

**Annual Registration Statement
For the Year Ended 31 December 2013**



CIMB Thai Bank Public Company Limited

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Part 1 Business Operation

1. Policy and Business Overview

Business Overview

The Bank is licensed by the Ministry of Finance and related authorities to engage in commercial banking, which constitutes the primary business of the Bank. In commercial banking, the Bank focuses on innovative and value-added products and services, particularly fee-based products and services such as cash management, financial advisory and treasury.

The main business areas of the Bank can be summarised as follows:

- (1) Commercial banking: the Bank provides a full suite of commercial banking products and services, such as deposits, loans, discounting, aval/acceptance of bills of exchange, letters of guarantee, foreign exchange trading, letters of credit, tele-banking and ATM services;
- (2) Insurances: life and non-life insurance brokerage as licensed by Office of Insurance Commission, Ministry of Commerce;
- (3) Securities businesses and other related businesses as licensed by the Office of the Securities and Exchange of Commission (SEC) and/or Ministry of Finance such as:
 - (3.1) Financial advisory;
 - (3.2) Registrar and paying agent services
 - (3.3) Debt securities dealing and underwriting ;
 - (3.4) Bondholders' representative;
 - (3.5) Brokerage, dealing and underwriting of investment unit trusts;
 - (3.6) Custodian services; and
 - (3.7) Derivatives dealing;
 - (3.8) Business consultancy; and
 - (3.9) Asset management;

In all cases, the Bank holds a stake in businesses that contribute, either directly or indirectly, towards promoting its growth.

The Bank's policy remains focused on building synergies between its strategic business units and its subsidiary and associate companies. With this in mind, the Bank intends to retain only those companies with growth potential and which are able to generate good investment returns.

The Bank's strength lies in its well-established and extensive network of domestic branches. As at 31 December 2013, the Bank operated 24 main offices with credit facilities and 165 branches, with 15 branches equipped with foreign exchanges facilities, 30 stand-alone and 2 versatile foreign exchange booths selectively concentrated in premises with high business potential.

1.1 Vision, Objectives and Corporate Value

Vision

"To be Thailand' Leading ASEAN Bank for all stakeholders."

Mission

"To be Thailand's Leading ASEAN Bank by providing innovative financial products, excellent service, and compelling cross border solutions through synergy with CIMB Group."

We are in our journey to achieve our Aspiration;

- To become Top 3 most Profitable Bank (by RoE)
- To be Market Leaders in at least 3 business segments
- To be Employer of Choice through strong brand equity driven by a high performance culture

Corporate Value

Core values reflects what is truly important for CIMB Thai. These are not values that change from time to time, situation or by person, but rather they are the foundation of our culture. It is the soul of our bank.

CTHAI:

- **Customer**

We appreciate the unique needs of each individual and organization. By putting their needs first and delivering quality solutions, we strive to create relationships of lasting value.

- **Teamwork**

We strive to deliver results by maximising our potential. We believe that true potential can only be unleashed from collaboration and teamwork.

- **Honesty**

We place a high value on integrity as professionals in a business where trust is essential. We are accountable and take responsibility for both our shortcomings and successes. This mindset allows our customers to entrust their business with us.

- **ASEAN**

As members of CIMB Group, we aspire to be the leading ASEAN bank in Thailand. It is through integration of our people, products and processes that we can bring the best ASEAN opportunities to our stakeholders.

- **Innovation**

We are always looking to improve ourselves through innovation. By constantly encouraging creativity, improving capability and identifying opportunities we are able to collectively ensure that we deliver market-leading solutions to our stakeholders.

1.2 Background and key developments

CIMB Thai Public Company Limited (the “Bank”) ¹ was established through the amalgamation of the Union Bank of Bangkok Public Company Limited, the 12 state-intervened finance companies² and Krungthai Thanakit Finance Public Company Limited³ pursuant to the governmental order on 14 August 1998, a Cabinet resolution of 27 October 1998 and the notification of the Ministry of Finance, dated 22 December 1998. The consolidated entity subsequently changed its name to “BankThai Public Company Limited”, a new commercial bank established on 21 December 1998. The Financial Institutions Development Fund (the “FIDF”) acquired a major shareholding in the Bank and subsequently, the SET approved the trading of the Bank’s ordinary shares on 30 March 2001 with “BT” designated as its stock trading sign.

Details of the Bank’s major developments are summarised below:

The Bank of Thailand (the “BOT”) issued an order to the Union Bank of Bangkok Public Company Limited to reduce its registered capital via a par value reduction from THB 10 per share to THB 0.01 per share, resulting in a decrease of the registered capital from THB 1.8 billion to THB 1.8 million. The Bank of Thailand then ordered Union Bank to increase its registered capital from THB 1.8 million to THB 12 billion through the issuance of increased ordinary shares totaling 1,233,220 million shares at 0.01 THB per share, all of which were allotted to the FIDF. As a result, the Bank’s registered and paid-up capital was THB 12 billion with the FIDF holding 100%. With that, the Bank’s capital funds were sufficient to facilitate the consolidation between the Union Bank of Bangkok PCL, the 12 state-intervened finance companies and Krungthai Thanakit Finance and Securities Public Company Limited, into a new commercial bank, with the FIDF being the major shareholder.

Pursuant to the resolution of the Cabinet on 27 October 1998 and the notification of the Ministry of Finance on 22 December 1998, the following steps taken were:

- transfer of all assets and liabilities of 12 finance companies to Krungthai Thanakit Finance Public Company Limited; and
- transfer of all assets and liabilities of Krungthai Thanakit Finance Public Company Limited to the Union Bank of Bangkok Public Company Limited.

Upon completion of the above processes, Krungthai Thanakit Finance Public Company Limited and the other 12 controlled finance companies surrender their finance business licenses to the Ministry of Finance. The Union Bank of Bangkok Public Company Limited changed its name on 21 December 1998 to BankThai Public Company Limited.

In 1999, the Bank changed the par value of its ordinary shares from THB 0.01 per share to THB 10 per share and increased capital amounting to THB 40 billion via the issuance of non-cumulative preferred shares, of which can be converted into ordinary shares with the right to receive capital reduction upon conversion into ordinary shares for 4,000 million shares with a par value of THB 10 per share to the FIDF. The allotment was made through a private placement to the FIDF for the entire amount at a price equal to par value, i.e. THB 10 per share. The FIDF paid for 3,706.80 million shares at the price of 10 THB per share, totaling THB 37 billion. As a result, the Bank’s registered capital increased to THB 52 billion and the issued shares to THB 49 billion, with the FIDF holding 100%.

Subsequently in 2000, the Bank reduced its registered capital by THB 2,932 million by canceling un-issued preferred shares and then increasing registered capital via the issuance of 260.05 million ordinary shares with a par value of THB 10 per share. The increased capital was allotted through a private placement offering to shareholders of Krungthai Thanakit Finance Public Company Limited at the price of THB 5.6184 per share. The purchase was paid with the ordinary shares of Krungthai Thanakit Finance Public Company Limited. The value of the bank’s ordinary shares, as appraised by the Bank, was equal to THB 1.3566 per share, resulting in a share swap ratio of 0.2414478 the Bank’s share per 1 share of Krungthai Thanakit Finance Public Company Limited. Upon completion of the share swap, the Bank’s registered and paid-up capital stood at THB 52 billion with the FIDF being the major shareholder holding 5,145.3 million shares (1,438.5 million ordinary shares and 3,706.8 million preferred shares), representing 98.94% of total issued shares.

¹ To register the name change to CIMB THAI Bank Public Company Limited on 1 May 2009.

² Comprises:

Nava Finance and Securities Plc.	Vajiradhanathun Finance Co., Ltd.	First City Investment Plc.
Thai Summit Finance and Securities Co., Ltd.	Erawan Trust Co., Ltd.	Ksit Finance and Securities Plc.
Mahatun Finance Co., Ltd.	Progressive Finance Co., Ltd.	Union Asia Finance Plc.
Bangkok Asian Finance Co., Ltd.	Dhana Siam Finance and Securities Plc.	IFCT Finance and Securities Plc.

³ Previously named Krungthai Thanakit Finance and Securities Public Company Limited

At the end of 2000, the Bank complied with the resolution with regards to the compensation of non-performing assets as approved by the Cabinet on 19 September 2000. The Bank reduced capital via the cancellation of all preferred shares and returned the total preferred share capital of THB 37 billion to the FIDF, in order to relieve the FIDF's burden and to adjust the amount of capital to an appropriate level. The Bank subsequently recorded the FIDF as a creditor and issued promissory notes to the FIDF, which were to be payable by 1 January 2006. The Bank gradually made partial repayment of THB 15 billion of the promissory notes in cash, and the remaining THB 22 billion was mutually agreed by the FIDF and the Bank to be used against the compensation of non-performing asset transactions the Bank recorded as receivables from the FIDF under a gain/loss sharing and yield maintenance agreement. The Bank had fully set off such an amount by the end of 2005.

Additionally, as the FIDF had been the sole absorber of the burden incurred from the Bank's financial difficulties and capital increase in the past, to provide an opportunity for the Bank to compensate the FIDF and to improve the Bank's business status and operations, on 9 May 2001, the Bank issued 10-year warrants to purchase its preferred shares ("**Warrants**"), totaling 3,706.80 million units and maturing on 8 May 2011 to the FIDF, at no cost. The Warrants carried transfer restrictions, and each Warrant may be converted into 1 preferred share of the Bank at THB 10 per share. The Bank increased its registered preferred share capital by 3,706.80 million shares at THB 10 per share as full reserve for the Warrants and registered the same with the Registrar of public limited companies. With that, the Bank's registered capital was equal to THB 52 billion, consisting of 1,493.45 million ordinary shares with a par value of THB 10 per share and 3,706.80 million preferred shares with a par value of THB 10 per share. The Bank's issued shares stood at THB 15 billion with the FIDF being the major shareholder holding 1,438.45 million ordinary shares, or equivalent to 96.32% of the Bank's total ordinary shares.

In 2002, the FIDF decreased its shareholding in the Bank in line with the government's privatisation policy through the disposal of 707 million of the Bank's ordinary shares held by the FIDF to the public. Accordingly, the FIDF's shareholding declined from 96.32% to 48.98% of the Bank's total shares. In terms of the Warrants issued to the FIDF, to prevent any negative impact on the Bank's share price and to limit the FIDF's holding in the Bank's shares to less than 50% of the total issued shares, the Bank's Board of Directors' meeting No. 13/2002, held on 28 August 2002, passed a resolution to cancel the Warrants by buying them back from the FIDF. Subsequently, on 23 September 2002, the Bank entered into a Warrant buyback option agreement with the FIDF (the "**Agreement**"). The Bank paid a total of THB 300 million to the FIDF for its reacquisition rights.

On 16 February 2007, the Bank's Board of Directors passed a resolution ratifying the accrual of the Warrants buyback transaction at a total price of THB 1 billion plus interest of THB 111.18 million (a total of THB 1 billion, retrospectively, and effective until 31 December 2006, and the recording of the buyback transaction was made directly against the Bank's deficit with the corresponding credit of amounts due to FIDF in the 31 December 2006 financial statements.

After obtaining approval from the Extraordinary General Meeting of Shareholders No. 1/2007, held on 30 May 2007, the Bank repurchased and canceled its Warrants by way of a payment to the FIDF of THB 1 billion (inclusive of interest calculated from 1 January 2007 – 30 May 2007 of THB 16 million), recorded on the balance sheet, and increasing registration via the cancellation of preferred shares and all remaining unsold shares (3,706.8 million shares) on 12 July 2007.

Additionally, in 2007 the Board of Directors' approved the sale of 556.23 million new ordinary shares to investors, i.e. Newbridge Sukhothai Netherlands B.V ("**Newbridge**"), representing approximately 24.99% of the total paid up shares at the price of THB 4.17 per share, for a total amount of THB 2 billion, and to Blum Strategic III BT Hong Kong Limited, and MSOF Hong Kong BT Limited for a total of 175.23 million shares or 7.90% of the total paid-up capital at the price of THB 4.17 per share, for a total amount of THB 730.69 million. The Annual General Meeting of Shareholders No.13 (2007) approved a whitewash to the abovementioned investors, and approved a capital reduction via the reduction of par value from THB 10 per share to THB 3.75 per share. On 13 November 2008, Newbridge Sukhothai Netherlands B.V., Blum Strategic III BT Hong Kong Limited and MSOF Hong Kong BT Limited acquired the shares of the Bank, representing approximately 36.74%, 3.95% and 1.31% of the total paid-up shares, respectively.

On 20 June 2008, the FIDF entered into a share purchase agreement with CIMB Bank. Under the agreement, the FIDF agreed to sell its 2,811.86 million shares in the Bank (equivalent to 42.13% of the total and paid up shares of the Bank) at the price of THB 2.10 per share, totaling of THB 6 billion.

5 November 2008, upon necessary approvals from the BOT, the Ministry of Finance and other regulatory authorities, CIMB Bank completed its purchase of ordinary shares from the FIDF, and as a result, emerged as the largest shareholder of the Bank with a shareholding of 42.13%. On 17 November 2008, the Bank was notified that CIMB Bank would undertake a tender offer to purchase all the remaining shares of the Bank it did not own (3,862.83 million shares or 57.87% of the total issued and paid-up shares of the Bank) at the price of THB 2.10 per share, which was equivalent to a total consideration of THB 8 billion. Upon completion of the tender offer on 6 January 2009, CIMB Bank's shareholding in the Bank had increased to 6,143.54 million shares, representing 92.04% of the total issued and paid-up shares of the Bank

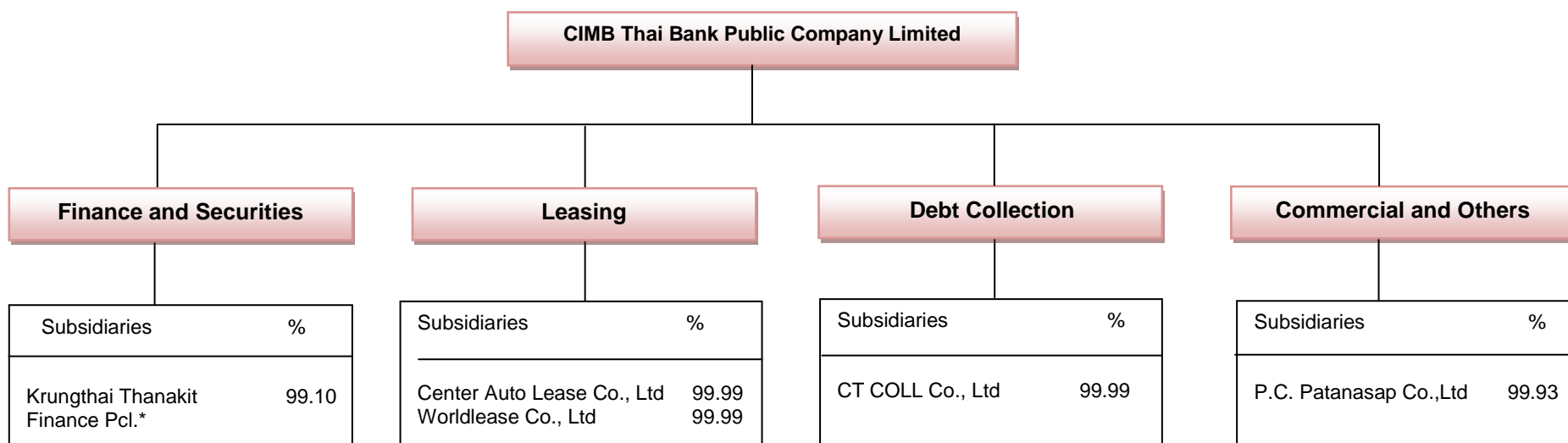
On 3 September 2008, the Extraordinary General Meeting of Shareholders No.2/2008 approved an increase in the registered capital, from THB 25 billion to THB 50 billion by issuing 6,674.70 million new ordinary shares with a par value of THB 3.75 each.

On 20 February 2009, the Extraordinary General Meeting of Shareholder No. 1/2009 approved to make an amendment on the resolution of Extraordinary General Meeting of Shareholders No. 2/2009 subjected to the previous stipulated offering price not lower than THB 0.66 per share amended to THB 0.38 per shares and approved the transfer of THB 6,053.48 million from the Bank's legal reserves to offset its deficit and approved a capital reduction via the reduction of par value from THB 3.75 per share to THB 0.50 per share. The premium arising from the capital reduction exercise was used to offset the share discount and the deficit respectively. After such capital reduction, the registered share capital of the Bank was reduced from THB 50,060.25 million to THB 6,674.70 million. Post share offering to the existing shareholders in proportion to the number of shares for the capital increase purpose, the existing shareholders had fully booked the shares issued and offered totaling 6,674.70 million shares or total value of THB 3 billion. After the completion of share offered on 18 March 2009, CIMB Bank hold the total of THB 12,435.06 million shares or 93.15% of the total shares issued and offered, and registered the name on change from BankThai Public Company Limited to CIMB THAI Bank Public Company Limited on 1 May 2009. with "CIMBT" designated as its stock trading sign.

On 29 April 2010, the General Meeting of Shareholders No.16 approved an increase in the registered capital, by THB 1,483.27 million from THB 6,674.70 million to THB 8,157.97 million by issuing 2,966.53 million new ordinary shares with a par value of THB 0.50 each to existing shareholders, in proportion to each shareholding at the ratio of 2 new shares for 9 existing share held, at a price of THB 1.00 per share. After the completion of share offered on 15 October 2010 CIMB Bank holds 15,198,42 million shares, or equivalent to 93.15 percent of total issued and offered shares of the Bank.

On 12 April 2012 the Annual General Meeting of Shareholders No.18 approved an increase in the registered capital from THB 8,157.97 million to THB 13,052.74 million by issuing 9,789.56 million new ordinary shares with a par value of THB 0.50 per share. Later on, the Bank issued another 4,894.78 million new ordinary shares with a par value of THB 0.50 per share offered to the existing shareholders in proportion to their shareholding at the ratio of 3 new shares for 10 existing shares held, at a price of THB 1.00 per share. After the completion of share offering on 27 July 2012, CIMB Bank holds 19,757.95 million shares, or equivalent to 93.71% of total issued and offered shares of the Bank.

.3 The Corporate Structure of the Bank and its Subsidiaries
 (as of 31 December 2013)



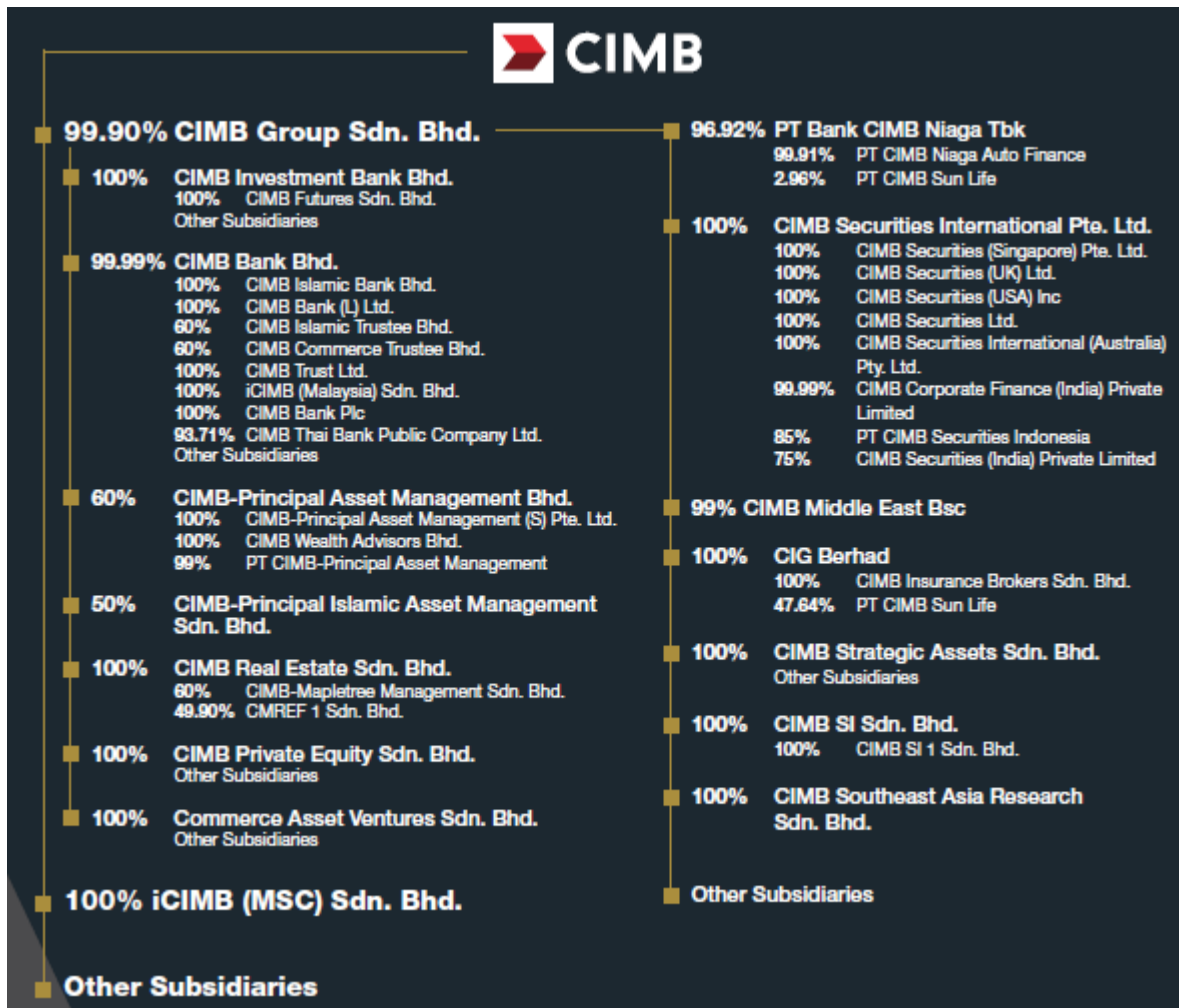
Remark * Under liquidation

1.4 Relationship with Major Shareholder

CIMB Group by CIMB Bank Berhad is the major shareholder of CIMB Thai. Headquartered in Kuala Lumpur, the Group is Malaysia's second largest financial services provider, and ASEAN's five largest by asset size. As a universal banking group, it offers consumer banking, corporate banking, investment banking, Islamic banking, asset management, wealth management and insurance products and services. The Group is now present in eight out of ten ASEAN nations (Malaysia, Indonesia, Thailand, Singapore, Cambodia, Brunei, Vietnam and Myanmar). Beyond ASEAN, CIMB Group has market presence in China, Hong Kong, Bahrain, India, Sri Lanka, Australia, Taiwan, Korea, United States and United Kingdom.

Leveraging on the universal banking franchise of CIMB Group, with more than 1,060 branches and strong regional expertise in financial solutions across ASEAN, CIMB Thai reaps opportunities via cross-border business matching, supply chain networking and referrals.

Structure of CIMB Group's Shareholding (As of 31 December 2013)



2. Nature of the Business

Revenue structure of the Bank and its Subsidiaries

1. CIMB Thai Bank Public company Limited

1.1 Total operating income

In THB Million

	For the years ended 31 December					
	2013	%	2012	%	2011	%
Interest Income						
1. Interest on Loans	9,317.4	109.6	7,803.8	108.8	6,467.2	98.9
2. Interest on Interbank and money market items	282.9	3.3	139.6	2.0	267.1	4.1
3. Investments	1,424.3	16.8	1,227.8	17.1	689.4	10.5
4. Other	3.4	0.0	0.6	0.0	1.7	0.0
Total Interest Income	11,028.0	129.7	9,171.8	127.9	7,425.4	113.5
Interest Expenses						
1. Deposits	3,637.4	42.8	3,160.1	44.1	2,014.4	30.8
2. Interest on Interbank and money market items	376.9	4.4	195.8	2.7	94.2	1.4
3. Contribution fee to The Deposit protection agency and FIDF	791.0	9.3	629.1	8.8	385.8	5.9
4. Debt securities issued and borrowings	977.8	11.5	930.9	13.0	943.1	14.4
5. Other	11.8	0.1	3.5	0.0	3.6	0.1
Total Interest Expenses	5,794.9	68.1	4,919.4	68.6	3,441.1	52.6
Net Interest Income	5,233.1	61.6	4,252.4	59.3	3,984.3	60.9
Operating income	3,268.3	38.4	2,918.4	40.7	2,556.9	39.1
Total Income	8,501.4	100.0	7,170.8	100.0	6,541.2	100.0

1.2 Non- Interest income

In THB Million

	For the years ended 31 December					
	2013	%	2012	%	2011	%
Fee and service income	1,160.0	35.5	899.8	30.8	652.9	25.5
Fee and service expenses	220.0	6.7	209.4	7.1	220.4	8.6
Net fee and service income	940.0	28.8	690.4	23.7	432.5	16.9
Gains on trading and foreign exchange transactions, net	714.3	21.8	488.0	16.7	351.6	13.8
(Losses) gains on financial liabilities at fair value through profit or loss, net	(100.8)	(3.1)	0.9	0.0	-	-
Gains on investments, net	316.9	9.7	125.7	4.3	80.1	3.1
Gain sharing from the management of the non-performing loans by Thai Asset Management Corporation	1,101.7	33.7	1,344.4	46.1	1,009.6	39.5
Other operating income	297.2	9.1	269.0	9.2	683.1	26.7
Non - interest income	3,268.3	100.0	2,918.4	100.0	2,556.9	100.0

2. CIMB Thai Subsidiaries

In THB Million

	For the years ended 31 December					
	2013	%	2012	%	2011	%
1. CIMB Securities (Thailand) Co., Ltd.						
Interest income	-	-	26.6	8.5	32.3	8.2
Interest expense	-	-	6.1	2.0	19.1	4.8
Net interest income	-	-	20.5	6.5	13.2	3.4
Operating income	-	-	291.8	93.5	379.7	96.6
Total income	-	-	312.3	100.0	392.9	100.0
2. Center Auto Leasing Co., Ltd.						
Interest income	992.7	134.3	775.9	166.4	556.6	172.6
Interest expense	405.1	54.8	361.0	77.4	285.7	88.6
Net interest income	587.6	79.5	414.9	89.0	270.9	84.0
Operating income	151.6	20.5	51.2	11.0	51.5	16.0
Total income	739.2	100.0	466.1	100.0	322.4	100.0
3. World Lease Co., Ltd.						
Interest income	912.2	108.2	668.8	103.1	468.9	100.1
Interest expense	225.0	26.7	141.3	21.8	90.2	19.3
Net interest income	687.2	81.5	527.5	81.3	378.7	80.9
Operating income	155.7	18.5	121.1	18.7	89.6	19.1
Total income	842.9	100.0	648.6	100.0	468.3	100.0
4. CT Coll Co., Ltd.						
Interest income	0.8	0.9	0.5	0.8	0.1	0.1
Interest expense	0.2	0.2	0.2	0.3	0.0	0.0
Net interest income	0.6	0.7	0.3	0.5	0.1	0.1
Operating income	86.0	99.3	65.8	99.5	48.6	99.9
Total income	86.6	100.0	66.1	100.0	48.7	100.0

2.1 Nature of Products and Services

Wholesale Banking Group

Corporate Banking

Corporate Banking Group of CIMB Thai provides financial services to serve a diverse range of businesses, from commercial and manufacturing sectors to property development and transport sectors, etc. As most clients have had longtime relationship with the Bank, the Bank has partnered with them as they navigate their businesses to help them achieve consistent performance and ensure their sustainable growth, with delivery of business and investment opportunities through our ASEAN networks.

Amid fierce competition and slowing economy in the latter half of 2013, corporate loans grew approximately 6% year-on-year, coming mainly from loans to manufacturing sector 29%, wholesale/retail sector 18%, property development 18%, transportation 7%, infrastructure 6%, hotel and food service 5%, and others 17%. Products offered include short-term/long-term loans and trade finance. Besides credit facilities, we have supported our clients by selling transaction banking products, derivatives and risk hedging products, and their fund raising in debt and equity capital markets to fully serve their financial needs.

As a member of CIMB Group who possesses core strengths in respect of capital, business expertise and banking networks, CIMB Thai confirms its ambitious growth outlook along with the growth of ASEAN economies. Our Corporate and Investment Banking teams have synergised in driving their business strategies and cooperated closely with fellow CIMB members to explore business and investment opportunities for the clients who want to expand their businesses beyond their local presence to the high-growth markets in ASEAN.

In quarter 4 of 2013, we carried out significant transformation by setting up a new unit which incorporates Corporate Banking Group and Investment Banking Group for higher potential in catering to local and offshore corporates, especially with our multitude of universal banking products and solutions to those with ASEAN aspirations. We worked closely with our parent company for strong collaboration with referral of cross-border deals covering Malaysia, Singapore, Indonesia and Cambodia to support clients' expansion plans with various financial tools from syndicated lending and financial advisory service to offering of cash management and structured derivatives products.

Looking forward to 2014, we will continue to provide comprehensive financial solutions to our clients and their business alliances with focus on cross-border business opportunities to strive under fruitful collaboration of CIMB Group across ASEAN.

Investment Banking

2013 was a year of transformation and challenges. Corporate Client Solutions ("CCS") has aggressively positioned itself as the Bank's marketing arms for strategic corporate clients with the objective of not only creating relationships and values, but also piloting competitive and innovative financial products for them.

In quarter 4 of 2013, the Bank carried out significant organisation restructure by setting up a new unit, Wholesale Banking Group, which incorporated Corporate Banking Group and Investment Banking Group for higher potential in catering to corporate clients, extending beyond conventional banking products and customising tailor-made solutions with great values to them. Looking forward, the synergies between CCS and CBG will serve as pillars to a number of corporate themes. Most notably, we seek to become meaningful to our major clients and take one step further in synchronising our integral theme with our ASEAN focus specialties.

Significant corporate transactions accomplished in 2013 were as shown below:

Debt Capital Market	Roles	Deal Size
Krungthai Credit Card PCL	Underwriter	THB 9.0 billion
PTT PCL	Underwriter	THB 7.0 billion
Q House PCL	Underwriter	THB 5.0 billion
Land & Houses PCL	Underwriter	THB 3.5 billion
TPIPL PCL	Underwriter	THB 3.0 billion
Ticon PCL	Underwriter	THB 3.0 billion
Ananda Development PCL	Underwriter	THB 2.605 billion
Asia Sermkij PCL	Underwriter	THB 2.35 billion
Property Perfect PCL	Underwriter	THB 2 .0 billion
Easy Buy PCL	Joint Lead Underwriter	THB 1.0 billion
Bangkok Chain Hospital PCL	Underwriter	THB 1.8 billion
Expressway Authority of Thailand	Underwriter	THB 1.8 billion
Bangkok Mass Transport Authority	Underwriter	THB 1.0 billion
SC Asset PCL	Underwriter	THB 0.8 billion
Prinsiri PCL	Underwriter	THB 0.35 billion
Singer Leasing (Thailand) Co., Ltd.	Lead Underwriter	THB 0.32 billion

Equity Capital Market	Roles	Deal Size
BTS Rail Mass Transit Growth Infrastructure Fund	Selling Agent	THB 62.5 billion
Amata B. Grimm Power Plant Infrastructure Fund	Selling Agent	THB 6.5 billion
CK Power PCL	IPO	THB 14.3 billion
Mega Lifesciences PCL	IPO	THB 4.5 billion
CP Tower Growth Leasehold Property Fund	IPO-Property Fund	THB 10.0 billion

Commercial Banking Group

Commercial Banking Group (“CMG”) provides financial services to clients from small- and medium-sized enterprises (SMEs) to mid-corp clients throughout the region. One of our key strategies in 2013 was to build strong relationship with the clients through the Bank’s nationwide network of 24 business centres and 165 branches. We have delivered a complete range of products, including loans, cash management, trade finance and treasury products to fully meet our clients’ needs.

In 2013, CMG grew loans by 19% from the previous year to reach THB 43.9 billion. We focused on cross-border transactions related to international trade which brought about income accounting for 13% of total income. And with efficient asset quality management, NPL was kept at a low level of 0.6% of total loan portfolio.

All through the past year, the Bank collaborated with various organisations to enhance value to our clients. We participated in the Portfolio Guarantee Scheme provided by Thai Credit Guarantee Corporation along with 18 other financial institutions. With our support and cooperation, one of CMG clients - Flexo-Graphic Co., Ltd. – received the Good Governance Award 2013 from Puey Ungpakorn Institute in conjunction with the Institute for Small and Medium Enterprise Development and the Thai Bankers’ Association. The Bank also collaborated with CMG clients in holding a CSR event where the total donation proceeds went to the construction of a mangrove forest learning centre in Phetchaburi province. Leveraging on CIMB regional expertise, our CMG team in partnership with CIMB ASEAN Research Institute (CARI) and fellow CMG in CIMB Group led a business delegation to Myanmar to explore firsthand ASEAN investment opportunities.

Looking forward to 2014, CMG will continue to collaborate with other CIMB members in providing comprehensive financial solutions with portfolio diversification more to small enterprises, and offering products via convenient and accessible multi-channel approaches to suit each segment’s needs. Coupled with consistent work process improvement, we will be fully prepared to serve the increasing cross-border business and trade flows as well as intra-regional business opportunities that will come with the AEC in 2015.

Retail Banking

CIMB Thai's Retail Banking has pursued its goal of striving for excellence in offering complete products and services in response to customer needs. 2013 saw our brand "attract" both high-end and general customers. We proactively expanded high-end customers with focus on Preferred segment and offering of differentiated wealth products and investment advisory services. For general customers, diversified deposit and loan products are made available.

With the right business policy, strategy and plan, the Bank was highly successful in growing customer base and business volume in 2013 through branches and other service channels as follows:

- Retail customer base grew 35% overall.
- Preferred customer base doubled, with asset under management growth over 50%.
- New funds mobilized through deposit and investment products increased twofold.
- Fee income from investment and bancassurance products increased 80%.
- Loan portfolio grew 40%.

Given a branch network of 165, the Bank has placed importance to developing online service channels to facilitate transactions and suit lifestyle of our customers. We have developed CIMB Clicks, internet banking service well accepted among CIMB Group customers, to better serve local customers' applications, and further use on mobile banking platform. Its customers can now conveniently and securely check balances, transfer money, pay bills, buy/sell/switch investment products on computer or smart devices in only a few clicks. In 2013, online customer base significantly grew over 40%.

Besides product and service improvement, in 2013, we continued to develop branch staff's potential through initiation of Project Next to provide training and equip them with skills and competencies along with innovative sales tools for efficient planning on customer expansion and provision of services. As a result of these efforts, our customer base expanded over 120% through branches.

Transaction Banking

CIMB Thai's Transaction Banking Group offers an array of services including cash management, trade finance and securities services. Our team is composed of bankers highly experienced in advisory services and tailored solutions to clients to help manage their day-to-day banking requirements as well as optimise their operations leveraging on the Bank's services and technology.

2013 was a year in which we continued to carry on our transformation, product development, and system and technology development in line with the transformation of the Bank Especially in product development, the team has customised in order to match with clients' needs, and also in client service areas, we have improved our workflows, after-sale service and customer information system in order that we are fully ready to take care of the increasing number of clients in the future, and clients with potential to expand their business and investment into other ASEAN members in particular. Our team's priorities are still to build a longer term strategy ofw products and services leveraging on CIMB Group's strong regional presence and know-how in order to provide differentiated solutions to our clients, and fill in the gap in our value proposition to ensure CIMB Thai's transaction banking services' competitiveness in both local and regional markets. Our team has continued to further deepen our relationship with the existing clients across the country physically through the branch network and virtually via the internet banking solutions to reach out to the clients nationwide.

Cash management and trade finance products and services from CIMB Thai are diverse aiming to manage clients' risks and manage their working capital requirements. Our internet banking solution, i.e. BizChannel, allows clients' access to our transactional services. New services and channels introduced in 2013 that are well accepted by our clients included supply chain financing programs for both dealers and suppliers and new cheque payment center at CIMB Thai's head office to enable corporate clients to make payments to their suppliers in an efficient way, especially in respect of cheque outsourcing where the transaction volume went up more than twice that in 2012.

For securities services, the Bank currently holds the licenses for the following services: registrar, bond representative, fund supervisory and custodian. With these licenses, we are able to offer a complete range of securities services including bondholder representative, registrar & paying agent, custodian, and other agent and safekeeping services. These services are offered to our clients under full support of a strong technology platform

that ensures both efficiency and flexibility, as well as our dedicated team committed to providing solutions to meet our clients' increasingly complex requirements.

Assets under the Bank's custody come from the following transactions (as of 31 December 2013):

- a) Bondholders' representative for 35 debenture transactions valued at THB 81,688.4 million
- b) Trustee and custodian for 36 funds valued at THB 18,284 million
- c) Custodian and safekeeping contracts for 14 customers valued at THB 1,065 million
- d) Securities registrar and paying agent for 19 ordinary shares, 136 corporate bonds, and 4 government bonds, valued at THB 118,424 million in total
- e) Long term facility agent and security agent valued at THB 11,300 million

Treasury Group

CIMB Thai's Treasury Group is responsible for the Bank's balance sheet management, liquidity management, debt underwriting and trading, and offering of treasury products to the customers.

2013 was a notable year for Treasury Group. We have expanded our product and service coverage. The new products include interest rate linked note, FX linked note, and such new derivatives products as FX digital options and commodity hedging products which are CIMB Thai's flagship. Moreover, we have also been an active debt underwriter for government and private sectors in Thailand ranking no. 5 with 7.2% market share and underwriting amount totaling THB 51,176 million in the primary market.

With our aspiration to become one of the major market players in treasury products, we have strengthened our team by recruiting a number of new talents for trading, sales and structuring. We have also leveraged on our regional presence and integration, being well equipped for partnering our customers in their ASEAN investment or expansion endeavours.

Our treasury products and services are customer-centric, catering to all segments, i.e. importers and exporters, institutional investors, insurance companies, and government agencies. In 2013, we ranked among the top 10 debt underwriters and fixed income traders in term of number of transactions.

With CIMB Thai's efficient operations and recognition by both public and private sectors, as well as our consistent development of innovative products and active participation in the debt underwriting market, we have been appointed as:

1. Primary Dealer by the Ministry of Finance
2. Outright Counterparty by the Bank of Thailand

In addition, Asiamoney Polls 2013 ranked CIMB Thai as the best service provider in the following categories:

1. Overall best for interest rates
2. Best for interest rates research
3. Best for interest rates products and sales
4. Best for interest rates derivatives
5. Best for FX options

In 2014, we aim to be the customer choice of company with ASEAN aspirations. We will continue collaborating with our regional franchise in Malaysia, Singapore, Indonesia, Cambodia, and CIMB Thai Vientiane Branch in Laos, together with upcoming CIMB Hong Kong and Shanghai, China, to offer full-fledged financial products and services to meet our customer needs.

2.2 Market Shares and Competitions

BANK	Asset	Marketshare	Deposit	Marketshare	Loan	Marketshare
BANGKOK BANK	2,596,507	18.3%	1,935,272	18.9%	1,752,667	17.4%
KRUNG THAI BANK	2,514,771	17.7%	1,883,781	18.4%	1,711,090	17.1%
KASIKORNBANK	2,290,045	16.2%	1,529,835	14.9%	1,438,978	14.4%
SIAM COMMERCIAL BANK	2,534,206	17.9%	1,822,911	17.8%	1,735,281	17.3%
BANK OF AYUDHYA	1,179,582	8.3%	764,050	7.4%	943,502	9.4%
TMB BANK	765,732	5.4%	529,606	5.2%	499,474	5.0%
THANACHART CAPITAL	1,050,914	7.4%	715,931	7.0%	791,175	7.9%
TISCO FINANCIAL GROUP	359,263	2.5%	264,641	2.5%	292,151	2.9%
KIATNAKIN BANK	249,109	1.8%	145,996	1.4%	190,804	1.9%
CIMB THAI BANK	279,662	2.0%	152,133	1.5%	171,087	1.7%
Others*	350,698	2.5%	510,377	5.0%	497,339	5.0%
Total	14,170,488	100.0%	10,254,534	100.0%	10,023,548	100.0%

source: Commercial Bank registered in Thailand's consolidated financial statement as of December 2013

2.3 Provision of Products and services

Source of Funding

As at 31 December 2013, deposits managed by the Bank stood at THB 155.7 billion (including interbank and money market deposits), whilst borrowings (including interbank and money market borrowings) amounted to THB 79.2 billion. Of that total, 72.0% was used for gross loans (including accrued interest), while the balance was applied towards interbank items, money market transactions and investments. The Bank has been fully aware of its liquidity gap in each period, and has a policy in place for acquiring and effectively utilising funds in an optimal manner.

Comparing the Bank's loans and deposits, total gross loans with maturity of not more than one year stood at THB 94.7 billion while loans with maturity of more than one year amounted to THB 101.7 billion. Meanwhile, deposits with maturity of not more than one year stood at THB 148.2 billion and those with maturity of over one year amounted to THB 7.5 billion.

Capital Adequacy Ratio

Starting in 2013, the Bank's CAR, CET1 capital and Tier 1 capital are calculated under Basel III criteria to increase capital base for better loss absorption. As at the end of December 2013, the Bank's capital adequacy ratio (CAR) under Basel III calculation was 14.1%, while CET1 capital and Tier 1 capital were 9.9% and 9.9%, respectively. The Bank has maintained a robust capital well above the Bank of Thailand's minimum requirement of 8.5%, 4.5% and 6.0% of CAR, CET1 and Teir1 capital ratios, respectively.

In THB billion

Capital Funds	As at 31 December		
	2013 ⁽¹⁾	2012	2011
Tier 1 capital	19.6	17.0	11.1
CET1 capital	19.6	-	-
Tier 2 capital	8.3	9.9	7.7
Total capital funds	27.9	26.9	18.8
Tier 1 capital to risk-weight assets (%)	9.9	10.3	7.7
CET1 capital to risk-weight assets (%)	9.9	-	-
Tier 2 capital to risk-weight assets (%)	4.2	5.9	5.3
Capital adequacy ratio (%)	14.1	16.2	13.0
Total risk-weight assets	198.0	166.0	132.6

⁽¹⁾ The BOT has announced the implementation of new international capital requirement standards under the Basel III regulatory framework, effective from 1 January 2013.

Liquidity Risk Management Policy

Liquidity risk is defined as the risk of the Bank's inability to meet its present and future funding needs on a timely basis, as a consequence of being unable to convert assets into cash or being unable to obtain adequate funding on time. The Board of Directors and the senior management of the Bank take a very important role in managing the Bank's liquidity. The Board has delegated its authority to the Assets and Liabilities Management Committee (ALCO) to supervise all business units, including Treasury Group, to handle the Bank's liquidity. The Committee proactively and dynamically manages the Bank's balance sheet through monthly and ad-hoc meetings. The Bank also has Risk Management Group to propose Liquidity Risk Management Policy, and Treasury Group to regularly review liquidity risk for the Board's approval. To ensure proper and prudent liquidity management, the policy also applies to the Bank's subsidiaries.

The Bank will continue to emphasise and improve its retail customer acquisition to match its assets expansion. The Bank's liquidity management strategy is to drive the accumulation of current accounts and saving accounts (CASA), as well as retail fixed deposits as more economical and stable sources of funding, while using the more price sensitive corporate deposits, bill of exchange, short-term debenture, and structured debenture as a means to balance out the funding and liquidity of the Bank. The Bank has designated teams of employees to be responsible for the proper marketing strategy for each segment and to strengthen the Bank's relationship with the clients to sustain long-term deposit growth. In addition, the Bank has in place an early warning system which is closely monitored, together with a contingency funding plan, to alert and enable the management to take effective and efficient measures during a liquidity crunch and in prevailing adverse market conditions.

Collateral Policy

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

Debt Monitoring Policy and Follow-up Procedures

The Bank has set up the guidelines for closely managing and monitoring watch-list and problem loan accounts in order to speedily resolve its problem loans and standardise the problem loan monitoring process. The guidelines prescribe a monitoring process for watch-list accounts, special mentioned and substandard or worse accounts and the guidelines will be revised periodically to ensure their effectiveness and relevance. In addition to mandatory debt classification in accordance with the Bank of Thailand's guidelines, the Bank has established additional qualitative criteria for early classification of debt with signs of deterioration prior to default. For watch-list and special mentioned accounts, a pre-NPL monitoring report is prepared for close follow-up of the pre-NPL group of accounts. A pre-NPL account's performance will be further classified into two groups comprising Special Alert List (SAL) for accounts under special mentioned class likely to migrate to NPL and Non Special Alert List (Non SAL) for other special mentioned accounts. Regarding NPLs (substandard, doubtful and doubtful for loss classifications), an NPL management report is also required to be prepared on a monthly basis. Both pre-NPL monitoring report and NPL management report are submitted to Credit Risk Committee and Credit Committee for acknowledgment and direction. In addition, in 2013, the Bank set up Problem Loan Management Working Group to review problem loans (Pre-NPL and NPL) with exposure of THB 50 million and over. The debt monitoring guidelines and follow-up procedures stated above will help the Bank resolve problem loans as well as to help the clients with debt restructuring when required in a timely manner.

Debt Restructuring Policy

The Bank has set a policy to undertake debt restructuring for borrowers who have cooperated with the Bank as well as have had potential to comply with the conditions newly agreed upon. The objective of the policy is to ensure that the Bank and the borrowers have mutually benefited from the debt restructuring, that is, the Bank has maximum opportunity to recover debt or has minimum possible loss, while the borrowers are able to continue their business with incurrance of some loss on their part. The Bank will undertake debt restructuring work in accordance with the Bank of Thailand regulations and such work will be undertaken prudently so that it does not avoid the requirements regarding debt reclassification, additional provisioning and suspension of income recognition of accrued interest. Debt restructuring is carried out on both general and troubled debts, taking into consideration the criteria, process and method provided for debt restructuring process, including debtor analysis, approval, preparation of agreement, follow-up and assessment. Such process must be in compliance with the applicable rules and regulations of the authorities and the Bank. The responsibility for coordinating debt restructuring activities lies primarily with the internal work unit of the Bank. However, a certified and experienced third party specialised in this area may be allowed to provide financial advisory services or undertake debt restructuring for the Bank. However, debt restructuring conditions are subject to approval of the Board or the Credit Committee or other persons as authorised by the Bank.

Policy on Asset Classification and Loan Loss Provision

The Bank has complied with the Bank of Thailand's regulations which require asset classification and loan loss provision at the rate for each asset category as prescribed by Bank of Thailand Notification No. SorNorSor. 31/2551 regarding criteria for debt classification and provisioning of financial institutions, dated 3 August 2008 or as may be amended by Bank of Thailand from time to time. However, the Bank's internal guidelines are more stringent than the regulatory requirements, with combination of the qualitative and quantitative criteria prescribed by Bank of Thailand, and prudent adoption of a final classification which is based on the weaker result of the two sets of criteria to reflect real risk level of the debtor.

3. Risk Factors

Risk Management Overview

CIMB Thai focuses on sound and effective risk management principles in ensuring not only the financial soundness and integrity but also sustainability of the organisation. The risks to which a bank is particularly exposed in the conduct of businesses are credit risk, market risk, liquidity risk, operational risk and strategic risk. The Bank's undertakings of risk management and mitigation include risk identification, measurement, monitoring and managing under a robust risk management framework, in which returns must be commensurate with the risks taken. The Risk Management Committee (RMC) has been appointed by the Board of Directors having three sub-committees with responsibilities to review and recommend to RMC in various risk areas, i.e. Credit Risk Committee responsible for credit risk related matters, Operational Risk Committee for operational risk related matters, and Basel Steering Committee for any related matters to ensure compliance with Basel regulatory requirements. RMC is composed of members with relevant experience and expertise. The Committee's key responsibilities are to review and recommend to the Board of Directors of the risk management policies and frameworks as well as to establish a corresponding governance structure in ensuring that not only risks are managed efficiently and effectively but also decisions are made in a transparent manner. The Risk Management Group was established to act as catalyst for the development and maintenance of sound risk management policies, strategies and procedures within the Bank. It provides functional support to the Risk Management Committee, Risk Management Sub-committees and Credit Committee, and assists the Management in managing risks inherent to the Bank and banking businesses. The Risk Management Group is independent from other business units involved in risk taking transactions or activities.

Strategic Risk

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

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

Key risks related to strategic risks can be summarised as follows:

1. Risk resulting from inappropriate organisational structure and management

CIMB Thai is convinced that a proper organisational structure is one of the critical factors in achieving desired targets. Adhering to the best governance and practice, committees and units are established with prescribed functions and responsibilities as well as proper check-and-balance procedures to ensure the integrity of the undertakings and the deliverability of business plans.

2. Risk resulting from economic volatility and competition

Economic conditions and competition are two external factors which the Bank must remain vigilant of. Implementation of business plans under unfavourable external environments may lead to the under-performance of targets. To mitigate risk emerging from operating environments, the Bank's Research Office, together with the Strategy Division, closely monitor and analyse both economic conditions and competitive environments. In particular, peer banks' analysis and assessment are conducted on a regular basis. Subsequent research and strategic findings and recommendations are then reported to relevant committees for consideration and further action as needed.

3. Risk resulting from capital inadequacy

Capital adequacy is a critical composition of sound risk management and mitigation mechanism. This includes the maintenance of adequate capital under both normal conditions and under “extreme but plausible events” as resulted from the stress test exercise. The capital management plan, together with prescribed action plans, are formulated and set in place to ensure prudent positioning of the Bank’s capital level as required by law. One particular measure, the CAR trigger (capital adequacy ratio trigger) is employed by the Strategy and Finance Group and Risk Management Group as early warning indicators in monitoring and maintaining capital adequacy.

Credit Risk

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

The Bank develops and employs different risk assessment tools for different types of clients. For example, corporate rating tool has been developed and implemented for corporate clients. There are also SME rating model for SME clients, Specialized lending model for specialised customer groups and credit scoring tools for retail, secured and unsecured loans and hire purchase. The rating and credit scoring tools are now implemented in systems to ensure efficiency of rating/scoring and model performance monitoring. The risk management framework for the Bank and its subsidiaries, initiated in 2009 when CIMB Group became the major shareholder, is available and has continued to be enhanced to support our business and to ensure the overall adherence to the risk management policy of the Bank and CIMB Group.

Non-performing loan (NPL) is one of the key risks affecting profitability and capital adequacy of the Bank. As such, we closely and prudently monitor and manage NPL, thus allowing for adequate provisions for bad debts to be maintained. In addition, as a pre-emptive measure, problem accounts are proactively monitored and managed before they turn into NPL. For portfolio risk management, particular attention is given to credit concentration risks by imposing appropriate risk limits, i.e. country risk limits, internal lending limits and business sector limits. The Bank also performs stress tests on credit risk to evaluate the impact on the Bank in the event of unfavourable economic and financial conditions, both in the plausible scenario and extreme scenario.

Market Risk

Market risk occurs when the Bank undertakes transactions which are exposed to fluctuation in the market parameters which are interest rates, foreign exchange rates, securities prices in stock and commodity markets, and may negatively affect both the revenue and capital position of the Bank. The Bank employs a market risk policy to ensure that the rules and procedures are in compliance with both the regulatory requirements and the Bank’s policy. The Bank has a work unit, independent from risk originating units, to monitor and control market risk. It also regularly assesses and determines the capital reserves for market risk to comply with the Bank of Thailand’s regulations.

Market risk is comprised of the following:

1. Interest rate risk

The Bank monitors the interest rate risk for both the banking book and the trading book. For the banking book, we use the re-pricing gap analysis method. This method analyses the interest rate movement of assets and liabilities in different time periods. The analytical results are reported to the Assets and Liabilities Management Committee (ALCO), Risk Management Committee (RMC), and Board of Directors (BOD). We also evaluate the effect of interest rate risk on the loss of earnings (net interest income) and/or economic value of the Bank as a result of changes in interest rates under both normal and stressed circumstances. The MAT (management action trigger) is set as a pre-emptive measure to control risk arising from the effect on net interest income (NII effect) as well as economic value of equity (EVE effect). The re-pricing gap report and effect of interest rate risk reports are also submitted to ALCO, RMC, and BOD on a

monthly basis. ALCO's key responsibilities are to determine that the desired assets and liabilities structure is in accordance with an appropriate risk level prescribed by the Bank's policy.

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

2. Foreign exchange risk

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

3. Market risk of equity securities and commodity related transactions

CIMB Thai does not invest in trading equity securities other than investments in subsidiaries or affiliated companies, and common shares as resulted from loan restructuring. For the commodity derivatives, the Bank will fully hedge against the commodity risk on a back-to-back basis, thereby market risk exposure on trading equity securities or commodity has never been materialised.

Liquidity Risk

Liquidity risk refers to the inability to make the required payment owed within the specified period. This may be a result of the inability to convert assets into cash or the failure to obtain adequate funding on time. CIMB Thai plans and manages liquidity risk efficiently and optimally. The Bank monitors and controls the liquidity level sufficient for both current and future obligations. The major source of fund is deposits and the major application of fund is loans. Besides, the Bank has to maintain the appropriate liquid asset level with sufficiency in high quality liquid assets to reserve Bank's liquidity. Under the Bank's organisation structure, Treasury Group is in charge of managing the Bank's liquidity risk under the supervision of the Assets and Liabilities Management Committee (ALCO). ALCO is responsible for overall management and oversight of liquidity and review/recommendation of liquidity risk management policy before seeking approval from the BOD. ALCO is also responsible for approving liquidity risk tolerance, while Risk Management Group monitors and controls liquidity risk within the framework approved by ALCO. For the companies in the Bank's financial business group, liquidity risk management will be decentralised. To support their liquidity, the Bank may consider and approve liquidity lines to them as per respective credit line approved by Credit Committee and Board of Directors of the Bank. To manage liquidity risk, the Bank has instruments for monitoring and control comprising liquidity ratio, cumulative liquidity gap in each time period (under normal business conditions and under bank specific crises), and deposit concentration. For cumulative liquidity gap under stress test, the Bank will add more severe factors to figure out the liquidity gap result. It prepares liquidity risk status report at least on a monthly basis. If the liquidity risk exceeds MAT (management action trigger), Risk Management Group will report to ALCO and inform the relevant units to promptly take corrective actions and proceed as required by the escalation procedure.

Moreover, the Bank has put in place the contingency funding plan. The plan serves as an operational and procedural guide to avoid, minimise and manage potential funding threats.

In view of the Bank's liquidity status as of December 2013, the Bank's liquid assets totalled THB 82,525 million, or 31.3% of Baht assets. They were comprised of cash THB 3,325 million, reverse repo THB 26,735 million, government bond THB 23,594 million, public state owned enterprise bond THB 24,515 million, and corporate bond THB 4,356 million. The Bank's loan to deposit (including bill of exchange and debenture) ratio was 90.3%.

Operational Risk

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

In order to effectively manage operational risks, the Bank has set out appropriate policies, processes and procedures that not only bring the Bank in line with international standards, but also contribute to enhancing transparency and good governance. In this respect, the Risk Management Committee has been given the authority to establish policies and procedures which correspond with international best practice and to make recommendations to the Board of Directors for approval and deployment as the Bank's policies and procedures. To increase effectiveness, the Bank has also appointed Operational Risk Management Committee to discuss, deliberate, assess and give advice on all issues relating to operational risks including fraud and covering key cause factors – human, process, system and external factor.

CIMB Thai's fundamental principle on operational risk is that the responsibility to manage operational risks associated with business ventures, products, services, and systems lines with line management and all staff performing the operations. Their responsibility includes compliance with all internal and external laws, regulations, policies and standards. In so doing, a risk coordinator is appointed within each unit to coordinate and assist in building the risk culture in own area and to ensure that operational risk management policies and procedures are well implemented and complied with.

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

Each business unit in the Bank and its subsidiaries are required to manage their operational risks along the following lines:

1. Risk control self-assessment

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

2. Loss Incident reports

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

3. Key risk indicators (KRIs)

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

4. New product approval process

The Bank has emphasised on developing new products or improving the production process. For such purpose, the Bank enforces a stricter approval process with the identification, assessment and control of credit, market and operational risks forming an integral part of the production process. All products are subject to a suitable review process before they can be signed-off and launched in the market by the working groups and relevant business units.

5. Complaint management process

To manage reputation risk and improve client satisfaction, the Bank has set up a complaint unit and proper procedures to handle customer complaints. Customers can direct their grievances to the Complaint Centre, CIMB Thai Care Centre, or CIMB Thai Facebook page. The complaint unit will investigate the issue with the relevant business unit to verify the facts and seek a solution to the problem. This includes preparing and sending out explanatory letters directly to the customers. The Complaint Centre is responsible for preparing and sending out explanatory letters to government agencies. All customer complaints will be gathered and presented to the task force to consider and find solutions to the problems raised. This process aims to improve customer satisfaction and prevent the same problems recurring. In addition, the task force will consider these customer complaints and prepare performance summary reports for Management Committee and Audit Committee members every month.

6. Business continuity plan

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

7. Internal audit process

CIMB Thai has established Internal Audit Division and Compliance Department as independent units to assist the Audit Committee in auditing, monitoring and following up on operations of work units within the Bank to ensure they are compliant with relevant laws and regulations. These units report directly to the Audit Committee.

Risk Related to Foreign Investment

Resulting from the amalgamation, CIMB Thai has some exposure on foreign equity investments. These investments are in the banking book and are in a small amount. Therefore, the risk related to foreign investment has not materialised.

4. Business Assets

4.1 Fixed Assets for Business Operation

(1) Land, building and equipment

As at 31 December 2013, CIMB Thai Group had land valued at Baht 1,339 million, buildings Baht 3,836 million, equipment Baht 3,349 million, and assets under construction Baht 39 million. Net of accumulated depreciation and provisions for impairment of Baht 5,214 million, the net book value of the land, buildings and equipment was Baht 3,349 million. Land, buildings and condominiums under the Bank and subsidiaries's ownership accommodate the Bank's headquarters, business centers, branches, and subsidiary offices.

(2) Commitments under long-term leases

As at 31 December 2013 and 2012, the Group had entered into a number of agreements to lease land, buildings and vehicles for periods longer than six months, under which future rental fees can be summarised as follows:

Lease periods	Consolidated		The Bank	
	2013 Million Baht	2012 Million Baht	2013 Million Baht	2012 Million Baht
1 - 3 years	319	333	278	293
4 - 5 years	5	20	5	20
6 - 10 years	22	9	22	9
11 - 30 years	81	19	81	19
Total	427	381	386	341

(3) Other commitments

As at 31 December 2013, the Bank had other commitments as it entered into various agreements relating to computer system development consultancy services and computer system and software development. As at 31 December 2013, the Bank was obligated to pay a further Baht 92 million and USD 77.3 thousand under such agreements (31 December 2012: Baht 16 million and USD 2.3 thousand).

4.2 Policy Governing Subsidiaries and Associate Companies

A subsidiary company means a company that the Bank has the power to determine its financial and business policies, whereby the Bank holds shares in the particular whether directly or indirectly not less than half of its issued and paid-up share capital.

An associate company means a company that the Bank has a right to participate in the formulation of its financial and business policies, whereby the Bank holds shares in the particular company whether directly or indirectly not less than 20% of its issued and paid-up share capital.

Companies in the Financial Group as approved by The Bank of Thailand means companies that their main business is to provide financial services and/or companies that their main business is to provide supporting business to financial services as defined by The Bank of Thailand. The Bank also must have power to control businesses of companies in the Financial Group.

The Bank's investment policy in subsidiaries and affiliates is set according to the consolidated supervision guidelines of The Bank of Thailand which means the bank will not make investment and holding shares in any company more than 10% of total issued shares, except when the bank gets approval from The Bank of Thailand in following cases.

1. Investment in companies in the Financial Group that the Bank has management control over the company as approved by The Bank of Thailand which consist of companies engaging in financial service businesses and companies engaging in supporting businesses whereby such companies will operate business mainly to support and promote business of the bank and companies in the Financial Group.

Bank of Thailand has granted approval to the Bank to establish a Financial Group on March 10, 2008. As at December 31, 2011, the Bank Financial Group consisted of

1.1 Financial Service Businesses

- (1) CIMB Thai Bank Public Company Limited
- (2) Center Auto Lease Company Limited
- (3) Worldlease Company Limited
- (4) CIMB Securities (Thailand) Company Limited

1.2 Supporting Businesses

- (1) CT Coll Company Limited

2. Investment in companies outside the Financial Group, the Bank can only make investment in a company outside the Financial Group with a shareholding more than 10% of the total issued shares provided that such company must fall within following categories:

- 2.1 Main business of the company is to provide financial service business but the Bank has no management control over the company provided that such investment was prior received approval from Bank of Thailand.
- 2.2 Main business of the company is to provide supporting businesses beneficial to the Bank's business and the overall financial system, such as National Credit Bureau Co., Ltd, National ITMX Co., Ltd, S.W.I.F.T. Co., Ltd and Thai Rating and Information Services Co., Ltd.(TRIS), etc.
- 2.3 Shares of companies in which the Bank received as a result of Trouble Debt Restructuring, debt to equity conversion, debt enforcement or foreclosure of collateral as allowed by Bank of Thailand.
- 2.4 Companies which were prior received approval from Bank of Thailand, and companies that now are in liquidation process.
- 2.5 Companies engaging in financial businesses or supporting businesses for which the Bank does not have management control. For companies engaging in other businesses will only be allowed when the invest is made through company that engaging in financial businesses which is under supervision of specific authority, provided that approval criterion of Bank of Thailand for such investment will be in accordance with rules and guidelines of as specified by the relevant authority.

5. Legal Disputes

As of 31 December 2013, the Bank has an unsettled dispute which may have a negative impact on its assets as the claimed amount is worth over 5% of shareholders net equity.

The case is a civil case between Thai Melon Polyester Plc., the plaintiff, and 5 defendants namely Thai Asset Management Corporation (TAMC) the 1st defendant, Mr.Somjet Moosirilert the 2nd defendant, BankThai Plc. the 3rd defendant, Bangkok Bank Plc. the 4th defendant and Siam Commercial Bank Plc. the 5th defendant (the 3rd, the 4th and the 5th defendants are hereafter collectively referred to as "the banks"). The case was filed on 21 March 2007 with the Civil Court (case no. Black 1215/2550) for the revocation of the transfer of a Non-Performing Loan (NPL) and the transfer of mortgages between the banks and TAMC along with the claims in tort. The total amount of claims was THB 24,500 million comprising damages for loss of reputation of THB12,250 million and damages from the halt of business operations of THB 12,250 million, together with interest at the rate of 7.5% p.a. on the principal from the filing date to the date of full payment.

According to the claim, the Central Bankruptcy Court had issued a temporary receivership order upon the plaintiff's assets, therefore, the plaintiff's NPL did not fulfil the criteria of the Thai Asset Management Decree B.E.2544 and, henceforth, could not be transferred to TAMC. The Bank as the 3rd defendant, submitted a defending motion on 5 June 2007 based upon the following facts:

- on 28 March 2001, the Central Bankruptcy Court issued an order for temporary receivership over the plaintiff's assets (case no.Red 391/2543);
- on 14 August 2001, the Central Bankruptcy Court dismissed the interim receivership order and disposed of the case;
- on 12 October 2001, the banks transferred the plaintiff's NPL to TAMC along with the rights over the mortgages, and TAMC already issued the receipt of the plaintiff's NPL to the banks.

Therefore, during the time the banks transferred the plaintiff's NPL to TAMC, the plaintiff's assets were no longer protected under the temporary receivership order issued by the Central Bankruptcy Court. As a result, the banks had duly transferred the plaintiff's NPL to TAMC in accordance with the laws.

On 30 May 2008, the Civil Court dismissed the case based on the transfer between the banks and TAMC over the plaintiff's NPL was in accordance with the laws and there was no need to make further decision on other issues.

On 10 September 2008, the plaintiff filed an appeal and the Bank (the 3rd defendant) submitted a defence against the appeal on 10 November 2008. On 25 July 2012, the Court of Appeals affirmed the judgment of the Court of First Instance, the plaintiff filed an objection with the Supreme Court and the Bank (the 3rd defendant) submitted a defence against the dika appeal on 14 December 2012. The case is now under the consideration of the Supreme Court.

6. General Information and Other Important Information

6.1 General Information

Company Name	:	CIMB Thai Bank Public Company Limited
Registration No.	:	0107537002338 (former Bor. Mor. Jor. 480)
Business Type	:	Commercial Banking
Head Office	:	Langsuan Building, 44Langsuan Road, Lumpini, Patumwan, Bangkok 10330
Telephone	:	0-2638-8000, 0-2626-7000
Fax	:	0-2633-9026
CIMB Thai Care Center	:	0-2626-7777, website:cimbthai.carecenter@cimbthai.com
Investor Relation	:	0-2626-7293
Website:	:	www.cimbthai.com

Reference:

Registrar: (ordinary shares)	Thailand Securities Depository Co. Ltd. 62, The Stock Exchange of Thailand Building, 1 st Floor, Rachadapisek Road, Klongtoey, Bangkok 10110, Thailand Tel: 0-2229-2800, 0-2654-5599 Fax: 0-2359-1263
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Auditors:	PricewaterhouseCoopers ABAS Ltd. 15 th Floor, Bangkok City Tower, 179/74-80, South Sathorn Road, Bangkok 10120, Thailand Tel: 0-2344-1000, 0-2286-9999 Fax: 0-2286-5050 Auditors in charge: -Mr. Boonlert Kamolchanokkul, Certified Public Accountant (Thailand) No. 5339 -Mrs. Anothai Leekijtwattana, Certified Public Accountant (Thailand) No. 3442 -Mrs. Unakorn Phruithithada, Certified Public Accountant (Thailand) No. 3257
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Entities in which CIMB Thai Bank invests 10% or more of total issued shares (As of Dec 31, 2013)

	Company Name / Address	Type of Business	Type of Share	Paid-up Capital (No. of shares)	Number of Shares Holding	%
1.	Center Auto Lease Co., Ltd. 889 Thai CC Tower 25 th , 32 th Floor, South Sathon Road Yannawa, Sathon, Bangkok Tel. 0-2673-9111	Leasing	Ordinary	350,000,000	349,999,994	99.99
2.	CT COLL Co.,Ltd. 128/229-234 Phayathai Plaza Building, 21 st Floor, Phayathai Road, Tung Phayathai, Ratchavee, Bangkok Tel. 0-2638-8000	Debt collection service	Ordinary	385,000	384,993	99.99
3.	Worldlease Co., Ltd. 889 Thai CC Tower, 34 th Floor, South Sathon Road, Yannawa, Sathon, Bangkok Tel. 0-2675-6300 Fax. 0-2675-6299	Leasing	Ordinary	60,000,000	59,999,998	99.99
4.	Srithepthai Plaschem Co., Ltd. (Bankruptcy) 1200, Bangna-Trad Road, Bangna, Bangkok Tel. 0-2398-0027 Fax. 0-2383-0201	Plastic	Ordinary	83,332	31,410	37.69
5.	M-Home SPV 3 Co., Ltd. 1006/420 Masterview Executive Place Building, 1 st Floor, Charoennakorn Road., Banglumphu, Klongsan, Bangkok	SPV	Ordinary	10,000	1,282	12.82
6.	Tawanna Hotel Co., Ltd. 80 Surawongse Road, Bangkok, Tel. 0-2236-0361 Fax. 0-2236-3738	Hotel	Ordinary	33,909	3,390	10.00
7.	Sanwa Interfood Co., Ltd. 2219-2223 New Petchburi Road, Bangkapi, Huaykwang, Bangkok	Food	Ordinary	10,000,000	1,000,000	10.00
8.	Samchai Plc. 522 Ratchada Complex, Ratchadaphisek Road, Huaykhuang, Bangkok	Electrical Appliance	Ordinary	40,000,000	4,000,000	10.00
*9.	P.C.Patanasub Co., Ltd. (Dissolution) 1600 New Petchaburi Road, Makkasan, Ratchatewee, Bangkok	Commerce	Ordinary	10,000	9,993	99.93
*10.	Krungthai Thanakit Finance Pcl. Sermmit Tower, 15-16 th Floor, 159 Sukhumvit 21, Asoke Road, Bangkok	Financial Institute	Ordinary	1,076,976,000	1,067,229,773	99.10
*11.	Executive Management Services Manpower Ltd. (Bankruptcy) 295 Rama III Road, Bangkholaem, Bangkok Tel. 0-2689-2626	Service	Ordinary	2,000	340	17.00
12.	Global Leasing Co., Ltd. (Official Receiver) 518/5 Maneeya Center, 8 th Floor, Ploenchit Road, Lumpini, Pratumwan, Bangkok 10330	Leasing	Ordinary	2,000,000	200,000	10.00

	Company Name / Address	Type of Business	Type of Share	Paid-up Capital (No. of shares)	Number of Shares Holding	%
13.	TPF Leasing Co., Ltd. (Bankruptcy) Sangthongthani Tower, 25 th Floor, North Sathon Road, Silom, Bangrak, Bangkok	Leasing	Ordinary	6,000,000	600,000	10.00
*14.	UTM Advisory & Capital Management Co., Ltd. (Restored to the Company's Registration) 44 Langsuan Road, Lumpini, Patumwan, Bangkok Tel. 0-2626-7000	Consultant	Ordinary	100,000	10,000	10.00
15.	SPL Development Co., Ltd. (Restored to the Company's Registration) 149 Modern Home Tower, Nontri Road, Yannawa, Bangkok	Real Estate Development	Ordinary	500,000	499,999	99.99
16.	Thai-Ultra Auto Part Co., Ltd. (Bankruptcy) 59 Moo 4 Highway Road, Nikomattana, Bankai, Rayong	Auto Parts	Ordinary	6,500,000	650,000	10.00
17.	Advance Manufacturing Leasing Co.,Ltd. (Abandoned) 246 Time Square Building, 11 th Floor, Sukhumvit Road, 12-14, Khongteoy Bangkok	Leasing	Ordinary	20,000,000	2,000,000	10.00
18.	Tun Ruamkarn Co.,Ltd. (Bankruptcy) 133/2 Sukhumvit 21 Road, Klongtoey, Klongtoey, Bangkok.	Finance	Ordinary	240,000	40,000	16.67
19.	Modern Appraisal Co.,Ltd. (Abandoned) 3726/162-163 , 3 th Floor, Rama III Road, Bangkhlo, Bangkolaem, Bangkok.	Appraisal	Ordinary	20,000	2,000	10.00

Remark * under liquidation process

6.2 Other Important Information

6.2.1 Thai Economy in 2013 and Outlook for 2014

The year 2013 started with an impressive economic growth of 5.4% in the first quarter on account of the foregoing year's low base and the lingering impact of the first-car scheme which pushed up consumption to expand as high as 4.4%. However, the economic growth abruptly slowed to only 2.9% and 2.7% in the second and third quarters, respectively. This was attributable to Thai Baht volatility, tight liquidity, huge household debts, contracted automobile sales, and slowdown in private investments and exports.

The Baht fluctuated throughout 2013. It strengthened in early 2013 with huge capital inflows spurred by the US quantitative easing (QE) measure before weakening toward the end of the year following the QE tapering by the US Federal in December and internal political unrest. The Thai currency against the US dollar closed at Baht 32.86 at year-end from Baht 28.59 peak in mid-April. Liquidity remained tight all through the year. The Thai banking system has expanded rapidly for the past five years absorbing and converting liquidity into loans. With loan growth and capital outflows, the loan to deposit ratio has surged beyond the benchmark of 94%, reflecting commercial banks' higher dependence on unconventional sources to fund their liquidity, such as interbank borrowing, discount window, and borrowing through issuance of promissory notes, etc.

Consumption loans expanded rapidly, especially those in relation to the first-car scheme, resulting in a significant surge in household debts from about 63% of GDP in 2010 to over 80% at year-end 2013. After the expiration of the scheme, automobile sales dropped significantly. Consumption spending subsequently expanded at only 2.5% in the second quarter and contracted by 1.2% in the third quarter. With the sluggish consumption and exports, private sector investments remained in the doldrums. The heavy public sector spending still failed to stimulate the depressed private sector consumption and exports. The Thai economy remained in a downbeat trend through the last quarter of 2013 without any sign of improvement in both domestic spending and exports. Furthermore, the political upheaval toward the year-end has dampened both private and public spending. Exports might be affected if importers are not confident in timely delivery of goods. The impact would also be felt by tourism, a major foreign income earner. All in all, Thailand's economic growth in 2013 is predicted at only 2.9%.

For 2014, the Thai economy is forecast to slightly improve in line with the recovery of major global economies. However, exports of goods and services are still projected to grow at low rates. The continued QE tapering is likely to trigger substantial capital outflows and in turn tighten the liquidity, while the rising household debts will further discourage consumption spending. Coupled with the political uncertainty, expansion of private sector investments are predicted to be restrained throughout 2014. Meanwhile, the mega-project investments may have minimal impact on the economy because most major projects, i.e. dual-track train and high speed train, have to go through lengthy processes of EIA and feasibility study. It is thus forecast that the Thai economy in 2014 will grow at 2.4% given that downside risk is rather high considering the prolonged political unrest, which is seen to affect the confidence of investors and consumers, lacking sustainability of global economic recovery, and a possible decline in commodity prices following the Chinese economic slowdown and oil price drop.

6.2.2 ASEAN's Importance in Global Trade

ASEAN's role in the global economy is set to increase with the establishment of the ASEAN Economic Community (AEC) by the end of 2015, under which ASEAN will have free flow of goods, services, investment, skilled labour, and freer flow of capital. ASEAN can be proud of its many achievements to date, but with less than two years on the clock there are many things yet to be done.

Individually, ASEAN countries are small but by 2015, ASEAN will have a combined population of 660 million people and a combined gross domestic product (GDP) of at least US\$3 trillion. The global economy is increasingly run by economic giants - the world's four largest economies, i.e. the US, China, Japan, and Germany, accounting for nearly half of the world's US\$71.7 trillion GDP. As an integrated economic community, ASEAN could be among the top five largest economies in the world.

While a large part of the world is still stuck in economic slumber, ASEAN has shown remarkable resilience to the effects of the global financial crisis. ASEAN's economic growth has remained robust despite lower external demand, mainly due to the rise of domestic and regional demand.

Forecasts have shown that the full implementation of the AEC would raise ASEAN real incomes by US\$69.4 billion, or 5.3%, and the payoff from the reduction of non-tariff barriers could amount to US\$27.9 billion. Furthermore, ASEAN is poised for stable growth over the next three decades due to its favourable demographics, with about 65% of ASEAN's population of working age while the dependent population is relatively small.

However, ASEAN has a lot of catching up to do. Average GDP per capita in ASEAN is only US\$3,745, a little more than half of China's and only a mere 7.5% that of the US. ASEAN is also lacking in infrastructure development but the Asian Development Bank estimates that the region would need US\$60 billion a year over the next decade to fill the infrastructure gap. But these challenges also bring opportunities. Lower wages in several ASEAN countries compared with China, has led to many companies moving their production from China to ASEAN, especially to the CLMV (Cambodia, Laos, Myanmar and Vietnam) countries – possibly the creation of Asia's future production hub. The infrastructure gap in ASEAN is also an investment opportunity and can be the source of employment and growth for many years. ASEAN has also recently founded the ASEAN Infrastructure Fund to address the region's infrastructure needs.

Recent developments have shown just how important it is for ASEAN to work together. After the financial crisis of 2008, several countries in the west, especially the US tried to stimulate their economy by using quantitative easing (QE). As a consequence, emerging markets, such as ASEAN, enjoyed the inflow of funds from the US. However, the US Federal Reserve's announcement last year to start tapering its stimulus plan led to sudden outflow of money from Asia - estimated to be up to US\$1.4 trillion, currency depreciation and the fall of stock prices in ASEAN.

When faced with such external shocks, ASEAN needs to work on a regional basis. After the 1997 Asian Financial Crisis, ASEAN+3 founded the Chiang Mai Initiative (CMI) to manage regional short-term liquidity problems. By strengthening such regional initiatives, and perhaps by establishing some sort of cooperation between the CMI Multilateralization and existing bilateral swap agreements within ASEAN, the whole region could handle external shocks such as the QE tapering better.

On the longer term however, the gradual tapering forecasted for the year will not be too detrimental to ASEAN as it is not in the collective interest of all for very low global interest rates to go on indefinitely. It also signals a recovery of the US economy – a major trading partner of ASEAN. Leveraging on each other strengths and backed by strong fundamentals, ASEAN economies have and will continue to show resilient growth performances in the new year.

Another important recent development is that Myanmar takes over the chairmanship of ASEAN in 2014 for the first time. This marks the country's first international political role in decades. Almost like a missing piece of a puzzle, Myanmar has come forward as ASEAN's last economic frontier since the country started on its path towards democratisation and economic liberalisation after the civilian government took power in 2010.

It is clear that ASEAN is on the right path and should continue to reap the benefits of its integration processes. With now all member countries on board, the region should thrive and prosper by continuing to face its internal challenges and external threats together.

6.2.3 Highlights of Corporate Image Activities in 2013

After earlier highlighting our strength as a leading ASEAN bank, in 2013, we carried out public relations and advertising programs more product-wise. Through concerted efforts across business units, principally Retail Banking Group, a string of product advertising campaigns were launched to penetrate the mass market with clear customer segmentation according to the marketing communication plan. These included 'Chinese New Year In Love' and others for deposit and loan products. Besides, we approached specific target groups through such activities as \$peed\$end Event at Burmese Labour Community, CIMB Preferred Golf Tournament, and exclusive events for Preferred customers at KidZania Bangkok, etc. All activities were conducted with an effective use of the integrated marketing communications and budget management strategy.

We also adopted a strategy to build brand awareness and good image of the Bank among mass affluent customers by sponsoring activities of Siam Paragon and Siam Center in a strategic location known as one of the most popular venues for New Year countdown and celebration. Brand placement activities organised included Christmas tree contest, display of 'Octo,' an octopus mascot of CIMB internet banking service, at the Parc Paragon, online activities to pass on happiness across the social media, and so on. This could well be preparatory to the opening of CIMB Thai Paragon Branch in 2014.

2013 was the second year we pursued our media co-creation strategy partnering with Jor Lok Setakit economic news program on TV Channel 3 to feature a special report on ASEAN countries' preparedness looking forward to the AEC. Other AEC related events and seminars were also arranged in regions across the country.

With respect to marketing activities, we joined the Money Expo 2013 hosted by Money & Banking Magazine in Bangkok, Nakhon Ratchasima, Udonthani, Chiangmai and Hatyai, opening a booth under the theme "The Treasure of ASEAN." Our booth won the Best Booth Award (Medium Size) for the second consecutive year.

The year could also be seen as another year of intensive press releases of news on the Bank striving to strengthen our good image and supporting the expanded range and diversity of our products and services.

Part 2 Management and Corporate Governance

7. Securities and Shareholders information

7.1 Securities Information

The registered and issued and paid-up share capital of the Bank as of 31 December 2013 are as follows:

Registered Capital	THB 13,052,747,804.00 (thirteen billion fifty two million seven hundred and forty seven thousand eight hundred and four baht only), which comprises: : 26,105,495,608 (twenty six billion one hundred and five million four hundred and ninety five thousand six hundred and eight) ordinary shares, with a par value of THB 0.50 (fifty satang) : No preference shares
Issued and Paid-up Share Capital	THB 10,542,439,012.50 (ten billion five hundred and forty two million four hundred and thirty nine thousand twelve baht and fifty satang), comprising 21,084,878,025 (twenty one billion eighty four million eight hundred seventy eight thousand twenty five) ordinary shares, with a par value of THB 0.50 (fifty satang)

7.2 Shareholder

(1) Major Shareholder of the Bank

a. Top 10 shareholders of the Bank as of 27 December 2013:

No.	Name of shareholders	Number of shares	% of total
1.	CIMB Bank Berhad	19,757,944,173	93.71
2.	Societe Generale Bank & Trust, Singapore Branch	647,452,040	3.07
3.	Thai NVDR Co., Ltd.	145,935,042	0.69
4.	Mr. Pisit Prukpaiboon	30,896,797	0.15
5.	Mr. Preecha Sujinankul	12,000,000	0.06
6.	Mr. Prawit Phansaichue	11,614,000	0.06
7.	SCB SET Index Fund	10,188,284	0.05
8.	Mr. Nattapong Phanrattanamongkol	8,813,700	0.04
9.	Mrs. Jaroonluk Panichsheewa	8,190,000	0.04
10.	Mrs. Sujitra Dusitanon	8,188,700	0.04
	Other shareholders	443,655,289	2.10
	Total 6,185 shareholders holding	21,084,878,025	100.00
	Thai shareholders	669,125,310	3.17
	Foreign shareholders	20,415,752,715	96.83
	Total number of shares	21,084,878,025	100.00

b. Major shareholders with significant influence over planning and directing the Bank's operations

Major shareholder with significant influence over planning and directing the Bank's operations is CIMB Bank Berhad. It holds 19,757,944,173 of the total issued and paid-up shares of the Bank, which is equivalent to 93.71%.

(2) Operating Business as a Holding Company

- None -

(3) Major shareholder agreements regarding share issuance or the Company management

- None -

7.3 Issuance of Other Debt Securities

Issuance of Debt Securities of the Bank (As of 31 Dec 2013)

Classified by type	Interest rate	Maturity	Collateral	Restrictions and Requirements	Debentures in issue and value as at 31 December 2013 (THB)	Credit ratings (Moody's / Fitch Ratings)	Proxy
1. Subordinated debenture	No	22 December 2003	None	None	544,502,520	None	None
2. Cumulative Hybrid Tier 2 Debt Capital Securities No. 1/2009, due 2019 (Issue Date: 27 March, 2009)	5.25 percent; and for the period after the 5 th anniversary till the maturity date, 6.75 percent	27 Mar 2019	-none-	Call option in the cases when: (1) the issuer is solvent at the time of any redemption of the securities and immediately thereafter, (2) the issuer is not in breach of the BOT's minimum BIS ratio requirements applicable to the issuer; and (3) the issuer has obtained the written approval of the BOT prior to redemption of the securities.	2,500,000,000	A-(tha)	-none-

Classified by type	Interest rate	Maturity	Collateral	Restrictions and Requirements	Debentures in issue and value as at 31 December 2013 (THB)	Credit ratings (Moody's / Fitch Ratings)	Proxy
3. Subordinated and unsecured debentures, with a debenture holder's representative (Issue Date: 14 July, 2011)	5.35 %per annum throughout the term of the debentures	14 July 2021	-none-	The debentures are redeemable subject to the following conditions: 1. prior to the 5-year anniversary from the issue date, if the Issuer is informed by BOT that 1.1 the debentures are no longer qualified as Tier II Capital of the issuer or 1.2 the debenture can be counted as Tier II Capital of the issuer, but they shall be below 50 per cent of the Tier I Capital of the issuer; or 1.3 The proceeds from the issuance of this debenture, which count as Tier II capital, has to be amortized upon calculated as Tier II capital; or 2. at the 5-year anniversary from the issue date or any interest payment date after the 5 year anniversary from the issue date; or 3. the issuer can prove that interest payable under the debentures cannot be deducted as expense of the issuer for the taxation benefit of the issuer; or 4. any other conditions as the BOT may prescribe.	3,000,000,000	issue rating A+(tha) by Fitch Thailand	-none-

Classified by type	Interest rate	Maturity	Collateral	Restrictions and Requirements	Debentures in issue and value as at 31 December 2013 (THB)	Credit ratings (Moody's / Fitch Ratings)	Proxy
4. Subordinated and unsecured debentures, with a debenture holder's representative (Issue Date: 9 November,2012)	4.80 %per annum throughout the term of the debentures	9 November 2022	-none-	The debenture are redeemable if written approval from the Bank of Thailand has been obtained and subject to the following conditions : 1. As of the date of 5 year anniversary or as of any interest payment date after the 5 years anniversary or after the 5-year anniversary from the issue date 2. the issuer can prove that interest payable under the debentures cannot be deducted as expense of the issuer for the taxation benefit of the issuer; 3. any other conditions as the BOT may prescribe.	3,000,000,000	issue rating A+(tha) by Fitch Thailand	-none-

Notes: 1. THB 544.50 million transferred from the state-intervened financial institution, Union Asia Finance and Securities Public Co., Ltd.

7.4 Dividend Policy of CIMB Thai

The Bank's policy is to allocate dividend to shareholders at not over 40% of its net profit (after corporate income tax) of each operational year. Article 43 of the Bank's Articles of Association states: "No dividend shall be paid otherwise than out of profits. If the Company has incurred accumulated losses, no dividend may be paid. The remaining profit from paying the dividend can be allocated as the reserve funds as the Board of Directors may think fit. The Board of Directors may pay interim dividend to shareholders from time to time as it deems that the Company has enough profit to do so, and the payment of such dividend shall be reported to the shareholders at the next meeting. The payment of dividend shall be made within the time prescribed by law and the written notice of such payment of dividend shall be sent to the shareholders and also published in a newspaper." With respect to the Bank's subsidiary companies, the decision to declare a dividend payment is at the discretion of the respective subsidiaries' Boards of Directors and is dependent upon the subsidiaries' net earnings.

8. Management Structure

8.1 Board of Directors

As of 31 December 2013, the Board of Directors was composed of the following eight directors:

	Name	Positions
1.	Mr. Chakramon Phasukavanich	Chairman
2.	Dato' Robert Cheim Dau Meng	Vice Chairman
3.	Mr. Sukont Kanjana-Huttakit	Independent Director/Chairman of the Audit
4.	Dato' Shaarani Bin Ibrahim	Independent Director/Member of the Audit
5.	Mrs. Watanan Petersik	Independent Director/Member of the Audit
6.	Mr. Kenny Kim	Director
7.	Mr. Preecha Unchitti*	Director
8.	Mr. Subhak Siwaraksa	President and Chief Executive Officer

Note * The Board meeting resolved acknowledging the resignation as director and authorised director of Mr. Preecha Unchitti due to health problem effective from 1 November 2013 onwards, and approving the appointment of Mr. Chakramon Phasukavanich, Board Chairman, as authorised director in replacement of Mr. Preecha Unchitti

Directors Nominated by Major Shareholder

CIMB Bank Berhad (CIMB Bank) has appointed two representatives to the Board, namely Dato' Robert Cheim Dau Meng and Mr. Kenny Kim.

Authorised Signatories

The directors who are authorised signatories of the Bank are Mr. Chakramon Phasukavanich and Mr. Subhak Siwaraksa, with both of whom to jointly sign and affix the Bank seal.

Meeting Attendance of Board of Directors

In 2013, the Bank arranged meeting of Board of Directors totalling 13 times. Details of the meeting attendance of each Board members are shown in the table below:

No.	Name	Positions	Board of Directors Meetings
			Numbers of the meetings attended
1	Mr.Chakramon Phasukavanich	Chairman	13/13
2	Dato' Robert Cheim Dau Meng	Vice Chairman	10/13
3	Mr. Sukont Kanjana-Huttakit	Independent Director/ Chairman of the Audit Committee	13/13
4	Dato' Shaarani Bin Ibrahim	Independent Director/ Member of the Audit Committee	12/13
5	Mrs. Watanan Petersik	Independent Director/ Member of the Audit Committee	12/13
6	Mr. Kenny Kim	Director	4/13
7	Mr. Preecha Unchitti*	Director	9/13
8	Mr. Subhak Siwaraksa	President and Chief Executive Officer	13/13

Note * Mr. Preecha Unchitti had health problem and did not attend Board meeting and Credit Committee Level 2 meeting during April-October 2013. The Board meeting resolved acknowledging the resignation as director and authorised director of Mr. Preecha Unchitti due to health problem effective from 1 November 2013 onwards.

8.2 Executive Management

As of 31 December 2013, the Bank's executive management was composed of:

1. Mr. Subhak Siwaraksa	President and Chief Executive Officer
2. Mr. Surachai Chitratsenee ^{/1}	Deputy CEO & Senior Executive Vice President Business Support Group
3. Mrs. Panute Na Chiangmai	Senior Executive Vice President Risk Management Group
4. Mr. Narongchai Wongthanavimok	Senior Executive Vice President Strategy and Finance Group
5. M.L. Nathchanya Davivongse	Senior Executive Vice President Transaction Banking Group
6. Mr. Silawat Santivisat	Senior Executive Vice President Group Information and Operations Division
7. Mr. Pornchai Padmintra ^{/2}	Senior Executive Vice President Wholesale Banking Group
8. Mr. Jiratchyuth Amyongka ^{/3}	Senior Executive Vice President Commercial Banking Group
9. Mr. Adisorn Sermchaiwong	Senior Executive Vice President Retail Banking Group
10. Mr. Sutee Losoponkul	First Executive Vice President Treasury Group
11. Mr. Songwud Buakhem ^{/1}	Executive Vice President Business Support Group
12. Mr. Sittichai Mahaguna	Executive Vice President Corporate Finance and Equity Capital Markets
13. Mr. Thaphop Kleesuwan	Executive Vice President Office of the President & Compliance Department
14. Mr. Kongpob Watanasin	Executive Vice President Human Resources Management Division
15. Mr. Prapas Thongsuk	Executive Vice President Corporate Communications Division
16. Ms. Siriporn Sanunpairaue	First Executive Vice President Internal Audit Division

Notes:

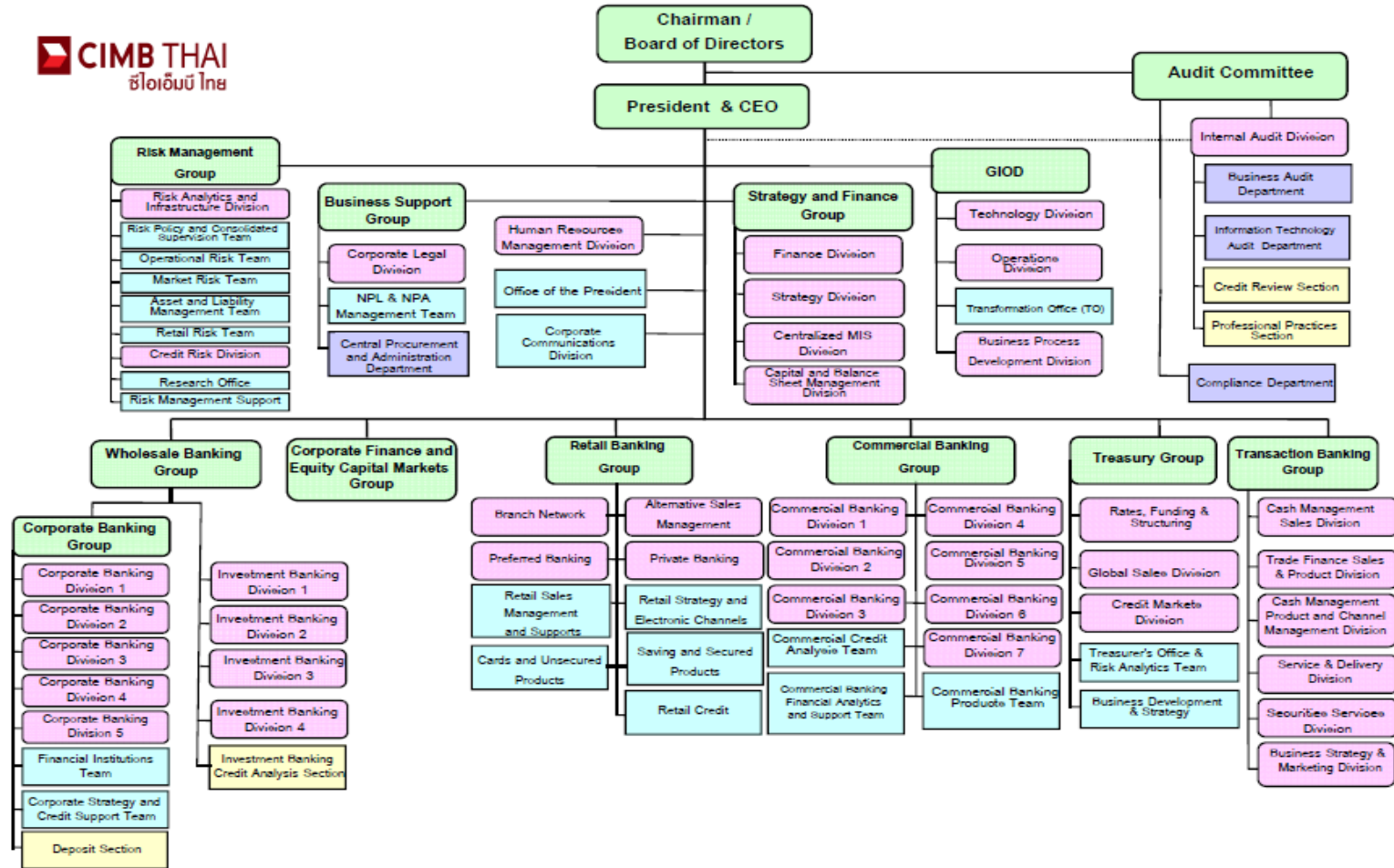
- ^{/1} The Board meeting resolved extending the employment and appointment of Mr. Surachai Chitratsenee as Deputy CEO and Senior Executive Vice President, Business Support Group, in replacement of Mr. Songwud Buakhem who had retired, taking effect on 18 January 2014. Mr. Songwud Buakhem's retirement took effect on 31 December 2013.
- ^{/2} The Board meeting resolved appointing Mr. Pornchai Padmintra, Senior Executive Vice President, Wholesale Banking Group, taking effect on 1 September 2013.
- ^{/3} The Board meeting resolved appointing Mr. Jiratchyuth Amyongka, Senior Executive Vice President, Commercial Banking Group, in replacement of Mr. Surachai Chitratsenee who had retired, taking effect on 27 September 2013.

As of 31 December 2013, CIMB Thai has 13 executives from Senior Executive Vice President upward and executives in Accounting and Finance in accordance with the SEC definition of the term 'executives', as below:

1.	Mr. Subhak Siwaraksa	President and Chief Executive Officer
2.	Mr. Surachai Chitratsenee	Deputy CEO & Senior Executive Vice President Business Support Group
3.	Mrs. Panute Na Chiangmai	Senior Executive Vice President Risk Management Group
4.	Mr. Narongchai Wongthanavimok	Senior Executive Vice President Strategy and Finance Group
5.	M.L. Nathchanya Davivongse	Senior Executive Vice President Transaction Banking Group
6.	Mr. Silawat Santivisat	Senior Executive Vice President Group Information and Operations Division
7.	Mr. Adisorn Sermchaiwong	Senior Executive Vice President Retail Banking Group
8.	Mr. Pornchai Padmintra	Senior Executive Vice President Wholesale Banking Group
9.	Mr. Jiratchyuth Amyongka	Senior Executive Vice President Commercial Banking Group
10.	Mr. Sutee Losoponkul	First Executive Vice President Treasury Group
11.	Mr. Songwud Buakhem*	Executive Vice President Business Support Group
12.	Mr. Sittichai Mahaguna	Executive Vice President Corporate Finance and Equity Capital Markets
13.	Ms. Winita Kimsawadi	Senior Vice President Finance Division

Note: * Mr. Songwud Buakhem retired taking effect on 31 December 2013.

Management Structure, as at 31 December 2013



8.3 Company Secretary

The Board has appointed Mr. Thaphop Kleesuwan as Company Secretary and Secretary to the Board of Directors to assist the Board in fulfilling its tasks. His duties include providing legal advice and ensuring that the Board activities are complied with applicable laws and regulations as well as be in line with corporate governance principles, as follows:

- Providing preliminary advice and recommendations pertaining to legal, regulatory and governance issues and practices to the Board.
- Arranging board and shareholder meetings in accordance with the laws and the Bank's Articles of Association, preparing minutes of these meetings and monitoring compliance with the resolutions passes at those meetings.
- Ensuring that corporate information disclosures to regulatory agencies are in accordance with laws and regulations,
- Communicating with shareholders on their legal rights and material Bank information.
- Maintaining the register of directors, reports of Board meetings, reports of stakeholder meetings, reports of beneficial interests of directors, and other as required by relevant laws.

Profile of the Company Secretary is shown in attachment 1

8.4 Director and Management Remuneration as of 31 December 2013

1 Monetary remuneration

a. Remuneration of Board members

This report describes the current components of the Bank's remuneration policy and details of the remuneration for each person during his/her directorship in 2013. The aggregate remuneration for directors comprising meeting and entertainment allowances for Board members and remuneration for Board committee members amounted to THB 8,160,000 in 2013 (compared with THB 8,352,000 in 2012), as described below:

1. Board of Directors	THB 4,952,000 (2012: THB 5,040,000)
2. Audit Committee	THB 1,584,000 (2012: THB 1,584,000)
3. Nomination, Remuneration and Corporate Governance Committee	THB 1,104,000 (2012: THB 1,104,000)
4. Credit Committee Level 2	THB 520,000 (2012: THB 624,000)

Unit: THB

Name		Positions	Monetary Remuneration			
			Board and Board Committee Members			
			Board of Directors	Audit Committee	Nomination, Remuneration and Corporate Governance Committee	Credit Committee Level 2
1.	Mr. Chakramon Phasukavanich	Chairman	2,400,000	-	-	-
2.	Dato' Robert Cheim Dau Meng ^{/1}	Vice Chairman	-	-	-	-
3.	Mr. Sukont Kanjana-Huttakit	Independent Director	528,000	624,000	-	-
4.	Dato' Shaarani Bin Ibrahim	Independent Director	528,000	480,000	480,000	-
5.	Mrs. Watanan Petersik	Independent Director	528,000	480,000	624,000	-
6.	Mr. Preecha Unchitti ^{/3}	Director	440,000	-	-	520,000
7.	Mr. Kenny Kim ^{/1}	Director	-	-	-	-
8.	Mr. Subhak Siwaraksa ^{/2}	President and CEO	528,000	-	-	-
Total			4,952,000	1,584,000	1,104,000	520,000

Notes:

- /1 Representative directors from CIMB Bank, namely Dato' Robert Cheim Dau Meng and Mr. Kenny Kim have declared their intention not to receive the meeting allowances in the Board and Board committees.
- /2 Most of the committees are chaired by the President and CEO or have the President and CEO as member. Nevertheless, the President and CEO has declared his intention not to receive the meeting allowances in those committees.
- /3 Mr. Preecha Unchitti had health problem and did not attend Board meeting and Credit Committee Level 2 meeting during April-October 2013. The Board meeting resolved acknowledging the resignation as director and authorised director of Mr. Preecha Unchitti due to health problem effective from 1 November 2013 onwards.

b. Remuneration for senior executives

The Board is responsible for determining the procedures for evaluating the performance of senior executives based on the responsibilities, challenges and risks faced by each of them, and how their personal contributions help deliver sustainable shareholder value. The Board is also responsible for determining the appropriate remuneration packages for permanent and contract employees or any other persons having done business for the Bank, as recommended by executive management. In 2013, the aggregate remuneration for 13 Senior Executive Vice Presidents and above including the executives of Finance and Accounting (in accordance with the SEC definition of the term 'executives') was THB 85.59 million. In addition, the aggregate remuneration for 32 Executive Vice Presidents and above (in accordance with the BOT definition of the term 'executives') was THB 164.51 million.

(2) Other benefits

In 2013, the Bank's contribution towards the provident fund for 13 Senior Executive Vice Presidents and above including the executives of Finance and Accounting (in accordance with the SEC definition of the term 'executives') was THB 4.27 million. Meanwhile, its contribution towards the provident fund for 32 Executive Vice Presidents and above (in accordance with the BOT definition of the term 'executives') was THB 8.22 million.

8.5 Organisation and Personnel

As of 31 December 2013, the total manpower of the Bank was 2,907 employees, of whom 1,206 work at Bank branches and 1,701 at the head office, as below:

	No. of employees
1. President and Chief Executive Officer	1
2. Risk Management Group	88
3. Business Support Group	80
4. Strategy and Finance Group	108
5. Group Information and Operations Group	579
6. Wholesale Banking Group	108
7. Corporate Finance and Equity Capital Markets Group	16
8. Retail Banking Group	1,460
9. Commercial Banking Group	162
10. Treasury Group	67
11. Transaction Banking Group	59
12. Human Resources Management Division	67
13. Office of the President	13
14. Corporate Communications Division	18
15. Internal Audit Division	61
16. Compliance Department	20
<u>Total</u>	<u>2,907</u>

Staff Development Programme and Human Resource Management Plan

In 2013, the Bank has developed human resource management system and worked out training road map by competency starting with core functions at branches. E-learning of key mandatory courses through LMS (Learning Management System) has been made available for staff at all levels. The Bank has motivated coaching culture with coaching training provided for branch managers and supervisors at branches nationwide. Cross-border training through web conferences has allowed staff of CIMB members in all countries to share real time experience, and also helped save time and travelling expenses.

Employee Benefits

The Bank has provided employee benefits such as provident fund, social security fund, life insurance, medical treatment, annual health checkup, staff clinic, housing loan, car/motorcycle loan, staff education loan and general purpose loan, that are competitive against other leading banks to attract and retain talented and competent staff. The total fixed salary paid to Bank employees for the fiscal year was THB 1,753.52 million. To be an employer of choice, the Bank will continue to improve its staff benefits to attract and retain quality staff.

Training Courses and Human Resources Development

In 2013, the Bank organised 247 training courses, comprising 133 internal and 114 external courses at a total cost of THB 29.84 million. The number of participants was 13,971 people, which meant some employees attended more than one course over the year and the average ratio of training for staff was 7.5 days per person per year. Courses conducted included those under Leadership Programme for Top Executives, Credit Academy,

knowledge on products, work process and procedure, etc. Employees have further been encouraged to learn via e-learning system on such topics as IT Security Awareness, KYC/CDD, Operational Risk, Deposit Product, and so on. Moreover, the Bank has provided scholarship to employees to pursue study in MBA (5 employees per year or within annual budget).

Staff Health and Safety Information

Proportion of average leave days of staff classified by type in 2013	%
Sick leave	21.45
Work related injury and sick leave	0.0
Others	78.55
No. of average sick leave days (days/person)	3.0
Work related accident death (persons)	0

9. Corporate Governance

9.1 Corporate Governance Policy

CIMB Thai firmly believes that its ongoing commitment and efforts in ensuring a strong corporate governance structure and culture across the organisation will help it deliver value to all its stakeholders. Hence, the Bank has strived to have good corporate governance practices put in place and the highest standards of business integrity applied to all its activities.

Corporate Governance Principles

The Bank has developed processes for identifying, assessing and managing the significant risks and uncertainties facing the Bank. Internal control processes are established to ensure efficiency and effectiveness of business operations and controls in all areas including finance and operations, as well as compliance with relevant laws and regulations. The Internal Audit Department and the Compliance Department have been tasked to provide oversight and support to ensure that individual business units conduct their business and affairs in a manner that drives forward the Bank's strategic objectives, while complying with applicable laws and regulatory requirements. A strong focus is placed on educating and increasing awareness among directors, executive officers and employees on the Bank's codes of conduct, the relevant laws and regulatory requirements as well as disciplinary procedures.

The Bank's corporate governance policy, which contains guidelines for directors, executive officers, and employees, was formulated in February 2005. With adherence to this policy in its operations, the Bank aims to build trust and confidence among investors and stakeholders, hence improving its competitiveness, enhancing value and promoting stability in the long run. The policy was updated in January 2011 and January 2014 in order to comply with the good governance principles and relevant regulatory requirements. Details of the Bank's corporate governance policy are available on its website: www.cimbthai.com.

Corporate Governance

1. Rights of Shareholders

The Bank has recognised the rights of all shareholders and encouraged them to exercise their basic rights on an equitable basis, as well as proactively communicated with them regularly. Such rights include the rights to sell, purchase or transfer shares, access Bank information, ensure fair distribution of profit, attend meetings to cast votes, express opinions and comments, and decide on important matters including appointment of directors and auditor, allocation of profit, dividend payment, increase or decrease of capital, and approval of any special items, etc.

The Bank is required to hold its annual general meeting of shareholders (AGM) within four months from the fiscal year end. Meetings of shareholders other than general meetings are called extraordinary meetings, which can be convened by the Board at any time it deems fit. The 2013 AGM was held on 12 April 2013.

Before the AGM, from 11 December 2012 to 15 January 2013, shareholders were invited to propose matters for inclusion in the meeting agenda and propose names of qualified candidates for election as directors of the Bank in accordance with the Bank's rules and criteria. For the 2013 AGM, no agenda items and no director nominations were proposed by the shareholders.

To convene the 2013 AGM, the Bank sent an invitation notice in which each agenda item was clearly identified whether it was for acknowledgement or consideration, together with background, rationale, and recommendations of the Board, as well as supporting documents which comprised criteria of meeting attendance and voting, proxy grants by shareholders, and the 2012 annual report in hard copy. The Bank has assigned Thailand Securities Depository, the Bank's share registrar, to send the notice to shareholders for consideration 14 days before the meeting. This allowed shareholders to have time to study information beforehand. The Bank also published the notice and other supporting documents on its website 14 days before the meeting. The notice was also made available to public via the disclosure channel of the Stock Exchange of Thailand (SET). Furthermore, in accordance with regulatory requirements, the notice was published in newspapers for three consecutive days at least three days before the meeting. On the day of the AGM, various measures were taken to facilitate participation by the shareholders or proxy holders, including assigning staff to verify their related credentials to preserve their rights and ensure equitable treatment is offered to all shareholders. Registration of attendees was conducted through a bar code system with separate voting slips provided for each agenda item.

The shareholders and proxy holders had the opportunity to register at least two hours before the meeting began. Also, during the meeting, the shareholders could register their attendance to exercise their voting rights for any agenda item for which resolutions had not yet been passed. The Bank prepared proxy forms and details on proxy granting for shareholders who have appointed proxies to attend the meeting on their behalf. The proxy form and details on proxy granting were submitted together with the invitation notice to all shareholders. The Bank also provided an additional option to shareholders by providing the names and backgrounds of independent directors whom shareholders could consider for their proxy appointment. At the 2013 AGM, seven shareholders appointed the Chairman and members of the Audit Committee who are independent directors to attend the AGM and vote on their behalf.

At the 2013 AGM, 100% of the Board and Board Committee members and 434 shareholders and proxies attended the meeting, with total shares held of 19,781,343,608 shares representing 93.82% of the total issued shares. Before the meeting began, The Chairman had assigned the Company Secretary to give an explanation regarding voting rights and procedures to the attendees. The Chairman assured the shareholders that they would have equal opportunity to ask questions, raise any issues or make recommendations. In addition, the Bank gave multimedia presentation of the proposed information for the meeting and provided simultaneous English translation for foreign shareholders. At the meeting, members of the Board and relevant executive officers answered or clarified related issues clearly and comprehensively. Issues raised and recommendations given were recorded in the meeting minutes. Voting was conducted in an open and transparent manner whereby vote casting for each agenda item followed the order specified in the notice and no modifications were made to the original agenda. Voting results on each agenda item were tallied through the bar code system and ballots of shareholders who disagreed and abstained from voting were kept. After the meeting, the minutes of the meeting were prepared in an accurate and comprehensive manner, including a summary of issues raised and clarifications or views provided as well as detailed votes for each agenda item which showed the number of votes cast for and against the motion, etc. The minutes of the 2013 AGM were submitted to the relevant supervisory authorities within 14 days from the meeting date as prescribed by law, and posted on the Bank's website, www.cimbthai.com, for shareholders' reference.

2. Equitable Treatment of Shareholders

The Bank recognises the importance of fair treatment of all shareholders including its duty on protection of shareholders' interests. Measures are in place to prevent the use of internal information for personal gains by the Board members, executives and employees. The Board has set a policy and procedure to prohibit unauthorised disclosure of material, non-public information which may affect the Bank's securities. Such policy and procedure require members of the Board, executives and employees, including spouses and underage children thereof, to refrain from using information that has become privately known to them for purchase, sale, transfer or receipt of transfer of securities of the Bank during a one-month period before such information goes to public. Moreover, members of the Board and executives from levels of senior executive vice-president or the equivalents upward, and those holding executive positions or department heads or the equivalents upward in the accounting or finance function line are duty-bound to report every of their sale or purchase of securities of the Bank and any change of the holding thereof, to the Office of the Securities and Exchange Commission (SEC), and keep copies of such reports at the Office of the President as evidence. In addition, to ensure an efficient and transparent management, the Bank has formulated codes of conduct and guidelines for the Board, executives and employees on the use of internal information and operation guidelines with avoidance of conflicts of interest.

3. Role of Stakeholders

The Bank places great importance to the rights of all its stakeholders including directors, executive officers, employees, shareholders, clients, business partners, creditors and the relevant authorities.

CIMB Thai Codes of Conduct

1. Clients

The Bank takes its commitment seriously to provide clients with high-quality products and services while safeguarding their interests and treating them fairly in all aspects of their dealings with the Bank. To pursue with this objective, it set up CIMB Thai Care Centre to efficiently handle client complaints and queries. The centre maintains a database of client complaints and classifies them by source and type. A report is prepared and forwarded to the Office of the President, the Internal Audit Department, the Compliance Department and other relevant units, to jointly resolve any complaints in an effective, fair, coordinated and timely manner. Client confidentiality is strictly observed at all times unless the disclosure is required by law or authorised in writing by the client.

2. Shareholders

The Bank recognises the critical importance of ensuring work systems and processes are in place to provide assurance of effective and efficient operations, internal controls and compliance with laws and regulations. Business conduct and ethics policies are implemented and employees are bound by these policies. The Bank focuses on creating and delivering sustainable shareholder value, protection of assets and providing all shareholders with fair treatment whilst allowing them to exercise their rights fully and fairly in an informed manner except when they have material interests in the matter considered at the shareholders' meeting. In such case, the shareholders concerned are required to abstain from voting thereon, but they are eligible to participate in the election of directors.

3. Employees

The Bank believes in fair treatment accorded to all employees, and is fully committed to enhancing the quality of its human capital. In this context, it consistently offers training and support, including opportunities to enhance performance and career development options. Such efforts will help build sustainable growth and serve expansion plans in the increasingly competitive markets.

4. Creditors and Business Partners

The Bank is committed to maintaining high standards of business conduct in compliance with all applicable laws and regulations. It conducts business with its creditors and business partners fairly and in compliance with the relevant laws and regulations.

5. Competitors

The Bank recognises the importance of a fair and competitive business environment. It is committed to conducting business in a fair and confidential manner posing no impairment to the reputation of its competitors and upholding best ethical and legal practices among its employees.

6. Responsibility towards the Community and the Environment

The Bank recognises its ability to make positive impacts on the community and the environment. It is actively involved in a range of charitable activities, including robe offerings, blood donation drives and fund-raising to help monks, underprivileged children and local community at large. Details of the Bank's activities are available on Corporate Social Responsibility section.

4. Disclosure and Transparency

The Bank places great importance to ensuring that accurate, timely and clear information, both in English and Thai, is communicated to the shareholders and other concerned parties across a variety of media channels, including those provided by the SET and the Bank's website. In addition, as required by regulatory criteria, the Bank discloses relevant information in such annual reports as Forms 56-1 and 56-2. Various projects have been launched and activities held to boost investor confidence in the Thai capital market. Communication of clear and

accurate information on the Bank's activities has been made to regulatory bodies, investors, shareholders, analysts and the general public. These initiatives include:

- Investor Relations (IR) and Office of the President to take charge of disseminating the Bank's information and maintaining good communications with investors, securities analysts, media and other interested persons. Reports on financial results and material transactions are made in an accurate, fair, and transparent manner and in compliance with the applicable laws and regulatory requirements.

In 2013, the Bank organised IR activities to provide information both directly and indirectly as follows:

1. Welcome of altogether 15 investors and analysts to meet with management team for inquiry on operating results, altogether 8 meetings.
2. Press release issued whenever the Bank had significant investment or business activities.
3. Availability of channels for inquiries via email at ir@cimbthai.com, phone at +662-638-8615, or website at http://www.cimbthai.com/CIMB/investor_relations/

- Dissemination of information to the general public via the media when financial results and business directions are to be announced to interested parties. This allows local and foreign investors and analysts to keep abreast of the Bank's performance and growth.

5. Responsibilities of the Board

A. Board Structure

Members of the Board comprise professionals with diversified backgrounds in finance, banking, business management, marketing, legal, auditing, accounting and government affairs. At present, there are seven Board members.

Election of Board members follows the resolution of shareholders' meetings and as set out in the Bank's Articles of Association. The number of directors on the Board shall not be fewer than 5 and not more than 12. The structure of the Board of Directors and the setup of Board Committees are as prescribed by the Bank of Thailand (BOT)'s notification regarding corporate governance of financial institutions and the Capital Market Supervisory Board's notification regarding application and permission for initial public offering and other amendments. The Board composition is as follows:

- 2 executive directors
- 2 non-executive directors
- 3 independent directors (accounting for 42.86% of the entire Board)

The three independent directors who concurrently serve on the Audit Committee must satisfy the criteria based on the good corporate governance principles.

The Board appoints one of its directors to be the Chairman. The President is not eligible to be appointed as the Chairman. In the interest of good governance, the roles of the Chairman and the President stay separate, with each of them having clearly defined responsibilities. A clear division of responsibilities helps ensure that no single individual has unfettered decision-making power and enables the Chairman to give objective views on the decisions made by management.

President and Chief Executive Officer is an ex officio executive director who has powers and duties as deemed appropriate by the Board of Directors, including:

1. Operate the business of the Bank in accordance with the policies, strategies and goals prescribed by the Board of Directors.
2. Keep abreast of and report business conditions and status of the Bank, and recommend alternatives and strategies which are in line with the policies and market conditions.
3. Consider and deliberate the business operation matters, and have approval authority as given in the work regulation in force.
4. Monitor and control the Bank's operations in such areas as finance, risk management, internal control, operation, and human resource.
5. Serve as representative of the Bank empowered to make business execution and contact with government agencies and other regulatory bodies.
6. Ensure that communication with the public, shareholders, customers and employees is made in a way that enhances good image and reputation of the Bank.
7. Consider any other matters as assigned by the Board of Directors or the Board committees designated by the Board of Directors.
8. Ensure bank-wide adoption of good governance principles.

Each director's term of office is prescribed in the Articles of Association. At every annual general meeting, one-third of the directors shall retire. In any subsequent years, the directors who have been in office the longest shall retire.

The Bank has incorporated a policy on directors holding positions in other companies into its corporate governance principles in line with the corporate governance guidelines of relevant regulators, e.g. the BOT and the SET, details of which are as follows:

- Directors, managers and persons with managing authority of the Bank can take one or several positions of chairman, executive director, or authorised director in other companies subject to a maximum of three business groups.
- Directors should hold directorship in not more than five listed companies.

B. Board Committees

The Board has established Board committees comprising Audit Committee, Nomination, Remuneration and Corporate Governance Committee, Risk Management Committee, Management Committee and others, to assist in screening and scrutinising specific operations and support the performance of duties of the Board to ensure efficiency and effectiveness and maintain a good corporate governance system.

C. Roles, Duties and Responsibilities of the Board

1. Leadership and Vision

The Board consists of individuals from diverse professional backgrounds with a broad spectrum of experience and expertise as well as business ethics. The roles and responsibilities of the Board, including the appointment and removal of directors, are set out in the Bank's corporate governance guidelines and Articles of Association. The Board is committed to maintaining the highest standards of corporate governance and has good understanding of the Bank's business. It is responsible for ensuring independent oversight of internal controls and risk management while providing an objective assessment of management in the execution of the Bank's policies and strategies.

2. Ethics and Conflict of Interests

The Bank has formulated code of conduct in its corporate governance guidelines which the Board, management, and all employees must comply with when interacting with the customers, shareholders, employees, business partners or creditors. Emphasis is also placed on responsibilities for the environment, society and competitors, preservation of client confidentiality, honesty, fairness, professional integrity, business capacities, strict compliance with laws and regulations, as well as cooperation with regulatory agencies. In performing their duties, employees are required to keep uppermost in their mind the principles of good corporate governance, use good judgment, and act in compliance with rules and regulations. Alleged breaches of code of conduct are investigated

in accordance with the procedures set out, and disciplinary penalty is imposed if someone is found guilty. Details of the Bank's code of conduct are available on www.cimbthai.com.

The Bank has communicated to all staff guidelines for compliance with code of conduct and corporate governance policy by making such information available online through the learning management system (LMS) and having them sign in acknowledgment thereof.

The Bank has in place policies to prevent conflicts of interest, connected transactions or related-party transactions. These include:

- Policy for consideration of the granting of credits and investments to, and undertaking contingent liabilities or other credit-like transactions with, the Bank's major shareholders or businesses with beneficial interest to directors or persons with managing authority of the Bank, which must adhere to the ratio stipulated by the BOT. Any such grant must be approved unanimously by the Board, and no director or person with managing authority who benefits from the granting of credits and investments, and the undertaking of contingent liabilities or other credit-like transactions can take part in the decision-making process.
- Policy for undertaking major transactions. Major transactions include an agreement to undertake connected transactions and/or an agreement to undertake transactions to acquire or dispose of core assets and/or rights to acquire or dispose of the Bank's core assets. The Bank must comply with requirements of regulatory agencies.

When considering related party transactions, if the transactions are related to major shareholders, directors, senior executive vice presidents or those holding the equivalent positions thereto, and executives in the Strategy and Finance Group, and other related parties pursuant to the SEC criteria, the Board and management members must:

- 1) ensure that the transaction is legitimate, that is, it is reasonable, and is in the best interest of the Bank, including ensuring that the terms and conditions are not different from similar transactions made with unrelated parties; and
- 2) ascertain that the procedures for considering and approving any such transaction are fair, transparent, and verifiable, and that sufficient information on such transaction is disclosed to investors.

Connected transactions are subject to approval by the Board. Persons who review or recommend a transaction for approval must have no interests therein. Directors with material interests therein are not allowed to attend the meeting and vote thereon. The Bank may request additional opinion from an independent financial advisor if the transaction has to go to the shareholders' meeting.

D. Board Meetings

Board meetings are scheduled in advance for the entire year, with at least one held every quarter. In addition to the scheduled Board meetings, further Board meetings can also be held as and when they are required. The Board Secretary is responsible for providing all directors with the agenda, supporting papers and relevant information for each meeting seven days before the meeting, to give the directors advance notice of the business to be transacted. The Secretary is also responsible for taking the minutes of each meeting and preparing the meeting report, which is signed by the Board and filed. In 2013, the Bank held 13 Board meetings (details as disclosed under "Meeting Attendance of Directors") and two Board meetings without the presence of the management members.

E. Board Performance Review

The Bank has conducted annual evaluation of the Board performance to allow the Board members to make a joint review of the Board performance, raise concerned problems and obstacles, and give observations and recommendations for increased operational efficiency. The evaluation form comprises six sections: 1) structure and qualifications of the Board members, 2) roles, duties and responsibilities of the Board, 3) Board meetings, 4) Board's performance of duties, 5) relationship with the management, and 6) self-development of the Board members and executive officers. The evaluation results will be compiled and concluded by the Board Secretary before presenting to the Chairman of the Board for review to ensure compliance of the practices with the Board Charter.

9.2 Board Committees (as of 31 December 2013)

The Bank has various board committees as follows:

a. Board of Directors

(the name list of Board members is shown in part 2 page 35)

comprising of

1. Non-executive director

Means a director who does not hold any position in the Bank other than a member of the Board. A non-executive director may or may not be an independent director.

2. Executive director

Means a director who holds an executive position, or a director who is in charge of any action deemed to be taken by an executive, and shall include any authorised director.

3. Director who is delegated authorised signatory

Means one or several director(s) authorised by the Board to execute contracts or other written instruments on behalf of the Bank.

4. Independent director

Means a director who does not have any related business, hold any managerial position or have any beneficial interest in financial institutions that may affect his/her independent decision. An independent director of a public listed company is also required to comply with the provisions in the Capital Market Supervisory Board Notification No. ThorChor. 28/2551 Re: Application for and Approval of Offer for Sale of Newly Issued Shares (independent directors' qualification as details in page 67-68)

Powers of Board of Directors

1. Appoint and remove regular and temporary employees, determine payment of bonus and compensation to regular and temporary employees or any person doing business for the Bank, and declare dividend payment to shareholders.
2. Establish Board committees as deemed necessary to assist the Board in overseeing the Bank's business affairs, and determine remuneration for committee members as appropriate.
3. Appoint any person as adviser to the Board to give opinion on the Bank's business affairs, and determine remuneration as appropriate.
4. Delegate authority to any one or more director(s) or other person(s) to perform any duty on behalf of the Board.
5. At the Board meeting, each director shall have one vote. Director with beneficial interests in any matter shall not be entitled to vote on that matter. In the event of a vote tie, the Chairman of the meeting shall have the casting vote.

Duties and Responsibilities of Board of Directors

Basic responsibility of the Board is to exercise judgment on the business operations in a manner that they reasonably believe to be in the best interests of the Bank and in compliance with the applicable laws and regulatory rules, the Bank's Articles of Association, and resolutions of the shareholders' meetings, as detailed below:

1. Set vision, targets, policies, strategies, administration, utilisation of resources, and business standards and framework of the Bank; and monitor and supervise the Bank's business operations to ensure efficient and effective discharge of functions in accordance with the policies set forth.
2. Select individuals qualified for directorship and make recommendation thereof to the shareholders' meeting for election as directors, as well as encourage the shareholders to nominate candidates for election as directors.

3. Select qualified individuals from diverse professional backgrounds and with a broad spectrum of experience and expertise for appointment to executive management positions.
4. Review and approve budgets proposed by executive management under joint consideration with executive management.
5. Delegate authority for day-to-day management to executives based on agreed objectives and targets, except when the matter is of high significance and not in normal course of business of the Bank and hence warrants the Board's attention, such as change in the Bank's capital structure, investment in other business, business merger, disposal of assets and capital expenditure; or in case where the Board's ratification is required, including the matter with conflict of interest, and an approval by the shareholders' meeting has to be sought; the Board is duty-bound to give opinion to the shareholders on such matter.
6. Determine the issues to be brought to its attention by executive management.
7. Set measures for executive management to communicate and ensure there is communication of operational targets and policies to Bank staff at all levels.
8. Monitor and supervise executive management's business operations to ensure compliance with relevant laws and regulations as well as contractual terms and conditions.
9. Monitor and ensure that the Bank has in place efficient and effective risk management system.
10. Monitor and ensure that the Bank has in place adequate, proper and efficient internal control system for the benefit of the Bank; formulate and implement a clear procedure to cope with conflict of interest; put in place policies and processes preventing executive management and other concerned parties from using confidential inside information for personal gains; and assess and review the adequacy of the Bank's internal controls every year-end.
11. Ensure that all stakeholders are treated fairly.
12. Assume responsibility for the financial statements of the Bank and its subsidiary companies and in that process, ensure that the notes to the financial statements contain all important disclosures; and supervise to ensure that processes are in place for implementing a sound accounting system and proper accounting records are kept for future references.
13. Ensure that processes are in place for reporting of operating results in comparison with the targets and the problems arisen so that the Board can monitor, improve and rectify the plans and strategies as appropriate.
14. Establish procedures for evaluating the performance of senior executives to determine the appropriate levels of remuneration, taking into account risks and responsibilities involved as well as added value to shareholders in the long run.
15. Review the pay structure and criteria for authorising bonuses, incentives and benefits for regular and temporary staff or any person doing business for the Bank, regardless of whether on a regular basis or not, as recommended by executive management.
16. Appoint any person as adviser to the Board, or seek professional advice from an external adviser, to give opinion and suggestion on the Bank's business affairs at the expense of the Bank; and determine the remuneration for whom as deemed appropriate.
17. Appoint Board committees as necessary to assist the Board in overseeing the Bank's business affairs in the areas assigned, and determine the remuneration for whom as deemed appropriate. Board committees may, at the Bank's expense, engage independent experts to give additional advice and also have regular staff available to assist in data compilation and coordination to support the Board committees' discharge of duties.
18. Ensure that adequate, accurate and reliable information is disclosed in a timely manner.
19. Appoint Board secretary to assist the Board in managing its business affairs and ensure compliance with the relevant laws, rules and regulations.
20. Put in place corporate governance principles and business ethics, Board and Board committee charters, and human resource management policies.
21. Ensure there are relevant and effective operational controls, monitoring and guidelines available in all work units across the organisation.
22. Conduct self-assessment every year.

The Board shall under no undue influence make independent decisions, or objections in case of disagreement or conflict of interests, and make approvals of matters or recommendation to the shareholders' meeting for approvals as appropriate, based on the following principles:

Sufficiency:

- To act in the best interests of the Bank;
- To exercise sound and prudent judgment; and
- To decide dispassionately without consideration of personal gains.

Prudence:

- To act with due care taking all steps in the manner a director should take under similar circumstance;
- To make informed decisions; and
- To act with reasonable grounds that information is reliable and correct.

Integrity:

- To act in good faith;
- To make decisions free of possible or appearance of conflict of interest; and
- Not to make use of the Bank's information and opportunities for personal or other persons' gains.

b. Other Board Committees

The Board has appointed the following principal committees to assist it in overseeing and ensuring the Bank's business operations with prudence and efficiency:

1. Audit Committee
2. Nomination, Remuneration and Corporate Governance Committee
3. Shariah Sub-Committee
4. Management Committee
5. Risk Management Committee
6. Credit Risk Committee
7. Credit Committee Level 2
8. Retail Business Committee
9. Assets and Liabilities Management Committee
10. IT Strategic Planning Committee
11. Market Risk Committee Thailand
12. Marketing and Communications Committee
13. Product Development Committee
14. Credit Committee Level 3

1. Audit Committee

The Audit Committee (AC) is composed of:

- | | | | |
|----|-----------------------------|---|--|
| 1. | Mr. Sukont Kanjana-Huttakit | Independent Director | Chairman |
| 2. | Dato' Shaarani Bin Ibrahim | Independent Director | Member |
| 3. | Mrs. Watanan Petersik | Independent Director | Member |
| 4. | Ms. Siriporn Sanunpairaue | First Executive Vice President
Internal Audit Division | Secretary for Internal Audit
function |
| 5. | Mr. Thaphop Kleesuwan | Executive Vice President
Compliance Department | Secretary for Compliance
function |

Powers, Duties and Responsibilities:

1. Assist the Board in discharging its statutory duties and responsibilities relating to accounting, reporting practices and corporate governance.
 The AC shall review the effectiveness of internal controls, risk management processes and governance practices, taking into account the requirements of relevant BOT guidelines and SEC's and SET's listing requirements.
2. Review the effectiveness of Internal Audit Division.
3. Recommend to the Board and shareholders the appointment of external auditors, including the appropriate remuneration, as well as review the effectiveness of external auditors.
4. Review the effectiveness of compliance function and monitor Compliance Department work to ensure compliance with relevant regulations.

5. Review the findings and compliance issues identified by regulators and ensure that appropriate and prompt remedial actions are taken by management.
6. Review the correctness and adequacy of financial statements for submission to the Board of the relevant entities within the CIMB Thai Group.
7. Review all related party transactions submitted by management that may arise within the CIMB Thai Group and keep the Board informed of such transactions.
8. Report to the Board any corrective action or improvement required should the AC have concerns over conflict of interest activities, fraud, irregularities, significant internal control weakness, or violation to the relevant regulations. If the Board or management does not take appropriate action within the timeframe determined by the AC, any member of the AC has to report such activity to the SEC or SET.
9. Report all activities of the AC in the Bank's annual report, which must be signed by the AC Chairman. The report must contain information at least as stipulated in the SET regulations.
10. Clearly document the scope, roles and responsibilities of the advisory service from external expert to the AC or appointment of management to perform duty on behalf of the AC, if any.
11. Approve, revise and conduct annual reviews of the Bank's internal policies related to compliance, which are not required by regulatory bodies to obtain the Board of Directors' approval.
12. Approve annual compliance report as required by regulators.
13. Approve Internal Audit Division and Compliance Unit Charter.
14. Perform any other duties as specified in Audit Committee Charter.
15. Perform any other assignments delegated by the Board.

Scope: CIMB Thai Bank group-wide

2. Nomination, Remuneration and Corporate Governance Committee

The Nomination, Remuneration and Corporate Governance Committee is composed of:

1.	Mrs. Watanan Petersik	Independent Director	Chairperson
2.	Dato' Robert Cheim Dau Meng	Vice Chairman	Member and Alternate Chairperson
3.	Dato' Shaarani Bin Ibrahim	Independent Director	Member
4.	Mr. Kongpob Watanasin	Executive Vice President Human Resource Management Division	Secretary

Powers, Duties and Responsibilities:

1. Nomination:

- Formulate policy, criteria, and method for proposing candidates for directors and persons with management authority (EVP and Above) to the Board for consideration and appointment, and submit the policy to the Bank of Thailand upon request.
- Nominate qualified candidates for the following positions to the Board of Directors for approval:
 - a. Director,
 - b. Director appointed to sit on Board committee,
 - c. Managerial position of Executive Vice President and above.
- Ensure that the size and composition of the Board is appropriate for the organisation and is adjustable to suit the changing business environment. Board members shall possess appropriate expertise and experience.
- Disclose the nomination policy and procedures in the Bank's annual report.
- Consider the appointment and fixing of remuneration of directors of the Bank's subsidiaries and recommend them to the board of directors of the subsidiaries for approval.

2. Remuneration:

- Recommend remuneration and benefit policy as well as amount of remuneration and benefits for the Board members and persons with managerial authority (Executive Vice President and above) with clear and transparent criteria for consideration and approval by the Board; and have such policy submitted to the Bank of Thailand upon request (Remuneration and benefit policy should cover all aspects of remuneration including director's fees, salaries, allowances, bonuses, options and benefits-in-kind).
- Ensure that remuneration for the Board members and persons with managerial authority (Executive Vice President and above) is commensurate with their duties and responsibilities. Board members who take on extra assignments should be compensated accordingly.
- Set performance assessment criteria for Board members and persons with managerial authority (Executive Vice President and above) for annual remuneration review, taking into account their responsibilities and risks as well as enhancement of long-term shareholder value.
- Disclose the remuneration policy, actual payment thereof in various forms, and NRC's report that at least covers the objectives, activities and opinion of the NRC in the Bank's annual report.
- Review the remuneration schemes for employees of the Bank in line with the industry practices and remuneration framework of CIMB Group.
- Consider and recommend to the Board for approval the annual salary adjustment and bonus framework for CIMB Thai Group.

3. Corporate Governance:

- Review corporate governance policy and codes of conduct for directors and employees of the Bank to ensure consistency with the corporate governance criteria of relevant regulatory authorities, and submit to the Board of Directors for approval.
- Approve corporate governance guidelines for relevant units to align with and present to the Board of Directors for acknowledgement on a yearly basis so as to enhance good corporate governance of the Bank.

4. Other matters as assigned by the Board.

3. Shariah Sub-Committee

The Shariah Sub-Committee is composed of independent Islamic finance experts who are not Bank employees and/or hold no other positions in the Bank, as below:

1. Assoc.Prof. Dr. Ismaae Alee
2. Dr. Maroning Salaming

Power, Duties and Responsibilities:

1. Explore all possibilities in providing financial services in the conduct of Shariah business by the Bank and its subsidiaries.
2. Give opinions and propose relevant issues of Shariah business to the Board of Directors and/or other Board Committees involved.

4. Management Committee

The Management Committee is composed of:

1.	Mr. Subhak Siwaraksa	President and Chief Executive Officer	Chairman
2.	Mr. Surachai Chitratsenee ¹	Deputy CEO & Senior Executive Vice President, Business Support Group	Vice Chairman
3.	Mrs. Panute Na Chiangmai	Senior Executive Vice President Risk Management Group	Member
4.	Mr. Narongchai Wongthanavimok	Senior Executive Vice President Strategy and Finance Group	Member
5.	M.L. Nathchanya Davivongse	Senior Executive Vice President Transaction Banking Group	Member
6.	Mr. Silawat Santivisat	Senior Executive Vice President Group Information and Operations Division	Member
7.	Mr. Pornchai Padmintra ²	Senior Executive Vice President Wholesale Banking Group	Member
8.	Mr. Jiratchyuth Amyongka ³	Senior Executive Vice President Commercial Banking Group	Member
9.	Mr. Adisorn Sermchaiwong	Senior Executive Vice President Retail Banking Group	Member
10.	Mr. Sutee Losoponkul	First Executive Vice President Treasury Group	Member
11.	Mr. Songwud Buakhem ¹	Executive Vice President Business Support Group	Member
12.	Mr. Kongpob Watanasin	Executive Vice President Human Resources Management Division	Member
13.	Mr. Prapas Thongsuk	Executive Vice President Corporate Communications Division	Member
14.	Mr. Thaphop Kleesuwan	Executive Vice President Office of the President	Secretary
	<u>By invitation</u>		
	Ms. Siriporn Sanunpairaue	First Executive Vice President Internal Audit Division	

- Notes:
- /1 The Board meeting resolved extending the employment and appointment of Mr. Surachai Chitratsenee as Deputy CEO and Senior Executive Vice President, Business Support Group, in replacement of Mr. Songwud Buakhem who had retired, taking effect on 18 January 2014. Mr. Songwud Buakhem's retirement took effect on 31 December 2013.
 - /2 The Board meeting resolved appointing Mr. Pornchai Padmintra, Senior Executive Vice President, Wholesale Banking Group, taking effect on 1 September 2013.
 - /3 The Board meeting resolved appointing Mr. Jiratchyuth Amyongka, Senior Executive Vice President, Commercial Banking Group, in replacement of Mr. Surachai Chitratsenee who had retired, taking effect on 27 September 2013.

Powers, Duties and Responsibilities:

1. Provide advice to the President and CEO.
2. Monitor and evaluate performance of each business unit.
3. Review financial and other management reports of the Bank.
4. Devise strategy, business and capital management plans and budgets for the Bank.
5. Identify cross-divisional and cross-border synergies.
6. Deliberate key regulatory issues.
7. Approve delegated authority on internal operations of non-risk related business units.
8. Approve, revise and conduct annual reviews of the Bank's internal policies related to administration/operation/others, which are not required by regulatory bodies to obtain the Board of Directors' approval.
9. Approve the revision of delegation of authority and policies in relation to the Bank's reorganisation.

10. Approve the appointment and revision of members, duties and responsibilities of Community Link Committee, and Marketing and Communications Committee.
11. Consider and decide on non-financial issues under 1Platform Project.
12. Review, give opinions, consider and approve the proposed legal provision in case the Bank and executives are sued for damages as recommended by Corporate Legal Division.
13. Approve fee sharing scheme for investment product selling and/or referral of customers through Retail Banking Group only in case of third party products which are not related party transactions or have no material change from the existing ones already approved by Risk Management Committee.
14. Approve third party products with non-material change from those already approved by Risk Management Committee.
15. Appoint appointment of insurance broker for the Bank.
16. Other matters as assigned by the Board/President & CEO.
 Scope: CIMB Thai Bank group-wide

5. Risk Management Committee

The Risk Management Committee is composed of:

1.	Mr. Subhak Siwaraksa	President and Chief Executive Officer	Chairman
2.	Mr. Kenny Kim	Director	Member and Alternate Chairman
3.	Mr. Surachai Chitratsenee	Deputy CEO & Senior Executive Vice President, Business Support Group	Member
4.	Mrs. Panute Na Chiangmai or Mrs. Thitawat Pothanant	Senior Executive Vice President Risk Management Group First Executive Vice President Credit Evaluation Division	Member
5.	Mr. Narongchai Wongthanavimok	Senior Executive Vice President Strategy and Finance Group	Member
6.	M.L. Nathchanya Davivongse	Senior Executive Vice President Transaction Banking Group	Member
7.	Mr. Silawat Santivisat	Senior Executive Vice President Group Information and Operations Division	Member
8.	Mr. Pornchai Padmindra	Senior Executive Vice President Wholesale Banking Group	Member
9.	Mr. Jiratchyuth Amyongka	Senior Executive Vice President Commercial Banking Group	Member
10.	Mr. Adisorn Sermchaiwong	Senior Executive Vice President Retail Banking Group	Member
11.	Mr. Sutee Losoponkul	First Executive Vice President Treasury Group	Member
12.	Representative from Risk Management Group		Secretary

Powers, Duties and Responsibilities:

1. Allocation of risk capital and determination of global risk limits
 Allocate capital-at-risk (CAR) for different lines of businesses and for different categories of risks. In the process of allocating capital, the Committee seeks to ensure adequate diversification of risk, and the Bank and companies in its financial group having sufficient capital to cushion against stress scenarios.
2. Enhance shareholder value through evaluation of risk-return profiles of business activities and ensure that they are within the parameters set by the Board of Directors.

3. Risk management policies
 - 3.1 Review all risk management frameworks and policies of the Bank to ensure appropriateness and compliance with the relevant regulatory rules and regulations as well as to be in line with the overall strategic plan of CIMB Thai's financial group and risk management best practices including review of adequacy and appropriateness of resources to manage the risks;
 - 3.2 Review and concur on credit risk limits and market risk limits prior to submission to Board of Directors for approval;
 - 3.3 Review and concur on the Bank's investment policies for investments in equity, debt and hybrid securities prior to submission to Board of Directors for approval; and
 - 3.4 Approve all risk management frameworks and policies of the Bank including reviews and revisions of the frameworks and policies which are not required by the relevant regulatory bodies to be approved by the Board of Directors.
4. Compliance
 Enforce compliance with all the risk management frameworks and policies and/or risk limits set by the various risk committees.
5. Risk identification and measurement
 - 5.1 consider and approve methodologies to identify and measure all the risks including appropriate risk measurement tools; and
 - 5.2 consider and approve strategies to assess, monitor and control the risks to be within the appropriate levels.
6. Maintenance of asset quality
 Ensure the asset quality of CIMB Thai's financial group through close monitoring of credit approval process, approval of new loans and remedial actions for non-performing loans.
7. Review and concur on business continuity management framework and policy including reviews and revisions of the frameworks and policies prior to submission to Board of Directors for approval.
8. Review and approve all risk related delegation of authority (including credit approval delegation of authority) of various units within the Bank.
9. Consider and propose the appointment of risk management committees to the Board of Directors for approval.
10. Consider and approve the appointment and changes of members as well as powers, duties and responsibilities of the following committees:
 - 10.1 Basel II Steering Committee;
 - 10.2 Operational Risk Management Committee; and
 - 10.3 Credit Risk Committee.
11. Consider and approve the appointment and changes of members of Credit Committee Level 3 as appropriate.
12. As Risk Management Committee of CIMB Thai's financial group, review and concur on the following prior to submission to Board of Directors of the respective subsidiaries for approval:
 - 12.1 all risk management frameworks and policies of the Bank to ensure compliance with the relevant regulatory rules and regulations as well as to be in line with the overall strategic plan of CIMB Thai's financial group and risk management best practices;
 - 12.2 business continuity management policy;
 - 12.3 credit risk limits and market risk limits; and
 - 12.4 delegation of authority to approve credits under product programs.

6. Credit Risk Committee

The Credit Risk Committee is composed of:

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|----|---|--|--|
| 1. | Mr. Subhak Siwaraksa | President and Chief Executive Officer | Chairman |
| 2. | Mrs. Panute Na Chiangmai
(Representative from Risk Management Group) | Senior Executive Vice President
Risk Management Group | Member and
Alternate
Chairperson |

3.	Mr. Narongchai Wongthanavimok* or Mrs. Pannee Deesilpakij	Senior Executive Vice President Strategy and Finance Group Senior Vice President Wholesales Finance Team	Member Alternate Member
4.	Mr. Jiratchyuth Amyongka* or Mr. Somkiat Sethasompope	Senior Executive Vice President Commercial Banking Group Senior Vice President Commercial Credit Analysis Team	Member Alternate Member
5.	M.L. Nathchanya Davivongse* or Mrs. Wadaporn Techasuwanna	Senior Executive Vice President Transaction Banking Group Executive Vice President Trade Finance Sales & Product Division	Member Alternate Member
6.	Mr. Adisorn Sermchaiwong* or Ms. Dusanee Klewpatinontha or Ms. Pimonpan Tiyaprasertkul	Senior Executive Vice President Retail Banking Group Executive Vice President Saving and Secured Products Senior Vice President Cards and Unsecured Products	Member Alternate Member Alternate Member
7.	Mr. Pornchai Padmindra* or Mr. Vorakan Dhepchalerm	Senior Executive Vice President Wholesale Banking Group First Executive Vice President Acting Head, Corporate Banking Group	Member Alternate Member
8.	Mr. Surachai Chitratsenee* or Head, Corporate Litigation Team	Deputy CEO & Senior Executive Vice President, Business Support Group	Member Alternate Member
9.	Mrs. Siriporn Ambhanwong	Executive Vice President Operations Division	Member
10.	Mrs. Thitawat Pothanant (Representative from Risk Management Group)	First Executive Vice President Credit Evaluation Division	Member
11.	Mrs. Kampoo Visuthiphol (Representative from Risk Management Group)	Senior Vice President Policy and Consolidated Risk Management Team	Member
12.	Mr. Santi Singh-Apinant (Representative from Risk Management Group)	Credit Policy and Risk Policy & Procedure	Secretary

* Mandatory members, if being unable to attend the meeting, must appoint their respective alternate members to attend the meeting.

Powers, Duties and Responsibilities:

The Credit Risk Committee reports to Risk Management Committee on all credit related activities of the Bank's group. The responsibilities of Credit Risk Committee include the following:

1. Review the change/improvement of policies on credit granting and investments in debt instruments or hybrid financial instruments, covering all credit-related transactions in the Bank's financial group; and provide recommendation for approval to Risk Management Committee or the Board of Directors.
2. Monitor the credit quality of the Bank and subsidiaries in the financial group, and recommend recovery actions to be taken against troubled-debt cases.
3. Review and concur on credit risk limits prior to submission to Risk Management Committee and the Board of Directors for approval.

4. Set policy and guidelines on the management of non-performing assets (NPAs) obtained from the transfer of collateral/any asset to the Bank to settle debt or from the public auction of the collateral; and provide recommendation for approval to Risk Management Committee and the Board of Directors.
5. Review and concur on methodology and tools for the measurement of credit risk prior to submission to Risk Management Committee for approval.
6. Other matters as assigned by Risk Management Committee.

Scope: CIMB Thai financial group

7. Credit Committee Level 2

The Credit Committee Level 2 is composed of:

1.	Mr. Subhak Siwaraksa	President and Chief Executive Officer	Chairman
2.	Mr. Surachai Chitratsenee	Deputy CEO & Senior Executive Vice President, Business Support Group	Member and Alternate Chairman
3.	Mrs. Panute Na Chiangmai (Representative from Risk Management Group)	Senior Executive Vice President Risk Management Group	Member
4.	M.L. Nathchanya Davivongse or Mrs. Wadaporn Techasuwan (Representative from Transaction Banking Group)	Senior Executive Vice President Transaction Banking Group Executive Vice President Trade Finance Sales & Product Division	Member
5.	Mr. Narongchai Wongthanavimok	Senior Executive Vice President Strategy and Finance Group	Member
6.	Mr. Pornchai Padmindra or Mr. Vorakan Dhepchalerm (Representative from Wholesale Banking Group)	Senior Executive Vice President Wholesale Banking Group First Executive Vice President Acting Head, Corporate Banking Group	Member
7.	Mr. Jiratchyuth Amyongka	Senior Executive Vice President Commercial Banking Group	Member
8.	Mrs. Thitawat Pothanant (Representative from Risk Management Group)	First Executive Vice President Credit Evaluation Division	Member
9.	Credit Committee Level 2 Secretary Team		Secretary

Powers, Duties and Responsibilities:

The Credit Committee Level 2 reports to the Board on all credit related activities of the group. The responsibilities of the Credit Committee Level 2 include the following:

1. Approve credit facilities including investments in debt instruments or hybrid financial instruments without embedded derivatives for customer and/or group of customers having aggregate limits and global rating (on group basis) as follows:

Customer and/or Customer Group Limit	Group Rating
Not over THB 500 million	All ratings
Over THB 500 million up to THB 800 million	Rating 9 and better
Over THB 800 million up to THB 2,000 million	Rating 7 and better
Over THB 2,000 million up to THB 3,000 million	Rating 4 and better

Group rating is the weighted average of the global obligor rating (based on credit limit) of all companies in the group:

- Revolving credit: credit limit = approved credit line
 - Non-revolving credit: credit limit = outstanding + available line for drawdown
- For customers which are in the groups that have specialised lending accounts and have not been rated.

The Credit Committee Level 2 shall approve for customer and/ or group of customers within the aggregate limits of not over THB 500 million. Once the rating is ready to implement for specialised lending accounts, the above table is to be applied.

2. Review and approve annual review, changes in terms and conditions for credit facilities originating group-wide extended to the customer and/or group of customers within the aggregate limits up to legal lending limit (BOT).
3. Recommend for the Board approval, where necessary, all credit proposals and/or investments in debt instruments or hybrid financial instruments without embedded derivatives for customers and/or group of customers not under authority of the Credit Committee Level 2, and all proposals for investment in debt instruments with embedded derivatives and all lending to related parties.
4. Approve temporary excess of facility limit for a period of no longer than 1 year and the excess shall not be more than 10% of total limit extended to such customer.
5. Ensure the group's overall loan portfolio meets with the guidelines of regulatory authorities and approved credit policies and procedures.
6. Review and approve recovery action to be taken against cases within the Committee's sanction and review loan classification, loan loss provisions, and write-offs including
 - 6.1 approval of debt restructuring/debt settlement without or with haircut/write-off (if any) within the existing loan loss provision for credit facilities extended to the customer and/or group of customers having the aggregate limits of not exceeding THB 500 million;
 - 6.2 approval of debt restructuring/debt settlement with no haircut/write-off for credit facilities extended to the customer and/or group of customers having the aggregate limits up to legal lending limits.
7. Assess the risk return trade-off when approving credit facilities to ensure that facilities granted are within the risk appetite of the group.
8. Determine, review and override baseline obligor rating of each loan as deemed appropriate.
9. Grant power and authority to the Credit Committee Level 2 to review and approve the sales of non-performing assets formerly used as premises for the Bank's operations or for use by staff and employees of Bank that have the aggregate cost of not exceeding THB 50 million.
10. Review and approve the management of non-performing assets (NPAs) obtained from the transfer of collateral to the Bank to settle debt or from public auction of the collateral, including approval of selling price, sale procedures and payment conditions, whereby the aggregate cost of the sale of NPAs to any single person or group of persons shall not exceed THB 500 million.
11. Recommend to the Boards of companies in the Bank financial group for approval of credit facilities, investments and debt restructuring/debt settlement without or with haircut/write-off (if any) within the existing loan loss provision for the customer and/or group of customers having aggregate limits up to legal lending limit including the management of non-performing assets.
12. Other matters as assigned by the Board.
Note: Aggregate limit is total credits granted to and/or contingent liabilities undertaken for and/or investments made in the customer and/or group of customers or principal outstanding and accrued interest plus investments, whichever is higher.

Scope: CIMB Thai financial group

8. Retail Business Committee

The Retail Business Committee consists of:

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|----|--------------------------|---|--------------------|
| 1. | Mr. Subhak Siwaraksa | President and Chief Executive Officer | Chairman |
| 2. | Mr. Adisorn Sermchaiwong | Senior Executive Vice President
Retail Banking Group | Alternate Chairman |

3.	Mrs. Panute Na Chiangmai or Mrs. Kampoo Visuthiphol	Senior Executive Vice President Risk Management Group Senior Vice President Policy and Consolidated Risk Management Team	Member
4.	Mr. Narongchai Wongthnavimok	Senior Executive Vice President Strategy and Finance Group	Member
5.	Mr. Silawat Santivisat	Senior Executive Vice President Group Information and Operations Division	Member
6.	Mrs. Siriporn Ambhanwong	Executive Vice President Operations Division	Member
7.	Mr. Prapas Thongsuk	Executive Vice President Corporate Communications Division	Member
8.	Ms. Dusanee Klewpatinontha	Executive Vice President Saving and Secured Products	Member
9.	Ms. Pimonpan Tiyaprasertkul	Senior Vice President Cards and Unsecured Products	Member
10.	Mr. Visit Phuengpornawan	Managing Director of Center Auto Lease Co.,Ltd.	Member
11.	Mr. Thaveepol Charoenkittikhunpaisal	Managing Director of WorldLease Co.,Ltd.	Member
12.	Mr. Surin Pakavaleetorn	Managing Director of CT COLL Co.,Ltd.	Member
13.	Ms. Piyawan Thianphranon	Retail Business Finance Team	Member & Secretary

Powers, Duties and Responsibilities:

1. Formulate strategies and initiatives for business growth of retail business taking into consideration the prevailing market conditions and the Bank's resources, competitive environment and risk appetite.
2. Analyse the medium to long-term development strategies and investment decisions of the Retail Banking Group and the subsidiaries in retail business (including lending, collection, deposit-taking, branch and branch services, credit card, all retail products or services, and back office infrastructure) (collectively to be referred to as "retail business") for submission to Management Committee.
3. Approve/concur business plans, budgets, strategic plans and sales promotion of retail business.
4. Review and monitor overall performance of retail business covering:
 - 4.1 retail banking portfolio performance and retail banking profitability (P&L) by product, customer, channel, campaign and special promotion;
 - 4.2 marketing plan including branding, sales promotion, advertising and product design;
 - 4.3 operation/IT related to retail business, e.g. downtime issue, turnaround time, etc.;
 - 4.4 risks impacting retail business, e.g. credit risk, operational risk, etc.;
 - 4.5 retail business staff turnover including other issues arisen.
5. Delegate authority to Head, Retail Banking Group, and Head, Strategy & Finance Group, to approve concept and framework of incentive schemes* for Bank staff, such as payout ratios and conditions, etc., and any changes in relation thereto, for both new and existing schemes, within the expense limit of THB 0.5 million. Those with expenses exceeding THB 0.5 million are subject to approval by Retail Business Committee.
6. Delegate authority to Head, Retail Banking Group, and Head, Strategy & Finance Group, to approve new marketing plan, sales promotion plan, and media and advertising, as well as relevant expenses** (excluding interest rates and fees) within the expense limit of THB 0.5 million. Those with expenses exceeding THB 0.5 million are subject to approval by Retail Business Committee.
7. Delegate authority to the Chairman and Managing Director of subsidiaries to approve concept and framework of incentive schemes* for their staff, and to approve new marketing plan, sales promotion plan, and media and advertising, as well as relevant expenses** within the expense limit of THB 0.5 million, before submitting for acknowledgment at the upcoming Retail Business

8. Committee meeting. Those with expenses exceeding THB 0.5 million are subject to approval by Retail Business Committee.
9. Other matters as assigned by the Management Committee or the President & CEO.

Note: If any incentive scheme, though approved within the expense limit of THB 0.5 million, actually incurs expenses exceeding THB 0.5 million, it shall require acknowledgment at the upcoming Retail Business Committee meeting.

* Incentive is payment to the Bank's employees (staff and direct sale staff) in form of cash or non-cash item, i.e. gold and other benefits that are taxable such as travelling package, etc., which is on top of compensation in form of salary.

** Relevant expenses are sales promotion expense, advertising & public expense, marketing activity & event expense and other acquisition expense, excluding regular marketing expenses, i.e. marketing material expense: brochure, leaflet, welcome pack, lounge benefit, and so on.

9. Assets and Liabilities Management Committee

The Assets and Liabilities Management Committee consists of:

1.	Mr. Subhak Siwaraksa	President and Chief Executive Officer	Chairman
2.	Mr. Narongchai Wongthanavimok	Senior Executive Vice President Strategy and Finance Group	Member and Alternate Chairman
3.	Mr. Jiratchyuth Amyongka	Senior Executive Vice President Commercial Banking Group	Member
4.	Mrs. Panute Na Chiangmai	Senior Executive Vice President Risk Management Group	Member
5.	M.L. Nathchanya Davivongse	Senior Executive Vice President Transaction Banking Group	Member
6.	Mr. Adisorn Sermchaiwong	Senior Executive Vice President Retail Banking Group	Member
7.	Mr. Pornchai Padmintra	Senior Executive Vice President Wholesale Banking Group	Member
8.	Mr. Sutee Losoponkul	First Executive Vice President Treasury Group	Member
9.	Ms. Panawan Wongakkarakul	Executive Vice President Rates, Funding & Structuring	Member
10.	Head	Term Structure Loan and Structuring Team	Member
11.	Head	Gapping Trading Team	Member
12.	Mr. Somchai Yongkrittaya	Senior Vice President, Market Risk Team	Member
13.	Mrs. Kanyaparnch Boonbandarn	First Vice President Balance Sheet Management Team	Secretary

Powers, Duties and Responsibilities:

1. Ensure that the Bank is able to meet its cash flow obligations in a timely and cost effective manner even in times of financial market stress.
2. Ensure there is diversification of funding sources and avoid over-dependence on volatile sources of funding. [This will be monitored via reports on the top 10 depositors and limit on amount of funds from a single source as percentage of the funding requirements.]
3. Decide on the level of liquidity reserves that needs to be maintained in form of liquid assets.
4. Ensure compliance with the BOT liquidity requirements and review all relevant assumptions from time to time.
5. Approve the contingency funding plan (CFP), monitor the liquidity management action triggers and early warning system of the CFP, review the CFP from time to time, and ensure operational readiness and testing.

6. Approve liquidity and interest rate risk in banking book (IRRBB) and management action triggers (MATs).
7. Oversee the development of the stress test and the stress scenarios for liquidity risk and ensure the Bank is able to meet its obligations under the stress situation.
8. Recommend the risk and return objective for the Bank's balance sheet to the Board and approve all balance sheet related matters.
9. Review, evaluate and approve strategic hedging proposals within limits approved by the Board.
10. Provide guidelines for determining special interest rates for business groups, excluding capital markets and treasury products.
11. Deliberate and decide on all FTP matters.
12. Analyse, review and evaluate the performance of each product focusing on profitability, volume and market share.
13. Review and recommend to the Board for approval of liquidity risk management policy and policy for managing interest rate risk on banking book.

Scope: CIMB Thai Bank group-wide

10. IT Strategic Planning Committee

The IT Strategic Planning Committee is composed of:

1.	Mr. Subhak Siwaraksa	President and Chief Executive Officer	Chairman
2.	Mr. Narongchai Wongthanavimok	Senior Executive Vice President Strategy and Finance Group	Alternate Chairman
3.	Mr. Silawat Santivisat	Senior Executive Vice President Group Information and Operations Division	Member
4.	M.L. Nathchanya Davivongse	Senior Executive Vice President Transaction Banking Group	Member
5.	Mrs. Panute Na Chiangmai or representative from Risk Management Group	Senior Executive Vice President Risk Management Group	Member
6.	Mrs. Siriporn Ambhanwong	Executive Vice President Operations Division	Member
7.	Team Lead, Financial Strategy and Implementation		Member
8.	Mr. Krishna Trithavornyuenyong	Executive Vice President Technology Division	Member and Secretary
9.	Mr. Boonkiat Ekwanich	First Vice President Information Technology Audit Department	Advisor

Powers, Duties and Responsibilities:

1. Define short and long term IT plans, project priorities and appropriate budget and resources.
2. Determine the IT strategic plan support the overall organisational strategic business plan.
3. Consider and determine technical projects, procurement and efficiency enhancement of technological systems and relevant equipment.
4. Define and monitor the effectiveness in implementing key IT policies and procedures, such as IT security policy, IT governance policy and IT risk management framework.
5. Approve, revise and conduct annual reviews of the Bank's internal IT- related policies.
6. Monitor the overall efficiency, performance and effectiveness of IT services.
7. Monitor the progress of each IT project in association with the strategies approved.
8. Appoint appropriate sub-committees or working groups to carry out assignments.
9. Approve IT project the project cost of which exceeds THB 1 million up to THB 100 million.
10. Review and endorse recommendations on IT projects the project cost of which exceeds THB 100 million.
11. Approve the procurement under a special process for IT projects.

12. Approve disbursement of the 1Platform R1.1 budget of up to RM 24 million and R 2.0 budget of up to RM 2.467 million, totalling around RM 26.467 million.
13. Ensure the success of the 1Platform Project implementation through engagement with various stakeholders and relevant parties.
14. Make and approve decision on the strategy, direction, timeline, resources, staffing, financial and budget of projects.
15. Review status and approve key project deliverables.
16. Remove roadblocks and provide ongoing support for project teams.
17. Review the project status.
18. Ensure compliance with the governance and administrative structure of the 1Platform Project.
19. Resolve business-critical IT performance issues.
20. Resolve cross-functional project delivery issues.
21. Review PIR (post implementation review) papers for implemented projects to ascertain project management quality and meet the deliverables of business cases.
22. Establish priorities and monitor status of IT projects and compliance towards service level agreements.
23. Appoint Pre-ITSPC Review Team to review business case papers before submission to ITSPC.

Scope: CIMB Thai Bank group-wide.

11. Market Risk Committee Thailand

The Market Risk Committee Thailand is composed of:

1.	Mr. Subhak Siwaraksa	President and Chief Executive Officer	Chairman
2.	Mr. Surachai Chitratsenee	Deputy CEO & Senior Executive Vice President, Business Support Group	Member
3.	Mrs. Panute Na Chiangmai	Senior Executive Vice President Risk Management Group	Member
4.	Mr. Narongchai Wongthanavimok	Senior Executive Vice President Strategy & Finance Group	Member
5.	Mr. Pornchai Padmintra	Senior Executive Vice President Wholesale Banking Group	Member
6.	Mrs. Thitawat Pothanant (Representative from Risk Management Group)	First Executive Vice President Credit Evaluation Division	Member
7.	Ms. Sumalee Boonanan	Senior Vice President Treasurer's Office and Risk Analytics Team	Member
	Mr. Konthee Prasertwongse	Executive Vice President Debt Capital Markets & Syndicate Team	Alternate Member
8.	Mr. Somchai Yongkrittaya	Senior Vice President Market Risk Team	Member
9.	Representative from Risk Management Group		Secretary

Powers, Duties and Responsibilities:

1. Evaluate underwriting proposals for primary and secondary market and off-market (resulting from mergers and acquisitions) deals for debt and equity instruments from the Group, namely:
 - Underwriting of IPO, equity offerings and rights issues and underwriting or bought deals for debt securities issuance.
 - Secondary market block placements.
 And ensure that the pricing of any proposal is adequate to compensate the risk, with sufficient measures taken to mitigate risk amidst adverse market movement and to assess market conditions conducive for the success of the deals.

2. Approve in firm debt underwriting transaction for primary market of up to THB 500 million with the minimum debt rating of A-.
3. Review and recommend to the Board of Directors/delegated Board member(s) of CIMB Thai for approval of firm underwriting or bought deal for debt securities issuance.
4. Review and recommend to the Board of Directors/delegated Board member(s) of CIMB Thai for approval of the holding amount of any debt securities for market making purpose with the following conditions:
 - Debt securities are underwritten by CIMB Thai.
 - Within 90 days from the issue date, the holding amount must be within the limit approved by the Board of Directors/delegated Board member(s) of CIMB Thai.
 - After 90 days from the issue date, the holding amount must not exceed 15% of the underwriting amount subject to the overall cap of market making portfolio.

Scope: CIMB Thai financial group

12. Marketing and Communications Committee

The Marketing and Communications Committee is composed of:

1.	Mr. Subhak Siwaraksa	President and Chief Executive Officer	Chairman
2.	Mr. Prapas Thongsuk	Executive Vice President Corporate Communications Division	Alternate Chairman
3.	Mr. Narongchai Wongthanavimok	Senior Executive Vice President Strategy and Finance Group	Member
4.	Mr. Adisorn Sermchaiwong	Senior Executive Vice President Retail Banking Group	Member
5.	Mr. Kongpob Watanasin	Executive Vice President Human Resources Management Division	Member
6.	Ms. Sunitta Yodsheewan	First Vice President Public Relations and CSR Team	Secretary

Powers, Duties and Responsibilities:

1. Provide strategic direction and guidance for CIMB Thai Bank group-wide in alignment with its brand management and positioning across all businesses and markets.
2. Review and approve all marketing plans, including above-the-line (ATL) and below-the-line (BTL) campaigns.
3. Address all elements with regards to general advertising spending and associated media exposure.
4. Review and approve all internal and external communications processes and mediums.

Scope: CIMB Thai Bank group-wide

13. Product Development Committee

The Product Development Committee consists of:

1.	Mr. Subhak Siwaraksa	President and Chief Executive Officer	Chairman
2.	Mr. Narongchai Wongthanavimok* or Mr. Arichai Numlamun	Senior Executive Vice President Strategy and Finance Group Senior Vice President Financial Infrastructure Department	Member and Alternate Chairman Alternate Member

3.	Mrs. Panute Na Chiangmai* or Ms. Suchada Phokasub	Senior Executive Vice President Risk Management Group Senior Vice President Credit and Operational Risk Division	Member Alternate Member
4.	M.L. Nathchanya Davivongse or Mr. Navapan Tonthadilok	Senior Executive Vice President Transaction Banking Group Senior Vice President Business Strategy & Marketing Division	Member Alternate Member
5.	Mr. Silawat Santivisat* or Head	Senior Executive Vice President Group Information and Operations Division Transformation Office	Member Alternate Member
6.	Mr. Adisorn Sermchaiwong or Ms. Dusanee Klewpatinontha or Ms. Pimonpan Tiyaprasertkul	Senior Executive Vice President Retail Banking Group Executive Vice President Saving and Secured Products Senior Vice President Cards and Unsecured Products	Member Alternate Member Alternate Member
7.	Mr. Sutee Losoponkul or Mr. Padej Piroonsit	First Executive Vice President Treasury Group Executive Vice President Treasury Sales Division	Member Alternate Member
8.	Mr. Surachai Chitratsenee or Head	Deputy CEO & Senior Executive Vice President, Business Support Group Corporate Legal Division	Member Alternate Member
9.	Mr. Thaphop Kleesuwan* or Head	Executive Vice President Compliance Department Banking Compliance & Investor Business Compliance Section	Member Alternate Member
10.	Mr. Krishna Trithavornyuenyong* or Mr. Chatchai Dusadenoad	Executive Vice President Technology Division Senior Vice President Application Management and Delivery Department	Member Alternate Member
11.	Mrs. Siriporn Ambhanwong* or Mr. Thiti Supamanee	Executive Vice President Operations Division Senior Vice President Credit Operations Department	Member Alternate Member
12.	Representative from Risk Management Group		Secretary

Invitees:

Ms. Siriporn Sanunpairaue, First Executive Vice President, Internal Audit Division (permanent invitee)
 Head of business unit which is the product sponsor (only required to attend the meeting if there is relevant
 product(s)/service(s) submitted to PDC.

* Mandatory members, if being unable to attend the meeting, must appoint their respective alternate members to attend the
 meeting.

Powers, Duties and Responsibilities:

1. Evaluate and review proposals of the new or variation or combination of the existing products/services of the Bank or its subsidiaries or the third party products to be marketed by the Bank (to be referred to as the "products").
2. Approve-in-principle new products/services or material variation/combination of the existing products/services of the Bank and its subsidiaries.

3. Review the competitiveness of the products and ensure that the Bank and/or its subsidiaries have enough resources to launch the products and the products suit the needs & the financial capability of the targeted segments.
4. Review and ensure that there is appropriate and adequate risk assessment of the products and the process/procedure in managing and controlling such risks are in place before launching the products.
5. Review the profitability of the products and ensure that the cost and benefit are justifiable.
6. Review the operational process to ensure that the IT systems and operating processes of the Bank or its subsidiaries are adequate or need enhancement to accommodate the launch of the products.
7. Approve the Bank's IT system/process or system/process enhancement and the Bank's IT budget up to THB 5 million for launching each product.
8. Review and concur the launch of the products prior to submission to the respective Boards of Directors for approval.
9. Review and approve non-material variation/combination of the existing products/services of the Bank.
10. Review and approve new products/services or material variation or combination of the third party products/services.
11. Concur on a new third party (excluding CIMB Principal and companies in the Bank's financial group) prior to submission to the Board of Directors for approval.
12. Post product/service launch, review and assess the products/services of the Bank or the third party and make recommendation for improvement.

Scope: CIMB Thai financial group

14. Credit Committee Level 3

The Credit Committee Level 3 is composed of:

Set 1 shall consist of:

1.1	Mr. Boonrat Chuenurajit	Chairman
1.2	Mr. Narong Ongartmaneerut	Member
1.3	Mr. Amnoey Thessiri	Member
1.4	Mr. Chalernpol Decharit	Member
1.5	Mr. Suvat Himinkool	Member
1.6	Credit Committee Secretary Team	Secretary

Set 2 shall consist of:

2.1	Ms. Apinya Punjajitti	Chairperson
2.2	Mr. Tada Potiwihok	Member
2.3	Mr. Wongkasem Karnthanat	Member
2.4	Ms. Siriporn Sirisingha	Member
2.5	Mr. Tawich Virangkur	Member
2.6	Credit Committee Secretary Team	Secretary

Powers, Duties and Responsibilities:

The Credit Committee Level 3 reports to the Credit Committee Level 2 on all credit related activities of the Bank group. Power, duties and responsibilities of the Credit Committee Level 3 include:

1. Review and approve credit facilities extended to customer and/or group of customers having aggregate limits not exceeding THB 150 million.
2. Recommend for the Board approval all lending to related parties for credit proposals which do not exceed THB 150 million.
3. Ensure the Bank financial group's overall loan portfolio meets with the guidelines of regulatory authorities and approved credit policies and procedures.

4. Review and approve recovery action including troubled-debts which were purchased from others and review loan classification, loan loss provisions and write-offs, including the approval of debt restructuring/debt settlement without or with haircut/write-off (if any) within the existing loan loss provision for credit facilities extended to the customer and/or group of customers having aggregate limits not exceeding THB 150 million.
5. Assess the risk return trade-off when approving loans and advances to ensure that facilities granted are within the risk appetite of the Bank financial group.
6. Determine, review and override baseline obligor rating of each loan as deemed appropriate.
7. Recommend to the boards of companies in the Bank financial group for approval of credit facilities, and debt restructuring /debt settlement without or with hair cut / write off (if any) within the existing loan loss provision for the customer and / or group of customers having aggregate limits not exceeding THB 150 million.
8. Other matters as assigned by the Credit Committee Level 2.

Note: Aggregate limit is total credits granted to and/or contingent liabilities undertaken for and/or investments made in the customer and/or group of customers or principal outstanding and accrued interest plus investments, whichever is higher.

Scope: CIMB Thai Bank group-wide

9.3. Selection and Appointment of Directors and Executives

1. Independent director

The Bank has the selection criteria of independent directors in place, and determines the qualifications of independent directors in accordance with the Capital Market Supervisory Board Notification No. ThorChor. 28/2551 Re: Application for and Approval of Offer for Sale of Newly Issued Shares as follows:

- (a) Hold shares not exceeding one per cent of the total number of shares with voting rights of the Bank, its parent company, subsidiary company, associated company, major shareholder or controlling person of the Bank, including shares held by related persons of such independent director;
- (b) Neither be nor have been an executive director, employee, staff, advisor who receives a salary, or controlling person of the Bank, its parent company, subsidiary company, associated company, same-level subsidiary company, major shareholder or controlling person, unless the foregoing status has ended not less than two years prior to the date of filing the application with the Securities and Exchange Commission (SEC). Such prohibited characteristic shall not include the case where the independent director used to be a government official or advisor of a government agency which is a major shareholder or controlling person of the Bank;
- (c) Not be a person related by blood or legal registration as father, mother, spouse, sibling, and child, including spouse of a child, executive, major shareholder, controlling person, or a person nominated as an executive or controlling person of the Bank or its subsidiary company;
- (d) Neither have nor have had a business relationship with the Bank, its parent company, subsidiary company, associated company, major shareholder or controlling person of the Bank, in the manner which may interfere with his/her independent judgement, and neither be nor have been a significant shareholder or controlling person of any person having a business relationship with the Bank, its parent company, subsidiary company, associated company, major shareholder or controlling person of the Bank, unless the foregoing relationship has ended not less than two years prior to the date of filing the application with the SEC.

The term 'business relationship' under the first paragraph shall include any normal business transaction for business operation, rent or lease of immovable property, transaction relating to assets or services, or granting or receipt of financial assistance through receiving or extending loans, guarantees, providing assets as collateral, and any other similar action, which result in the Bank or the counterparty being subject to indebtedness to the other party in the amount of three percent or more of the net tangible assets of the Bank or THB 20 million or more, whichever is lower. The amount of such indebtedness shall be calculated by the valuation method applicable to connected transactions pursuant to the Capital Market Supervisory Board Notification regarding criteria on connected transactions mutatis mutandis. The consideration of such indebtedness shall include indebtedness occurring during the period of one year prior to the date on which the business relationship with the person commences;

- (e) Neither be nor have been an auditor of the Bank, its parent company, subsidiary company, associated company, major shareholder or controlling person of the Bank, and not be a significant shareholder, controlling person, or partner of an audit firm which employs the auditor of the Bank, its parent company, subsidiary company, associated company, major shareholder or controlling person of the Bank, unless the foregoing relationship has ended not less than two years prior to the date of filing the application with the SEC;
- (f) Neither be nor have been a provider of any professional services including those as legal advisor or financial advisor who receives service fee exceeding THB 2 million per year from the Bank, its parent company, subsidiary company, associated company, major shareholder or controlling person of the Bank, and not be a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relationship has ended not less than two years prior to the date of filing the application with the SEC;
- (g) Not be a director appointed as representative of directors of the Bank, major shareholder or shareholder who is related to the major shareholder;
- (h) Not undertake any business in the same nature as and in material competition with the business of the Bank or its subsidiary company, or not be a significant partner in a partnership, or not be a director involved in management, employee, staff, advisor who receives a salary or holds shares exceeding one percent of the total number of shares with voting rights of another company which undertakes business in the same nature as and in material competition with the business of the Bank or its subsidiary company;
- (i) Have no other characteristics which would disable expression of independent opinions on the Bank's business operations.
Upon appointment as independent director with qualifications as stated from (a) to (i) in the first paragraph, the independent director may be assigned by the Board to take part in the business decisions of the Bank, its parent company, subsidiary company, associated company, same-level subsidiary company, major shareholder or controlling person of the Bank, on a collective decision basis.

2. Selection of Directors and Executives

Selection, Appointment and Removal of Directors

The Board of Directors shall be elected by the shareholders. The Bank has put in place director nomination procedures that are transparent and open for inspection. The Board shall accordingly appoint Nomination, Remuneration and Corporate Governance Committee to take charge of selecting and nominating qualified persons who have no disqualifications according to the law for appointment as directors by recommending them through the Board before submitting to the meeting of the shareholders for approval and appointment. This process shall comply with the rules and procedures on appointment and removal of directors as specified in the Bank's Articles of Association as follows:

1. According to the shareholders' resolution, the Board of Directors shall comprise no fewer than 5 and no more than 12 members, with at least half the board members having domicile in Thailand.
2. Article 16 of the Bank's Articles of Association provides for the following voting procedure:
 - (1) Each shareholder shall have the number of votes equal to the number of shares held. One share is entitled to one vote;
 - (2) Votes shall be cast for either an individual or several directors in the number required to be elected at the respective meeting and as deemed appropriate by the meeting. In the election of either an individual or several directors, each elected person shall receive votes from each shareholder in the full amount of shares held by that shareholder pursuant to (1). The shareholder shall not allot his/her votes to any person in any number; and
 - (3) After the voting, the candidates shall be ranked in order descending from the highest number of votes received to the lowest, and shall be appointed as directors in that order in the number required in the election. Where the votes cast for candidates in the descending order are tied, and would otherwise cause the number of directors to exceed the number required to be elected at the respective meeting, the remaining appointments shall be made by drawing lots in the procedure to be determined by the Chairman of the meeting.
3. At every annual general meeting, one-third of the directors shall retire. In any subsequent years, the directors who have been in office the longest shall retire.
4. Whenever any person vacates his/her seat as a Board member for any reason other than expiry of term of office, the remaining members shall at the next Board meeting appoint another qualified and suitable director to fill that position for the remainder of the term of office of his/her predecessor except in the

5. event that the vacant position has fewer than two months left in the term. The motion shall require the majority consent of at least 75% of the remaining members of the Board.

In addition, pursuant to the Financial Institution Business Act B.E. 2551 (2008), the Bank of Thailand (BOT) is empowered to issue an order requiring a commercial bank to remove from office any director or any person in charge of business operation that has caused serious harm to the society at large, or has failed to comply with the directives prescribed by the BOT. In this respect, the Bank is obliged to select a suitable replacement subject to approval by the BOT. The decision taken by the BOT to appoint or remove any director is conclusive.

Selection of Executives

In 2013, the Bank's principal focus was to attract talents with diverse professional backgrounds who could combine a broad spectrum of experience and expertise with integrity and drive to deliver on the Bank's business strategy and achieve its targets. An interview panel was set up in accordance with Bank policy and a selection and nomination process was formulated for all new senior executive appointments.

9.4 Governing Administration of Subsidiaries and Associate Companies

To governing administration of subsidiaries and associate companies, the Bank has appointed its executives to sit on boards of directors of those companies. The executives are responsible for keeping the Bank's Management Committee apprised of all operations and progress of the subsidiaries and associate companies on a monthly basis. The Board of Directors has also established Risk Management Committee to monitor and supervise companies in the Bank's Financial Group to ensure that their operations are in compliance with Risk Management policy prescribed by the Bank as well as regulations of the Bank of Thailand. In addition, the Board of Directors has given full support to the Audit Committee to oversee the subsidiaries and associate companies enabling the Bank to supervise and monitor operations of such companies to be in accordance with the Financial Group's policies, and to conduct audits of their financial reports to ensure accuracy and adequacy.

9.5 Governing Use of Internal Information

The Bank has oversight of use of internal information in accordance with good corporate governance. It is determined in written form and included in Corporate Governance Policy of the Bank, details of which are as follows:

The Board has set a policy and procedure to prohibit unauthorised disclosure of material, non-public information which may affect the Bank's securities. Such policy and procedure require members of the Board, executives and employees, including spouses and underaged children thereof, to refrain from using information that has become privately known to them for purchase, sale, transfer or receipt of transfer of securities of the Bank during a one-month period before such information goes to public.

Moreover, members of the Board and executives from levels of senior executive vice-president or the equivalents upward, and those holding executive positions or department heads or the equivalents upward in the accounting or finance function line are duty-bound to report every of their sale or purchase of securities of the Bank and any change of the holding thereof, to the Office of the Securities and Exchange Commission (SEC), and keep copies of such reports at the Office of the President as evidence. In addition, to ensure an efficient and transparent management, the Bank has formulated codes of conduct and guidelines for the Board, executives and employees on the use of internal information and operation guidelines with avoidance of conflicts of interest. In this regard, the Board of Directors has concurred on the above practices.

9.6 Remuneration for external auditors

The Audit Committee considers the qualifications and performance of external auditors and recommends the appointment thereof as well as proposes audit fees to the Board of Directors annually. The Board then proposes the external auditor appointment and audit fees for the consideration and approval of the general meeting of shareholders. The list of external auditors to be proposed must also be endorsed by the Bank of Thailand.

For the year ended 31 December 2013, fees paid to the external auditors were as follows:

1 Audit fees

CIMB Thai group paid the auditors audit fees totaling THB 11.9 million. Other incidental expenses included transport and photocopying expenses.

2 Non-audit fee

CIMB Thai group did not obtain any other services from the audit firm for which the auditors were working and there were no other services from persons or businesses related to the auditors.

9.7 Other Compliance of Corporate Governance

In 2013, the Board members attended meetings of the Bank's board committees, details as shown in the table below:

Unit: time

No.	Director Name (number of meetings attended/total meetings)	Audit Committee	Nomination, Remuneration and Corporate Governance Committee	Management Committee	Risk Management Committee	Credit Risk Committee	Credit Committee Level 2
1.	Mr. Chakramon Phasukavanich	-	-	-	-	-	-
2.	Dato' Robert Cheim Dau Meng	-	10/12	-	-	-	-
3.	Mr. Sukont Kanjana-Huttakit	16/16	-	-	-	-	-
4.	Dato' Shaarani Bin Ibrahim	15/16	12/12	-	-	-	-
5.	Mrs. Watanan Petersik ^{/1}	8/16	11/12	-	-	-	-
6.	Mr. Preecha Unchitti ^{/2}	-	-	-	-	-	16/61
7.	Mr. Kenny Kim	-	-	-	2/13	-	-
8.	Mr. Subhak Siwaraksa	-	-	49/49	12/13	12/12	42/61

Unit: time

No.	Director Name (number of meetings attended/total meetings)	Retail Business Committee	Assets and Liabilities Management Committee	IT Strategic Planning Committee	Market Risk Committee Thailand	Marketing & Communica- tion Committee	Product Develop- ment Committee	Shareholder meeting
1.	Mr. Chakramon Phasukavanich	-	-	-	-	-	-	1/1
2.	Dato' Robert Cheim Dau Meng	-	-	-	-	-	-	1/1
3.	Mr. Sukont Kanjana-Huttakit	-	-	-	-	-	-	1/1
4.	Dato' Shaarani Bin Ibrahim	-	-	-	-	-	-	1/1
5.	Mrs. Watanan Petersik ^{/1}	-	-	-	-	-	-	1/1
6.	Mr. Preecha Unchitti ^{/2}	-	-	-	-	-	-	1/1
7.	Mr. Kenny Kim	-	-	-	-	-	-	1/1
8.	Mr. Subhak Siwaraksa	14/14	20/20	9/11	21/21	4/6	12/13	1/1

Notes: /1 Mrs. Watanan Petersik attended the Audit Committee meeting via video conference system once.

/2 Mr. Preecha Unchitti had health problem and did not attend Board meeting and Credit Committee Level 2 meeting during April-October 2013. The Board meeting resolved acknowledging the resignation as director and authorised director of Mr. Preecha Unchitti due to health problem effective from 1 November 2013 onwards.

10. Corporate Social Responsibilities

CSR Projects and Activities

Throughout 2013, CIMB Thai Bank has continuously carried out more than 30 CSR projects and activities covering fields of education, environment, energy conservation, and social and community development. These CSR projects and activities were done under the key concept of emphasizing cooperation with customers, alliances, press, and employees, to give back to the society.

Community Computer Learning Centre and Library

To provide the students and community members with good-quality learning area and community service centre to access up-to-date sources of information useful for creating body of knowledge and living sustainably, The Bank specially highlighted educational projects and received good cooperation from local business centers and branches, and groups of alliances such as **Media Associated Co., Ltd., Kingsman C.M.T.I. Co., Ltd., Mind Exhibit Co., Ltd.** as well as our regional customers **marking an important dimension of integral cooperation.**

In 2013, the Bank has handed over Community Computer Learning Centers and Libraries to seven schools in total, namely **Baan Tan School, Bamnet Narong District, Chaiphaphum Province; Baan Tha Sai, Hat Yai District, Songkhla Province; Baan Non School, Det Udom District, Ubon Ratchathani Province; Baan Don Thayaeng School, Khong District, Nakhon Ratchasima; Baan Liam Philuek, Mueang District, Udon Thani Province; Wat Saimoon, Mae Rim District, Chiang Mai Province; and Tadika School (Islamic School), Nong Chik District, Pattani.**



Mangrove Forest Ecosystem Learning Center at Paknam Pran Witthaya School, Pran Buri District, Prachuap Khiri Khan Province

One of CSR models that the Bank is proud of, the project was created by our close cooperation with the School and the community in order to truly respond the local's need and ensure the sustainable existence. The Ecosystem Learning Center Building was constructed to be an efficient outdoor learning area for the students and community. It supports the teaching and learning of all group learning and instills awareness on environment's importance to the youth from generation to generation. Meanwhile, it is a landmark of cooperation between the Bank and our key alliance, i.e. TPI Polene Plc. including 36 SME customers for supporting and handing over the project together on 3 November 2013.



Share of Love and Smiles (Voluntary Project)

The Bank created “Lollipops for Love” event on Valentine’s Day, 14 February 2013, for the staff members to give help to those in need. All proceeds from the activity went to Foundation for Support and Development of Disabled Persons, Pakkred District, Nonthaburi Province. Also, the volunteering staff and outsiders helped clean and improve the Foundation’s surroundings.



CIMB Thai Bank Volunteer in Association with Wan Kaew Project, Tha Wung Sub-district, Lop Buri Province

The Bank joined “Wan Kaew” Project in a mobile optical service making free glasses for poor elderly people in Lop Buri Province. Over 30 staff volunteered to facilitate more than 600 elderly people.



“Share Your Dream and Make It Come True” Project

The Bank, in association with Thai AirAsia Airline, Muang Thai Insurance Plc. and Office of the Basic Education Commission, held an essay contest for students from 110 schools outside Bangkok to write about their dream careers. Sixty selected students from 12 schools in rural areas had an opportunity to participate in a youth camp in Bangkok and visited KidZania during 12 – 14 September 2013.



“Science Classroom” Project at Wat Num Pu School (Welfare Lottery Office 54), Muang District, Ratchburi Province

The Bank supported tools and equipment for science learning and laboratory to the School in order to enhance opportunity of students in rural area to learn science at the same standard with schools in Bangkok.



“Langsuan People Fighting Energy Crisis in Unity”

Due to the energy crisis in April 2013, CIMB Thai Bank, in association with Pathumwan District Office and Lumpini Police Station, held a “Marching Campaign on Lang Suan Road to Conserve Energy” to persuade people in buildings, shops and residents on Langsuan Road to use energy wisely in order to help Thailand pass the situation when natural gas distribution from Yadana gas field in Myanmar to Thailand was ceased. In addition, the Bank has consecutively held “CIMB Thai Energy Day” every year urging the employees to conserve energy in the office and at home. In 2013, the Bank received Thailand Energy Awards in the category of Outstanding Executive of Controlled Building from the Ministry of Energy.



“Blood Donation Events 2013”

The events were held every quarter in 2013, attracting more than 1,200 blood donors in total comprising staff members, general public, employees of nearby companies and CIMB Thai fan page members.



Food Offering to Monks in Honour of His Majesty the King's 86th Birthday Anniversary

For the third year, the Bank collaborated with Pathumwan District Office in inviting business people and vendors on Soi Langsuan including our staff members to offer food to Buddhist monks in tribute to His Majesty King Bhumibol Adulyadej to celebrate His Majesty's 86th Birthday Anniversary. The event has also been one of our religious promotion activities.

**Actions relating to Corruption Prevention**

The Bank has declared its determination to be against corruption. It has participated in the "Private Sector Collective Action Coalition against Corruption" scheme. To ensure proper practice and regulation in place, it has developed the Anti-Bribery and Corruption Policy for adherence by directors, executives and staff in accordance with corporate governance principles. The Bank is currently under the process of being certified as a member of the Private Sector Collective Action Coalition against Corruption.

11. Internal Controls and Risk Management

The Bank has established the organisational structure, policies and work procedures that ensure that effective risk management and internal control systems are put in place, enabling stable business growth and compliance with good corporate governance principles.

- **Organisation and environment**

The Bank has structured its organisation taking into account proper segregation of duties that will contribute to effective risk management and internal control as well as monitoring and audit systems. It has also consistently monitored the operations of its staff to be in line with the code of ethics and best practice in business operations with fair treatment of its stakeholders. Short- and medium-term business plans have been worked out to determine business strategy and framework, which are communicated to the staff at managerial levels bank-wide for their awareness and implementation to achieve the plans and targets set forth.

- **Risk management**

The Bank has realised the significance of risk management covering both internal and external risk factors. Risk Management Committee has been appointed by the Board of Directors with relevant roles, duties and responsibilities defined and operations of which assessed to ensure conformity with the risk management plan in place. Risk Management Group is in charge of formulating risk management policy and procedures of the Bank as well as setting up the risk control and monitoring mechanisms, and continuously strengthening the risk ownership of all staff.

- **Oversight of executive management**

The Bank has clearly defined, documented and regularly reviewed the scope of authority and responsibilities conferred on or delegated to executive officers at different levels. A clear division of responsibility between various management positions provides a mechanism for checks and balances between senior executives.

Executive management is required to bring to the attention of the Board any transactions that concern major shareholders, directors, and senior executives or parties related to them. In addition, the Bank has put in place policies and procedures governing the approval of loans for, or investment in businesses in which the Bank or its senior executives have material interest, including in relation to shareholders or senior executives.

In addition to the above, the Bank has established the Compliance Department to provide oversight and support to ensure that the Bank conducts its business in compliance with all applicable laws and regulatory requirements. The Internal Audit Division has been set up as an independent work unit to examine and ensure all Bank activities are effectively and efficiently managed and operated.

- **Information and communication infrastructure**

The Bank has established its accounting policies and procedures in line with generally accepted accounting principles that support the Bank's business requirements. It has developed and managed its information and database systems consistently so that significant information is accessible on an adequate and timely basis. The document management system provides an effective tool for retrieving and storing important electronic documents appropriately and safely. The policies and procedures have been communicated to relevant staff at all levels.

- **Follow-up and monitoring system**

The Bank has put in place processes for monitoring and reviewing the implementation of activities against the Bank's strategic objectives, policies, procedures, relevant laws, regulations, and internal control systems. The Bank prepares an annual business plan, which is periodically reviewed to ensure its effectiveness in the rapidly changing environment. The Audit Committee is committed to ensuring that concrete actions are taken to execute recommendations and regularly monitoring resolutions to ensure that any identified issues are brought to satisfactory conclusion.

Internal Audit Division Head and Compliance Department Head

The Bank appointed Ms. Siriporn Sanunpairaue, First Executive Vice President, to be Internal Audit Division Head having duties to audit the management and operation of the Bank's work units in order to ensure the efficiency and effectiveness. In this regard, the consideration and approval to appoint, dismiss and transfer Internal Audit Division Head are roles and responsibilities of the Audit Committee.

In addition, the Bank appointed Mr. Thaphop Kleesuwan, Executive Vice President, to be Compliance Department Head having duties to supervise and monitor the Bank's operation in compliance with relevant regulatory requirements.

Qualifications of Internal Audit Division Head and Compliance Department Head are as in Attachment 3.

12. Related Transactions

As of 31 December 2013, the Bank recorded significant business transactions with its subsidiary and affiliated companies (related by way of having common shareholders), including related persons (directors or executives from the level of vice president upwards). These transactions were concluded on commercial terms and based on mutually agreed upon criteria in the ordinary course of business between the Bank and its subsidiary, associated and affiliated companies. Details are as disclosed in the Notes to Financial Statements item 45 of Financial Statements as of 31 December 2013.

Connected transactions with persons who may have conflicts of interest are as follows:

Name and Relationship	Transaction Characteristics and Value	Necessity and Reasonableness with Audit Committee's Opinion
<p>CIMB Bank Berhad (CIMB Bank), CIMB Bank Berhad Singapore Branch, CIMB Bank Plc. and PT Bank CIMB Niaga Tbk, the subsidiaries of CIMB which is the indirect major shareholder of the Bank</p>	<p>The Bank provided insourcing service to and took outsourcing service from the banks within CIMB Group as follows: 1) Know Your Customer (KYC) and Customer Due Diligence (CDD) 2) Verification of account opening documents However, the Bank has not yet charged fees on such insourcing/outsourcing services. This transaction is considered the Bank's normal business.</p>	<p>The Board of Directors' Meeting No. 1/2013, held on 25 January 2013 (excluding CIMB Bank's representatives on the Board of Directors who abstained from voting on this matter), deemed it proper to approve in principle this transaction since it was to provide convenience to customers and support CIMB Group's regional banking services for customers to receive services of the same standard.</p>
<p>CIMB Bank Berhad (CIMB Bank), the major shareholder of the Bank which holds 93.71% of the Bank's total issued and paid-up shares</p>	<p>The Bank took IT outsourcing service from CIMB Bank to develop Global Credit Limit System (GCLS) which is a global/local limit control solution covering all entities of CIMB Group. The total cost was THB 41,469,866, which the Bank had to gradually pay back to CIMB Bank at THB 8,293,973 per year (over a period of 5 years). This transaction is considered the support of the Bank's normal business.</p>	<p>The Board of Directors' Meeting No. 2/2013, held on 27 February 2013 (excluding CIMB Bank's representatives on the Board of Directors who abstained from voting on this matter), deemed it proper to approve this transaction since GCLS was designed to provide an efficient and consistent view of the concentrated credit risk exposures and ensure compliance of the existing risk management controls with the Bank's internal risk management framework and regulatory requirements. In addition, compared with the estimated cost proposed by another service provider of THB 83.62 million, the Bank could save THB 42.14 million. This transaction was made in the interest of the Bank.</p>

Name and Relationship	Transaction Characteristics and Value	Necessity and Reasonableness with Audit Committee's Opinion
<p>CIMB Bank Berhad (CIMB Bank), the major shareholder of the Bank which holds 93.71% of the Bank's total issued and paid-up shares</p>	<p>The Board of Directors resolved on 16 December 2010 to approve the implementation of Asset Liability System (ALM) of CIMB Bank to control risk as required by Basel II Pillar 2 of the Bank of Thailand. The estimated cost of the project was THB 34 million which the Bank would pay back to CIMB Bank based on the approximated utilisation rate at THB 0.8 million per year (over a period of 3 years). The Bank has utilised such system since July 2011 and with the actual cost of THB 9.28 million in December 2012.</p> <p>Later on, the Board of Directors' Meeting No. 2/2013, held on 27 February 2013, approved the payment to CIMB Bank for system utilisation in the amount of THB 9.28 million.</p> <p>This transaction is considered the support of the Bank's normal business.</p>	<p>The Board of Directors' Meeting No. 2/2013, held on 27 February 2013 (excluding CIMB Bank's representatives on the Board of Directors who abstained from voting on this matter), deemed it proper to approve this transaction since ALM would enhance the Bank's risk control efficiency by increasing capabilities to measure, analyse and manage liquidity risk and interest rate risk under Basel II Pillar 2. The cost was also rather low compared to the project investment. This transaction was, therefore, made in the interest of the Bank, and not an inappropriate favour to CIMB Bank.</p>
<p>CIMB-Principal Asset Management Co., Ltd. (CPAM), a subsidiary of CIMB Group which is the indirect major shareholder of the Bank</p>	<p>The Bank provided HR insourcing service to CPAM with a service charge of THB 18,992.50 per month (VAT inclusive).</p>	<p>The Board of Directors' Meeting No. 2/2013, held on 27 February 2013 (excluding CIMB Bank's representatives on the Board of Directors who abstained from voting on this matter), deemed it proper to approve this transaction since the Bank would earn more fee and service income. And this transaction was under general commercial terms as applied to the transactions made with outsiders.</p>
<p>CIMB Securities (Thailand) Co., Ltd. (CIMBS), a subsidiary of CIMB Group which is the indirect major shareholder of the Bank</p>	<p>The Bank approved the increase of MM limit for CIMBS from THB 150 million to THB 300 million to support CIMBS's expansion of securities business and securities borrowing and lending transactions under its proprietary trading portfolio.</p> <p>This transaction is considered the Bank's normal business.</p>	<p>The Board of Directors' Meeting No. 4/2013, held on 27 March 2013 (excluding CIMB Bank's representatives on the Board of Directors who abstained from voting on this matter), deemed it proper to approve this transaction since it was the normal business operation under general commercial terms as applied to the transactions made with outsiders.</p>
<p>CIMB Bank Berhad (CIMB Bank), CIMB Bank Berhad Singapore Branch, CIMB Bank Plc. and PT Bank CIMB Niaga Tbk, the subsidiaries of CIMB Group which is the indirect major shareholder of the Bank</p>	<p>The Bank provided insourcing service of preliminary KYC/CDD and delivery of account opening documents to the banks within CIMB Group to facilitate corporate customers (financial institutions and juristic entities) who wished to make deposit in foreign currency with the banks within CIMB Group for investment purpose.</p> <p>Expected income from such service provision was about THB 40 million.</p> <p>This transaction is considered the Bank's normal business.</p>	<p>The Board of Directors' Meeting No. 5/2013, held on 25 April 2013 (excluding CIMB Bank's representatives on the Board of Directors who abstained from voting on this matter), deemed it proper to approve this transaction since it was the normal business operation which helped increase the Bank's income and facilitate corporate customers with the same standard of service, and it was considered being for the interest of the Bank.</p>

Name and Relationship	Transaction Characteristics and Value	Necessity and Reasonableness with Audit Committee's Opinion
<p>CIMB Bank Berhad (CIMB Bank), the major shareholder of the Bank holding 93.71% of the Bank's total issued and paid-up shares</p>	<p>The Bank cooperated with CIMB Bank to develop and implement Enterprise Intranet Portal (EIP) to enhance the efficiency of internal communication among the banks within CIMB Group. The total cost of the Bank was THB 6,450,290 (over a period of 5 years). This transaction is considered the support of the Bank's normal business.</p>	<p>The Board of Directors' Meeting No. 5/2013, held on 25 April 2013 (excluding CIMB Bank's representatives on the Board of Directors who abstained from voting on this matter), deemed it proper to approve this transaction since it was the normal business support under general commercial terms, and EIP helped enhance the efficiency of the Bank's internal communication. It enabled the Bank to manage information correctly and created more convenient, faster communication among CIMB Group's employees. This transaction was considered being for the interest of the Bank.</p>
<p>Sathorn Asset Management Co., Ltd. (STAMC), a subsidiary of CIMB Group which is the indirect major shareholder of the Bank</p>	<p>The Board of Directors resolved on 25 November 2011 to approve the Bank's provision of insourcing services to Sathorn Asset Management Co., Ltd. (STAMC) in 4 areas, namely IT function, human resource function, credit operations function, and accounting and finance function. The service covered a period of 4 years, with expiry date in December 2015 and subject to annual review and revision of service fees. Later the Board of Directors' Meeting No. 5/2013, held on 25 April 2013, approved the increase of service fee rate for 2013 by 22%, making the total fee of THB 8.94 million (estimated) to be received by the Bank. In addition, the Board approved the provision of insourcing service on internal audit to STAMC. The internal audit service fee would be charged based on the estimated working hours of auditors and other relevant fees and expenses according to the audit assignments of each year and other assignments requested by the company. This transaction is considered the support of the Bank's normal business.</p>	<p>The Board of Directors' Meeting No. 5/2013, held on 25 April 2013 (excluding CIMB Bank's representatives on the Board of Directors who abstained from voting on this matter), deemed it proper to approve this transaction since it was the normal business support under general commercial terms, and the Bank would earn more fee and service income. This transaction was made in the interest of the Bank.</p>
<p>CIMB-Principal Asset Management Co., Ltd. (CPAM), a subsidiary of CIMB Group which is the indirect major shareholder of the Bank</p>	<p>The Bank provided IT insourcing service to CPAM, with fees charged at THB 32,100 (VAT inclusive).</p>	<p>The Board of Directors' Meeting No. 6/2013, held on 5 June 2013 (excluding CIMB Bank's representatives on the Board of Directors who abstained from voting on this matter), deemed it proper to approve this transaction since the Bank would earn more fee and service income, and this transaction was made in the interest of the Bank.</p>

Name and Relationship	Transaction Characteristics and Value	Necessity and Reasonableness with Audit Committee's Opinion
<p>CIMB Bank Berhad (CIMB Bank), CIMB Bank Berhad Singapore Branch, CIMB Bank Plc. and PT Bank CIMB Niaga Tbk, the subsidiaries of CIMB Group which is the indirect major shareholder of the Bank</p>	<p>The Bank approved a budget for Preferred Referral Incentive Program to boost cross-border transactions or customers' account opening with the banks within CIMB Group, with details as below: 1) The Bank's referral fee of THB 500 per successful referral case payable to the banks within CIMB Group (in Malaysia, Singapore, Indonesia and Cambodia). 2) The Bank's referral fee receivable from other banks as follows: 2.1 Malaysia: RM 50 per successful referral case 2.2 Singapore: SGD 50 per successful referral case 2.3 Indonesia: SGD 50 per successful referral case 2.4 Cambodia: USD 20 per successful referral case 3) The Bank's referral fee of USD 1,000 per successful referral case receivable for Singapore's VIP legacy. This transaction is considered the support of the Bank's normal business.</p>	<p>The Board of Directors' Meeting No. 8/2013, held on 25 July 2013 (excluding CIMB Bank's representatives on the Board of Directors who abstained from voting on this matter), deemed it proper to approve this transaction since it was reasonable and was the support of the Bank's normal business operation. It also encouraged the Bank's staff to acquire more customers who wished to do cross-border transactions. The transaction was considered being for the interest of the Bank.</p>
<p>CIMB Securities (Thailand) Co., Ltd. (CIMBS), a subsidiary of CIMB Group which is the indirect major shareholder of the Bank</p>	<p>The Bank used the subscription application provided by CIMBS for the first capital increase of Trinity Freehold and Leasehold Property Fund (TNPF) during 13-15 August 2013, with the charge of application usage of THB 21,400.</p>	<p>The Board of Directors' Meeting No. 9/2013, held on 22 August 2013 (excluding CIMB Bank's representatives on the Board of Directors who abstained from voting on this matter), deemed it proper to approve the usage of CIMBS' subscription application since the Bank's existing subscription system (IVP System) can only support subscription for initial public offerings, not the right offerings. In addition, if the Bank enhances the IVP System to be fully capable of subscription of property fund units and right offerings, it would incur a cost of THB 3 million. This transaction was made in the interest of the Bank.</p>

Name and Relationship	Transaction Characteristics and Value	Necessity and Reasonableness with Audit Committee's Opinion
CIMB Securities (Thailand) Co., Ltd. (CIMBS), a subsidiary of CIMB Group which is the indirect major shareholder of the Bank	The Bank approved the increase of MM limit for CIMBS from THB 300 million to THB 500 million to support its securities business expansion plan, subject to no major negative change of CIMBS' performance based on the reviewed financial statement as of 30 June 2013 and CIMBS's net capital ratio (NCR) as of 30 June 2013. In addition, the Bank approved the increase of PSR limit for CIMBS from THB 10 million to THB 16 million due to the change in loan equivalent factor (LEF) for the limit computation, as well as the extension of the whole credit limits totaling THB 711 million until 30 September 2014 and the cancellation of the pledge of deposit for being collateral of LGF (general) limit. This transaction is considered the Bank's normal business.	The Board of Directors' Meeting No. 10/2013, held on 26 September 2013 (excluding CIMB Bank's representatives on the Board of Directors who abstained from voting on this matter), deemed it proper to approve this transaction since it was the normal business operation under general commercial terms as applied to the transactions made with outsiders.
CIMB Bank Berhad (CIMB Bank), CIMB Investment Bank Berhad, PT Bank CIMB Niaga Tbk, CIMB Bank (L) Ltd., and CIMB Bank Plc., the subsidiaries of CIMB Group which is the indirect major shareholder of the Bank	The Bank approved the extension of credit facilities for the banks under CIMB Group until 31 March 2014 with unchanged conditions and limits. This transaction is considered the Bank's normal business.	The Board of Directors' Meeting No. 10/2013, held on 26 September 2013 (excluding CIMB Bank's representatives on the Board of Directors who abstained from voting on this matter), deemed it proper to approve this transaction since it was the Bank's normal business operation under general commercial terms as applied to the transactions made with outsiders.
CIMB Bank Berhad (CIMB Bank), CIMB Bank Berhad Singapore Branch, CIMB Bank Plc. and PT Bank CIMB Niaga Tbk, the subsidiaries of CIMB Group which is the indirect major shareholder of the Bank	The Bank approved in principle the ASEAN banking solution to facilitate services to retail customers in the countries in which CIMB Group was operating the business. The scope of services was as follows: 1) Pre-arrival account opening 1.1 Referring in 1.2 Referring out 2) Cross-border loans 2.1 Referral of home country customer for loan application in transacting country to finance property in transacting country. 2.2 Home country customer to borrow from their respective home country to finance for a property in transacting country. This transaction is considered the Bank's normal business support.	The Board of Directors' Meeting No. 10/2013, held on 26 September 2013 (excluding CIMB Bank's representatives on the Board of Directors who abstained from voting on this matter), deemed it proper to approve in principle this transaction in order to be consistent with CIMB Group's policy which gives priority to interconnection between group members, and to facilitate regional retail customers with fast, convenient service. This transaction was made in the interest of the Bank.

Name and Relationship	Transaction Characteristics and Value	Necessity and Reasonableness with Audit Committee's Opinion
CIMB Bank Berhad (CIMB Bank), CIMB Bank Berhad Singapore Branch, CIMB Bank Plc. and PT Bank CIMB Niaga Tbk, the subsidiaries of CIMB Group which is the indirect major shareholder of the Bank	The Bank approved providing and taking outsourcing service of security agent and facility agent to/from the banks within CIMB Group in order to allow customers in the countries in which the banks within CIMB Group is operating the business to receive fast, convenient services. The fees charged among the banks within CIMB Group would be determined on a fair and reasonable basis prior to every service providing or taking. This transaction is considered the Bank's normal business.	The Board of Directors' Meeting No. 10/2013, held on 26 September 2013 (excluding CIMB Bank's representatives on the Board of Directors who abstained from voting on this matter), deemed it proper to approve this transaction since it was the Bank's normal business operation, and the fee determination was fair and reasonable. Also, it was in line with CIMB Group's policy to provide regional banking services and allow customers of the banks within CIMB Group to receive fast, convenient services of the same standard.
CIMB Bank Berhad (CIMB Bank), the major shareholder of the Bank holding 93.71% of the Bank's total issued and paid-up shares	The Bank approved the man day charge rate for IT related service from CIMB Bank as follows: 1) Project Manager: RM 1,130 per man-day 2) Business/ Team Leads: RM 844 per man-day 3) Team members: RM 578 per man-day 4) Clerical/ Admin: RM 443 per man-day This transaction was the support of the Bank's normal business. The Bank would take each service according to its procurement process and IT governance process and procedure, including price comparison and quality review for vendor selection.	The Board of Directors' Meeting No. 10/2013, held on 26 September 2013 (excluding CIMB Bank's representatives on the Board of Directors who abstained from voting on this matter), deemed it proper to approve this transaction since it was the support of the Bank's normal business operation under reasonable determination of service fee rate. This transaction was made in the interest of the Bank.
CIMB-Principal Asset Management Co., Ltd. (CPAM), a subsidiary of CIMB Group which is the indirect major shareholder of the Bank	The Bank standardised the fund fee income sharing scheme between the Bank and CPAM. The standardisation is as follows: 1) Front-end fee: the Bank would receive 100%. 2) Back-end fee: the Bank would receive 100%. 3) Management fee: the Bank would receive 50%. This transaction is considered the Bank's normal business.	The Board of Directors' Meeting No. 11/2013, held on 5 November 2013 (excluding CIMB Bank's representatives on the Board of Directors who abstained from voting on this matter), deemed it proper to approve in principle the fee income sharing scheme since it was the Bank's normal business operation on a fair basis and in accordance with the practice conducted with other transactions. This transaction was made in the interest of the Bank.

Name and Relationship	Transaction Characteristics and Value	Necessity and Reasonableness with Audit Committee's Opinion
CIMB Bank Berhad (CIMB Bank), the major shareholder of the Bank holding 93.71% of the Bank's total issued and paid-up shares	The Bank entered into the related party transaction with CIMB Bank for the payment of Factset research system for a period of three years totaling THB 1,200,346.88 (from January 2013 to December 2015).	The Board of Directors' Meeting No. 13/2013, held on 17 December 2013 (excluding CIMB Bank's representatives on the Board of Directors who abstained from voting on this matter), deemed it proper to approve the payment since the cost was reasonable and lower than the cost which Factset provider normally charges other customers. This transaction was made in the interest of the Bank.

- Loans, Deposits and Contingent Liabilities

- a. Loans, contingent liabilities and deposits associated with businesses in which the Bank and its subsidiary companies, or directors or executives from the level of executive vice president upwards, hold 10% or more of their paid-up capital were as follows:

Unit: THB million

Company name	31 December 2013				% shares holding	Joint management
	Contingent liabilities	Outstanding loans / Investments in receivables	Deposits	Borrowings		
Parent Company						
CIMB Bank Berhad	78	-	-	-	93.71	-
Interest rate swap contracts						
- Fixed rate payee	44,934	-	-	-		
- Floating rate payee	42,179	-	-	-		
Forward and spot contracts						
- Bought	1,410	-	-	-		
- Sold	121	-	-	-		
Commodity						
- Bought	81	-	-	-		
- Sold	81	-	-	-		

Company name	31 December 2013				% shares holding	Joint management
	Contingent liabilities	Outstanding loans / Investments in receivables	Deposits	Borrowings		
Subsidiary companies Center Auto Lease Co.,Ltd.	-	11,701	13	-	99.99	Directors with delegated signature authority: Mr. Surachai Chitratsenee, Mrs. Kampoo Visuthiphol Mr. Arichai Numlamun
CT COLL Co.,Ltd.	-	6	56	-	99.99	Directors with delegated signature authority: Mr. Songwud Buakhem Mr. Surin Pakavaleetorn
Krungthai Thanakit Finance Plc.*	-	-	-	-	99.10	-
Worldlease Co., Ltd.	500	2,862	70	-	99.99	Directors with delegated signature authority: Mr. Narongchai Wongthanavimok Mr. Sutee Tantana
Company under common control						
CIMB Bank (L) Ltd.	-	-	-	2,525	-	-
Cross currency and interest rate swap contracts						
- Sold	2,268	-	-	-		
CIMB Bank PLC, Cambodia						
Forward and spot contracts						
- Bought	115	-	-	-	-	Director: Dato' Shaarani Bin Ibrahim
CIMB Securities (Thailand) Co., Ltd.						
Forward and spot contracts						
- Bought	1	-	-	-	-	Directors with delegated signature authority: Mr. Sutee Losoponkul Mr. Sittichai Mahaguna
- Sold	4	-	-	-	-	

Company name	31 December 2013				% shares holding	Joint management
	Contingent liabilities	Outstanding loans / Investments in receivables	Deposits	Borrowings		
CIMB-Principal Asset Management Co., Ltd.	1	-	-	-	-	Director with delegated signature authority: Mr. Narongchai Wongthanavimok Mr. Adisorn Sermchaiwong
Sathorn Asset Management Co., Ltd.	-	-	95	-	-	-
Related persons	-	23	107	-	-	-

* Currently undergoing liquidation process

The Bank pays interests on deposits made by related parties at the normal rates applicable to general depositors.

b. The Bank is not aware of any person with potential conflicts of interest and holding more than 5% of voting shares in any of the Bank's subsidiaries or associated companies.

- Justification of related party transactions

Loans and contingent liabilities associated with directors or executives from the level of executive vice president upwards are subject to interest charges under the Bank's employee benefits scheme.

Loans, contingent liabilities and deposits associated with businesses in which the Bank or its subsidiary companies, or directors or executive officers from the level of executive vice president upwards, hold 10% or more of their paid-up capital were transferred to the Bank under the merger process, or have undergone debt restructuring. These loans which include some new loans have been concluded on commercial terms agreed upon in the ordinary course of business between the Bank and the parties concerned, and are subject to market interest rates.

- Procedures for approving related party transactions and safeguarding shareholders' interest

According to the Bank's Articles of Association, all related party transactions are subject to a formal approval process, including the analysis and approval of the relevant Committees, Audit Committee and Board of Directors. Executives or directors with material interest in any transaction are not allowed to take part in the decision-making process.

- Trends in related party transactions

Related party transactions include those relating to the Bank's business functions and are subject to the formal approval process in place and the criteria of the relevant regulatory bodies. There is a strong probability that related party transactions will continue to be an integral part of the Bank's business, and will be governed by clearly defined review and approval procedures and practices.

Part 3
Financial Position and Operating Performance

13. Key Financial Information

Summary of statements of financial position of CIMB Thai Bank Public Company Limited as at 31 December 2013 and 2012 and 1 January 2012, and its operating result and ratios for the years ended 31 December 2013, 2012 and 2011.

Statements of Financial Position	(Unit: THB)		
	31 December 2013	31 December 2012	1 January 2012
Assets			
Cash	3,324,656,939	3,130,139,363	3,120,642,155
Interbank and money market items, net	33,509,102,456	10,094,174,784	4,577,356,327
Derivative assets	9,100,647,662	2,474,146,798	2,526,862,210
Investments, net	53,324,961,980	40,323,332,324	32,492,273,880
Investments in subsidiaries, net	1,335,443,948	1,033,147,979	1,923,143,017
Loans and accrued interest receivables			
Loans	168,952,844,988	136,705,713,235	116,950,978,798
Accrued interest receivables	462,586,736	375,369,578	277,958,703
Total loans and accrued interest receivables	169,415,431,724	137,081,082,813	117,228,937,501
Less Deferred revenue	(255,170,649)	(2,786,485)	(3,173,910)
Less Allowance for doubtful debts	(4,913,545,914)	(3,085,180,004)	(3,094,393,744)
Less Revaluation allowance for debt restructuring	(33,422,083)	(15,823,467)	(10,958,714)
Loans and accrued interest receivables, net	164,213,293,078	133,977,292,857	114,120,411,133
Customers' liability under acceptance	57,650,960	35,752,402	69,927,687
Properties for sale, net	1,597,877,173	1,527,459,397	1,460,650,554
Premises and equipment, net	3,264,147,293	3,492,719,658	3,673,934,530
Intangible assets, net	337,319,600	422,091,055	443,258,237
Deferred tax assets	917,960,906	779,357,137	1,097,117,573
Receivable from Thai Asset Management Corporation	3,572,457,936	2,354,020,580	1,009,565,667
Other assets, net	3,806,401,726	1,404,654,619	1,133,245,127
Total assets	278,361,921,657	201,048,288,953	167,648,388,097

	Unit: THB)		
Statements of Financial Position (cont'd)	31 December 2013	31 December 2012	1 January 2012
Liabilities and shareholders' equity			
Liabilities			
Deposits	152,272,534,436	135,284,578,984	101,291,200,733
Interbank and money market items	44,241,461,855	10,359,672,672	4,549,969,313
Liability payable on demand	504,867,176	345,429,219	144,101,067
Financial liabilities designated at fair value through profit or loss	5,856,747,052	1,535,308,447	-
Derivative liabilities	9,651,786,057	2,002,403,000	2,270,622,392
Debt issued and borrowings	37,706,592,055	26,226,572,329	40,210,323,185
Bank's liability under acceptance	57,650,960	35,752,402	69,927,687
Provisions	1,373,071,393	1,407,123,231	1,455,869,720
Other liabilities	5,281,074,920	3,485,104,788	3,324,860,619
Total liabilities	256,945,785,904	180,681,945,072	153,316,874,716
Shareholders' equity			
Share capital			
Registered			
26,105,495,608 ordinary shares of Baht 0.50 each	13,052,747,804	13,052,747,804	-
16,315,934,756 ordinary shares of Baht 0.50 each	-	-	8,157,967,378
Issued and paid-up share capital			
21,084,878,025 ordinary shares of Baht 0.50 each	10,542,439,013	10,542,439,013	
16,315,934,756 ordinary shares of Baht 0.50 each			8,157,967,378
Premium on share capital	3,867,738,430	3,867,738,430	1,483,266,796
Other reserves	926,055,341	1,088,776,857	1,065,668,970
Retained earnings			
Appropriated - statutory reserve	272,000,000	187,500,000	129,500,000
Unappropriated	5,807,902,969	4,679,889,581	3,495,110,237
Total shareholders' equity	21,416,135,753	20,366,343,881	14,331,513,381
Total liabilities and shareholders' equity	278,361,921,657	201,048,288,953	167,648,388,097

(Unit: THB)

Statements of Comprehensive Income

	For the years ended 31 December		
	2013	2012	2011*
Interest income	11,028,059,321	9,171,803,562	7,425,411,452
Interest expenses	(5,794,877,075)	(4,919,385,099)	(3,441,115,412)
Net interest income	5,233,182,246	4,252,418,463	3,984,296,040
Fees and service income	1,159,974,191	899,847,124	652,933,947
Fees and service expenses	(220,024,731)	(209,452,514)	(220,391,462)
Net fee and service income	939,949,460	690,394,610	432,542,485
Gains on tradings and foreign exchange transactions	714,313,846	487,960,028	351,562,280
(Losses) gains on financial instrument designated at fair value through profit or loss	(100,799,433)	876,526	-
Gains on investments, net	316,916,689	125,701,932	80,158,470
Gain sharing from the management of the non-performing loans by Thai Asset Management Corporation	1,100,714,818	1,344,454,913	1,009,565,667
Other operating income	297,211,835	269,018,816	683,073,422
Total operating income	8,501,489,461	7,170,825,288	6,541,198,364
Other operating expenses			
Employee expenses	2,656,753,727	2,300,287,106	2,317,072,141
Directors' remuneration	8,400,000	8,692,000	8,352,000
Premises and equipment expenses	1,202,692,791	1,215,792,339	1,025,994,193
Taxes and duties	269,917,968	353,047,358	299,325,941
Others	812,035,636	655,041,795	602,211,459
Total other operating expenses	4,949,800,122	4,532,860,598	4,252,955,734
Bad and doubtful debts and impairment losses	2,367,200,000	1,137,656,013	942,282,551
Profit before income tax expenses	1,184,489,339	1,500,308,677	1,345,960,079
Income tax expenses	97,923,390	(311,983,466)	-
Net profit for the year	1,282,412,729	1,188,325,211	1,345,960,079

* Statements of comprehensive income for the year ended 31 December 2011 has not adopted TAS 12 Income Tax.

(Unit: THB)

Statements of Comprehensive Income
 (cont'd)

	For the years ended 31 December		
	2013	2012	2011*
Other comprehensive (expenses) income			
Changes in revaluation surplus	(35,525,049)	(54,830,081)	643,172,051
(Losses) gains on remeasuring available-for-sale investments	(167,876,846)	83,714,939	(18,714,346)
Income tax relating to components of other comprehensive income (expenses)	40,680,379	(5,776,971)	-
Total other comprehensive (expenses) income	(162,721,516)	23,107,887	624,457,705
Total comprehensive income for the year	1,119,691,213	1,211,433,098	1,970,417,784
Net profit attributable to:			
Equity holders of the Bank	1,282,412,729	1,188,325,211	1,345,960,079
Non-controlling interests	-	-	-
	1,282,412,729	1,188,325,211	1,345,960,079
Total comprehensive income attributable to:			
Equity holders of the Bank	1,119,691,213	1,211,433,098	1,970,417,784
Non-controlling interests	-	-	-
	1,119,691,213	1,211,433,098	1,970,417,784
Earnings per share for profit attributable to the equity holders of the Bank			
Basic earnings per share (Baht per share)	0.06	0.07	0.08
Weighted average number of ordinary shares (shares)	21,084,878,025	18,231,330,003	16,315,934,756

* Statements of comprehensive income for the year ended 31 December 2011 has not adopted TAS 12 Income Tax.

The Bank's Financial Ratios	2013	2012	2011*
Profitability Ratios			
Gross Profit Margin (%)	50.7	49.1	54.6
Net Profit Margin (%)	15.1	16.6	20.6
Return on Equity (%)	6.1	7.1	11.4
Yield ⁽¹⁾ (%)	7.0	6.5	7.7
Cost of Funds ⁽²⁾ (%)	3.1	3.0	3.4
Spread ⁽³⁾ (%)	3.9	3.5	4.3
Return on Investment (%)	4.1	3.6	2.9
Efficiency Ratios			
Cost to Income Ratio (%)	58.2	63.2	65.0
Net Interest Margin (%)	2.6	2.7	3.0
Return to Assets (%)	0.6	0.7	0.9
Assets Turnover Ratio (time)	0.04	0.04	0.05
Financial Policy Ratios			
Debt to Equity Ratio (time)	12.0	8.9	11.6
Loan to Borrowing Ratio ⁽⁴⁾ (%)	88.6	84.5	82.6
Loan to Deposit (including Bills of Exchange and Debentures) Ratio (%)	90.3	88.7	87.2
Deposits to Debts Ratio (%)	59.3	74.9	66.1
Payout Ratio (%)	-	30.0	-
Capital Adequacy Ratio ⁽⁵⁾ (%)	14.1	16.2	13.0
Asset Quality Ratios			
Allowance for doubtful debts to loans and accrued interest receivables (%)	2.9	2.3	2.6
Bad debt and doubtful accounts to loans and accrued interest receivables (%)	0.4	0.4	0.5
NPL Ratio ⁽⁶⁾ (%)	2.3	2.6	3.3
Accrued interest receivables to loans and accrued interest receivables (%)	0.3	0.3	0.2

*The Bank's financial ratios for the year ended 31 December 2011 has not adopted TAS 12 Income Tax for calculation.

Notes :

(1) Yield = Interest incomes / (Average loans+Average interest bearing interbank and money market items)

(2) Cost of funds = Interest expenses / (Average deposits+Average borrowings+Average liabilities payable on demand+ Average interest bearing interbank and money market (liabilities))

(3) Spread = Yield – Cost of funds

(4) Loan to borrowing ratio = Loans / (Deposits+Liability payable on demand+Borrowings)

(5) Since 2013, capital adequacy ratio has been calculated under Basel III criteria.

(6) NPL ratio is calculated under BoT criteria.

Summary of statements of financial position of CIMB Thai Bank Public Company Limited and its subsidiaries as at 31 December 2013 and 2012 and 1 January 2012, and their operating results and ratios for the years ended 31 December 2013, 2012 and 2011.

Statements of Financial Position	(Unit: THB)		
	31 December 2013	31 December 2012	1 January 2012
Assets			
Cash	3,328,748,596	3,132,947,660	3,122,846,554
Interbank and money market items, net	33,555,652,005	10,127,546,195	5,205,245,039
Derivative assets	9,100,647,662	2,474,146,798	2,526,862,210
Investments, net	53,324,961,980	40,323,332,324	32,543,164,312
Investments in subsidiaries, net	10,523,242	153,912,645	153,912,645
Loans and accrued interest receivables			
Loans	175,844,355,534	142,153,766,214	121,719,437,344
Accrued interest receivables	453,532,902	369,951,501	279,098,921
Total loans and accrued interest receivables	176,297,888,436	142,523,717,715	121,998,536,265
<u>Less</u> Deferred revenue	(4,757,282,848)	(3,307,156,919)	(2,429,980,354)
<u>Less</u> Allowance for doubtful debts	(5,263,612,956)	(3,396,411,721)	(3,345,515,853)
<u>Less</u> Revaluation allowance for debt restructuring	(33,422,083)	(15,823,467)	(10,958,714)
Loans and accrued interest receivables, net	166,243,570,549	135,804,325,608	116,212,081,344
Customers' liability under acceptance	57,650,960	35,752,402	69,927,687
Properties for sale, net	1,706,018,723	1,575,564,704	1,484,488,359
Premises and equipment, net	3,349,094,004	3,568,232,948	3,830,671,693
Intangible assets, net	343,053,368	427,876,223	470,613,974
Deferred tax assets	1,048,636,577	875,959,481	1,156,590,341
Receivable from Thai Asset Management Corporation	3,572,457,936	2,354,020,580	1,009,565,667
Other assets, net	4,020,544,901	1,538,414,867	1,393,714,576
Total assets	279,661,560,503	202,392,032,435	169,179,684,401

	(Unit: THB)		
Statements of Financial Position (cont'd)	31 December 2013	31 December 2012	1 January 2012
Liabilities and shareholders' equity			
Liabilities			
Deposits	152,132,672,386	135,133,586,231	101,573,954,409
Interbank and money market items	44,866,261,855	11,309,672,672	4,786,952,067
Liability payable on demand	504,867,176	345,429,219	144,101,067
Financial liabilities designated at fair value through profit or loss	5,856,747,052	1,535,308,447	-
Derivative liabilities	9,651,786,057	2,002,403,000	2,270,622,392
Debt issued and borrowings	37,706,592,055	26,226,572,329	40,315,688,037
Bank's liability under acceptance	57,650,960	35,752,402	69,927,687
Provisions	1,401,820,542	1,429,732,358	1,506,655,509
Other liabilities	5,653,090,246	3,800,989,809	3,945,147,832
Total liabilities	257,831,488,329	181,819,446,467	154,613,049,000
Shareholders' equity			
Share capital			
Registered			
26,105,495,608 ordinary shares of Baht 0.50 each	13,052,747,804	13,052,747,804	-
16,315,934,756 ordinary shares of Baht 0.50 each	-	-	8,157,967,378
Issued and paid-up share capital			
21,084,878,025 ordinary shares of Baht 0.50 each	10,542,439,013	10,542,439,013	
16,315,934,756 ordinary shares of Baht 0.50 each			8,157,967,378
Premium on share capital	3,867,738,430	3,867,738,430	1,483,266,796
Other reserves	926,055,341	1,088,776,857	1,080,266,795
Accretion of equity interests in subsidiary	(42,753,751)	(42,753,751)	-
Retained earnings			
Appropriated - statutory reserve	272,000,000	187,500,000	129,500,000
Unappropriated	6,264,593,141	4,928,885,419	3,626,348,095
Attributable to owners of the Bank	21,830,072,174	20,572,585,968	14,477,349,064
Non-controlling interests	-	-	89,286,337
Total shareholders' equity	21,830,072,174	20,572,585,968	14,566,635,401
Total liabilities and shareholders' equity	279,661,560,503	202,392,032,435	169,179,684,401

Unit: THB)

Statements of Comprehensive Income
For the years ended 31 December

	2013	2012	2011*
Interest income	12,376,299,267	10,168,159,353	8,084,721,497
Interest expenses	(5,851,629,502)	(4,961,478,452)	(3,451,570,011)
Net interest income	6,524,669,765	5,206,680,901	4,633,151,486
Fees and service income	1,397,769,012	1,010,746,092	756,910,528
Fees and service expenses	(139,518,172)	(145,308,599)	(173,546,115)
Net fee and service income	1,258,250,840	865,437,493	583,364,413
Gains on tradings and foreign exchange transactions	714,313,846	487,960,028	351,562,280
(Losses) gains on financial instrument designated at fair value through profit or loss	(100,799,433)	876,526	-
Gains on investments, net	421,231,316	153,085,659	80,202,439
Gain sharing from the management of the non-performing loans by Thai Asset Management Corporation	1,100,714,818	1,344,454,913	1,009,565,667
Other operating income	327,606,151	269,653,376	714,175,020
Total operating income	10,245,987,303	8,328,148,896	7,372,021,305
Other operating expenses			
Employee expenses	3,105,205,377	2,685,780,132	2,656,546,498
Directors' remuneration	9,096,000	9,328,000	8,688,000
Premises and equipment expenses	1,336,198,325	1,341,235,702	1,137,289,499
Taxes and duties	286,465,170	364,875,817	308,631,311
Others	1,358,077,429	923,629,654	789,709,392
Total other operating expenses	6,095,042,301	5,324,849,305	4,900,864,700
Bad and doubtful debts and impairment losses	2,743,502,820	1,389,215,085	1,076,989,812
Profit from continuing operation before income tax expenses	1,407,442,182	1,614,084,506	1,394,166,793
Income tax expenses	82,664,881	(353,276,113)	(51,149,199)
Net profit from continuing operation	1,490,107,063	1,260,808,393	1,343,017,594
Profit after tax of discontinued operation	-	54,148,490	(17,911,617)
Net profit for the year	1,490,107,063	1,314,956,883	1,325,105,977

* Statements of comprehensive income for the year ended 31 December 2011 has not adopted TAS 12 Income Tax.

(Unit: THB)

Statements of Comprehensive Income (cont'd)

	For the years ended 31 December		
	2013	2012	2011*
Other comprehensive (expenses) income			
Changes in revaluation surplus	(35,525,049)	(54,830,081)	643,172,051
(Losses) gains on remeasuring available-for-sale investments	(167,876,846)	83,714,939	(18,714,346)
Income tax relating to components of other comprehensive income (expenses)	40,680,379	(5,776,971)	-
Total other comprehensive (expenses) income from continuing operation	(162,721,516)	23,107,887	624,457,705
Other comprehensive income on assets of disposal group classified as held for sales	-	563,399	(5,175,540)
Total other comprehensive (expenses) income	(162,721,516)	23,671,286	619,282,165
Total comprehensive income for the year	1,327,385,547	1,338,628,169	1,944,388,142
Net profit attributable to:			
Equity holders of the Bank	1,490,107,063	1,306,083,191	1,316,386,007
Non-controlling interests	-	8,873,692	8,719,970
	1,490,107,063	1,314,956,883	1,325,105,977
Total comprehensive income attributable to:			
Equity holders of the Bank	1,327,385,547	1,329,754,477	1,935,668,172
Non-controlling interests	-	8,873,692	8,719,970
	1,327,385,547	1,338,628,169	1,944,388,142
Earnings per share for profit attributable to the equity holders of the Bank			
Basic earnings per share (Baht per share)	0.07	0.07	0.08
Weighted average number of ordinary shares (shares)	21,084,878,025	18,231,330,003	16,315,934,756

* Statements of comprehensive income for the year ended 31 December 2011 has not adopted TAS 12 Income Tax.

The Bank and its subsidiaries' financial ratios	2013	2012	2011**
Net Interest Margin (%)	3.2	3.2	3.5
Return to Equity (%)	7.0	7.7	11.1
Return to Assets (%)	0.7	0.7	0.9
Cost to Income Ratio (%)	57.9	63.1	67.6
Loan to Deposit (including Bills of Exchange and Debentures) Ratio (%)	91.6	90.2	88.8
NPL Ratio (%)	2.5	2.8	3.4
Capital Adequacy Ratio (%)	14.2	16.3	13.2
Tier 1 Capital Funds to Risk-Weight Assets (%)	10.0	10.3	7.8

** The Bank and its subsidiaries' financial ratios for the year ended 31 December 2011 have not adopted TAS 12 Income Tax for calculation.

14. Analysis of Financial Standing and Operating Performance

1. Consolidated operating results

For the year ended 31 December 2013, CIMB Thai group recorded a consolidated net profit of THB 1,490.1 million, a year-on-year ("YoY") increase of THB 184.0 million or 14.1% from full year 2012.

Amid intense competition in both deposit and lending markets, CIMB Thai group was still able to maintain its Net Interest Margin (NIM) over interest earning assets at 3.2% in 2013, flat YoY, which was among top ranking in banking industry.

As at 31 December 2013, total gross loans stood at THB 171.1 billion, marking a 23.2% increase from 31 December 2012, largely underlined by the retail portfolio expansion. In addition, Deposits, Bill of Exchanges and Debentures stood at THB 186.7 billion, an increase of 21.3% from THB 154.0 billion at the end of December 2012. Given the aforementioned development in loans and deposits, the Loan to Deposit Ratio (including Bill of Exchanges and Debentures) stood at 91.6% from 90.2% as at 31 December 2012.

(A) Summary of CIMB Thai group income

On a YoY basis, CIMB Thai group's consolidated operating income rose by THB 1,917.8 million, or 23.0% from full year 2012 to THB 10,246.0 million (excluding extraordinary items, operating income rose by THB 1,844.6 million or 26.6%). Net fee and service income increased by THB 392.8 million or 45.4%, mainly due to improvements in insurance fees, advisory fees and arrangement fees. Net interest income increased by THB 1,318.0 million or 25.3% YoY, largely underlined by strong loan expansion and good take-up rates of both retail and treasury financial products. Meanwhile, there was an increase of THB 207.0 million or 9.2% in other operating income (excluding extraordinary items, other operating income rose by THB 133.8 million or 15.7%).

(B) Cost of funds and operating expenses

CIMB Thai group's interest expenses in 2013 amounted to THB 5,851.6 million, going up by THB 890.2 million, or 17.9%, mainly from the increase in the volume of deposits by 12.6% YoY, higher deposit and bill of exchange rates as a result of intense competition in the deposit market, and the issuance of short-term debentures amounting to THB 20.7 billion during 2013.

Operating expenses grew modestly by THB 770.1 million or 14.5%, mainly from employee expenses and other operating expenses resulting from business growth momentum. The cost to income ratio decreased to 59.5% in 2013 compared to 63.9% in 2012 resulting from better effective cost management.

(C) Net profit

For the year ended 31 December 2013, CIMB Thai group recorded a consolidated net profit of THB 1,490.1 million, a YoY increase of THB 184.0 million or 14.1% from full year 2012. The increase in income was mainly attributed to a growth in net fee and service income of 45.4%, net interest income of 25.3% and other operating income of 9.2%. The provisions expense increased by 97.5% YoY mainly from special provisions set aside as counter-cyclical buffer. Extraordinary items in 2013 included gains from TAMC, gain from liquidating a subsidiary, gain on redemption of Vayupak Fund and special provisions set aside as counter-cyclical buffer. Excluding these extraordinary items in both 2012 and 2013, CIMB Thai Group would have recorded a consolidated net profit growth of 85.3%.

(D) Return on equity

For the year 2013, CIMB Thai group's return on equity was 7.0% compared with 7.7% in 2012, and the Bank's return on equity 6.1%, dropping by 1.0% from 7.1% in 2012.

2. Consolidated financial standing

Assets

As at 31 December 2013, CIMB Thai group's total assets amounted to THB 279.7 billion, an increase of THB 77.3 billion or 38.2% from 2012. Core assets consisted of interbank and money market items (assets), derivative assets, investments and loans.

Interbank and money market items (assets) were THB 33.6 billion, up THB 23.4 billion or 231.3% as part of the Bank's liquidity management.

Derivative assets increased by THB 6.6 billion or 267.8% to THB 9.1 billion. This came largely from higher volume of forward and spot contracts and interest rate swap contracts.

Net investments stood at THB 53.3 billion, an increase of THB 13.0 billion or 32.2%, mainly due to investment in government and state enterprise securities.

Net loans and accrued interest receivables were THB 166.2 billion, an increase of THB 30.4 billion or 22.4%. The strong growth of loans was in all business segments, especially in retail portfolio.

Asset quality

(a) Loans and loan concentration

As at 31 December 2013, CIMB Thai group's total loans net of deferred revenue were THB 171.1 billion, an increase of THB 32.2 billion or 23.2% compared with THB 138.8 billion as at 31 December 2012. Loans mainly comprised loans extended to the manufacturing and commerce sector, housing loans and public utilities and service sector, making up 66.7% of total loans. The manufacturing and commerce were the largest borrowers, taking THB 55.7 billion or 32.6% of total loans. This was in line with the Bank's strategy to have a good relationships with corporate customers. Meanwhile, housing loans amounted to THB 36.8 billion or 21.5% of total loans, and public utilities and services loans THB 21.5 billion or 12.6% of total loans. Sectors with high growth of loans, i.e. personal loans, housing loans and hire purchase and financial leases were 50.4%, 43.7% and 43.1% respectively from year-end 2012, in line with the Bank's focus on retail client portfolios.

Loans classified by type of business	As at 31 Dec 13		As at 31 Dec 12		Change	
	THB million	%	THB million	%	THB million	%
Agricultural and mining	3,322	1.9%	3,182	2.3	140	4.4%
Manufacturing and commerce	55,719	32.6%	51,806	37.3	3,913	7.6%
Real estate and construction	15,875	9.3%	12,146	8.8	3,729	30.7%
Public utilities and services	21,538	12.6%	17,822	12.8	3,716	20.9%
Personal cash	9,194	5.4%	6,112	4.4	3,082	50.4%
Housing loans	36,815	21.5%	25,614	18.5	11,201	43.7%
Hire purchase receivable and financial lease receivable	16,930	9.9%	11,833	8.5	5,097	43.1%
Others	11,694	6.8%	10,331	7.4	1,363	13.2%
Total loans net of deferred revenue	171,087	100.0%	138,846	100.0	32,241	23.2%

To avoid concentration risk in any particular industry, the Bank continued to diversify the proportion of loans granted to various business sectors, in compliance with its credit policy to extend loans to clients of vital business sectors with good growth potential and clients from all categories of large, medium and small enterprises and retail sectors. Lending continued to focus on clients who are manufacturers in high-potential sectors and on the retail client portfolio.

(b) Classification of assets

As at 31 December 2013, CIMB Thai group's net loans and accrued interest receivables (excluding loans to financial institutions) amounted to THB 171.5 billion, an increased of 23.2% compared with those as at 31 December 2012. Classification of loans is set up in accordance with Bank of Thailand's notification. Pass loans stood at THB 158.7 billion, special-mention loans amounted to THB 7.9 billion and non-performing loans classified as sub-standard, doubtful and doubtful of loss were reported at THB 1.2 billion, THB 1.3 billion, and THB 2.4 billion respectively.

CIMB Thai Group's loan loss coverage ratio increased to 107.8% as at 31 December 2013 from 85.1% at the end of December 2012. This is due to special provisions set aside as counter-cyclical buffer. As at 31 December 2013, our total provisions stood at THB 5.3 billion showing an excess of THB 2.7 billion over Bank of Thailand's reserve requirements.

(c) Non-performing loans (NPL)

The gross non-performing loans ("NPL") stood at THB 4.9 billion, with an equivalent gross NPL ratio of 2.5%, representing a drop of 0.3% from 31 December 2012. The improvement in the gross NPL ratio is reflective of CIMB Thai group's stringent credit risk underwriting, effective risk management policies, improvement in loan collection processes and the continued management of the Bank's NPLs.

(d) Income recognition

Interest income is recognised on an accrual basis. The Bank discontinues recognition of overdue accrued interest income more than three months since the due date unless there is uncertainty of collectability, and a collection basis is applied. The Bank also reverses interest income on such loans in order to comply with the Bank of Thailand's notification. The Bank continues its income recognition on the accrual basis when the entire amount of the principal and overdue interest has been paid.

The Bank recognises interest income on restructured loans on the same accrual basis as used for loans discussed above, with the exception of loans that are subject to monitoring for compliance with restructuring conditions, on which the Bank recognises interest income on a cash basis until the borrower has been able to comply with the restructuring conditions for a period of not less than three consecutive months or three consecutive installments, whichever is longer.

Liabilities

As at 31 December 2013, CIMB Thai group had total liabilities of THB 257.8 billion, representing an increase of THB 76.0 billion or 41.8% from 2012. The main contributor to the increase was deposits, interbank and money market items (liabilities), derivative liabilities, and debt issued and borrowings.

Deposits increased by THB 17.0 billion or 12.6% to THB 152.1 billion compared with 2012 mainly from demand deposits.

Interbank and money market items (liabilities) increased by THB 33.6 billion or 296.7% to THB 44.9 billion as a result of the Bank's liquidity management.

Derivative liabilities increased by THB 7.6 billion or 382.0% to THB 9.7 billion mainly due to higher volume of forward and spot contracts and interest rate swap contracts.

Debt issued and borrowings amounted to THB 37.7 billion, representing an increase of THB 11.5 billion or 43.8%, due to issuance of short-term debentures during the year.

Equity

As at 31 December 2013, CIMB Thai group's equity stood at THB 21.8 billion, representing an increase of THB 1.3 billion or 6.1% from 2012. The Board of Directors also gave approval for the Bank to appropriate THB 64.2 million from the Bank's net profit of THB 1.3 billion for the year into statutory reserve, and to carry forward the remaining net profit into retained earnings. The decision to appropriate net profit to statutory reserve and retained earnings was made to sustain the Bank's growth momentum and ensure adequate capital going forward.

Liquidity

Cash and cash equivalent items, as indicated in the cash flow statement of CIMB Thai group as at 31 December 2013, amounted to THB 3.3 billion, a net increase of THB 195.8 million from 2012. Details of the changes are as follows:

Net cash flows provided by operating activities in 2013 were THB 443.5 million. Losses from operations before changes in operating assets and liabilities were THB 3.1 billion, including THB 1.4 billion in pre-tax net profit for the year, and adjustments of non-cash items to net profit, mainly from gains sharing from TAMC, interest and dividend and bad debts and doubtful accounts. Operating assets for the year increased by THB 66.1 billion due to the increase in loans, interbank and money market items (assets), investments held for trading. Meanwhile, operating

liabilities went up by THB 63.8 billion, resulting from increase in interbank and money market items (liabilities), deposits and short-term borrowings.

Net cash flows used in investing activities were THB 4.4 billion, mostly due to increase in cash paid for purchases of available-for-sale securities and held-to-maturity securities. Meanwhile, it was offset by proceeds from maturity of available-for-sale securities and held-to-maturity securities and proceeds from disposals of available-for-sale securities.

Net cash flows provided by financing activities were THB 4.2 billion, comprising proceeds from issuance of structured bills of exchange and debentures, offset by cash paid for redemption of structured bills of exchange and debentures.

Relationship between sources and application of funds

Two major sources of funds for the Bank were deposits and borrowings, while the uses of funds covered the extension of loans. As at 31 December 2013, the Bank had deposits, borrowings and loans classified by maturity as follows:

(Unit: THB billion)

Maturities	Loans*	%	Deposits*	%	Borrowings*	%
Payable on demand	14.7	7.5	51.5	33.1	5.5	7.0
Up to one year	80.0	40.7	96.7	62.1	63.7	80.4
Over one year	101.7	51.8	7.5	4.8	10.0	12.6
Total	196.4	100.0	155.7	100.0	79.2	100.0

*Including interbank and money market items.

The Bank derived its funds from customer deposits which can be categorised as follows:

(Unit: THB billion)

Categories of Deposit	2013*		2012*		2011*	
	Amount	%	Amount	%	Amount	%
Current deposits	2.4	1.5	2.2	1.5	2.0	1.8
Savings deposits	49.2	31.6	43.2	30.9	32.9	31.9
Fixed deposits	104.1	66.9	94.8	67.6	68.5	66.3
Total	155.7	100.0	140.2	100.0	103.4	100.0

*Including interbank and money market items.

Credit Rating

The Bank's credit rating by Moody's Investors Service is shown below:

Category

Outlook	Stable
Deposit and issuer ratings	
- Domestic currency	Baa2/P-2
- Foreign currency	Baa2/P-2
Bank Financial Strength Rating (BFSR)	D
Baseline Credit Assessment (BCA)	ba2

Financial Ratios

Capital funds and capital adequacy ratio

As at 31 December 2013, the Bank's assets were THB 21.4 billion higher than its liabilities. The difference represented positive shareholders' equity. The Bank's total capital funds amounted to THB 27.9 billion with capital adequacy ratio (BIS ratio) of 14.1%, exceeding the regulatory requirement. At CIMB Thai group-level, the consolidated capital funds amounted to THB 27.9 billion with BIS ratio of 14.2%.

Liquid assets ratio

The Bank of Thailand requires all commercial banks to maintain a minimum liquid assets ratio of 6% of total deposits and offshore borrowings with less than one year maturity.

As at 31 December 2013, the Bank's total liquid assets were THB 82.6 billion, while its loans to deposits ratio (including bills of exchange and debentures) stood at 90.3%. Its liquid assets to total assets ratio was 29.7% and liquid assets to total deposits ratio was 54.2%. All these ratios were within the minimum regulatory requirements.

Investments in subsidiariesSale of investments in CIMB Securities (Thailand) Co.,Ltd.

On 12 April 2012, the Annual General Meeting of Shareholders No.18 resolved that the Bank sell its investment in equity of CIMB Securities (Thailand) Co., Ltd. 109,999,993 shares which was 99.99% of the registered capital to CIMB Securities International Pte Ltd., a wholly owned subsidiary of CIMB Group Sdn Bhd.

On 2 July 2012, the Bank sold its shareholding in CIMB Securities (Thailand) Co., Ltd. The Bank received cash from selling stock amounting to Baht 1,117 million.

Purchase of investments in ordinary shares in Worldlease Co.,Ltd.

On 19 April 2012, the Board of Directors' meeting No. 5/2012 approved an increase in registered capital of Worldlease Co., Ltd., in which the Bank has a 75.04% share, from Baht 240 million to Baht 400 million. Worldlease Co., Ltd. called for 25% paid-up capital and the Bank settled the increased capital of Baht 30,016,667 on 27 April 2012. On 2 May 2012, Worldlease Co., Ltd. registered the capital increase with the Ministry of Commerce. After the registration, the registered capital of Worldlease Co., Ltd. was Baht 400 million.

On 18 December 2012, the Bank bought investment in ordinary shares in Worldlease Co.,Ltd., which are all the remaining shares that the Bank did not own of 9,983,333 shares or 24.96% with a total consideration of Baht 140 million. The proportion of the Bank's shareholding in the company increased from 75.04% to 99.99% of the total issue and paid-up shares capital of the company.

On 6 February 2013, the Bank settled the increased capital in Worldlease Co., Ltd. Amounting to Baht 50 million. On 12 February 2013, Worldlease Co., Ltd. has registered its increase of share capital with Ministry of Commerce.

An increase in registered capital of Center Auto Lease Co., Ltd.

On 27 June 2013 that the Board of Directors' meeting No. 7/2013 approved an increase in registered capital of Center Auto Lease Co., Ltd., from Baht 1,500 million to Baht 3,500 million. Center Auto Lease Co., Ltd. called for 25% paid-up capital and the Bank settled the increased capital of Baht 500 million on 23 July 2013. On 29 July 2013, Center Auto Lease Co., Ltd. registered the capital increase with the Ministry of Commerce.

A payback from Krung Thai Thanakit Finance Plc

On 20 September 2013, Krung Thai Thanakit Finance Plc's shareholder meeting approved a payback to shareholder 1,076,976,000 registered ordinary shares of Baht 0.2321 each, or a total of Baht 250 million. CIMB Thai's portion is 1,067,229,773 shares or Baht 248 million.

**Part 3
Confirmation of Information Accuracy**

We have reviewed all information disclosed in this Annual Information Disclosure Report with due care. We confirm that the information disclosed herein is accurate and complete without any false or missing material information. Furthermore, we would like to confirm that:

(1) The financial statements and the financial information summarized in the Annual Information Disclosure Report accurately and completely present material information concerning the financial position, performance, and cash flow of the Bank and its subsidiaries.

(2) It is our responsibility to arrange a sound information disclosure system, so as to ensure that we have accurately and completely disclosed material information of the Bank and its subsidiaries, and supervised system compliance accordingly.

(3) It is our responsibility to arrange a sound internal control system, and supervise system compliance accordingly. We have reported the internal control assessment as at 31 January 2013 to the Bank's auditor and the Audit Committee. The report covers deficiencies and significant changes in the internal control system, as well as any misconduct that may affect the financial reporting of the Bank and its subsidiaries.

As evidence that this documentation is the same as that confirmed by us, we have assigned Mr. Thaphop Kleesuwan to sign every page of the documentation. If any page is not signed by Mr. Thaphop Kleesuwan, it will be deemed unconfirmed information.

Name	Positions	Signature
1. Mr. Charkmon Phasukavanich	Chairman	-Charkmon Phasukavanich-
2. Mr. Subhak Siwaraksa	President and Chief Executive Officer	- Subhak Siwaraksa -

Name	Positions	Signature
Proxy Mr. Thaphop Kleesuwan	Executive Vice President Office of the President	- Thaphop Kleesuwan -

Attachment 1

Information on Directors, Management, Persons with Power and Company Secretary

Name of Director, Management / Position/Date of appointment	Age (years)	Education	Total share holding (%)	Work experience (within last 5 years)		
				Period	Position	Company / Organization
<p>1. Mr. Chakramon Phasukavanich Chairman Director (Authorized Signatory) Date of appointment : 1 January 2010</p>	66	<ul style="list-style-type: none"> - M.A. (Economics), California State University, Northridge, U.S.A. - B.A. (Economics), Chulalongkorn University - Certificate of Senior Executive Development Programme (Class 12) - National Defence Course, National Defence College (Class 39) - Certificate of Senior Executive Development Programme Capital Market Academy (CMA) (Class 11) <p>Training</p> <ul style="list-style-type: none"> - 2011 Financial Institutions Governance Programme (FGP) - 2010 Advanced Audit Committee Programme (adv. ACP) - 2010 Control and Risk Management (MIR) - 2008 Role of the Chairman Programme (RCP) - 2008 Current Issue Seminar (CIS) - 2006 Director Certification Programme (DCP) - 2006 Audit Committee Programme (ACP) - 2004 Finance for Non-Financial Directors (FND) - 2004 Director Accreditation Programme (DAP) 	1 share (0.00)	<ul style="list-style-type: none"> 2004 - Present 2011 - Present 2011 - Present 2011 - Present 2009 - Present 2009 - Present 2011 - Present 2009 - Present 2013 - Present 2013 - Present 2006 - 2008 2004 - 2008 2004 - 2006 2003 - 2004 2010 - 2011 2009 - Jan 2012 2009 - 2011 2007 - 2008 2002 - 2004 2005 - 2008 2003 - 2009 2003 - 2004 2002 - 2004 2007 - 2008 	<ul style="list-style-type: none"> Member Member Chairman Chairman of Negotiation and Assessment Committee Chairman of Senior Position Nomination Chairman of Senior Position Nomination Director Independent Director and Member of Audit Committee Independent Director and Member of Audit Committee Member Permanent Secretary Secretary General Secretary General Chairman of Reform Consideration Sub-Committee Member Member of Economic Advisory Committee Member Member Chairman Member of Monetary Policy Committee Member Member Chairman 	<ul style="list-style-type: none"> Office of the Council of State Public Sector Development Commission Thailand (OPDC) Public Sector Development Sub-Commission Related to Enhancement and Development of Public Organizations and Other Organizations under Supervision of Administrative Sector which is not Government Sector Ministry of Energy, Ministry of Science and Technology, and Ministry of Industry Thailand Ministry of Public Health Ministry of Science and Technology CIMB Southeast Asia Research Sdn. Bhd. Indorama Ventures PCL. P.C.S. Machine Group Holding PCL. Akara Resources PCL. National Legislative Assembly Ministry of Industry Thailand Office of the National Economic and Social Development Board Board of Investment of Thailand Bangkok Mass Transit Authority Burapha University Council Prime Minister's Office Office of the Civil Service Commission Office of the Civil Service Commission Small and Medium Enterprise Development Bank of Thailand Bank of Thailand Bank of Thailand Bank of Thailand Government Pension Fund (GPF) Electrical and Electronics Institute

Name of Director, Management / Position/Date of appointment	Age (years)	Education	Total share holding (%)	Work experience (within last 5 years)		
				Period	Position	Company / Organization
				2005 - 2009 2005 - 2008 2004 - 2010 2004 - 2009 2004 - 2008 2004 - 2008 2004 - 2008 2004 - 2008 2004 - 2006 2002 - 2008 2000 - 2004	Independent Director and Chairman of Nomination and Remuneration Committee Chairman Independent Director and Chairman of Nomination and Remuneration Committee Director Director Chairman Chairman Chairman Chairman Member of Audit Committee Independent Director and Member of Audit Committee	Thai Oil PCL. Foundation for Thailand Productivity Institute PTT PCL. Industry Development Foundation Asian Productivity Organization Thailand Productivity Institute Thailand Automotive Institute Thailand Textile Institute Aviva Insurance (Thai) Co., Ltd. Thai Asset Management Corporation Siam Food Products PCL.
2. Dato' Robert Cheim Dau Meng Vice Chairman Member and Alternate Chairman of Nomination, Remuneration and Corporate Governance Committee Date of appointment: 5 November 2008	62	<ul style="list-style-type: none"> - Fellow of the Institute of Chartered Accountants in England and Wales - Member of the Malaysian Institute of Accountants <p>Training</p> <ul style="list-style-type: none"> - MICCI – Briefing on Iskandar Development Region (29 January 2013) - CIMB Group – Shariah Governance Framework Briefing 2013 (3 April 2013) - CIMB Annual Asia Pacific Conference (19-20 June 2013) - Khazanah Megatrends Forum 2013 (30 September – 1 October 2013) - 5th World Chinese Economic Forum 2013 (3-4 October 2013) - CIMB Group Annual Management Summit (22-23 November 2013) 	- (0.00)	6 Nov 2012 - Present 2006 - Present 2006 - Present 2005 - Present 2005 - Present 1999 - 2006 1993 - 1999	Director Non-Executive Director Adviser Director Chairman Executive Director Chief Executive Officer	Yu Cai Foundation CIMB Group Holdings Bhd CIMB Investment Bank Berhad CIMB Securities International Pte Ltd. Tanjong PLC. CIMB Investment Bank Berhad CIMB Investment Bank Berhad

Name of Director, Management / Position/Date of appointment	Age (years)	Education	Total share holding (%)	Work experience (within last 5 years)		
				Period	Position	Company / Organization
<p>3. Mr. Sukont Kanjana-Huttakit Independent Director Chairman of Audit Committee Date of appointment: 24 September 2009</p>	67	<p>- M.A. (Finance), Virginia Polytechnic and State University, U.S.A. - B.A. (Finance), Virginia Polytechnic and State University, U.S.A.</p> <p>Training</p> <p>- 2010: Audit Committee Programme (ACP) Class 30/2010 - 2007: Director Certification Programme (DCP)</p>	- (0.00)	<p>2012 - Present 2012 - Present 2006 - Present 2011 - Present 2007 - 2009</p> <p>2006 - 2008</p> <p>Aug 2006 - Oct 2006 2005 - 2008</p> <p>2003 - 2007</p> <p>2003 - 2006</p> <p>1998 - 2006</p>	<p>Independent Director Independent Director Executive Adviser Member of Ethics Committee Member of Risk Management Committee Board member and Chairman of Audit Committee Board member</p> <p>Member of Auditing Standard Screening Sub-Committee Member of Audit Committee</p> <p>Member of Electronic Transactions Commission Chairman and Senior Partner</p>	<p>Scan Inter Co.,Ltd. Srisawad Power 1979 Co.,Ltd. Tricor Outsourcing (Thailand) Co., Ltd. Federation of Accounting Professions TMB Asset Management Co.,Ltd.</p> <p>Government Housing Bank</p> <p>CAT Telecom PCL.</p> <p>Federation of Accounting Professions</p> <p>Royal Bangkok Sports Club</p> <p>Ministry of Information and Communication Technology PricewaterhouseCoopers Co., Ltd.</p>
<p>4. Mrs. Watanan Petersik Independent Director Chairperson of Nomination, Remuneration and Corporate Governance Committee Member of Audit Committee Date of appointment: 25 April 2007</p>	53	<p>AB Bryn Mawr College, PA U.S.A.</p> <p>Training</p> <p>- Bursatra Sdn Bhd: Mandatory Accreditation Programme (MAP) for Directors of Public Listed Companies (17-18 March 2010) - Director Accreditation Programme (DAP 83/2010) English Programme: 27 April 2010 - Certificate, Singapore Institute of Directors course : Role of Directors</p>	- (0.00)	<p>2010 - Present</p> <p>Present Present Present</p>	<p>Independent Non-Executive Director Director Senior Adviser/Consultant Director</p>	<p>CIMB Group Holdings Berhad</p> <p>Asia Capital Advisory PTE Ltd. TPG Capital Asia Lien Centre for Social Innovation Singapore Management University</p>

Name of Director, Management / Position/Date of appointment	Age (years)	Education	Total share holding (%)	Work experience (within last 5 years)		
				Period	Position	Company / Organization
<p>5. Dato' Shaarani Bin Ibrahim Independent Director Member of Audit Committee Member of Nomination, Remuneration and Corporate Governance Committee Date of appointment: 20 January 2009</p>	64	<p>B.A.(Hons) International Relations, Universiti Malaya</p> <p>Training</p> <ul style="list-style-type: none"> - April 2011: Director Certification Programme (DCP 145/2011) English Programme: Institute of Directors Thailand - April 2010: Director Accreditation Programme (DAP 83/2010) English Programme: Institute of Directors Thailand - August 2009: Non-Executive Director Development Series August 2009 "Corporate Governance" by PriceWaterhouseCoopers, Malaysia 	- (0.00)	<p>Jan 2011 - Present</p> <p>Sep 2010 - Present</p> <p>Sep 2010 - Present</p> <p>2005 - 2008</p>	<p>Board Member, Chairman of Audit Committee, Member of Investment Committee</p> <p>Chairman, Chairman of Risk Committee, Member of Audit Committee</p> <p>Independent Director, Chairman of Remuneration Committee, Member of Audit Committee, Member of Nomination Committee</p> <p>Ambassador of Malaysia</p>	<p>Universiti Putra Malaysia (UPM)</p> <p>CIMB Bank PLC., Cambodia</p> <p>Dragon Group International Limited (DGI), Singapore</p> <p>The Kingdom of Thailand</p>
<p>6. Mr. Preecha Unchitti* Director (Authorised Signatory) Chairman of Credit Committee Level 2 Date of appointment : 1 October 2002</p> <p>*Resignation as director and authorised director effective from 1 November 2013 onwards.</p>	68	<p>- B.A. (Economics), Thammasart University</p> <p>Training</p> <ul style="list-style-type: none"> - Director Certification Programme (DCP) - Finance for Non-Finance Director (FND) 	- (0.00)	<p>2003 - Present</p> <p>2003 - Present</p> <p>1979 - Present</p> <p>2002 - 2010</p> <p>2004 - 2007</p>	<p>Independent Director and Chairman of Audit Committee</p> <p>Director</p> <p>Director</p> <p>Chairman</p> <p>Managing Director</p>	<p>Eastern Star Real Estate PCL.</p> <p>Eastern Star Resort Co., Ltd.</p> <p>Siam Trading Co.,Ltd.</p> <p>BT Insurance Co., Ltd.</p> <p>Con-Plus and Management Co., Ltd.</p>

Name of Director, Management / Position/Date of appointment	Age (years)	Education	Total share holding (%)	Work experience (within last 5 years)		
				Period	Position	Company / Organization
<p>7. Mr. Kenny Kim Director Member and Alternate Chairman of Risk Management Committee Date of appointment : 5 November 2008</p>	46	<ul style="list-style-type: none"> - M.Sc. (Finance), University of Lancaster, UK - A fellow of Association of Chartered Certified Accountants, UK - A member of Malaysian Institute of Accountants - A member of Institute of Chartered Accountants in England and Wales, Finance Faculty <p>Training CIMB-INSEAD Leadership Program Conference and various invited Speakers</p> <p>Award Presented by Alpha Southeast Asia for:- 2013 - Best CFO in South East Asia 2013 - Best CFO in Malaysia</p>	(0.00)	2001 - Present	Group Chief Financial Officer and Chief Executive Officer, Group Strategy & Strategic Investments Division	CIMB Investment Bank Berhad
<p>8. Mr. Subhak Siwaraksa Director (Authorized Signatory) President and Chief Executive Officer Chairman of Management Committee Chairman of Risk Management Committee Chairman of Credit Risk Committee Chairman of Credit Committee Level 2 Chairman of Retail Business Committee Chairman of Assets and Liabilities Management Committee Chairman of IT Strategic Planning Committee Chairman of Marketing Risk Committee Thailand Chairman of Marketing and Communications Committee Chairman of Product Development Committee Date of appointment : 17 March 2009</p>	57	<ul style="list-style-type: none"> - Ph.D. (Economics), University of Pennsylvania, U.S.A. - M.A. (Law and Diplomacy), Fletcher School of Law and Diplomacy, Tufts University, Massachusetts, U.S.A. - B.A. (English Literature Honors Program and Economics), Georgetown University, Washington D.C., U.S.A. <p>Training</p> <ul style="list-style-type: none"> - 2011 Financial Institutions Governance Programme (FGP) Thai Institute of Directors Association (IOD) Class 3/2011 - 2010 Certificate, Capital Market Academy Leadership Programme (Class 10 March - July 2010) - 2007 National Defence College (Class 2007) 	- (0.00)	<p>1 Feb 2013 - Present</p> <p>2011 - 5 Sep 2013</p> <p>2011 - 5 Sep 2013</p> <p>2008 - 2009</p> <p>2008 - 2009</p> <p>2003 - 2008</p>	<p>Chairman, Director (Authorized Signatory)</p> <p>Board Governor</p> <p>Member of Audit Committee</p> <p>Director</p> <p>Chairman of Board of Directors</p> <p>Chief Executive Officer and President</p>	<p>Sathorn Asset Management Co., Ltd.</p> <p>Stock Exchange of Thailand</p> <p>Stock Exchange of Thailand</p> <p>Export-Import Bank of Thailand</p> <p>TMB Asset Management Co., Ltd.</p> <p>TMB Bank PCL.</p>

Name of Director, Management / Position/Date of appointment	Age (years)	Education	Total share holding (%)	Work experience (within last 5 years)		
				Period	Position	Company / Organization
		<ul style="list-style-type: none"> - 2006 Directors Certification Programme (DCP) Thai Institute of Directors Association (IOD) - 2005 Directors Accreditation Programme (DAP) Thai Institute of Directors Association (IOD) - 1993 Financial Executive Seminar, Bangkok (FINEX IV) 				
9. Assoc.Prof. Dr. Ismaae Alee Shariah Adviser Date of appointment : 1 August 2011	63	<ul style="list-style-type: none"> - Higher Cert.in Promotion of Peaceful Society, King Prajadhipok's Institute - Ph.D., Al-Fiqh (First Class Hons), Islamic University of Madinah, Saudi Arabia - M.A., Al-Fiqh (Excellence) Islamic University of Madinah, Saudi Arabia - B.A., Sharia (Hons), Islamic University of Madinah, Saudi Arabia - B.A., (Dawah and Usul al- din), Islamic University of Madinah, Saudi Arabia 	(0.00)	2007 - Present 2010 - 2011 2008 - 2010 2007 - 2010 2006 - 2010 2002 - 2010	Member, Chairman of Halal Affairs Head of Delegation Member Associate Professor of Islamic Law Head Director	Central Islamic Council of Thailand (CICOT) Thai Haj Delegation Shariah Advisory Council, Securities Commission, Malaysia Advisory Council for Peace Building in Southern Border Provinces of Thailand College of Islamic Studies (CIS), Prince of Songkla University (PSU) Doctoral Degree in Islamic Studies of CISPSU College of Islamic Studies CIS-PSU
10. Dr. Maroning Salaming Shariah Advisor Date of appointment: 1 August 2011	48	<ul style="list-style-type: none"> - Ph.D. (Principles of Islamic Jurisprudence), Islamic University of Medina, Saudi Arabia - M.A. (Principles of Islamic Jurisprudence), Islamic University of Medina, Saudi Arabia - B.A. (Islamic Law), Islamic University of Medina, Saudi Arabia 	(0.00)	2012 - Present 2013 - Present 2012 - 2014 2011 - Present 2011 - Present 2010 - Present 2009 - Present 2008 - Present	Expert Deputy Secretary General Specialized Committee Member Member of Shariah Advisory Council Specialized Council Member Consultant and Working Committee Member Member of Management Committee of Ph.D Program Adviser on Ph.D. Thesis	Sheikhu Islam Southern Border Provinces Administration Center Hajj Promotion Committee of Southern Border Provinces of Thailand, pursuant to the appointment order of Southern Border Provinces Administration Center Koperasi Bina Berhad Council for Yala Primary Educational Service Area 1 Sheikhu Islam College of Islamic Studies, Prince of Songkla University, Pattani Campus College of Islamic Studies, Prince of Songkla University, Pattani Campus

Name of Director, Management / Position/Date of appointment	Age (years)	Education	Total share holding (%)	Work experience (within last 5 years)		
				Period	Position	Company / Organization
				2006 - Present 2005 - Present 2009 - 2010 2008 - 2010 2007 - 2011 2007 - 2008	Adviser on Master's Degree Thesis Professor of Islamic Law Department Committee Member Member of Working Committee of Studying Model and Procedure Member of Working Committee of Developing Adoption of Islamic Laws in Southern Border Provinces Zakat Fund Operation Support Committee Member Member of Sub Committee on Justice, Police Affairs and Human Rights	College of Islamic Studies, Prince of Songkla University, Pattani Campus College of Islamic Studies, Prince of Songkla University, Pattani Campus Islamic Micro Credit Pursuant to the order of Sub Committee on Policy and Coordination of Judicial Process in Southern Border Provinces Pursuant to the order of Office of the Prime Minister The National Legislative Assembly, pursuant to the appointment order of Committee on Justice, Police Affairs and Human Rights, The National Legislative Assembly
11. Mr. Surachai Chitratsenee ¹ Deputy CEO Senior Executive Vice President Business Support Group Date of appointment: 18 January 2014	63	- M.A. (Economics), State University of New York at Binghamton, U.S.A. - B.S. (Economics), Central Missouri State University, U.S.A.	- (0.00)	Feb 2014 - Present 2005 - Present 2005 - 2010	Director Chairman Chairman	CT COLL Co.,Ltd Center Auto Lease Co.,Ltd. WorldLease Co.,Ltd.
12. Mrs. Panute Na Chiangmai Senior Executive Vice President, Risk Management Group Date of appointment : 1 July 2009	57	- Master of Science Business (Marketing), University of Wisconsin- Madison - Master of Business Administration (Finance & Management), University of Wisconsin- Madison - Bachelor of Education (Education Psychology), Chulalongkorn University Training Financial Institutions Governance Programme (FGP) Class 3/2011	- (0.00)	Apr 2006 - Sep 2009	Director	BT Securities Co., Ltd.

Name of Director, Management / Position/Date of appointment	Age (years)	Education	Total share holding (%)	Work experience (within last 5 years)		
				Period	Position	Company / Organization
<p>13. Mr. Narongchai Wongthanavimok Chief Financial Officer Senior Executive Vice President Strategy and Finance Group Date of appointment: 3 December 2009</p>	51	<ul style="list-style-type: none"> - M.S (Information Systems), Golden Gate University, San Francisco, CA, U.S.A. - MBA (Finance), University of Pittsburgh, Pittsburgh, PA, U.S.A. - BA. (Econ), Thammasat University <p>Training</p> <ul style="list-style-type: none"> - Diploma, The Joint State - Private Sector Course (Class 24), The National Defence College (Class 2011) - Financial Institutions Governance Program (FGP) Class 3/2011, Thai Institute of Directors - CIMB-Insead Leaderships program, INSEAD - Director Certification Program (DCP) 131/2010, Thai Institute of Directors - CFO Becoming a Strategic Partner, University of Pennsylvania, USA - Senior Finance Management Program, Executive Development International, UK - Chulalongkorn University, Bangkok, Thailand : Certificate in System Analysis 	- (0.00)	<p>Aug 2012 - Present</p> <p>Aug 2010 - Present</p> <p>2004 - 2009</p>	<p>Chairman</p> <p>Director (Authorized Signatory) First Senior Vice President, MIS & Planning Division Head, Finance Group</p>	<p>WorldLease Co.,Ltd.</p> <p>CIMB-Principal Asset Management Co., Ltd.</p> <p>Siam Commercial Bank PCL.</p>
<p>14. M.L.Nathchanya Davivongse Senior Executive Vice President Transaction Banking Group Date of appointment : 1 August 2010</p>	45	<ul style="list-style-type: none"> - MBA (International Business Management & Marketing), Oregon State University, Oregon, U.S.A. - B.A. (International Finance/Banking), Oregon State University, Oregon, U.S.A. 	- (0.00)	<p>Nov 2009 - Jun 2010</p> <p>Nov 2005 - Oct 2009</p>	<p>Director - Regional Sales, Cash Management Corporate Head, Global Transaction Banking</p>	<p>Deutsche Bank AG, Asia-Pacific Head Office, Singapore</p> <p>Deutsche Bank AG, Bangkok</p>

Name of Director, Management / Position/Date of appointment	Age (years)	Education	Total share holding (%)	Work experience (within last 5 years)		
				Period	Position	Company / Organization
15. Mr.Silawat Santivisat Senior Executive Vice President Group Information and Operations Division Date of appointment : 1 September 2012	50	<ul style="list-style-type: none"> - M.S. (Chemical Engineering), University of Texas, Austin, U.S.A. - M.M., Sasin Graduate Institute of Business Administration, Chulalongkorn University - B. E. (2nd class honor), Chulalongkorn University <p>Training</p> <ul style="list-style-type: none"> - Banc Assurance in Malaysia by May Bank Straight through processing by May Bank, Ageas Insurance - Leadership by PacRim Group - Executive Programme for Senior Management 2008 by Fiscal Policy Research Institute Foundation - Building The Leadership Team for Outstanding for John C.Maxwell / Strategic Management for Service Industries by SASIN - On 21st Century Marketing by Philip Kotler by Thailand Management Association (TMA) - ATM Business Trip in Japan by IBM - Cash Management Business Trip in Singapore by DBS - Lafferty Retail Finance Asia-Pacific 2004 by Lafferty - Cash and Treasury Management in Asia Pacific Region 2001,2002 by Euro Finance 	- (0.00)	May 2009 - Aug 2012 Jan 2005 - Mar 2009	First Senior Vice President, Retail Banking Division Executive Vice President, Transaction Banking / Cash Management Business	Kasikorn Bank PCL. TMB Bank PCL.
16. Mr. Pornchai Padmindra ^{1/2} Senior Executive Vice President Wholesale Banking Group Date of appointment : 1 September 2013	41	<ul style="list-style-type: none"> - Bachelor of Accounting Kasetsart University - AFS Scholarship Student Exchange Program <p>Training</p> 2008 Director Accreditation Program (DAP), Class 73/2008		Sep 2011 - Aug 2013 Oct 2008 - Aug 2011 Mar 2007 - Sep 2008	Executive Vice President, Corporate Banking Team 2 Executive Vice President, Origination & Client Coverage, Managing Director	Thanachart Bank Plc. Standard Chartered Bank (Thai) Plc. Citicorp Securities (Thailand) Ltd.

Name of Director, Management / Position/Date of appointment	Age (years)	Education	Total share holding (%)	Work experience (within last 5 years)		
				Period	Position	Company / Organization
17. Mr. Jiratchyuth Amyongka ³ Senior Executive Vice President Commercial Banking Group Date of appointment : 27 September 2013	46	<ul style="list-style-type: none"> - Cert. of Int'l Business & Finance, New York University - M.B.A., Indiana University of Pennsylvania - Bachelor of Law, Thammasat University <p>Training</p> <ul style="list-style-type: none"> - Great Leadership, Pacrim Group - Advance Negotiation skill, Independence Instructor - TAP (Talent Acceleration Program) GE, Turkey & London 	- (0.00)	June 2011- Sep2013 Feb2007- June2011 Feb2007-2009	Head of SME Banking Executive Vice President, SME Business and Product Development Head & SME Sale Head BKK. Director, SME Thailand	Thanachart Bank PCL. Krungsri Bank PCL. GE Money Bank PCL.
18. Mr. Adisorn Sermchaiwong Senior Executive Vice President Retail Banking Group Date of appointment : 11 September 2012	47	<ul style="list-style-type: none"> - MBA, Sasin Graduate Institute of Business Administration of Chulalongkorn University - B.E., Chulalongkorn University <p>Training</p> <ul style="list-style-type: none"> - 2005 Director Certification Programme - Advanced Management Programme, Oxford University - Capital Market Academy Leadership Programme, Capital Market Academy (CMA) Class 1 	- (0.00)	2013 - Present 2010 - 2012 2007 - 2010 2002 - 2007	Director Executive Director, Country Head of Channels EVP, Saving & Investment Products President	CIMB-Principal Asset Management UOB Bank PCL. Siam Commercial Bank PCL. SCB Asset Management Co.,Ltd.

Name of Director, Management / Position/Date of appointment	Age (years)	Education	Total share holding (%)	Work experience (within last 5 years)		
				Period	Position	Company / Organization
19. Mr. Sutee Losoponkul First Executive Vice President Treasury Group Date of appointment: 1 April 2011	53	- MBA, National Institute of Development Administration (NIDA) - B.Sc. (Industrial Engineering), Prince of Songkla University Training - Market Risk for Treasury Products, New York Institute of Finance (Financial Times) - Asset and Liability Management, Chase Manhattan Bank, Singapore - Treasury Training Scheme, Institute of Banking and Finance (IBF), Singapore <ul style="list-style-type: none"> • Offshore Deposit Market • Foreign Exchange Arithmetic • Financial Future • Options • Citibank Bourse Game 	- (0.00)	4 March 2011 - Present 25 October 2012 - Present 23 April 2013 - Present	Director Director Director	CIMB Securities (Thailand) Co.,Ltd. CIMB Principal Asset Management The Thai Bond Market Association
20. Mr. Songwud Boakhem ⁴ Executive Vice President Business Support Group Date of appointment : 1 September 2010	60	- MBA, Kasetsart University - LL.B., Thammasat University - B.Acc., Thammasat University	4 shares (0.00)	2010 - Feb 2014 2009 - 2010 1999 - 2008	Director Managing Director Executive Vice President, Assets Management Division Head	CT COLL Co., Ltd. Sathorn Asset Management Co., Ltd. Bank Thai PCL.
21. Mr. Kongpob Watanasin Executive Vice President Human Resources Management Division Date of appointment: 22 May 2009	55	- Ph.D., (Public Administration), University of Cincinnati, Ohio, U.S.A. - MPA, Kentucky State University, Kentucky, U.S.A. - B.A. (Political Science), Ramkhamhaeng University	- (0.00)	2003 - 2009	Division Head, HR Client Services	Siam Commercial Bank PCL.
22. Mr. Prapas Thongsuk Executive Vice President Corporate Communications Division Date of appointment: 1 April 2010	50	- MBA, National Institute of Development Administration (NIDA) - B.Ed., Chulalongkorn University	- (0.00)	2004 - 2010	SVP Corporate Marketing	Krungthai Card PCL.

Name of Director, Management / Position/Date of appointment	Age (years)	Education	Total share holding (%)	Work experience (within last 5 years)		
				Period	Position	Company / Organization
<p>23. Ms. Siriporn Sanunpairae First Executive Vice President Internal Audit Division Date of appointment: 22 February 2010</p>	49	<ul style="list-style-type: none"> - MBA, Thammasat University - B.Acc., Thammasat University <p>Training</p> <ul style="list-style-type: none"> - Basel II Senior Management Understanding, Standard Chartered Bank - Group Internal Audit Overview Training, Standard Chartered Bank - CIA Preparation, Institute of Internal Auditors of Thailand - Certified Professional Internal Auditor (CPIA), Institute of Internal Auditors of Thailand 	- (0.00)	<p>2007 - 2008</p> <p>2006 - 2007</p>	<p>Head of Internal Audit Department, Senior Vice President</p> <p>Senior Audit Manager, Group Internal Audit</p>	<p>Standard Chartered Bank (Thai) PCL.</p> <p>Standard Chartered Bank</p>
<p>24. Mr. Thaphop Kleesuwan Executive Vice President Compliance Department Head Date of appointment: 22 June 2011 Executive Vice President Office of the President Company Secretary Date of appointment: 21 July 2008</p>	53	<ul style="list-style-type: none"> - LL.M. (Laws in Taxation), DePaul University, Chicago, Illinois, U.S.A. - LL.B, Chulalongkorn University <p>Training</p> <ul style="list-style-type: none"> - Bond-related Regulations Programme - Measure to Prevent Thai Baht Speculation Programme - Tone at the Top Programme - Credit Information Business Act Programme - Financial Institution Governance Programme, Thai Institute of Directors - Laws and Regulations for Company Secretary According to New Law on Securities and Exchange Programme, Faculty of Law, Chulalongkorn University - Commercial Banking Business Regulators Programme, Faculty of Law, Chulalongkorn University - Company Secretary Programme, Thai Institute of Directors 	- (0.00)	2008 - 2010	Director	Sathorn Asset Management Co., Ltd.

Name of Director, Management / Position/Date of appointment	Age (years)	Education	Total share holding (%)	Work experience (within last 5 years)		
				Period	Position	Company / Organization
25. Ms. Winita Kimsawadi Senior Vice President Financial Reporting Department Date of appointment: 16 August 2011	49	- Master of Accountancy, Chulalongkorn University - BBA.(Accounting), Chulalongkorn University Training Advanced Financial Leadership Program (AFLP)	- (0.00)	2008 – 2011	Vice President, Data Management and Reporting Department, Finance Group	Bank of Ayudhya PCL.
				2005 – 2007	Vice President, Accounting	GE Money Retail Bank PCL.

Notes: None of the directors and executives are related by family.

- /1 The Board meeting resolved extending the employment and appointment of Mr. Surachai Chitratsenee as Deputy CEO and Senior Executive Vice President, Business Support Group, in replacement of Mr. Songwud Buakhem who had retired, taking effect on 18 January 2014. Mr. Songwud Buakhem's retirement took effect on 31 December 2013.
- /2 The Board meeting resolved appointing Mr. Pornchai Padmindra, Senior Executive Vice President, Wholesale Banking Group, taking effect on 1 September 2013.
- /3 The Board meeting resolved appointing Mr. Jirachyuth Amyongka, Senior Executive Vice President, Commercial Banking Group, in replacement of Mr. Surachai Chitratsenee who had retired, taking effect on 27 September 2013.
- /4 Mr. Songwud Buakhem retired taking effect on 31 December 2013.

Change in shareholding of the directors and senior Executives of the bank

**Report of changing in securities holding of Directors' and Senior Executives
 As at end 2013 compared with end 2012:**

Name	Official Title	No. share holding As at 31 Dec 13 (Shares)	No. share holding As at 31 Dec 12 (Shares)	No. of share change
Mr. Songwud Buakhem/1	Executive Vice President Business Support Group	4	4	-

**Directors' and Senior Executives' Share Ownership in Subsidiary Companies
 As at end 2013 compared with end 2012:**

Particulars	No. share holding As at 31 Dec 13 (Shares)	No. share holding As at 31 Dec 12 (Shares)	No. of share change
Mr. Songwud Buakhem ^{/1} - CT COLL Co., Ltd	1	1	-
Mr. Thaphop Kleesuwan - Center Auto Lease Co., Ltd	2	2	-
- Worldlease Co., Ltd.	1	1	-
Mr. Wisarn Boornasuntikoon ^{/2} - CT COLL Co., Ltd	1	1	-
- Center Auto Lease Co., Ltd	2	2	-
Mr. Sutee Tantana - Worldlease Co., Ltd.	1	1	-
Mr. Tanit Onnuch - Center Auto Lease Co.,Ltd.	2	2	-

Notes: /1 Mr. Songwud Buakhem retired taking effect on 31 December 2013.
 /2 Mr. Wisarn Boornasuntikoon resigned as Executive Vice President, Central Procurement and Administration Department, effective from 31 May 2013.

Attachment 2

Information on Directors of Subsidiaries

Details of Directors and Executives in Subsidiaries and Related Companies as of 28 February 2014

Name	Bank	Subsidiaries			Others / Affiliate Companies																																			
		1	2	3	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34		
1. Mr. Chakramon Phasukavanich	A	A				C	C	D	A	A	C	E, F	E, F	A, F	E, F																									
2. Dato' Robert Cheim Dau Meng	B	B													C	H	J	C	A	I																				
3. Mr. Sukont Kanjana-Huttakit	D,E, F	D,E, F																				E	E	J	C															
4. Dato' Shaarani Bin Ibrahim	E,F	E,F																								C, A, K	A, L, F	E, M, F												
5. Mrs. Watanan Petersik	E,F	E,F																											O	C	P									
6. Mr. Preecha Unchitti ^{1/}	C,U	C, U																														C	E, D	C	C					
7. Mr. Kenny Kim	C	C																																			R			
8. Mr. Subhak Siwaraksa	U,V	U,V																																				A, U		
9. Mr. Surachai Chitratsenee ^{2/}	W	W	A																																					
10. Mrs. Panute Na Chiangmai	W	W																																						
11. Mr. Narongchai Wongtanavimok	W	W		A																																				
12. M.L.Nathchanya Davivongse	W	W																																						
13. Mr.Silawat Santivisat	W	W																																						
14. Mr. Pornchai Padmindra ^{3/}	W	W																																						
15. Mr. Jiratchyuth Amyongka ^{4/}	W	W																																						
16. Mr. Adisorn Sermchaiwong	W	W																																						
17. Mr. Sutee Losoponkul	X	X																																						C
18. Mr. Songwud Buakhem ^{2/}	Y	Y																																						
19. Mr. Sittichai Mahaguna	Y	Y																																						C
20. Ms. Winita Kimsawadi	Z	Z																																						

Remarks: /1 The Board meeting resolved acknowledging the resignation as director and authorised director of Mr. Preecha Unchitti due to health problem effective from 1 November 2013.

/2 The Board meeting resolved extending the employment and appointment of Mr. Surachai Chitratsenee as Deputy CEO and Senior Executive Vice President, Business Support Group, in replacement of Mr. Songwud Buakhem who had retired, taking effect on 18 January 2014. Mr. Songwud Buakhem's retirement took effect on 31 December 2013.

/3 The Board meeting resolved appointing Mr. Pornchai Padmindra, Senior Executive Vice President, Wholesale Banking Group, taking effect on 1 September 2013.

/4 The Board meeting resolved appointing Mr. Jiratchyuth Amyongka, Senior Executive Vice President, Commercial Banking Group, in replacement of Mr. Surachai Chitratsenee who had retired, taking effect on 27 September 2013.

Remarks

A Chairman	B Vice Chairman	C Director
D Chairman of Audit Committee	E Independent Director	F Audit Committee
G Chairman Sub- committee	H Non-Executive Director	I Executive Director
J Executive Advisor	K Member of Investment Committee	L Chairman Risk Management
M Chairman Remuneration Committee	N Member Nomination Committee	O Independent Non-Executive Director
P Senior Advisor/Consultant	Q Director Lien Centre for Social Innovation	R Group Chief Financial Officer and Head of Group Strategy and Finance Division
S Governer Member of Audit Committee	T Member of Lising Expansion and Development Committee	U Director (Authorized Signatory)
V President and Chief Executive Officer	W Senior Executive Vice President	X First Executive Vice President
Y Executive Vice President	Z Senior Vice President	

Subsidiaries

- | | | |
|--------------------------------|-------------------------|---------------------|
| 1. Center Auto Lease Co., Ltd. | 2. World Lease Co.,Ltd. | 3. CT COLL Co.,Ltd. |
|--------------------------------|-------------------------|---------------------|

Others / Affiliate Companies

- | | | |
|---|---|--|
| 1. Office of the Council of State | 2. The Public Sector Development Commission Thailand (OPDC) | 3. The Public Sector Development Sub-Commission Related to Enhancement and Development of Public Organizations and Other Organizations under Supervision of Administrative Sector which is not Government Sector |
| 4. The Negotiation and Assessment Committee, Ministry of Energy, Ministry of Science and Technology and Ministry of Industry Thailand | 5. The Ministry of Public Health | 6. The Ministry of Science and Technology |
| 7. CIMB Southeast Asia Research Sdn Bhd | 8. Indorama Ventures PCL. | 9. P.C.S. Machine Group Holding PCL. |
| 10. Akara Resources PCL. | 11. Yu Cai Foundation | 12. CIMB Group Holdings Bhd |
| 13. CIMB Investment Bank Berhad | 14. CIMB Securities International Pte Ltd | 15. Tanjong PLC |
| 16. CIMB Investment Bank Berhad | 17. Scan Inter Co.,Ltd. | 18. Srisawad Power 1979 Co.,Ltd. |
| 19. Tricor Outsourcing (Thailand) Co., Ltd. | 20. The Federation of Accounting Professions | 21. Universiti Putra Malaysia (UPM) |
| 22. CIMB Bank PLC, Cambodia | 23. Dragon Group International Limited (DGI), Singapore | 24. CIMB Group Holdings Berhad |
| 25. Asia Capital Advisory PTE Ltd | 26. TPG Capital Asia | 27. Lien Centre for Social Innovation Singapore Management University |
| 28. Eastern Star Real Estate PCL. | 29. Eastern Star Resort Co., Ltd | 30. Siamtrading Co.,Ltd |
| 31. CIMB Investment Bank Berhad | 32. Sathorn Asset Management Co., Ltd | 33. CIMB Securities (Thailand) Co.,Ltd. |
| 34. CIMB-Principal Asset Management Co.,Ltd | | |

Attachment 3**Details of Internal Audit Division Head and Compliance Department Head**

Details of education backgrounds and work experiences of Internal Audit Division Head and Compliance Department Head are as in Attachment 1 (items no. 23 and 24).

Roles and responsibilities of Compliance Department Head

Compliance Department Head has roles and responsibilities to ensure the Bank's business operation is in compliance with rules, regulations, policies and requirements of relevant government agencies such as the Bank of Thailand, Office of Securities and Exchange Commission and other agencies relating to banking business. The Board of Directors has approved policy and standard operating procedure regarding CIMB Group Compliance Policies and Procedures to ensure all senior executives and staff to completely and strictly comply with the rules, regulations, policies and requirements of such agencies.

Attachment 4**Audit Committee Report**

In 2013, the Audit Committee performed specific responsibilities delegated to it by the Board of Directors. Every effort is made to ensure that the Bank complies with the relevant rules and regulations of the Bank of Thailand, Stock Exchange of Thailand, Securities and Exchange Commission, and the relevant regulatory bodies. In addition, it has in place adequate procedures and systems of internal control, good corporate governance and appropriate risk management systems that can enhance value for the Bank in line with the objectives and targets set by the Board.

The main areas of focus for the Committee cover the Internal Audit including Credit Review and Compliance of the CIMB Thai Bank Group. The main roles and responsibilities of the Audit Committee are as follows:

1. To assist the Board in discharging its statutory duties and responsibilities relating to accounting, reporting practices and corporate governance.
2. To review the effectiveness of the internal audit function and the compliance function, in particular, approval of annual audit plan and compliance plan, adequacy of scope, functions, competency and resources, review results of internal audit process and, where necessary, remedial action taken, and compliance with relevant guidelines on internal audit issued by the Bank of Thailand, the Stock Exchange of Thailand and the Securities and Exchange Commission.
3. To review the effectiveness of the external auditors, in particular, the appointment thereof, the audit fees, objectivity, performance and independence of the external auditors.
4. To review the comments and recommendations rendered by the regulators, Internal Audit Division, Credit Review Section, Compliance Department and external auditors with an aim to compel the officers concerned to ensure prompt, continuous and effective compliance, and that outstanding issues are followed-up and resolved.
5. To ensure that the accounts are prepared in a timely and accurate manner in accordance with generally accepted accounting principles.
6. To meet with the Management and the external auditors periodically to acknowledge and exchange opinions, in particular, to meet with external auditors without the presence of the Management at least twice a year.

In accordance with the roles and responsibilities above, the Audit Committee is of the opinion that the Bank's financial statements and disclosure of information are complete and reliable, consistent with generally accepted accounting principles. Overall risk management, internal control systems, procedures to ensure compliance with applicable laws and regulations, and independent internal audit systems conducted in accordance with internal audit standards are adequate and consistent with the current business environment.

- Sukont Kanjana-Huttakit -

(Mr. Sukont Kanjana-Huttakit)
Chairman of Audit Committee

Attachment 5**The Nomination and Remuneration Committee Report**

In 2013, the Nomination and Remuneration Committee performed to ensure that the Bank considered and nominated names of qualified candidates for the directors and senior executives with appropriate remuneration and benefits to their duties and responsibilities.

The main roles and responsibilities of the Nomination and Remuneration Committee are as follows:

1. To nominate the qualified directors and senior executives and recommend appropriate remuneration and benefits to their duties and responsibilities to the Board for approval.
2. To consider the appointment of the Bank subsidiaries' directors and senior executive to the Board for concurrence.
3. To assess the performance of the Bank's senior executives against targets and performance criteria and referred the results to the Board of Directors with recommendations regarding the appropriate remuneration and benefits.
4. To review and consider the annual salary adjustments and bonuses for the Bank to the Board for approval.

The remuneration for the directors and the senior executives in year 2013 is set out in the Corporate Governance Report under the section "Director and Management Remuneration". The Committee has the opinion that such remuneration is in line with their duties and responsibilities, the individuals' performance, the overall economic situation, and the performance of the Bank.

For year 2014, the Bank's Board of Directors approved to add a function of Corporate Governance to the Committee and rename the Committee to the Nomination, Remuneration, and Corporate Governance Committee. Its duties and responsibilities for Corporate Governance are as follows:

1. To review the Corporate Governance Policy and Codes of Conduct for directors and employees of the Bank to ensure consistency with the corporate governance criteria of relevant regulatory authorities, and to submit to the Board of Directors for approval.
2. To approve corporate governance guidelines for relevant units to align with and present to the Board of Directors for acknowledgement on a yearly basis so as to enhance good corporate governance of the Bank.

- *Watanan Petersik* -

(Mrs. Watanan Petersik)
Chairwoman of Nomination and Remuneration Committee

Statement on the Board of Directors Responsibility for Financial Statements

The Board of Directors is responsible for the financial statements of CIMB Thai Bank Public Company Limited and its subsidiaries as well as the financial information presented in this annual report. The aforementioned financial statements were prepared in accordance with Thailand's generally accepted accounting standards and International generally accepted accounting standards, applying appropriate and consistent accounting policies and prepared with careful judgment and best estimates. Important information is adequately disclosed in the notes to the financial statements to ensure compliance with the Notifications of the Bank of Thailand and the Stock Exchange of Thailand.

The Board of Directors has established and maintained an appropriate and effective internal control system in order to rationally assure that the accounting information is correctly and completely recorded and adequate to sustain the Bank's assets so as to prevent any irregular operations or fraud.

The Board of Directors has appointed an Audit Committee comprising Independent Directors to be responsible for the quality of financial statements and the effectiveness of the Bank's internal control system. The Audit Committee's comments on these issues are included in the Audit Committee's report presented herewith in this annual report.

The Board of Directors is of the opinion that the Bank's overall internal control system is at a satisfactory level and provides reasonable reliability for the Bank and its subsidiaries in relation to the financial statements for the year ended 31 December 2013.

- *Chakramon Phasukavanich*-
(Mr.Chakramon Phasukavanich)
Chairman

- *Subhak Siwaraksa* -
(Mr.Subhak Siwaraksa)
President and Chief Executive Officer

Attachment 7**Form 56-3****Certified Financial Statement Report**

Financial Statement of CIMB Thai Public Company Limited

For The Accounting Period Ending December 31, 2013

Name of Auditor : **Mr. Boonlert Kamolchanokkul** Audit Office : **PricewaterhouseCoopers ABAS Ltd.**

We have reviewed the information disclosed in this financial statement with the information received via the carefully performing for the position of the highest executive of the company and the position of the highest management of Accounting function. We confirm that:

- (1) This financial statement presents the complete and correct information that material the financial position and cash flow of the Bank and its subsidiaries.
- (2) We are responsible to put in place of good disclosure system to ensure that the Bank have disclosed the material information of the Bank and its subsidiaries correctly and completely including supervision of control for the compliance such system.
- (3) We are responsible for the effectiveness of internal control and the supervision of compliance with such system and we have already reported the Internal Control Evaluation as at December 31, 2013 to the Auditors and the Bank's Audit Committee covering the deficiency and material change in the internal control system including the misconduct which may has an impact in the Banks and her subsidiaries financial statement preparation.

Name	Position	Signature
1. Mr. Chakramon Phasukavanich	Chairman	- Chakramon Phasukavanich -
2. Mr. Subhak Siwaraksa	President and Chief Executive Officer	- Subhak Siwaraksa -