
Special Mention	6,887.13	2,285.81	2	40.62
Sub-Standard	1,167.74	627.96	100	627.94
Doubtful	3,011.93	746.94	100	746.94
Doubtful loss	6,414.31	3,527.97	100	3,527.97
2. Surplus Reserve				
- Surplus reserve from minimum requirement	-	-		1,011.19
- General reserve	-	-		1,144.98
Total	55,402.33	23,474.22		7,262.50

* Subsidiary use outstanding balance before deduction of collateral in calculation of allowance of account for hire-purchase receivable classified as doubtful and doubtful loss.

** Total financing to customers and financial accrued income net of deferred revenue in Note 8.6.1.

(TRANSLATION)

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8.6.4 Classified by type of classification (Continued)

Unit : Million Baht

<u>The Bank's Financial Statements</u>				
<u>December 31, 2020</u>				
	Financing and financial accrued income**	Outstanding balance (Net of collateral)	Percentage of Allowance for Doubtful account (%)	Allowance for doubtful account
1. Minimum allowance per BOT's regulations				
Normal	35,181.49	13,718.40	1	137.18
Special Mention	8,067.96	2,192.91	2	43.86
Sub-Standard	1,063.93	523.33	100	523.33
Doubtful	3,842.80	2,741.68	100	2,741.68
Doubtful loss	8,500.47	4,251.42	100	4,251.42
2. Surplus Reserve				
- Surplus reserve from minimum requirement	-	-		705.96
- General reserve	-	-		1,237.44
Total	56,656.65	23,427.74		9,640.87

Unit : Million Baht

<u>The Bank's Financial Statements</u>				
<u>December 31, 2019</u>				
	Financing and financial accrued income**	Outstanding balance (Net of collateral)	Percentage of Allowance for Doubtful account (%)	Allowance for doubtful account
1. Minimum allowance per BOT's regulations				
Normal	37,337.40	15,721.07	1	157.21
Special Mention	6,280.81	2,141.37	2	37.73
Sub-Standard	1,083.63	605.19	100	605.19
Doubtful	2,939.94	674.95	100	674.95
Doubtful loss	6,384.92	3,498.10	100	3,498.10
2. Surplus Reserve				
- Surplus reserve from minimum requirement	-	-		1,011.19
- General reserve	-	-		1,051.76
Total	54,026.70	22,640.68		7,036.13

** Total financing to customers and financial accrued income net of deferred revenue in Note 8.6.1.

(TRANSLATION)

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8.6.4 Classified by type of classification (Continued)

As of December 31, 2020 and 2019, the Bank had Non-Performing Financing (NPF) in the amount of Baht 13,407.20 million and Baht 10,408.49 million, respectively, accounting for 23.66 and 19.27 percent of the financing to customers and financial accrued income respectively.

8.6.5 Hire-purchase receivables and finance lease receivables, net

Unit : Million Baht

Consolidated Financial Statements				
December 31, 2020				
Amounts due under lease agreements				
	Less than 1 year	Over 1-5 years	Over 5 years	Total
Gross investment in the hire-purchase and finance lease agreements	1,775.67	3,327.19	7.22	5,110.08
<u>Less</u> Unearned finance income	(765.43)	(927.46)	(0.34)	(1,693.23)
Present value of minimum lease payment under hire-purchase and finance lease agreements	1,010.24	2,399.73	6.88	3,416.85
<u>Less</u> Allowance for doubtful accounts	(144.69)	(81.61)	(0.14)	(226.44)
Hire-purchase and finance lease receivables, net	865.55	2,318.12	6.74	3,190.41

Unit : Million Baht

Consolidated Financial Statements				
December 31, 2019				
Amounts due under lease agreements				
	Less than 1 year	Over 1-5 years	Over 5 years	Total
Gross investment in the hire-purchase and finance lease agreements	1,548.19	3,448.84	1.21	4,998.24
<u>Less</u> Unearned finance income	(674.31)	(955.84)	(0.02)	(1,630.17)
Present value of minimum lease payment under hire-purchase and finance lease agreements	873.88	2,493.00	1.19	3,368.07
<u>Less</u> Allowance for doubtful accounts	(171.84)	(73.95)	-	(245.79)
Hire-purchase and finance lease receivables, net	702.04	2,419.05	1.19	3,122.28

(TRANSLATION)

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8.6.5 Hire-purchase receivables and finance lease receivables, net (Continued)

Unit : Million Baht

The Bank's Financial Statements**December 31, 2020****Amounts due under lease agreements**

	<u>Less than 1 year</u>	<u>Over 1-5 years</u>	<u>Over 5 years</u>	<u>Total</u>
Gross investment in the hire-purchase and finance lease agreements	20.06	-	-	20.06
<u>Less</u> Unearned finance income	(0.09)	-	-	(0.09)
Present value of minimum lease payment under hire-purchase and finance lease agreements	19.97	-	-	19.97
<u>Less</u> Allowance for doubtful accounts	(19.59)	-	-	(19.59)
Hire-purchase and finance lease receivables, net	0.38	-	-	0.38

Unit : Million Baht

The Bank's Financial Statements**December 31, 2019****Amounts due under lease agreements**

	<u>Less than 1 year</u>	<u>Over 1-5 years</u>	<u>Over 5 years</u>	<u>Total</u>
Gross investment in the hire-purchase and finance lease agreements	24.64	1.56	-	26.20
<u>Less</u> Unearned finance income	0.32	(0.08)	-	0.24
Present value of minimum lease payment under hire-purchase and finance lease agreements	24.96	1.48	-	26.44
<u>Less</u> Allowance for doubtful accounts	(19.40)	(0.02)	-	(19.42)
Hire-purchase and finance lease receivables, net	5.56	1.46	-	7.02

(TRANSLATION)

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8.7 Allowance for doubtful accounts

The movements in the allowances for doubtful accounts during the period were as follows:

Unit : Million Baht

Consolidated Financial StatementsDecember 31, 2020

		Special	Sub-			Surplus reserve from minimum requirement/ General reserve	Total
	Normal	mention	standard	Doubtful	loss		
Beginning balance	162.86	40.62	627.94	746.94	3,527.97	2,156.17	7,262.50
Doubtful accounts	8.55	50.81	(90.82)	2,013.13	752.33	-	2,734.00
Surplus reserve from minimum requirement	-	-	-	-	-	(305.23)	(305.23)
General reserve	-	-	-	-	-	156.46	156.46
Ending balance	171.41	91.43	537.12	2,760.07	4,280.30	2,007.40	9,847.73

Unit : Million Baht

Consolidated Financial StatementsDecember 31, 2019

		Special	Sub-			Surplus reserve from minimum requirement/ General reserve	Total
	Normal	mention	standard	Doubtful	loss		
Beginning balance	143.54	44.43	940.16	1,393.13	2,212.27	2,289.19	7,022.72
Doubtful accounts	19.32	(3.81)	(312.22)	(646.19)	1,315.70	-	372.80
Surplus reserve from minimum requirement	-	-	-	-	-	(193.58)	(193.58)
General Reserve	-	-	-	-	-	60.56	60.56
Ending balance	162.86	40.62	627.94	746.94	3,527.97	2,156.17	7,262.50

(TRANSLATION)

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8.8 Revaluation allowance for debt restructuring

The movements in the revaluation allowances for debt restructuring during the period were as follows:

	Unit : Million Baht	
	<u>Consolidated and the Bank's Financial Statements</u>	
	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Beginning balance	5.10	5.31
Addition	-	0.18
Decrease from change in PV loss	(5.10)	(0.39)
Ending balance	<u>-</u>	<u>5.10</u>

8.9 Troubled debt restructuring

As at December 31, 2020 and 2019, the Bank and its subsidiaries had troubled debt restructuring as follows:

	Unit : Million Baht	
	<u>Consolidated and the Bank's Financial Statements</u>	
	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Pre-emptive debt restructuring	-	1,845.55

(TRANSLATION)

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8.7 Allowance for doubtful accounts (Continued)

Unit : Million Baht

The Bank's Financial Statements**December 31, 2020**

						Surplus reserve from minimum requirement/ General reserve	Total
	Normal	Special mention	Sub- standard	Doubtful	Doubtful loss		
Beginning balance	157.21	37.73	605.19	674.95	3,498.10	2,062.95	7,036.13
Doubtful accounts	(20.03)	6.13	(81.86)	2,066.73	753.32	-	2,724.29
Surplus reserve from minimum requirement	-	-	-	-	-	(305.23)	(305.23)
General Reserve	-	-	-	-	-	185.68	185.68
Ending balance	137.18	43.86	523.33	2,741.68	4,251.42	1,943.40	9,640.87

Unit : Million Baht

The Bank's Financial Statements**December 31, 2019**

						Surplus reserve from minimum requirement/ General reserve	Total
	Normal	Special mention	Sub- standard	Doubtful	Doubtful loss		
Beginning balance	139.01	41.06	918.63	1,315.60	2,158.00	2,195.87	6,768.17
Doubtful accounts	18.20	(3.33)	(313.44)	(640.65)	1,340.10	-	400.88
Surplus reserve from minimum requirement	-	-	-	-	-	(193.58)	(193.58)
General Reserve	-	-	-	-	-	60.66	60.66
Ending balance	157.21	37.73	605.19	674.95	3,498.10	2,062.95	7,036.13

(TRANSLATION)

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8.10 Properties for sale, net

Unit : Million Baht

Consolidated Financial Statements**December 31, 2020**

	Beginning balance	Additions	Disposals/ Decrease	Ending balance
Assets from debts repayment				
Immovable assets				
- External appraiser	89.55	188.90	(3.97)	274.48
Total immovable assets	89.55	188.90	(3.97)	274.48
Movable assets				
- External appraiser	33.11	251.75	(238.94)	45.92
Total movable assets	33.11	251.75	(238.94)	45.92
Total properties for sale	122.66	440.65	(242.91)	320.40
<u>Less</u> Allowance for impairment*	(11.71)	(51.33)	52.55	(10.49)
Total properties for sale, net	110.95	389.32	(190.36)	309.91

Unit : Million Baht

Consolidated Financial Statements**December 31, 2019**

	Beginning balance	Additions	Disposals/ Decrease	Ending balance
Assets from debts repayment				
Immovable assets				
- External appraiser	36.35	57.82	(4.62)	89.55
Total immovable assets	36.35	57.82	(4.62)	89.55
Movable assets				
- External appraiser	35.76	265.84	(268.49)	33.11
Total movable assets	35.76	265.84	(268.49)	33.11
Total properties for sale	72.11	323.66	(273.11)	122.66
Less Allowance for impairment*	(11.61)	(38.65)	38.55	(11.71)
Total properties for sale, net	60.50	285.01	(234.56)	110.95

*As at December 31, 2020 and 2019, the Bank and its subsidiaries had allowance for impairment of properties for sale amounting to Baht 4.91 million and Baht 6.04 million, respectively.

(TRANSLATION)

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8.10 Properties for sale, net (Continued)

Unit : Million Baht

The Bank's Financial Statements				
December 31, 2020				
	<u>Beginning</u>		<u>Disposals/</u>	<u>Ending</u>
	<u>balance</u>	<u>Additions</u>	<u>Decrease</u>	<u>balance</u>
Assets from debts repayment				
Immovable assets				
- External appraiser	60.50	188.90	(3.97)	245.43
Total immovable assets	60.50	188.90	(3.97)	245.43
Movable assets				
- External appraiser	-	-	-	-
Total movable assets	-	-	-	-
Total properties for sale	60.50	188.90	(3.97)	245.43
<u>Less</u> Allowance for impairment*	(6.04)	(15.68)	16.81	(4.91)
Total properties for sale, net	54.46	173.22	12.84	240.52

Unit : Million Baht

The Bank's Financial Statements				
December 31, 2019				
	<u>Beginning</u>		<u>Disposals/</u>	<u>Ending</u>
	<u>balance</u>	<u>Additions</u>	<u>Decrease</u>	<u>balance</u>
Assets from debts repayment				
Immovable assets				
- External appraiser	2.68	57.82	-	60.50
Total immovable assets	2.68	57.82	-	60.50
Movable assets				
- External appraiser	-	0.18	(0.18)	-
Total movable assets	-	0.18	(0.18)	-
Total properties for sale	2.68	58.00	(0.18)	60.50
<u>Less</u> Allowance for impairment*	(0.26)	(5.78)	-	(6.04)
Total properties for sale, net	2.42	52.22	(0.18)	54.46

* As at December 31, 2020 and 2019, the Bank had allowance for impairment of properties for sale amounting to Baht 4.91 million and Baht 6.04 million, respectively.

(TRNSLATION)

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8.11 Premises and equipment, net

Unit : Million Baht

Consolidated Financial Statements										
December 31, 2020										
	Cost			Ending balance	Accumulated depreciation			Ending balance	Allowance for impairment	Net Balance
	Beginning balance	Additions	Disposals		Beginning balance	Depreciation	Disposals			
Land										
- Cost	154.55	-	-	154.55	-	-	-	-	-	154.55
Land improvement on leased land										
- Cost	3.49	-	-	3.49	3.49	-	-	3.49	-	-
Building										
- Cost	97.95	-	-	97.95	76.88	3.12	-	80.00	-	17.95
Building and leasehold improvement										
- Cost	662.23	6.98	(54.77)	614.44	501.24	51.75	(27.65)	525.34	-	89.10
Furniture, fixture and equipment										
- Cost	982.75	15.07	(33.68)	964.14	956.38	11.09	(33.65)	933.82	-	30.32
Vehicles										
- Cost	42.56	7.18	(7.83)	41.91	28.66	2.74	(5.04)	26.36	-	15.55
Construction in progress	3.64	3.87	(7.51)	-	-	-	-	-	-	-
Total	1,947.17	33.10	(103.79)	1,876.48	1,566.65	68.70	(66.34)	1,569.01	-	307.47

Unit : Million Baht

Consolidated Financial Statements										
December 31, 2019										
	Cost			Ending balance	Accumulated depreciation			Ending balance	Allowance for impairment	Net Balance
	Beginning balance	Additions	Disposals		Beginning balance	Depreciation	Disposals			
Land										
- Cost	154.55	-	-	154.55	-	-	-	-	-	154.55
Land improvement on leased land										
- Cost	3.49	-	-	3.49	3.49	-	-	3.49	-	-
Building										
- Cost	97.95	-	-	97.95	73.76	3.12	-	76.88	-	21.07
Building and leasehold improvement										
- Cost	603.72	60.18	(1.67)	662.23	423.63	79.16	(1.55)	501.24	-	160.99
Furniture, fixture and equipment										
- Cost	968.08	17.32	(2.65)	982.75	934.00	25.00	(2.62)	956.38	-	26.37
Vehicles										
- Cost	111.96	0.45	(69.85)	42.56	68.35	4.34	(44.03)	28.66	-	13.90
Construction in progress	0.34	21.79	(18.49)	3.64	-	-	-	-	-	3.64
Total	1,940.09	99.74	(92.66)	1,947.17	1,503.23	111.62	(48.20)	1,566.65	-	380.52

(TRANSLATION)

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8.11 Premises and equipment, net (Continued)

As at December 31, 2020 and 2019, the Bank and its subsidiaries had premises and equipment here were fully depreciated but still in-use, with the original cost totaling approximately Baht 1,143.68 million and Baht 1,072.17 million, respectively.

Unit : Million Baht

The Bank's Financial Statements										
December 31, 2020										
	Cost			Ending balance	Accumulated depreciation			Ending balance	Allowance for impairment	Net Balance
	Beginning balance	Additions	Disposals		Beginning balance	Depreciation	Disposals			
Land										
- Cost	154.55	-	-	154.55	-	-	-	-	-	154.55
Building										
- Cost	97.95	-	-	97.95	76.88	3.12	-	80.00	-	17.95
Building and leasehold improvement										
- Cost	637.78	3.89	(52.00)	589.67	481.84	50.07	(24.90)	507.01	-	82.66
Furniture, fixture and equipment										
- Cost	950.10	13.29	(31.04)	932.35	930.10	7.81	(31.02)	906.89	-	25.46
Vehicles										
- Cost	12.49	-	-	12.49	12.49	-	-	12.49	-	-
Construction in progress	3.64	1.83	(5.47)	-	-	-	-	-	-	-
Total	1,856.51	19.01	(88.51)	1,787.01	1,501.31	61.00	(55.92)	1,506.39	-	280.62

Unit : Million Baht

The Bank's Financial Statements										
December 31, 2019										
	Cost			Ending balance	Accumulated depreciation			Ending balance	Allowance for impairment	Net Balance
	Beginning balance	Additions	Disposals		Beginning balance	Depreciation	Disposals			
Land										
- Cost	154.55	-	-	154.55	-	-	-	-	-	154.55
Building										
- Cost	97.95	-	-	97.95	73.76	3.12	-	76.88	-	21.07
Building and leasehold improvement										
- Cost	580.72	57.06	-	637.78	404.80	77.04	-	481.84	-	155.94
Furniture, fixture and equipment										
- Cost	937.33	14.51	(1.74)	950.10	910.45	21.39	(1.74)	930.10	-	20.00
Vehicles										
- Cost	12.49	-	-	12.49	12.49	-	-	12.49	-	-
Construction in progress	0.34	17.41	(14.11)	3.64	-	-	-	-	-	3.64
Total	1,783.38	88.98	(15.85)	1,856.51	1,401.50	101.55	(1.74)	1,501.31	-	355.20

(TRANSLATION)

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8.11 Premises and equipment, net (Continued)

As at December 31, 2020 and 2019, the Bank had premises and equipment where were fully depreciated but still in-use, with the original cost totaling approximately Baht 1,090.43 million and Baht 1,029.77 million, respectively.

8.12 Right-of-use assets, net

Unit : Million Baht

Consolidated Financial StatementsDecember 31, 2020

	Cost				Accumulated depreciation				Net
	Beginning			Ending	Beginning			Ending	
	Balance	Addition	Disposals	Balance	Balance	Deperciation	Disposals	Balance	
Right-of-use assets - building	201.56	65.29	(12.01)	254.84	-	93.59	(5.21)	88.38	166.46
Right-of-use assets - equipment	1.86	2.19	-	4.05	-	1.73	-	1.73	2.32
Right-of-use assets - vehicle	80.15	22.66	(0.58)	102.23	-	20.26	(0.13)	20.13	82.10
Right-of-use assets - building									
- Provision for dismantling and removal cost	53.42	18.26	(0.41)	71.27	24.90	16.61	(0.13)	41.38	29.89
	336.99	108.40	(13.00)	432.39	24.90	132.19	(5.47)	151.62	280.77

Unit : Million Baht

The Bank's Financial StatementsDecember 31, 2020

	Cost				Accumulated depreciation				Net
	Beginning			Ending	Beginning			Ending	
	Balance	Addition	Disposals	Balance	Balance	Deperciation	Disposals	Balance	
Right-of-use assets - building	177.09	55.01	(9.16)	222.94	-	82.42	(2.60)	79.82	143.12
Right-of-use assets - equipment	1.86	2.19	-	4.05	-	1.73	-	1.73	2.32
Right-of-use assets - vehicle	80.15	22.66	(0.58)	102.23	-	20.26	(0.13)	20.13	82.10
Right-of-use assets - building									
- Provision for dismantling and removal cost	53.42	18.26	(0.42)	71.26	24.90	16.61	(0.13)	41.38	29.88
	312.52	98.12	(10.16)	400.48	24.90	121.02	(2.86)	143.06	257.42

(TRANSLATION)

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8.13 Goodwill and other intangible assets, net

Unit : Million Baht

Consolidated Financial Statements										
December 31, 2020										
	Cost				Accumulated Amortization				Allowance	
	Beginning	Additions	Disposals	Ending	Beginning	Amortization	Disposals	Ending	for impairment	Net balance
	balance			balance	balance			balance		
Right to use										
computer software										
- Cost	348.39	0.47	(0.06)	348.80	340.61	2.60	(0.06)	343.15	-	5.65
Computer systems										
- Cost	740.63	0.19	(0.38)	740.44	708.22	6.04	(0.26)	714.00	-	26.44
Goodwill										
- Cost	90.00	-	-	90.00	19.50	-	-	19.50	(70.50)	-
Computer systems										
in progress	11.83	120.22	(0.19)	131.86	-	-	-	-	(1.59)	130.27
Total	1,190.85	120.88	(0.63)	1,311.10	1,068.33	8.64	(0.32)	1,076.65	(72.09)	162.36

Unit : Million Baht

Consolidated Financial Statements										
December 31, 2019										
	Cost				Accumulated Amortization				Allowance	
	Beginning	Additions	Disposals	Ending	Beginning	Amortization	Disposals	Ending	for impairment	Net balance
	balance			balance	balance			balance		
Right to use										
computer software										
- Cost	347.28	1.11	-	348.39	337.38	3.23	-	340.61	-	7.78
Computer systems										
- Cost	737.63	3.00	-	740.63	699.58	8.64	-	708.22	-	32.41
Goodwill										
- Cost	90.00	-	-	90.00	19.50	-	-	19.50	(70.50)	-
Computer systems										
in progress	1.59	12.48	(2.24)	11.83	-	-	-	-	(1.59)	10.24
Total	1,176.50	16.59	(2.24)	1,190.85	1,056.46	11.87	-	1,068.33	(72.09)	50.43

(TRANSLATION)

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8.13 Goodwill and other intangible assets, net (Continued)

Unit : Million Baht

The Bank's Financial Statements										
December 31, 2020										
	Cost				Accumulated Amortization				Allowance	Net balance
	Beginning balance	Additions	Disposals	Ending balance	Beginning balance	Amortization	Disposals	Ending balance	for impairment	
Right to use										
computer software										
- Cost	314.83	0.14	(0.06)	314.91	313.84	0.38	(0.06)	314.16	-	0.75
Computer systems										
- Cost	740.63	0.19	(0.38)	740.44	708.22	6.04	(0.26)	714.00	-	26.44
Goodwill										
- Cost	90.00	-	-	90.00	19.50	-	-	19.50	(70.50)	-
Computer systems										
in progress	10.24	120.22	(0.19)	130.27	-	-	-	-	-	130.27
Total	1,155.70	120.55	(0.63)	1,275.62	1,041.56	6.42	(0.32)	1,047.66	(70.50)	157.46

Unit : Million Baht

The Bank's Financial Statements										
December 31, 2019										
	Cost				Accumulated Amortization				Allowance	Net balance
	Beginning balance	Additions	Disposals	Ending balance	Beginning balance	Amortization	Disposals	Ending balance	for impairment	
Right to use										
computer software										
- Cost	314.13	0.70	-	314.83	312.87	0.97	-	313.84	-	0.99
Computer systems										
- Cost	737.63	3.00	-	740.63	699.58	8.64	-	708.22	-	32.41
Goodwill										
- Cost	90.00	-	-	90.00	19.50	-	-	19.50	(70.50)	-
Computer systems										
in progress	-	12.48	(2.24)	10.24	-	-	-	-	-	10.24
Total	1,141.76	16.18	(2.24)	1,155.70	1,031.95	9.61	-	1,041.56	(70.50)	43.64

(TRANSLATION)

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8.14 Deferred tax assets and liabilities

The detail of recognition of deferred tax assets and liabilities as income/ expenses in the statements of profit or loss and other comprehensive income for the years 2020 and 2019 is as follows:

Unit : Million Baht

	<u>Consolidated Financial Statements</u>			
			<u>Other comprehensive income</u>	
	<u>January 1, 2020</u>	<u>Gains (losses)</u>	<u>income</u>	<u>December 31, 2020</u>
Deferred tax assets				
Allowance for doubtful accounts	36.02	12.98	-	49.00
Provision for long-term employee benefit reserve	3.73	0.73	-	4.46
Estimated losses on properties for sale	0.76	0.36	-	1.12
Allowance for impairment loss on intangible assets	0.32	-	-	0.32
Right-of-use assets and lease liabilities	-	0.06	-	0.06
Deferred tax assets	<u>40.83</u>	<u>14.13</u>	<u>-</u>	<u>54.96</u>
Deferred tax liabilities				
Deferred commission expense	(3.77)	(0.01)	-	(3.78)
Revenue from financial lease	(0.07)	0.05	-	(0.02)
Deferred tax liabilities	<u>(3.84)</u>	<u>0.04</u>	<u>-</u>	<u>(3.80)</u>
Deferred tax assets, net	<u>36.99</u>	<u>14.17</u>	<u>-</u>	<u>51.16</u>

Unit : Million Baht

	<u>Consolidated Financial Statements</u>			
			<u>Other comprehensive income</u>	
	<u>January 1, 2019</u>	<u>Gains (losses)</u>	<u>income</u>	<u>December 31, 2019</u>
Deferred tax assets				
Allowance for doubtful accounts	41.65	(5.63)	-	36.02
Provision for long-term employee benefit reserve	2.63	1.10	-	3.73
Estimated losses on properties for sale	1.90	(1.14)	-	0.76
Allowance for impairment loss on intangible assets	-	0.32	-	0.32
Deferred tax assets	<u>46.18</u>	<u>(5.35)</u>	<u>-</u>	<u>40.83</u>
Deferred tax liabilities				
Deferred commission expense	(2.82)	(0.95)	-	(3.77)
Revenue from financial lease	(0.15)	0.08	-	(0.07)
Deferred tax liabilities	<u>(2.97)</u>	<u>(0.87)</u>	<u>-</u>	<u>(3.84)</u>
Deferred tax assets, net	<u>43.21</u>	<u>(6.22)</u>	<u>-</u>	<u>36.99</u>

(TRANSLATION)

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8.15 Receivables from transferring non-performing assets

On June 29, 2017, the Bank made an asset transfer agreement with Islamic Bank Asset Management Company Limited. The assets transferred is non-performing asset and non-Muslim assets at the Cut-off Date are excluded from welfare employee financing and a financing program to assist independent retailers affected by the flood and storm in 2010 (PSA). Asset transfer is scheduled on December 31, 2016. The transfer date is June 30, 2017, using the outstanding balance as at June 29, 2017. The detail of transferring after increase in transferring-asset improvement were as follows:

Unit : Million Baht

Accounts	Outstanding balance / cost	Accrued income	Collateral value	Allowance for doubtful account	Allowance for Impairment	net book Value
		within 3 months for normal receivables	used in calculation of allowance / Appraised value			
Financing to bank transaction	48,876.13	0.72	22,125.47	26,750.66	-	22,126.19
Financing to Public Service Account	173.74	-	0.01	173.73	-	0.01
Investment in Finansia's account receivable	13.50	-	-	-	13.50	-
Properties for sale - immovable	253.55	-	446.38	-	0.26	253.29
Properties for sale - movable	1.73	-	1.93	-	0.15	1.58
Total	49,318.65	0.72	22,573.79	26,924.39	13.91	22,381.07

As at June 30, 2017 (the transfer date), the Bank received payment for the assets transferred to Islamic Bank Asset Management Company Limited (IAM) as a promissory note for 5 issues totaling Baht 22,605.66 million. The amounts due for such promissory notes may be adjusted as agreed by the parties (within six months). IAM has adjusted promissory note from No. 5/2560 amounting to Baht 4,605.66 million to promissory note No. 1/2561, amounting to Baht 4,381.07 million, promissory notes totaling Baht 22,381.07 million.

As at December 28, 2017, the Bank has signed a credit facility agreement with Krung Thai Bank PCL credit line of Baht 10,000 million. The Bank pledged the rights under the promissory note of Islamic Bank Asset Management Company Limited (IAM) issued 4 promissory notes totaling Baht 18,000 million, No. 1/2560, amounting to Baht 4,500 million, No. 2/2560, amounting to Baht 4,500 million, No. 3/2560, amounting to Baht 4,500 million, and No. 4/2560 amounting to Baht 4,500 million.

(TRANSLATION)

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8.15 Receivables from transferring non-performing assets (Continued)

As at April 17, 2019, the Bank made an agreement with Islamic Bank Asset Management Company Limited (IAM), which IAM had to pay for the assets transferred of promissory note No. 1/2560 at June 30, 2017 amounting to Baht 4,500 million and maturity date as June 30, 2020 amounting to Baht 2,000 million along with the return of promissory note. The Bank received some of payment for the assets transferred and return on promissory note as mentioned, therefore the Bank has returned promissory note No. 1/2560 maturity date as June 30, 2020 amounting to Baht 4,500 million to IAM, and the IAM has transferred promissory note No. 1/2562 for the remaining amount according to promissory note No. 1/2560 amounting to Baht 2,500 million to the Bank.

As at April 22, 2019, the Bank has decreased credit limit amounting to Baht 5,500 million, available balance amounting to Baht 4,500 million and redeemed collateral from rights under the promissory note issued 3 promissory notes, No. 1/2560, amounting to Baht 4,500 million, No. 3/2560, amounting to Baht 4,500 million, and No. 4/2560 amounting to Baht 4,500 million; amounting totaling Baht 13,500 million

As at October 15, 2019, the Bank received some payment for the assets transferred from promissory note No. 1/2562 amounting to Baht 500 million along with the return on promissory note. The Bank has returned promissory note No. 1/2562 to Islamic Bank Asset Management Company Limited (IAM) and IAM has transferred a promissory note No. 2/2562 for the remaining amounting to Baht 2,000 million.

As at December 26, 2019, the Bank received some of payment for the assets transferred from promissory note No. 2/2562 amounting to Baht 1,000 million. The Bank has returned promissory note No. 2/2562 to Islamic Bank Asset Management Company Limited (IAM) and IAM has transferred a promissory note No. 3/2562 for the remaining amounting to Baht 1,000 million.

As at April 30, 2020, the Bank pay for the assets transferred from IAM in the amounting to Baht 2,000 million which the Bank received a remaining payment according to the promissory note No. 3/2562, with the partial return amounting to Baht 1,000 million and received a principle payment, with the partial return of the promissory note No. 2/2560 amounting to Baht 1,000 million. The Bank returned promissory note No. 3/2562 and changed promissory note No. 2/2560 to promissory note No. 1/2563 for the remaining amounting to Baht 3,500 million.

As at June 26, 2020, the Bank received a partial payment according to the promissory note No. 1/2563 amounting to Baht 1,000 million along with some rate of returns. The Bank also received the deficit rate of return according to the promissory note No. 3/2562, the Bank has transferred the promissory note No. 1/2563 and IAM has transferred a promissory note No. 2/2563 for the remaining amounting to Baht 2,500 million.

(TRANSLATION)

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8.15 Receivables from transferring non-performing assets (Continued)

As at August 17, 2020, the Bank redeemed the collateral for the promissory note No. 2/2560 amounting to Baht 4,500 million and the Bank has signed a credit agreement with Krung Thai Bank Plc. with credit facilities amounting to Baht 4,500 million. The Bank has pledged the rights under of IAM's promissory notes which issue according to the promissory note No. 3/2560 amounting to Baht 4,500 million.

As at December 21, 2020, the Bank received a partial payment according to the promissory note No. 2/2563 amounting to Baht 500 million along with some rate of returns from January-November 2020 in the amount of Baht 197.77 million. The Bank has returned the promissory note No. 2/2563 and IAM has transferred a promissory note No. 3/2563 for the remaining amounting to Baht 2,000 million.

The details of outstanding balance of the promissory notes which IAM issued due to transferring assets from the Bank as at December 31, 2020 and 2019 are as follows

			Unit : Million Baht	
			Consolidated and the Bank's Financial Statements	
			December 31, 2020	December 31, 2019
No.	Date of Issuance	Due date	Amount	Amount
2/2560	June 30, 2017	June 30, 2021	-	4,500.00
3/2560	June 30, 2017	June 30, 2022	4,500.00	4,500.00
4/2560	June 30, 2017	June 30, 2023	4,500.00	4,500.00
1/2561	June 30, 2017	June 30, 2024	4,381.07	4,381.07
3/2562	December 26, 2019	June 30, 2020	-	1,000.00
3/2563	December 21, 2020	June 30, 2021	2,000.00	-
Total			15,381.07	18,881.07

As at December 31, 2020 and 2019, the Bank has recognized accrued income from the promissory notes amounting to Baht 15.20 million and Baht 310.59 million, respectively.

(TRANSLATION)

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8.16 Other asset, net

Unit : Million Baht

	<u>Consolidated Financial Statements</u>		<u>The Bank's Financial Statements</u>	
	<u>December 31, 2020</u>	<u>December 31, 2019</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Revenue department receivable	0.72	0.73	0.72	0.73
Deposits	65.29	65.83	62.40	62.63
<u>Less</u> Allowance for impairment - deposits	(0.66)	(0.66)	(0.66)	(0.66)
Non-accrual receivable and judgment debtors	305.14	372.86	-	-
<u>Less</u> Allowance for doubtful accounts	(254.29)	(337.44)	-	-
Other accrued income	9.21	13.30	9.21	13.30
Account receivables under investigation	12.48	12.50	12.48	12.50
<u>Less</u> Allowance for doubtful accounts	(12.48)	(12.50)	(12.48)	(12.50)
Advance payment to receivables	204.98	199.41	204.98	199.41
<u>Less</u> Allowance for impairment - advance payment to receivables	(179.04)	(176.93)	(179.04)	(176.93)
Debtors of the Legal Execution Department	64.78	52.93	64.78	52.93
<u>Less</u> Account receivables debtors of the Legal Execution Department	(3.47)	(3.03)	(3.47)	(3.03)
Other receivables of IAM	273.86	293.70	273.86	293.70
Others	43.78	54.78	36.49	39.93
<u>Less</u> Allowance for impairment - other assets	(1.62)	(1.63)	(1.62)	(1.63)
Total other assets, net	<u>528.68</u>	<u>533.85</u>	<u>467.65</u>	<u>480.38</u>

As at December 31, 2020, the Bank had other receivables of Islamic Bank Asset Management amounting to Baht 273.86 million from advance payment and paid obligations in respect of transfer of non-performing assets for Islamic Bank Asset Management amounting to Baht 35.69 million and Baht 238.17 million, respectively.

8.17 Deposits

8.17.1 Classified by product type

Unit : Million Baht

	<u>Consolidated Financial Statements</u>		<u>The Bank's Financial Statements</u>	
	<u>December 31, 2020</u>	<u>December 31, 2019</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>
At call	890.42	960.56	904.37	971.35
Savings	25,007.23	19,592.96	25,037.55	19,624.77
Term deposits				
Less than 6 months	6,933.48	6,100.09	6,933.48	6,100.09
6 months - 1 year	4,025.44	8,010.04	4,025.44	8,010.04
More than 1 year	38,267.68	44,601.24	38,267.68	44,601.24
Total	<u>75,124.25</u>	<u>79,264.89</u>	<u>75,168.52</u>	<u>79,307.49</u>

(TRANSLATION)

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8.17.2 Classified by remaining maturity of deposits

Unit : Million Baht

	<u>Consolidated Financial Statements</u>		<u>The Bank's Financial Statements</u>	
	<u>December 31, 2020</u>	<u>December 31, 2019</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Less than 1 year	68,303.30	66,367.79	68,347.57	66,410.39
More than 1 year	6,820.95	12,897.10	6,820.95	12,897.10
Total	<u>75,124.25</u>	<u>79,264.89</u>	<u>75,168.52</u>	<u>79,307.49</u>

8.17.3 Classified by currency and residence of depositors

Unit : Million Baht

	<u>Consolidated Financial Statements</u>			<u>December 31, 2019</u>		
	<u>December 31, 2020</u>			<u>December 31, 2019</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Thai Baht	75,122.38	1.87	75,124.25	79,262.28	2.61	79,264.89
Total	<u>75,122.38</u>	<u>1.87</u>	<u>75,124.25</u>	<u>79,262.28</u>	<u>2.61</u>	<u>79,264.89</u>

Unit : Million Baht

	<u>The Bank's Financial Statements</u>			<u>December 31, 2019</u>		
	<u>December 31, 2020</u>			<u>December 31, 2019</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Thai Baht	75,166.65	1.87	75,168.52	79,304.88	2.61	79,307.49
Total	<u>75,166.65</u>	<u>1.87</u>	<u>75,168.52</u>	<u>79,304.88</u>	<u>2.61</u>	<u>79,307.49</u>

(TRANSLATION)

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8.18 Interbank and money market items, net (liabilities)

Unit : Million Baht

Consolidated Financial Statements

	<u>December 31, 2020</u>			<u>December 31, 2019</u>		
	<u>At call</u>	<u>Term</u>	<u>Total</u>	<u>At call</u>	<u>Term</u>	<u>Total</u>
Domestic items						
Bank of Thailand	-	198.19	198.19	-	-	-
Commercial bank	-	-	-	2.94	-	2.94
Specialized financial institutions	-	1,222.30	1,222.30	-	984.04	984.04
Other financial institutions	1,685.02	160.66	1,845.68	459.27	78.63	537.90
Total	<u>1,685.02</u>	<u>1,581.15</u>	<u>3,266.17</u>	<u>462.21</u>	<u>1,062.67</u>	<u>1,524.88</u>

Unit : Million Baht

The Bank's Financial Statements

	<u>December 31, 2020</u>			<u>December 31, 2019</u>		
	<u>At call</u>	<u>Term</u>	<u>Total</u>	<u>At call</u>	<u>Term</u>	<u>Total</u>
Domestic items						
Bank of Thailand	-	198.19	198.19	-	-	-
Specialized financial institutions	-	1,122.30	1,122.30	-	984.04	984.04
Other financial institutions	1,685.02	160.66	1,845.68	459.27	78.63	537.90
Total	<u>1,685.02</u>	<u>1,481.15</u>	<u>3,166.17</u>	<u>459.27</u>	<u>1,062.67</u>	<u>1,521.94</u>

8.19 Lease liabilities, net

The amount of adjustment for lease liabilities affected by the date of first adoption of TFRS16 as of January 1, 2020 as follows:

Unit : Million Baht

	<u>Consolidated Financial Statement</u>	<u>The Bank's Financial Statement</u>
Lease liabilities recognized under		
new financial reporting standard at January 1, 2020	347.66	321.43
Additions	111.93	101.09
Repayment	(117.26)	(105.21)
Disposal	(7.66)	(7.66)
Ending balance as at December 31, 2020	<u>334.67</u>	<u>309.65</u>
<u>Less</u> Deferred lease payment	<u>(8.26)</u>	<u>(6.89)</u>
Lease liabilities, net	<u>326.41</u>	<u>302.76</u>

(TRANSLATION)

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8.20 Provisions

Unit : Million Baht

	<u>Consolidated Financial Statements</u>		<u>The Bank's Financial Statements</u>	
	<u>December 31, 2020</u>	<u>December 31, 2019</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Provision for post-employment benefit contingent	336.43	296.24	314.11	277.59
Provision for short-term employee benefit contingent	17.87	15.70	17.87	15.70
Provision for dismantling and removal cost	-	52.01	-	52.01
Provision for lawsuit files	11.72	18.45	11.72	18.45
Provision caused by non-performing assets	162.60	158.80	162.60	158.80
Other current provisions	-	5.46	-	5.46
Provision for return of government project financing	-	0.70	-	0.70
Total	<u>528.62</u>	<u>547.36</u>	<u>506.30</u>	<u>528.71</u>

The Bank has established post-employment benefit plans in accordance with the State Enterprise Labor Relations Act, B.E. 2543 while subsidiaries have post-employment benefit plans in accordance with the Labor Protection Act B.E. 2541 in which being presented as a part of provisions under the statements of financial position.

As at December 31, 2020 and 2019, the Bank had provision caused by a lawsuit filed and provision caused by non-performing assets amounting to Baht 174.32 million and Baht 177.25 million, respectively. This included contingent liabilities caused by provision from bank guarantee totaled Baht 142.51 million and Baht 142.51 million, respectively as stated in Note 8.26.1. In this period, the Bank has made an estimation of the contingent liabilities from the risks and uncertainties. Conservatism assumptions has been used in order to determine the possibilities, from news appears by the media, from litigation between debtors and beneficiary and litigation period. The bank will recognize other provisions reversal when the Bank pays its litigation.

As at December 31, 2020, the Bank has a contingent liability in respect of transfer of non-performing assets to Islamic Bank Asset Management. The Bank expects to payoff its obligations under the transferred assets for more than 2 years from the date of transfer of assets amounting to Baht 162.60 million, such amount is included penalty charges and court fees of Baht 20.09 million.

(TRANSLATION)

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8.20 Provisions (Continued)

Change in present value of post-employment benefit obligations for the year ended December 31, 2020 and 2019 were as follows:

	Unit : Million Baht			
	<u>Consolidated Financial Statements</u>		<u>The Bank's Financial Statements</u>	
	<u>December 31, 2020</u>	<u>December 31, 2019</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Beginning provision according to post-employment benefit obligations	296.24	211.82	277.59	198.70
Current service cost	46.55	42.95	44.62	41.33
Financial cost	4.56	4.03	4.28	3.63
Past service cost and loss (gain) caused by benefit paid	-	34.84	-	33.35
Other long-term employee benefit	0.31	-	-	-
Recognized in other comprehensive income :				
Loss (gain) from using actuarial calculation estimation				
Caused by change in demographic assumptions	(0.67)	0.55	-	1.46
Caused by change in financial assumptions	1.90	22.62	-	22.26
Caused by improvement from experience	0.41	(4.16)	-	(6.79)
Benefit paid	(12.87)	(16.41)	(12.38)	(16.35)
Ending provision according to post-employment benefit obligations	<u>336.43</u>	<u>296.24</u>	<u>314.11</u>	<u>277.59</u>

Amounts recognized in the statements of profit or loss and comprehensive income in respect of the post-employment benefit plans for the year ended December 31, 2020 and 2019 were as follows:

	Unit : Million Baht			
	<u>Consolidated Financial Statements</u>		<u>The Bank's Financial Statements</u>	
	<u>December 31, 2020</u>	<u>December 31, 2019</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Current service costs	46.55	42.95	44.62	41.33
Finance costs	4.56	4.03	4.28	3.63
Past service cost and loss (gain)				
caused by benefit paid	-	34.84	-	33.35
Other long-term employee benefit	0.31	-	-	-

Principal actuarial assumptions used to calculate the defined benefit obligations as at December 31, 2020 and 2019 were as follows:

	<u>Consolidated and the Bank's Financial Statements</u>	
	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Discount rate	1.36% - 1.56%	1.26% - 1.91%
Salary increase rate	4.00% - 4.50%	2.93% - 4.50%
Turnover average rate	0% - 22.92%	0% - 22%

(TRANSLATION)

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8.20 Provisions (Continued)

Sensitivity analysis of principal actuarial assumptions as at December 31, 2020 and 2019 were as follows:

Unit : Million Baht

	<u>Consolidated Financial Statements</u>		<u>The Bank's Financial Statements</u>	
	<u>December 31, 2020</u>	<u>December 31, 2019</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>Change in post-employment benefits</u>				
Increase in discount rate by 0.50 - 1.00	(33.84)	(30.39)	(32.98)	(29.97)
Decrease in discount rate by 0.50 - 1.00	39.64	35.83	38.72	35.35
Increase in salary average rate by 1.00	42.97	35.05	41.36	34.66
Decrease in salary average rate by 1.00	(37.20)	(30.41)	(35.77)	(30.04)
Increase in turnover average rate by 1.00 - 20.00	(38.01)	(32.01)	(34.76)	(31.61)
Decrease in turnover average rate by 1.00 - 20.00	28.41	24.36	25.70	23.93

Maturity analysis of Defined Benefit Plan

The following table provides information on the weighted average duration of the defined benefit plan and the maturity analysis of benefit payments calculated based on the defined benefit plan expected to be paid in the future in the undiscounted form.

Unit : Year

	<u>Consolidated Financial Statements</u>		<u>The Bank's Financial Statements</u>	
	<u>December 31, 2020</u>	<u>December 31, 2019</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Weighted average duration of the defined benefit plan	<u>10-13</u>	<u>5-18</u>	<u>12.69</u>	<u>12.69</u>

Unit : Million Baht

	<u>Consolidated Financial Statements</u>		<u>The Bank's Financial Statements</u>	
	<u>December 31, 2020</u>	<u>December 31, 2019</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>Maturity analysis of benefit expected to be paid</u>				
Amount expected to be paid within 12 months	7.22	16.12	5.02	12.58
Amount expected to be paid between 1 to 5 years	80.06	71.73	74.00	58.14
Amount expected to be paid between 5 to 10 years	220.39	191.36	212.43	184.08
Amount expected to be paid between 10 to 15 years	301.48	299.27	296.95	295.55
Amount expected to be paid between 15 to 25 years	719.24	705.53	715.16	705.53
Amount expected to be paid over 25 years	252.09	311.91	251.64	311.91

(TRANSLATION)

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8.21 Other liabilities

Unit : Million Baht

	<u>Consolidated Financial Statements</u>		<u>The Bank's Financial Statements</u>	
	<u>December 31, 2020</u>	<u>December 31, 2019</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>
The Revenue Department payable	46.67	27.23	9.37	10.10
Suspense account creditors	36.88	44.40	36.88	44.40
Suspense cheque clearing	37.12	59.77	37.12	59.77
Others	70.77	77.11	57.05	66.53
Total	<u>191.44</u>	<u>208.51</u>	<u>140.42</u>	<u>180.80</u>

8.22 Share capital

The Bank had registered share capital in accordance with the Islamic Bank of Thailand Act B.E. 2545 of 100 million shares with par value of Baht 10 each, totaling Baht 1,000 million; and may offer shares to no more than 35 major of shareholders.

During 2007 - 2013, the Bank's capital has been raised for several times in which the Bank has 10,276.83 million shares with par value of Baht 10 each, totaling Baht 102,768.25 million. In 2018, the Bank has decreased its share value from Baht 10 to Baht 0.01, resulting totaling Baht 102.76 million and increased capital for 2 times of 1,810,000 million shares totaling Baht 18,100 million. As at December 31, 2018, the Bank has issued and paid-up share capital of 1,820,276.83 million shares in amounting of Baht 18,202.76 million.

On July 17, 2018 the Government Gazette has announced revised the Islamic Bank of Thailand Act (No.2) B.E. 2561 section 3 which is effective on July 18, 2018. The Act assigned Ministry of Finance holding the Bank's shares with appropriate number, but not exceed 49 percent of total issued shares, unless there is necessity for benefit in status or operation revision of the Bank. Ministry of Finance might hold share exceeding 49 percent of total issued shares temporarily with appropriate proportion and timing based on ministry's opinion. As at December 31, 2020, Ministry of Finance and State Enterprises under Ministry of Finance held by 99.87 percent of the Bank's share capital.

(TRNSLATION)

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8.22 Share capital (Continued)

Movements of share capital amounts and value from share capital increased and decreased until December 31, 2020 were as follows:

	Ordinary shares (Million Shares)	Par value (Baht)	Amount at par value (Million Baht)	Offering price (Baht)	Amount at offering price (Million Baht)	Premium (discount) on share capital (Million Baht)
Issued and paid-up share capital						
Increase in share capital accordance with the Islamic Bank of Thailand Act, B.E.2545						
No. 1 (2002)	8.00	10.00	80.00	10.00	80.00	-
No. 2 (2003)	61.69	10.00	616.86	10.00	616.86	-
No. 3 (2006)	0.76	10.00	7.59	4.82	3.66	(3.93)
No. 4 (2007)	1.59	10.00	15.89	2.50	3.97	(11.92)
No. 5 (2007)	27.96	10.00	279.66	1.08	30.20	(249.46)
Total	100.00		1,000.00		734.69	(265.31)
Increase in share capital from the resolution of the shareholders' meeting for the year 2007						
No. 1 (2007)	835.50	10.00	8,355.02	1.08	902.34	(7,452.68)
No. 2 (2007)	2,187.50	10.00	21,874.98	1.08	2,362.50	(19,512.48)
Total	3,023.00		30,230.00		3,264.84	(26,965.16)
Increase in share capital from the resolution of the shareholders' meeting for the year 2009						
No. 1 (2010)	60.20	10.00	601.98	1.08	65.01	(536.97)
No. 2 (2010)	5,495.35	10.00	54,953.52	1.08	5,934.98	(49,018.54)
Total	5,555.55		55,555.50		5,999.99	(49,555.51)
Increase in share capital from the resolution of the shareholders' meeting for the year 2013						
No. 1 (2013)	1,598.28	10.00	15,982.75	0.58	927.00	(15,055.75)
Total	10,276.83		102,768.25		10,926.52	(91,841.73)
Reduction in capital according to resolution at extraordinary general meeting No. 1/2560						
The Ministers agreed to reduce capital						
August 2, 2018	-	(9.99)	(102,665.49)		-	102,665.49
Reduction of discount and retained earnings	-		-		-	(10,823.76)
Total	10,276.83		102.76		-	-
Increase in share capital						
No. 1 (2018)	880,670.32	0.01	8,806.70	0.01	8,806.70	-
No. 2 (2018)	929,329.68	0.01	9,293.30	0.01	9,293.30	-
Total	1,810,000.00		18,100.00		18,100.00	-
As at December 31, 2020	1,820,276.83		18,202.76		18,100.00	-

(TRANSLATION)

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8.23 Warrant/ Capital reserve for share-based payment transaction

As at November 14, 2016, the Extraordinary General Meeting (EGM) of Amanah Leasing Public Company Limited (“the Company”) No. 1/2559 had a resolution to approve warrant-issuing project of Amanah Leasing Public Company Limited for the Company’s directors and employees (AMANAHA-WA) at no cost. Detail of the warrants were as follows:

Date of issuance	Determined by Board of Directors
Given amount (unit)	20,000,000 (maximum)
Contract period	5 years (maximum), started from the date of warrant issued
Conversion date	Last working day of June and December in each year through the warrant period
Exercise price (Baht) per 1 common stock	1 st year = Baht 1.00 2 nd year = Baht 1.09 3 rd year = Baht 1.12 4 th year = Baht 1.21 5 th year = Baht 1.30
Conversion ratio (warrant)	1.00 : 1.08

Estimated fair value of each warrant equals to Baht 0.07 which calculated by Black-Scholes Merton pricing model. The input used in model are such as share price at the pricing date which is Baht 0.67, exercise price is Baht 1.20, expected variance is 37.85%, expected dividend ratio is 0.00%, contract period is 5 years, and risk-free rate is 2.01%.

As at December 31, 2020, warrants issued by the Company was as follows:

Warrant type	Issued for	Date of issuance	Given amount	Offering price	Contract period
AMANAHA-WA	Directors and employee	January 4, 2017	20,000,000	-	5 years

Number of warrants to purchase the Company’s ordinary shares. During the year, the following changes were made:

Warrant type	Number of warrants as at January 1, 2020	Number of warrants claimed during the year	Number of warrants that Out of dated/ Canceled during the year	Remaining warrants as at December 31, 2020
AMANAHA-WA	6,946,672	(2,868,481)	(254,458)	3,823,733

(TRANSLATION)

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8.23 Warrants/ Capital reserve for share-based payment transaction (Continued)

Amanah Leasing Public Company Limited has canceled the issuance of warrants to purchase the Company's ordinary shares that allocated to directors and employees of the Company (AMANAHA-WA). As at December 31, 2020, there were 5,090,103 units of accumulated warrants since the employees resign which is not follow the conditions for receiving the warrants.

During the year ended December 31, 2020 and 2019, Amanah Leasing Public Company Limited recorded expenses for the AMANAHA-WA project of Baht 0.09 million and Baht 0.18 million, respectively, which included in employee expenses.

8.24 The appropriation of net income for the year**8.24.1 Legal reserve**

	Unit : Million Baht	
	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Beginning balance	109.68	53.08
Profit appropriation of year	-	56.60
Ending balance	<u>109.68</u>	<u>109.68</u>

Under the Islamic Bank of Thailand Act, B.E. 2545, Section 38, the Bank is required to allocate net income for the year to reserve fund at least 10 per cent of its net income until the reserve fund is equal to or greater than the paid-up share capital, then the Bank may cease or reduce such appropriation.

8.24.2 Dividend payment

Under the Islamic Bank of Thailand Act, B.E. 2545, Section 11, after the Bank has subscribers and The Board of Directors shall be elected by the meeting of shareholders under the provisions of this Act, the Bank has to follow the Public Limited Companies Act, and apply mutatis mutandis as not contrary to or inconsistent with this Act.

Under Pursuant the Public Limited Companies Act B.E. 2535, Section 115 the Bank had to pay dividend payment from profit only. According to overall operation had ongoing capital deficiency, the Bank are not allowed to pay dividend.

On April 23, 2020, the Board of Directors' Meeting No. 4/2020 passed a resolution approving the omission of dividends to shareholders for the 2019 operating results due to the loss of the Bank. The Bank has postponed the 2020 Annual General Meeting of Shareholders as a precautionary measure for large numbers of people at high risk of the COVID-19 epidemic in line with urgent measures to prevent the coronavirus crisis. On March 17, 2020, the Bank, as a state enterprise that is considered a relevant agency.

(TRANSLATION)

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8.25 Basic earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the net profit (loss) for the period attributable to the Bank's ordinary shareholders (excluding other comprehensive income) with the weighted average number of ordinary shares issued during the period.

	For the years ended December 31,			
	Consolidated Financial Statements		The Bank's Financial Statements	
	2020	2019	2020	2019
Net income (loss) attributable to equity holders of the Bank (Million Baht)	(2,681.29)	682.96	(2,766.71)	566.01
Ordinary shares weighted average (Million share)	1,820,277	1,820,277	1,820,277	1,820,277
Basis earnings (loss) per share (Baht per share)	(0.00147)	0.00038	(0.00152)	0.00031

8.26 Contingent liabilities and other obligations**8.26.1 Contingent liabilities**

Unit : Million Baht

	Consolidated Financial Statements					
	December 31, 2020			December 31, 2019		
	Foreign		Total	Foreign		Total
	Baht	currency		Baht	currency	
Aval to bills	267.32	-	267.32	124.02	-	124.02
Liability under bill of exchange letters of credit	-	4.77	4.77	-	14.94	14.94
Other contingencies						
Other guarantees	1,748.55	-	1,748.55	1,487.87	-	1,487.87
Unused credit facilities	1,577.36	-	1,577.36	1,460.12	-	1,460.12
Unused overdrafts limit	519.05	-	519.05	419.91	-	419.91
Others	141.01	11.05	152.06	150.53	30.64	181.17
Total other contingencies	3,985.97	11.05	3,997.02	3,518.43	30.64	3,549.07
Total	4,253.29	15.82	4,269.11	3,642.45	45.58	3,688.03

(TRANSLATION)

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8.26.1 Contingent liabilities (Continued)

Unit : Million Baht

	The Bank's Financial Statements					
	December 31, 2020			December 31, 2019		
	Foreign		Total	Foreign		Total
	Baht	currency		Baht	currency	
Aval to bills	267.32	-	267.32	124.02	-	124.02
Liability under bill of exchange letters of credit	-	4.77	4.77	-	14.94	14.94
Other contingencies						
Other guarantees	1,748.55	-	1,748.55	1,487.87	-	1,487.87
Unused credit facilities	1,577.36	-	1,577.36	1,460.12	-	1,460.12
Unused overdrafts limit	519.05	-	519.05	419.91	-	419.91
Others	1.01	11.05	12.06	13.47	30.64	44.11
Total other contingencies	3,845.97	11.05	3,857.02	3,381.37	30.64	3,412.01
Total	4,113.29	15.82	4,129.11	3,505.39	45.58	3,550.97

As at December 31, 2020 and 2019, the Bank has a contingent liability from other guarantee amounting to Baht 1,748.55 million and Baht 1,487.87 million, respectively. The amount included other guarantee reserved for the disruption by recognizing as a provision for liability amounting to Baht 142.51 million and Baht 142.51 million respectively, stated in Note 8.20.

8.26.2 Other contingent liabilities

As at December 31, 2020 and 2019, the Bank has a contingent liability from numbers of lawsuit filed in the amount in dispute of Baht 4.00 million and Baht 4.30 million, respectively. The cases are under the court's judicial proceeding.

(TRANSLATION)

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8.26.3 Long-term leases

Unit : Million Baht

Consolidated Financial Statements

	<u>December 31, 2020</u>				<u>December 31, 2019</u>			
	Not over	Over	Over	Total	Not over	Over	Over	Total
	1 year	1-5 years	5 years		1 year	1-5 years	5 years	
Building	1.61	0.86	-	2.47	167.75	210.01	3.95	381.71
Equipment	15.40	39.58	-	54.98	18.15	55.74	-	73.89
Vehicle	-	-	-	-	22.86	63.10	-	85.96
Service	133.60	127.18	-	260.78	36.63	38.62	-	75.25
Total	150.61	167.62	-	318.23	245.39	367.47	3.95	616.81

Unit : Million Baht

The Bank's Financial Statements

	<u>December 31, 2020</u>				<u>December 31, 2019</u>			
	Not over	Over	Over	Total	Not over	Over	Over	Total
	1 year	1-5 years	5 years		1 year	1-5 years	5 years	
Building	1.61	0.86	-	2.47	157.65	195.97	3.95	357.57
Equipment	15.40	39.58	-	54.98	18.15	55.74	-	73.89
Vehicle	-	-	-	-	22.86	63.10	-	85.96
Service	130.73	126.81	-	257.54	33.24	35.07	-	68.31
Total	147.74	167.25	-	314.99	231.90	349.88	3.95	585.73

8.27 Disclosure of related party transactions

Significant transactions between the Bank and related parties were transacted under normal business practices on the arm's length basis under price and condition similar to normal customers including policy regarding to allowances for doubtful accounts the Bank complies with the BOT's guidelines to related parties similar to financing to normal debtors.

(TRANSLATION)

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8.27 Disclosure of related party transactions (Continued)

As at December 31, 2020 and 2019, the details of outstanding balance between the Bank and subsidiaries or related parties were as follows:

		Unit : Million Baht	
		<u>The Bank's Financial Statements</u>	
		<u>December 31, 2020</u>	<u>December 31, 2019</u>
Statements of Financial Position			
Financing and accrued income			
Amanah Leasing Public Company Limited	Subsidiary	1,975.10	2,067.11
Deposit			
Amanah Leasing Public Company Limited	Subsidiary	44.26	42.60

		Unit : Million Baht	
		<u>The Bank's Financial Statements</u>	
		<u>December 31, 2020</u>	<u>December 31, 2019</u>
Statement of Comprehensive Income			
Financial incomes			
Amanah Leasing Public Company Limited	Subsidiary	82.75	76.29
Fee and service income			
Amanah Leasing Public Company Limited	Subsidiary	0.04	0.04
Other income (Dividend)			
Amanah Leasing Public Company Limited	Subsidiary	55.56	3.47
Building and equipment expenses			
Amanah Leasing Public Company Limited	Subsidiary	0.02	1.53

As at December 31, 2020 and 2019, outstanding balances with key management personnel from Vice President level or the above were as follows:

		Unit : Million Baht	
		<u>The Bank's Financial Statements</u>	
		<u>December 31, 2020</u>	<u>December 31, 2019</u>
Executive from the Vice President level and above			
Financing		23.67	20.16
Allowance for doubtful accounts		0.05	0.05
Deposits		22.77	27.84
Family members in close contact with persons specified			
Financing		1.43	1.68
Deposits		5.13	1.59

(TRANSLATION)

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8.28 Other benefits paid to directors and persons with managing authority

As at December 31, 2020, the Bank gained compensations or benefits as paid for executive level from Vice President level or above which the compensation would rely on engagement contract, short-term benefit of Baht 1.65 million and post-employment benefit of Baht 29.47 million.

8.29 Financial information by segments

Unit : Million Baht

	December 31, 2020			
	The Bank's	Subsidiary	Elimination	Consolidated
	Financial Statement		of inter-	Financial Statement
	Bank	Hire Purchase	segment	Total
<u>Assets</u>				
Interbank and money market items	5,521.27	141.66	(44.26)	5,618.67
Financing to customers and financial accrued income, net	47,298.23	3,386.97	(1,975.10)	48,710.10
Other assets, net	23,541.22	236.85	(560.35)	23,217.72
Total	76,360.72	3,765.48	(2,579.71)	77,546.49
<u>Liabilities</u>				
Deposit	75,168.52	-	(44.26)	75,124.26
Interbank and money market items	3,166.17	2,073.49	(1,973.49)	3,266.17
Other liabilities	1,517.67	144.03	(1.61)	1,660.09
Total	79,852.36	2,217.52	(2,019.36)	80,050.52

Unit : Million Baht

	December 31, 2019			
	The Bank's	Subsidiary	Elimination	Consolidated
	Financial Statement		of inter-	Financial Statement
	Bank	Hire Purchase	segment	Total
<u>Assets</u>				
Interbank and money market items	7,148.00	142.69	(42.60)	7,248.09
Financing to customers and financial accrued income, net	47,249.58	3,216.37	(2,067.11)	48,398.84
Other assets, net	26,918.14	179.21	(560.35)	26,537.00
Total	81,315.72	3,538.27	(2,670.06)	82,183.93
<u>Liabilities</u>				
Deposit	79,307.49	-	(42.60)	79,264.89
Interbank and money market items	1,521.94	2,068.77	(2,065.83)	1,524.88
Other liabilities	1,363.92	100.15	(1.28)	1,462.79
Total	82,193.35	2,168.92	(2,109.71)	82,252.56

(TRNSLATION)

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8.29 Financial information by segments (Continued)

Unit : Million Baht

	For the year ended December 31, 2020			
	The Bank's	Subsidiary	Elimination	Consolidated
	Financial Statements		of inter-	Financial Statements
	Bank	Hire Purchase	segment	Total
Financial income	2,175.10	629.90	(82.75)	2,722.25
Financial expenses	1,036.59	84.13	(82.75)	1,037.97
Financial income, net	1,138.51	545.77	-	1,684.28
Fees and service income	176.50	43.00	(0.06)	219.44
Fees and service expenses	33.40	0.04	(0.04)	33.40
Fees and service income, net	143.10	42.96	(0.02)	186.04
Other operating income	204.55	104.60	(55.56)	253.59
Total operating income	1,486.16	693.33	(55.58)	2,123.91
Other operating expenses	1,652.31	278.56	(0.02)	1,930.85
Bad debts and doubtful accounts	2,600.56	98.83	-	2,699.39
Income from operating before income tax expense	(2,766.71)	315.94	(55.56)	(2,506.33)
Income tax expense	-	25.24	-	25.24
Net income	(2,766.71)	290.70	(55.56)	(2,531.57)

Unit : Million Baht

	For the year ended December 31, 2020			
	The Bank's	Subsidiary	Elimination	Consolidated
	Financial Statements		of inter-	Financial Statements
	Bank	Hire Purchase	segment	Total
Financial income	2,684.86	596.19	(76.29)	3,204.76
Financial expenses	1,309.84	76.52	(76.29)	1,310.07
Financial income, net	1,375.02	519.67	-	1,894.69
Fees and service income	209.38	60.24	(1.57)	268.05
Fees and service expenses	33.76	0.04	(0.04)	33.76
Fees and service income, net	175.62	60.20	(1.53)	234.29
Other operating income	1,050.69	72.13	(3.47)	1,119.35
Total operating income	2,601.33	652.00	(5.00)	3,248.33
Other operating expenses	1,769.51	267.45	(1.53)	2,035.43
Bad debts and doubtful accounts	265.81	97.21	-	363.02
Income from operating before income tax expense	566.01	287.34	(3.47)	849.88
Income tax expense	-	39.80	-	39.80
Net income	566.01	247.54	(3.47)	810.08

(TRANSLATION)

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8.30 Financial income

Unit : Million Baht

	Consolidated Financial Statements		The Bank's Financial Statements	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Financing to customers	2,030.05	2,472.71	2,109.35	2,545.59
Interbank and money market items	24.58	64.07	24.44	63.84
Hire-purchases and finance leases	626.49	594.21	0.18	1.66
Investment and others	41.13	73.77	41.13	73.77
Total financial income	2,722.25	3,204.76	2,175.10	2,684.86

8.31 Financial expenses

Unit : Million Baht

	Consolidated Financial Statements		The Bank's Financial Statements	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Compensations on deposit	930.02	1,102.72	930.02	1,102.72
Interbank and money market item	6.88	12.33	6.84	12.10
Remittance to SFIs Development Fund	94.87	195.02	94.87	195.02
Lease payment	5.80	-	4.86	-
Borrowing fees	0.41	-	-	-
Total financial expenses	1,037.98	1,310.07	1,036.59	1,309.84

As at December 31, 2020, the Bank estimated the remittance to specialized financial institutions fund according to the Specialized Financial Institutions Act B.E. 2558 for the period July 1, 2020 to December 31, 2020, amounting to Baht 45.86 million.

(TRANSLATION)

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8.32 Fees and service income, net

Unit : Million Baht

	<u>Consolidated Financial Statements</u>		<u>The Bank's Financial Statements</u>	
	<u>December 31, 2020</u>	<u>December 31, 2019</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Fees and service income				
Front end fees	13.06	20.09	13.06	20.09
Penalty charges *	18.94	37.62	18.94	37.62
Others	187.44	210.34	144.50	151.67
Total fees and service income	219.44	268.05	176.50	209.38
Fees and service expenses	(33.40)	(33.76)	(33.40)	(33.76)
Fees and service income, net	186.04	234.29	143.10	175.62

* Income from penalty charges, the Bank recognized as an income in accordance with the accounting standard that the Federation of Accounting Professions (FAP) prescribed and the response letter of the Federation of Accounting Professions (FAP) No. Sor Vor Bor Chor. 2625/2556 dated December 18, 2013 regarding the accounting treatment of compensation for damage or penalty charges from default or contract breach that the Federation of Accounting Professions (FAP) had an opinion that "The Bank should recognize the total amount of receipt of cash as an income and recognize as an expense when the Bank donate the cash." which in line with the determination from the Revenue Department. However, according to Shariah principle, the Bank cannot recognize this transaction as an income. There fore the Bank brought with the opportunity cost and losses from financing the remaining of proceedings should be donated for the public. This approach is concurred by according to the Shariah Advisory Council.

Shariah Advisory Council consider the income which are contrary to Shariah principle that cannot recognize as income of the Bank after deduct the opportunity cost and losses from financing of the Bank for the year 2020 and 2019, regarding the resolution of the meeting No. 2/2564 dated Wednesday, February 10, 2021 and No. 3/2563 dated Wednesday, April 22, 2020 respectively.

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8.32 Fees and service income, net (Continued)

Unit : Million Baht

The Bank's Financial Statements		
	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Shariah-noncompliant income		
Penalty fees from ordinary transaction	18.94	37.62
Penalty fees from Public Service Account transaction	0.03	0.09
Income contrary to Shariah principle	-	0.44
Income from cash management transactions	64.96	-
Total Shariah-noncompliant income	<u>83.93</u>	<u>38.15</u>
Opportunity cost		
<u>Less</u> Average cost of deposit	(0.26)	(0.64)
Cost of cash management transactions	-	-
Damage from credit		
<u>Less</u> Expenses related to debt collection, net	(89.76)	(71.83)
Expenses related to cash management transactions	(2.14)	-
Losses from debt restructuring	-	-
Total opportunity cost and damage from credit	<u>(92.16)</u>	<u>(72.47)</u>
Opportunity cost and damage are higher than Shariah-noncompliant income	<u>(8.23)</u>	<u>(34.32)</u>

On March 26, 2019, the Shariah Advisory Council No. 3/2562 passed a resolution approving the carry forward of bad debt written off. Such bad debt balance as at December 31, 2020 and 2019 were as follows:

Unit : Million Baht		
	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Net bad debt (Brought forward)	1,055.32	1,085.92
<u>Less</u> Bad debt recoveries in 2019	(35.66)	(30.60)
<u>Less</u> Income contrary to Shariah principle and damages caused during 2003-2014*		
Total revenue from default penalty	671.16	
Total expenses caused by default	(99.26)	(571.90)
Net bad debt carried forward	<u>447.76</u>	<u>1,055.32</u>

*On February 10, 2021, the Shariah Advisory Council No. 2/2021 passed a resolution to donate the income contrary to Shariah principle, after deducting opportunity cost and damages, by deducting from bad debt.

(TRANSLATION)

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8.33 Gains on trading and foreign exchange transactions, net

Unit : Million Baht

Consolidated and The Bank's Financial Statements

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Gains on foreign exchange rate, net	3.32	3.72
Total	<u>3.32</u>	<u>3.72</u>

8.34 Losses on investments, net

Unit : Million Baht

Consolidated and The Bank's Financial Statements

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Losses from sale		
- Available for sale	(3.07)	-
Losses from impairment of investment		
- Available for sale	(167.14)	-
- General investment	(2.38)	(0.46)
Total	<u>(172.59)</u>	<u>(0.46)</u>

8.35 Other operating income

Unit : Million Baht

	<u>Consolidated Financial Statements</u>		<u>The Bank's Financial Statements</u>	
	<u>December 31, 2020</u>	<u>December 31, 2019</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Other income - from hire-purchase financing	65.46	84.12	1.63	34.10
Dividend income	-	0.18	55.56	3.65
Gain on disposal of properties for sale	1.39	0.29	1.39	0.29
Gain on disposal of assets	0.08	0.55	0.02	0.01
Income from advance repayment from				
other receivables	-	229.62	-	229.62
Income from accrued bonus reversal	-	251.11	-	251.11
Other income	11.62	117.37	11.62	117.37
Total	<u>78.55</u>	<u>683.24</u>	<u>70.22</u>	<u>636.15</u>

Income from accrued bonus reversal is the reversal transaction of accrued employee's bonus expense which the Bank recognized in 2013 amounting to Baht 251.11 million. The Bank terminated accrued bonus expense since the Central Labour Court has Supreme Court Judgement dismissal of the Bank.

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8.36 Other expenses

Unit : Million Baht

	<u>Consolidated Financial Statements</u>		<u>The Bank's Financial Statements</u>	
	<u>December 31, 2020</u>	<u>December 31, 2019</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Sales promotion expenses	14.62	17.07	11.66	12.36
Professional service fees	40.42	35.48	37.51	32.06
Losses on impairment of other assets (reversal)	2.11	17.59	2.11	17.59
Losses on reserve account receivables				
under investigation	(0.02)	0.02	(0.02)	0.02
Losses on provision (reversal)	(8.39)	(6.15)	(8.39)	(6.15)
Losses on discontinued, disposal of assets and				
other losses on properties for sale	35.18	33.92	(1.02)	6.01
Security guard service fees	8.14	7.88	8.14	7.88
Transportation expenses	17.04	22.37	17.04	22.37
Office supplies	19.55	18.90	17.43	16.91
Rights amortization	8.41	12.98	6.19	9.13
Labor costs	11.49	10.07	11.49	10.07
Entertainment expenses and public charity	4.12	6.04	4.03	5.79
Training and membership fees	5.94	6.49	4.07	6.09
Cash shipping fees	12.89	12.29	12.89	12.29
Compensation for non-compliance	7.02	20.62	7.02	20.62
Others	47.10	44.39	17.78	24.20
<u>Less</u> Cost allocation from				
Public Service Account	(4.01)	(8.11)	(4.01)	(8.11)
Total	<u>221.61</u>	<u>251.85</u>	<u>143.92</u>	<u>189.13</u>

(TRANSLATION)

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8.37 Bad debts and doubtful accounts

Unit : Million Baht

	<u>Consolidated Financial Statements</u>		<u>The Bank's Financial Statements</u>	
	<u>December 31, 2020</u>	<u>December 31, 2019</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Financing to customers	2,734.00	372.80	2,724.29	400.88
Reversal financing to				
Public Service Account	(0.68)	(4.29)	(0.68)	(4.29)
Interbank and money market item (reversal)	0.09	(0.56)	0.09	(0.56)
General reserve	156.46	60.56	185.68	60.66
Reversal surplus reserve from				
minimum requirement	(305.23)	(193.58)	(305.23)	(193.58)
Reversal loss on troubled debt restructuring	(5.10)	(0.21)	(5.10)	(0.21)
Others	119.85	128.30	1.51	2.91
Total	<u>2,699.39</u>	<u>363.02</u>	<u>2,600.56</u>	<u>265.81</u>

8.38 Public Service Accounts**8.38.1 Summary of Public Service Account**

Unit : Million Baht

<u>Assets and liabilities</u>	<u>Consolidated and the Bank's Financial Statements</u>	
	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>Assets</u>		
Financing to customers from Public Service Account		
and financial accrued income, net	282.45	264.11
Total assets	<u>282.45</u>	<u>264.11</u>
<u>Liabilities</u>		
Public Service Account payable	-	-
Total liabilities	<u>-</u>	<u>-</u>

Unit : Million Baht

<u>Income and expenses</u>	<u>Consolidated and the Bank's Financial Statements</u>	
	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Revenue from Public Service Account	35.74	41.16
<u>Less</u> Expenses from Public Service Account	64.71	92.99
<u>Less</u> Bad debt, doubtful accounts and loss on		
impairment of Public Service Account	(0.68) 64.03	(4.29) 88.70
Net loss	<u>(28.29)</u>	<u>(47.54)</u>

(TRANSLATION)

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8.38.2 Financing to Public Service Account

Unit : Million Baht

Consolidated and the Bank'sFinancial Statements

Project	Project Summary	Duration	December 31,	December 31,
			2020	2019
Financing for promoting entrepreneurs providing public transportation in 5 southern provinces project (Cabinet's resolution June 29, 2010)	Financing for promoting entrepreneurs providing public transportation in 5 southern provinces project which the government pass a Cabinet resolution to compensate the margin variance.	2010-2022	78.43	83.17
Enhancing people' well-being plan within 2012-2016 in 5 southern provinces projects	Enhancing people' well-being plan within 2012-2016 in 5 southern provinces projects which contain 12 projects.	2010-2020	204.02	218.58
Financing for the self-employed individual who have been affected by the flood or wind damage in 2010 project (Cabinet Solution December 14, 2010 and May 3, 2011)	Financing for the self-employed individual who have been affected by the flood or storm 2010	2011-2015	4.87	6.02
Financing for the Emergency Muslims (Cabinet Solution November 28, 2017)	Enhancing people' income and enlarging credit line for retail customers	2018-2024	11.14	15.65
Financing for housing in southern provinces (Cabinet Solution November 28, 2017)	Enhancing people' residence, regarding providing or maintenance and enlarge, in southern provinces with under BOT's criteria and condition		91.74	49.47
Total			390.20	372.89

Financing to Public Service Account as at December 31, 2020 and 2019 amounting to Baht 390.20 million and Baht 372.89 million excluded deferred revenue amounting to Baht 0.44 million and Baht 0.76 million, respectively.

(TRANSLATION)

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8.38.3 Asset classification and provision for Public Service Account

Unit : Million Baht

Consolidated and the Bank's Financial Statements as at December 31, 2020

				Percentage of	
				allowance for	Allowance for
	Number of			doubtful	doubtful
	debtor	Financing	Collateral	account (%)	account
Normal	811	153.72	123.52	1	0.30
Special mention	217	125.42	120.86	2	0.09
Sub-standard	116	2.89	-	100	2.90
Doubtful	100	4.80	1.99	100	2.82
Doubtful loss	876	103.37	0.78	100	102.60
Total *	2,120	390.20	247.15		108.71

Unit : Million Baht

Consolidated and the Bank's Financial Statements as at December 31, 2019

				Percentage of	
				allowance for	Allowance for
	Number of			doubtful	doubtful
	debtor	Financing	Collateral	account (%)	account
Normal	1,359	117.07	72.21	1	0.45
Special mention	163	123.34	119.42	2	0.08
Sub-standard	128	2.24	-	100	2.24
Doubtful	153	26.76	23.33	100	3.43
Doubtful loss	700	103.48	0.28	100	103.20
Total *	2,503	372.89	215.24		109.40

* Total financing net of deferred revenue.

(TRANSLATION)

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8.38.4 Income from Public Service Account

Unit : Million Baht

Consolidated and the Bank's Financial Statements

<u>Items</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Income from Public Service Account		
Financial income from Public Service Account	8.85	12.74
Fee and service income from Public Service Account	6.53	11.04
Other income from Public Service Account	16.21	14.20
Compensation for Public Service Account		
Compensation for operation expenses or management expenses for Public Service Account	4.15	3.18
Total	<u>35.74</u>	<u>41.16</u>

8.38.5 Expenses from Public Service Account

Unit : Million Baht

Consolidated and the Bank's Financial Statements

<u>Items</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Financial cost from Public Service Account	5.14	6.52
Operating expenses from Public Service Account	53.39	78.43
Other expenses from Public Service Account	6.18	8.04
Total	<u>64.71</u>	<u>92.99</u>

9. Approval of the financial statements

The financial statements were approved to be issued by the Board of Directors on April 29, 2021.



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ISLAMIC BANK OF THAILAND

No. 66, Q House Asoke Building, Floor M, 12, 14, 15, 18, 20-23
Sukhumvit 21 Road, Khlong Toei Nuea Sub-district,
Vadhana District, Bangkok 10110
Tel : 0 2650 6999

