

**Annual Registration Statement
For the Year Ended 31 December 2016**

(Form 56-1)



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.
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 2016, the Bank operated 19 main offices with credit facilities and 91 branches, with 3 branches equipped with foreign exchanges facilities, 18 stand-alone

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 reflect 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.

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

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.

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 Annual 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.

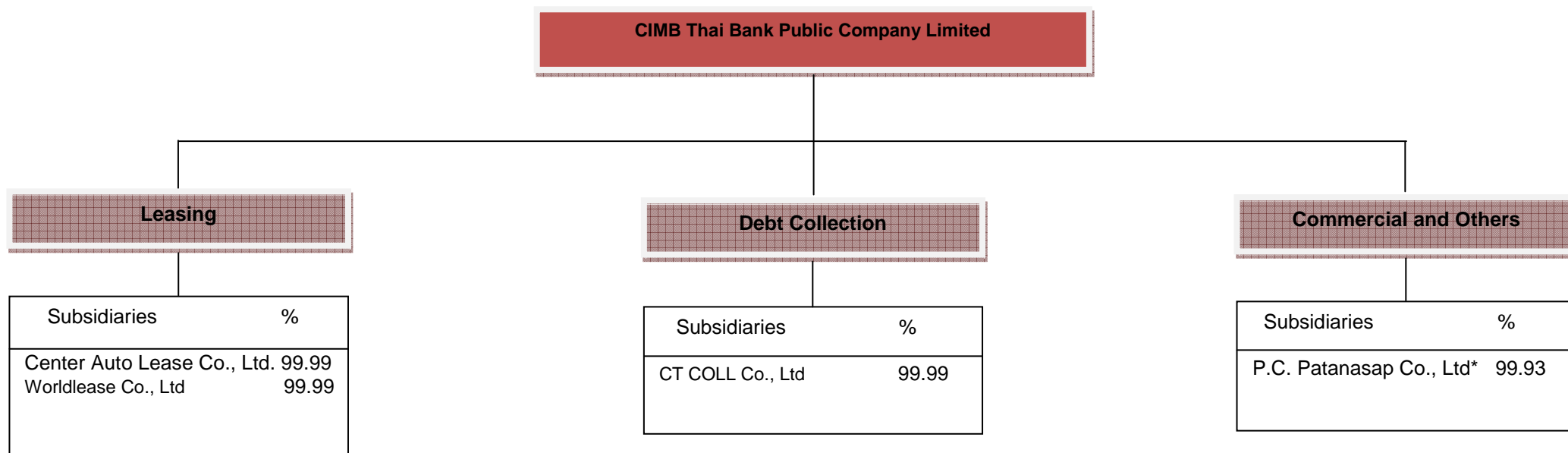
On 12 April 2012, the Annual General Meeting of Shareholders No. 18 approved the Bank's increase in registered capital by issuance of 4,894,780,426 Rights Shares and 4,894,780,426 General Mandate Rights Shares, totaling 9,789,560,852 shares. Of such total, 4,768,943,269 Rights Shares were sold, leaving 125,837,157 Rights Shares unsold, while 4,894,780,426 General Mandate Rights Shares have remained unoffered. In total, there were 5,020,617,583 ordinary shares remaining unsold and unoffered.

Later, on 11 April 2014, the Annual General Meeting of Shareholders No. 20 approved the Bank's cancellation of 125,837,157 unsold Rights Shares and 4,894,780,426 unoffered General Mandate Rights Shares, totaling 5,020,617,583 unsold and unoffered shares approved by the Annual General Meeting of Shareholders No. 18 held on 12 April 2012. The Annual General Meeting of Shareholders No. 20 held on 11 April 2014 also approved the decrease in the Bank's registered capital from THB 13,052,747,804 to THB 10,542,439,012.50 by cancelling 5,020,617,583 unsold and unoffered registered ordinary shares with a par value of THB 0.50 per share, totaling THB 2,510,308,791.50. After the decrease in registered capital, the Bank's registered capital is THB 10,542,439,012.50, divided into 21,084,878,025 shares with a par value of THB 0.50 per share.

On 10 April 2015, the Annual General Meeting of Shareholders No. 21 approved an increase in the the Bank's registered capital by THB 3,162,731,703.50 from THB 10,542,439,012.50 to THB 13,705,170,716.00 by issuing 6,325,463,407 General Mandate Right 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 40 existing shares held for 7 new shares at a price of THB 1.00 per share. Of such total, 3,689,853,654 Rights Shares were sold, leaving 2,635,609,753 General Mandate Rights Shares remaining unoffered.

On 19 April 2016, the Annual General Meeting of Shareholders No. 22 approve the cancellation of the unoffered portion of General Mandate Shares earlier approved by the Annual General Meeting of Shareholders No. 21 held on 10 April 2015 and to consider and approve a decrease in the Bank's registered capital by THB 1,317,804,876.50, from THB 13,705,170,716.00 to THB 12,387,365,839.50, by cancelling 2,635,609,753 unoffered registered shares with a par value of THB 0.50 per share

3. The Corporate Structure of the Bank and its Subsidiaries (as of 31 December 2016)



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 nine out of ten ASEAN nations (Malaysia, Indonesia, Thailand, Singapore, Cambodia, Brunei, Vietnam, Myanmar and Laos). Beyond ASEAN, CIMB Group has market presence in China & Hong Kong, Bahrain, India, Sri Lanka, Taiwan, Korea, United States and United Kingdom.

Leveraging on the universal banking franchise of CIMB Group, with over 1,000 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 2016)



2. Nature of the Business

2.1 Revenue structure of the Bank and its Subsidiaries

2.1.1 CIMB Thai Bank Public Company Limited

2.1.1.1 Total operating income

(Unit: THB Million)

	2016	%	2015	%	2014	%
Interest income						
1. Interest on loans	11,320.1	109.1	11,343.1	110.8	10,767.3	125.2
2. Interest on interbank and money market items	68.7	0.7	73.3	0.7	150.5	1.7
3. Investments	1,313.4	12.7	1,598.2	15.6	1,535.3	17.9
4. Others	21.6	0.2	11.1	0.1	7.6	0.1
Total interest income	12,723.8	122.7	13,025.7	127.2	12,460.7	144.9
Interest expenses						
1. Deposits	2,611.6	25.2	3,893.4	38.0	3,922.9	45.6
2. Interest on interbank and money market items	281.8	2.7	338.1	3.3	327.3	3.8
3. Contribution fee to The Deposit Protection Agency and FIDF	991.1	9.6	1,001.8	9.8	928.4	10.8
4. Debt securities issued and borrowings	871.0	8.4	852.9	8.3	838.4	9.8
5. Others	51.5	0.5	55.2	0.5	11.3	0.1
Total interest expenses	4,807.0	46.4	6,141.4	59.9	6,028.3	70.1
Net interest income	7,916.8	76.3	6,884.3	67.3	6,432.4	74.8
Operating income	2,454.9	23.7	3,350.8	32.7	2,167.5	25.2
Total income	10,371.7	100.0	10,235.1	100.0	8,599.9	100.0

2.1.1.2 Non- Interest income

(Unit: THB Million)

	2016	%	2015	%	2014	%
Fee and service income	1,289.7	52.5	1,374.9	41.0	1,236.4	57.1
Fee and service expenses	238.7	9.7	319.3	9.5	296.5	13.7
Net fee and service income	1,051.0	42.8	1,055.6	31.5	939.9	43.4
Gains on trading and foreign exchange transactions, net	1,402.5	57.1	1,819.4	54.3	1,804.9	83.3
Losses on financial liabilities at fair value through profit or loss, net	(810.4)	(33.0)	(458.2)	(13.7)	(1,093.7)	(50.5)
Gains on investments, net	482.6	19.7	551.0	16.5	329.5	15.2
Other operating income	329.2	13.4	383.0	11.4	186.9	8.6
Non-interest income	2,454.9	100.0	3,350.8	100.0	2,167.5	100.0

2.1.2 CIMB Thai's Subsidiaries

(Unit: THB Million)

	For the years ended 31 December					
	2016	%	2015	%	2014	%
1. Center Auto Lease Co., Ltd.						
Interest income	1,734.0	102.9	1,443.7	123.8	1,274.2	127.4
Interest expense	551.0	32.7	526.7	45.2	495.5	49.5
Net interest income	1,183.0	70.2	917.0	78.6	778.7	77.9
Operating income	502.7	29.8	248.8	21.4	221.3	22.1
Total income	1,685.7	100.0	1,165.8	100.0	1,000.0	100.0
2. World Lease Co., Ltd.						
Interest income	948.5	97.0	871.1	100.7	908.7	109.8
Interest expense	183.0	18.7	196.4	22.7	233.9	28.3
Net interest income	765.5	78.3	674.7	78.0	674.8	81.5
Operating income	211.8	21.7	190.6	22.0	152.7	18.5
Total income	977.3	100.0	865.3	100.0	827.5	100.0
3. CT Coll Co., Ltd.						
Interest income	0.7	1.5	1.2	2.0	1.1	1.2
Interest expense	0.2	0.4	0.2	0.3	0.2	0.2
Net interest income	0.5	1.1	1.0	1.7	0.9	1.0
Operating income	45.3	98.9	58.8	98.3	95.0	99.0
Total income	45.8	100.0	59.8	100.0	95.9	100.0

2.2 Nature of Products and Services

Wholesale Banking Group

Corporate Banking

Corporate Banking Group (CBG) of CIMB Thai provides financial services to a diverse range of business sectors, for example, commercial, manufacturing, property development and transportation. As most clients have had a long-time relationship with the Bank, we perform as their strategic business partners that help and support them toward strong and sustainable business growth. Also, we offer the clients business and investment opportunities through CIMB Group's regional network.

In 2016, the Thai economy expanded slightly higher than in 2015. However, certain challenges prevailed amidst the global economic slowdown with vulnerable situations in several countries, including Thailand. Thailand was hit by droughts, faltering commodity prices and weak grass-root purchasing power, causing trouble to both small and medium businesses and affecting business expansion of large clients. Therefore, CBG focused on maintaining the quality of existing loan portfolio, with prudent consideration of risks in new loan approval, and close and regular follow-up of clients. Moreover, we studied business and industry conditions in collaboration with Research Office and with cooperation from Risk Management Group aiming to expand business to low risk sectors. We focused on large clients with strong financial position and investment plans into ASEAN and also lending with cross-selling opportunities, such as big projects which generate comprehensive income including interest, fee and financial advisory income and other income from transactional banking and hedging products as well as equity and debt underwriting, to well respond to all the clients' needs.

In 2016, total revenues of Wholesale Banking Group (covering both Corporate Banking and Investment Banking) decreased by approximately 5% with an increase in proportion of net interest income (NII) from 53% to 57% of total revenue, up by 2% year-on-year, as a result of lending and deposit base expansion and a decrease in non-net interest income (Non-NII) by approximately 13% due to large clients' project slowdown taking a wait-and-see approach toward 2017. Most revenues came from significant client groups entrusting us as their main bank including those with ASEAN aspirations in line with our strategy and theme: "Be More Relevant to Important Clients & Accelerate Our ASEAN Initiatives."

In addition to local income generation, WBG was evidently successful in expanding the business to other countries in ASEAN, particularly CLMV, through the Bank as a CIMB Group member which has strengths in capital, professionals and partnering network in ASEAN. WBG completed business deals with big corporate clients who had high levels of investments both locally and regionally especially in ASEAN as we could quickly provide solutions and services that met their expectations. The Bank worked closely with other CIMB Group members in continuously expanding income base in other countries for the Group with a cross-border income growth of 12%.

For the business plan from 2017 onwards, CBG will focus on generating firm and consistent income, particularly recurring income and that from cross-selling. Our strategy is to reach out to selected major client groups and to re-align our lending portfolio along with team restructuring in line with target industry type. This aims to boost efficiency, reduce redundancy, control cost effectively, and manage return on investment properly. Furthermore, we will keep expanding our business and service in ASEAN and increasing business with foreign clients investing in Thailand under cooperation with other CIMB Group members.

Investment Banking

2016 was a challenging year for our business operation in the backdrop of minimal economic growth with several negative factors both internally and externally as stated above. Several target clients postponed their merger & acquisition and SET-listing plans and would resume when the market conditions allow. However, Investment Banking Group (IBG) continued carrying on the related processes as preparation for successful completion of transactions in 2017 when we expect major transactions to take place.

We continued reinforcing our teams by collaborating with CIMB Group in having sector specialists available to provide knowledge and insights of each industry so that we could offer comprehensive financial services including strategic and business operation advisory service to the clients. As a result, we managed to strengthen relationships with and add value to the clients while enhancing competitiveness through innovation of financial products that suited them.

In the fourth quarter of 2016, IBG successfully pushed through transactions with CIMB Group at both national and regional levels, such as a co-underwriter and initial purchaser of WHA Premium Growth Freehold and Leasehold Real Estate Investment Trust (Second Capital Increase) (WHART) worth THB 3,162 million and co-underwriter and initial purchaser for the IPO of Banpu Power Public Company Limited (BPP) worth THB 13,618 million.

The collaboration and synergy among Corporate Banking Group, Investment Banking Group and CIMB network in ASEAN will contribute to the Bank's potential as an important bank to our important clients, another progress toward being the clients' business partner in achieving their ASEAN aspirations.

Key successful deals in 2016 included:

Debt Markets	Role	Issue Size (THB mil)
Bond Switching Transaction	Joint Lead Arranger	18,894
Bank for Agriculture and Agricultural Cooperatives	Lead Arranger	14,300
Government Housing Bank	Lead Arranger	10,000
Government Housing Bank	Lead Arranger	10,000
Bank for Agriculture and Agricultural Cooperatives	Joint Lead Arranger	7,333
TPI Polene Public Company Limited	Lead Arranger	5,445
True Move H Universal Communication Company Limited	Joint Lead Arranger	4,698
Provincial Electricity Authority	Lead Arranger	4,000
State Railway of Thailand	Lead Arranger	4,000
Bangkok Dusit Medical Services Public Company Limited	Lead Arranger	3,000
Central Plaza Hotel Public Company Limited	Lead Arranger	2,500
SPV-SMC (9) Company Limited	Joint Lead Arranger	2,046
Advanced Wireless Network Company Limited	Joint Lead Arranger	1,905
Eastern Power Group Public Company Limited	Lead Arranger	1,500
Pruksa Real Estate Public Company Limited	Joint Lead Arranger	1,333
Toyota Leasing (Thailand) Company Limited	Joint Lead Arranger	1,133
Electricity Generating Authority of Thailand	Lead Arranger	1,400
TTCL Public Company Limited	Lead Arranger	1,075
PTG Energy Public Company Limited	Joint Lead Arranger	1,000

Ananda Development Public Company Limited	Lead Arranger	1,000
Electricity Generating Authority of Thailand	Lead Arranger	1,000
Easy Buy Public Company Limited	Joint Lead Arranger	1,000
Siamgas and Petrochemicals Public Company Limited	Joint Lead Arranger	750
Krungthai Card Public Company Limited	Joint Lead Arranger	750
Eastern Power Group Public Company Limited	Joint Lead Arranger	620
Jay Mart Public Company Limited	Lead Arranger	600
Provincial Waterworks Authority	Lead Arranger	590
M.K. Real Estate Development Public Company Limited	Lead Arranger	500
Asia Sermkij Leasing Public Company Limited	Lead Arranger	500
Singer Thailand Public Company Limited	Lead Arranger	500
M.K. Real Estate Development Public Company Limited	Lead Arranger	500
SC Asset Corporation Public Company Limited	Lead Arranger	500
Don Muang Tollway Public Company Limited	Lead Arranger	500
SC Asset Corporation Public Company Limited	Lead Arranger	500
AEON Thana Sinsap (Thailand) Public Company Limited	Lead Arranger	400
Origin Property Public Company Limited	Joint Lead Arranger	400
JMT Network Services Public Company Limited	Lead Arranger	300
Asia Sermkij Leasing Public Company Limited	Lead Arranger	300
Ananda Development Public Company Limited	Joint Lead Arranger	300
Krungthai Card Public Company Limited	Joint Lead Arranger	154

Capital Markets	Role	Deal Size (THB mil)
Banpu Power Public Company Limited (BPP)	Co-Underwriter and Initial Purchaser (Joint with CIMB Group)	13,618
Golden Ventures Leasehold Real Estate Investment Trust (GVREIT)	Selling Agent	8,148
Thailand Prime Property Freehold and Leasehold Real Estate Investment Trust (TPRIME)	Selling Agent	5,475
WHA Premium Growth Freehold and Leasehold Real Estate Investment Trust (Second Capital Increase) (WHART)	Co-Underwriter and Initial Purchaser (Joint with CIMB Group)	3,162
TPBI Public Company Limited	Joint Lead Underwriter (Joint with CIMB Group)	1,080
Polyplex (Thailand) Public Company Limited (PTL)	Rights Offering Agent	640

Commercial Banking Group

Commercial Banking Group (CMG) provides comprehensive financial solutions for business customers with annual sales turnover of up to THB 3 billion through CIMB Thai business centres situated in strategic locations nationwide. We have also encouraged our customers to expand their businesses into ASEAN, leveraging on CIMB Group's strong network and capabilities.

The year 2016 witnessed our organisation's transformation and fundamental building. Business customers are segmented into small biz, medium biz, and middle market according to their sales turnover. This has enabled systematic offering of products and services that best suit each segment. In addition, we have re-designed the loan approval process and standard to align with the new structure and to be comparable to peers. As a result, the new process has been more effective and standardized, with a shorter turnaround time.

CMG's business performance in 2016 declined in line with the slowing domestic and global economies that had dampened demand for business loans and debt servicing capability especially in the agro-industry with high NPL recorded since the first quarter. We accordingly gave priority to asset quality management, rather than market expansion, by developing systematic loan quality tracking and regular portfolio health checks so that the Bank would be able to timely take action and prevent new NPL.

Looking forward to 2017, we will strengthen our business base with focus on maintaining satisfactory portfolio quality, geographical and target industry lending and ongoing process improvement, together with enhancement of employees' potential to respond efficiently to clients' demand and promote sustainable growth in our commercial banking operation.

Retail Banking

Consumer Banking Group (CB) enjoyed another highly successful year in 2016 in term of relationship between our staff and target customers and expansion of customer base. We brought about customer experience with services beyond expectation like E-Saving account opening service through 64 AIS shops nationwide. Most importantly, we have been the first and only one bank to establish a mini branch in 7-Eleven store which enables customers to better access banking services. We also continued providing advisory service on wealth management in addition to the diverse product range to cater to individual customer needs, on which good feedback has been received from customers as evident from the increase in the number of affluent customers and assets under management (AUM). In view of loan provision, we have recorded a consistent growth in quality loan portfolio on the back of tightened loan application criteria that has allowed for efficient screening of loan applicants. Furthermore, we have moved another step ahead with the offering of off-site instant approval of loans via DSE Tablet for heightened customer experience and convenience.

CB's performance in 2016 was as briefed below:

- Total operating income was THB 7,134 million, about THB 1,135 million higher than that in 2015.
- Net interest income (NII) from all products amounted to THB 5,830 million, a 22% growth year-on-year.
- Profit before tax was THB 1,500 million, about THB 1,320 million higher than that in 2015.
- Total loan approval amounted to THB 102,860 million, an increase of 9.9% year-on-year.

Transaction Banking

CIMB Thai's Transaction Banking Group (TBG) provides corporate clients and financial institutions with an array of products and services, covering cash management, trade finance and a range of securities services, including security agent and facility agent, escrow account, trustee, custody, and other related services. With CIMB Group's strong ASEAN platform and network, we are well positioned to support and deliver transactional flows across ASEAN and beyond to meet the needs of aspiring enterprises.

Forging ahead toward Target 2018 (T18), in 2016, TBG made a significant progress on enhancing product cost competitiveness and profitability, delivering product innovations and growing operating account base. Under the Bank Negara Malaysia's and the Bank of Thailand's jointly established Local Currency Trade Settlement Framework, CIMB Thai has been among the three Thai banks officially designated as an Appointed Cross Currency Dealer (ACCD) to facilitate ringgit and baht settlement for trade of goods and services between Malaysia and Thailand. The framework has allowed for TBG's launches of new MYR cash management and trade finance products, which benefit Thai importers and exporters trading with Malaysia and put CIMB Thai in the country's top position with highest MYR ACCD trade flow volume. Regarding securities services, we are well recognised ranking no. 2 in bond registrar services by number of bond issues. The roll-out of BizChannel@CIMB, CIMB Group's premier regional Internet banking platform, has enabled the clients, regardless of which CIMB Group member bank they have opened their accounts, to easily access online banking services with the same customer experience. Meanwhile, our cash management services have still earned the trust of leading local and multinational companies, such as LG Electronics (Thailand) Co., Ltd., etc.

For 2017, CIMB Thai's TBG will continue to expand our client base and revenue base. Our emphasis is on client acquisition and extension of digital capabilities targeting ASEAN export/import segments to keep pace with the robust market trends and highlight our role as Thailand's leading ASEAN bank.

Treasury Group

In 2016, Treasury Group (TG) delivered favourable financial result to CIMB Thai with strong product capabilities in foreign exchange (FX), derivatives and structured products which earned CIMB Thai altogether eight awards as below:

ASIAMONEY Polls

- (1) The 1st Best Foreign FX Provider for Overall FX Services
- (2) The 1st Best Foreign FX Provider for FX Products and Services
- (3) The 1st Best Foreign FX Provider for FX Research & Market Coverage
- (4) The 2nd Best Foreign FX Provider for FX Options

The Triple A Asset

- (5) The Best Structured Product House in Thailand
- (6) The Best Credit Derivatives House in Thailand

Thomson Reuters

- (7) The Best Foreign Currency Liquidity Provider in Thailand
- (8) The Best THB FX Spot Contributor

Furthermore, CIMB Thai has been one of the major players in debt capital market ranking no. 6 in debt underwriting league table published by Bloomberg with a 10.16% market share. In 2016, we were appointed by Thailand's Public Debt Management Office to be a joint lead manager under the Bond Switching Program together with Bangkok Bank Public Company Limited and Hong Kong and Shanghai Corporation Limited. With innovative debt capital products and solutions, we also acted as the sole lead arranger and lead underwriter of a subordinated perpetual debenture for Ananda Development Public Company Limited, a leading property developer in Thailand.

Looking forward, CIMB Thai's Treasury Group will remain committed to developing innovative products and services to fulfil our customer needs in the areas of wealth management and risk management with professionalism and with the rapidly changing business environment taken into account.

2.3 Market Shares and Competitions

Competitive Environment - Market Shares

Unit (THB*Million)

BANK	Asset	Marketshare	Deposit	Marketshare	Loan	Marketshare
BANGKOK BANK	2,944,230	18.3%	2,178,141	19.0%	1,941,093	17.3%
KRUNG THAI BANK	2,689,447	16.7%	1,972,404	17.2%	1,904,089	16.9%
KASIKORNBANK	2,845,868	17.7%	1,794,835	15.6%	1,697,581	15.1%
SIAM COMMERCIAL BANK	2,913,023	18.1%	2,026,272	17.7%	1,939,048	17.2%
BANK OF AYUDHYA	1,883,188	11.7%	1,108,288	9.7%	1,448,882	12.9%
THANACHART CAPITAL	950,512	5.9%	676,557	5.9%	690,907	6.1%
TMB BANK	821,000	5.1%	598,948	5.2%	593,441	5.3%
TISCO FINANCIAL GROUP	271,280	1.7%	155,068	1.4%	224,934	2.0%
KIATNAKIN BANK	233,776	1.5%	109,923	1.0%	176,354	1.6%
CIMB THAI BANK	212,147	1.3%	149,097	1.3%	141,070	1.3%
Others*	298,797	1.9%	699,685	6.1%	493,100	4.4%
Total	16,063,268		11,469,217		11,250,499	

source: Commercial Bank's consolidated financial statement as of December 2016

2.4 Provision of Products and services

Source of Funding

As at 31 December 2016, deposits managed by the Bank stood at THB 192.3 billion (including interbank and money market deposits), whilst borrowings (including interbank and money market borrowings) amounted to THB 45.9 billion. Of that total, 85.4% 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 utilising funds in an efficient and effective manner.

Comparing the Bank's loans and deposits, total gross loans with maturity of not more than one year stood at THB 77.2 billion while loans with maturity of more than one year amounted to THB 129.8 billion. Meanwhile, deposits with maturity of not more than one year stood at THB 191.3 billion and those with maturity of over one year amounted to THB 1.0 billion.

Capital Adequacy Ratio

The Bank's capital adequacy ratio (CAR), common equity tier 1 (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 2016, the Bank's CAR under Basel III calculation was 15.6%, while CET1 capital and tier 1 capital ratios were 10.2% and 10.2%, respectively. The Bank has maintained a robust capital with CAR, CET1 and tier 1 capital ratios well above the Bank of Thailand's minimum requirements of 8.5%, 4.5% and 6.0%, respectively.

Capital Funds	Unit: THB billion		
	31 December 2016	31 December 2015	31 December 2014
Tier 1 capital	24.1	24.7	21.0
CET1 capital	24.1	24.7	21.0
Tier 2 capital	12.9	10.7	10.7
Total capital funds	37.0	35.4	31.7
Tier 1 capital to risk-weight assets (%)	10.2	10.8	9.9
CET1 capital to risk-weight assets (%)	10.2	10.8	9.9
Tier 2 capital to risk-weight assets (%)	5.4	4.7	5.1
Capital adequacy ratio (%)	15.6	15.5	15.0
Total risk-weight assets	237.4	229.0	211.5

Liquidity Risk Management Policy

Liquidity risk is defined as the current and prospective risk to the Bank's earnings, shareholder funds or reputation arising from the inability to effectively meet the present and future (both anticipated and unanticipated) funding needs or regulatory obligations when they are due, which may adversely affect the daily operations and incur unacceptable losses. Liquidity risk arises from mismatches in the timing of cash flows.

The objective of the Bank's liquidity risk management is to ensure that the Bank can meet the cash obligation in a timely and cost-effective manner. To this end, the Liquidity Risk Management Policy is to maintain high quality and well diversified portfolios of liquid assets and sources of funds under both business as usual and stress conditions. Due to the large delivery network and market focus, the Bank is to maintain a diversified core deposit base comprising savings, demand and term deposits,

thus providing with a stable large funding base. The Bank maintains some buffers of liquidity throughout the year to ensure safe and sound operations from a strategic, structural and tactical perspective.

The day-to-day responsibility for liquidity risk management and control is delegated to Asset and Liability Management Committee (ALCO) which meets at least once a month to discuss the liquidity risk and funding profile/plan of the Bank. ALCO is responsible for the overall management and oversight of liquidity and review/recommendation of liquidity risk management policy before seeking approval from the Board of Directors. ALCO is also in charge of approving liquidity risk tolerance. Asset and Liability Management (ALM) Team, which is responsible for the independent monitoring of the liquidity risk profile, works closely with Treasury Group in the surveillance of market conditions. Business units are responsible for establishing and maintaining strong business relations with their respective depositors and key funding sources. Treasury Group acts as a global funds dealing on a necessity or contingency basis. The Bank has to prudently manage the liquidity position to meet the daily operation needs. It measures and forecasts the respective cash flows arising from the maturity profiles of assets, liabilities, off balance sheet commitments and derivatives over a variety of time horizons under business as usual and stress conditions on a regular basis. For 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 lines approved by the Board of Directors.

The Bank will continue to emphasize and improve its retail customer acquisition to match its assets expansion. Its liquidity management strategy is to drive the accumulation of current accounts and saving accounts (CASA), as well as retail term deposits as more economical and stable sources of funding, while using the more price sensitive corporate deposits, bills of exchange, short-term debentures, and structured products as a means to balance out the funding and liquidity of the Bank. The Bank has designated functional teams 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 it will be the secondary source of repayment and will help alleviate loss in the event of default. Among the different types of collateral which the Bank accepts are deposits, government bond, debt and equity instruments, land, construction and machinery, etc. The loan to collateral value ratio will vary based upon the risk level of each credit product, the borrower's creditworthiness and liquidity of collaterals. The Bank has established a collateral valuation policy to ensure effective risk management as well as to comply with Bank of Thailand's guidelines. When the collateral is taken, it is important to follow the Bank's policy comprising, among others, valuation policy and valuation frequency.

Debt Monitoring Guidelines 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 pre-NPL accounts to be effectively managed, the early warning process has been set up as guidelines for relationship managers to take early action in identifying accounts with potential problem and develop proper action plan to timely solve the problem so that risk to the Bank can be mitigated. The accounts with potential problems are put under watch list classified by degree of their problem and risk level into three groups, i.e. watch list – low, watch list – medium and watch list – high. The accounts under watch list – low remain under normal

class while those under watch list – medium and high are classified as special mention. These pre-NPL as well as NPL accounts with TDR not yet finalised and with exposure more than THB 10 million are regularly reported to Asset Quality Committee (AQC).

AQC was set up to closely monitor development of pre-NPL accounts, NPL accounts with TDR not yet finalised and other accounts requiring close attention, and provide guidance to relationship managers on proper actions to be taken against these pre-NPL accounts to quickly and effectively solve the problem before they become NPL, as well as to provide proper solution for debt restructuring of NPL accounts to minimise loss and maximise recovery to the Bank.

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 incurrence of some loss on their part. The Bank will undertake debt restructuring work in accordance with the Bank of Thailand's 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 undertaken 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 assigned 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. 5/2559 regarding criteria for debt classification and provisioning of financial institutions, dated 10 June 2016 or as may be amended by the 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 the 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.

In addition to the specific provision, the Bank may set aside general provision as appropriate in order to be a buffer against any unexpected losses from economic cycle, etc.

3. Risk Factors

Risk Management Overview

CIMB Thai focuses on the 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 Board Risk Committee (BRC) was appointed by the Board of Directors to ensure independent and greater risk governance and accountability for all types of risks and to report directly to the Board of Directors. BRC is composed of three members who are members of the Board of Directors. Risk Management Committee (RMC) was appointed by the Board of Directors with responsibilities to review and recommend to BRC and the Board of Directors in various risk areas and any related matters, such as credit risk, operational risk, reputation risk, capital risk (to ensure compliance with Basel regulatory requirements), etc. RMC is composed of members with relevant and seasoned experience and expertise. Its key responsibilities are to review and recommend to BRC and the Board of Directors 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.

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 BRC, RMC, Risk Management Sub-committees and Credit Committee, and assists the Management in managing risks inherent to the Bank and banking businesses. Risk Management Group is independent from other business units involved in risk taking transactions or activities.

In 2016, Asset Quality Committee (AQC) was appointed by BRC with responsibilities to review and provide direction on managing accounts with credit quality concern and clients with signs of deterioration in credit quality.

Special Assets Management Team was also formed under Risk Management Group with responsibilities to manage credit quality concern assets as well as to provide strategy and advice to early manage clients with signs of deterioration in credit quality.

Strategic Risk

Strategic risk is the risk of losses as a result of insufficient consideration of possible threats to the Bank's activities, insufficiently substantiated prospective business where the Bank could gain advantage over 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 strategic risks can be summarised as follows:**1. Risk resulting from inappropriate organisational structure and management**

The Bank 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 of which the Bank must remain vigilant. Implementation of business plans under unfavourable external environments may lead to the performance under the 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, analysis and assessment of peer banks are conducted on a regular basis. Subsequent research and strategic findings and recommendations will then be 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 "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 facility agreements. 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 the Bank is to create value for shareholders by ensuring that the revenue is generated in balance with the acceptable credit risk appetite. Under the Credit Risk Management Policy, the Bank has put in place credit risk management process, techniques and controls to maintain a check and balance system with clearly defined responsibilities for relationship managers, credit analysts, credit risk assessors, credit approvers and risk management officers. The Risk Management Framework for the Bank and its subsidiaries has continued to be enhanced to support our business and to ensure the overall adherence to the risk management policy of the Bank and CIMB Group.

The Bank continuously reviews and improves risk assessment tools for different types of clients and in line with the growth of portfolios. The tools include corporate rating tool that was developed and implemented for corporate clients, SME rating model for SME clients, insurance model for life & non-life bancassurance customers, specialised lending rating model for specialised customer groups and credit scoring tools and system for retail, secured and unsecured loans as well as hire purchase. Credit rating and credit scoring tools are implemented in systems to ensure efficiency of rating/scoring and model performance monitoring. Moreover, the Bank has also put in place Acquisition Quality Trigger (AQT) to closely monitor the quality of new acquisition of retail customers more effectively.

Non-performing loan (NPL) is one of the key risks affecting profitability and capital adequacy of the Bank. As such, we closely and prudently monitor and manage NPL, thus allowing for maintaining of adequate provisions for bad debts. In addition, as a pre-emptive measure, problem accounts are proactively monitored and managed before they turn into NPL. For portfolio risk management, particular attention is given to credit concentration risks by imposing appropriate risk limits, i.e. country risk limits, internal

lending limits and business sector limits with RAG (Red, Amber & Green) indicators used to monitor concentration risk as well as to provide a better visual guidance to credit granting decision, i.e. Red – “Restricted,” Amber – “Selective,” and Green – “Grow.” The Bank also performs stress tests on credit risk to evaluate the impact on the Bank in the event of unfavorable economic and financial conditions, both in the plausible scenario and extreme scenario.

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

Market Risk

Market risk is defined as any fluctuation in the market value of the trading transaction or investment exposure. Therefore, market risk occurs when the Bank undertakes transactions which are exposed to fluctuation in 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 risks include the following:

1. Interest rate risk

The interest rate risks of transactions in the trading book are under the supervision of 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, Greek 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, Greek 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

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

Liquidity Risk

Liquidity risk is defined as the current and prospective risk to the Bank’s earnings, shareholder funds or reputation arising from the inability to effectively meet the present and future (both anticipated and unanticipated) funding needs or regulatory obligations when they are due, which may adversely affect the

daily operations and incur unacceptable losses. Liquidity risk arises from mismatches in the timing of cash flows.

The objective of the Bank's liquidity risk management is to ensure that the Bank can meet the cash obligation in a timely and cost-effective manner. To this end, the Liquidity Risk Management Policy is to maintain high quality and well diversified portfolios of liquid assets and sources of funds under both business as usual and stress conditions. Due to the large delivery network and market focus, the Bank is to maintain a diversified core deposit base comprising savings, demand and term deposits, thus providing with a stable large funding base. The Bank maintains some buffers of liquidity throughout the year to ensure safe and sound operations from a strategic, structural and tactical perspective.

The day-to-day responsibility for liquidity risk management and control is delegated to Asset Liability Management Committee (ALCO) which meets at least once a month to discuss the liquidity risk and funding profile/plan of the Bank. ALCO is responsible for the overall management and oversight of liquidity and review/recommendation of liquidity risk management policy before seeking approval from the Board of Directors. ALCO is also in charge of approving liquidity risk tolerance. Asset Liability Management (ALM) Team, which is responsible for the independent monitoring of the liquidity risk profile, works closely with Treasury Group in the surveillance of market conditions. Business units are responsible for establishing and maintaining strong business relations with their respective depositors and key funding sources. Treasury Group acts as a global funds dealing on a necessity or contingency basis. The Bank has to prudently manage the liquidity position to meet the daily operation needs. It measures and forecasts the respective cash flows arising from the maturity profiles of assets, liabilities, off balance sheet commitments and derivatives over a variety of time horizons under business as usual and stress conditions on a regular basis. For 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 lines approved by the Board of Directors.

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

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

Interest Rate Risk In Banking Book

Interest Rate Risk in Banking Book (IRRBB) is defined as the current and potential risk to the Banks' earnings and economic value arising from movement in interest rates.

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

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

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

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

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 the 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 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, RMC 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 or BRC as delegated for approval and deployment as the Bank's policies and procedures. To increase effectiveness, the Bank has also appointed Operational Risk Management Committee (ORC) 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 factors.

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 Designated Compliance & Operational Risk Officer (DCORO) is appointed within each work 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.

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 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 event data 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 will 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. Control issue management (CIM)

Control issues are defined as gaps in the Bank's control environment. Inadequately-designed controls or controls that are not operating effectively may result in a residual risk beyond risk appetite. To manage control issues, the Bank developed the Control Issues Management Policy which provides an approach to systematically capture control issues and provides rules around the robust management or mitigation. The purpose of the policy is to ensure that control issues are captured and classified consistently, and that there is robust governance over their closure or acceptance.

5. New product approval process

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

6. Complaint management process

The Bank is aware of reputation and customer satisfaction risks. It has set up complaint units and proper procedures to handle customer complaints in a bid to manage such risks. Customers can direct their grievances to any of these units, namely Office of the President's Complaint Centre, CIMB Thai Care

Centre, CIMB Thai Facebook page, or CIMB Thai branches. The complaint issues via the aforesaid channels will be gathered by Office of the President which performs as complaint management centre.

Office of the President (OFP) will consider and send each complaint issue to the work unit being complained. The complained work unit will investigate the issue, seek a solution thereto, and prepare and send out explanatory letters directly to the complainant. For any complaint made via a government agency, OFP will be the unit preparing and sending out letters to such government agency notifying it of the solution and result thereof. OFP will gather all customer complaints and their respective solutions, and present them to the task force for acknowledgement and remedial actions. This process aims to improve customer satisfaction and prevent the recurrence of such incidents. Summary reports on customer complaints and solutions will regularly be prepared and submitted by OFP to Management Committee and Audit Committee on a monthly basis.

7. 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 as well as 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 maintain customer confidence in the Bank's services.

8. Internal audit and compliance

The Bank has established Internal Audit Division and Compliance Department as independent units to assist Audit Committee in auditing and monitoring, and directly report to the Audit Committee. Internal Audit Division is responsible for examining and providing reasonable assurance that all Bank activities are effectively and efficiently managed and operated in line with good risk management and internal control principles. Compliance Department oversees and monitors the Bank's business operation to ensure compliance with all relevant laws and regulatory requirements.

Risk Related to Foreign Investment

The Bank has an insignificant exposure of foreign equity investments recorded in the banking book as a result of the amalgamation

4. Business Assets

4.1 Fixed Assets for Business Operation

(1) Premises and equipment

As at 31 December 2016, CIMB Thai group had land valued at THB 2,134 million, buildings THB 2,974 million, equipment THB 2,654 million and assets under construction THB 17 million. Net of accumulated depreciation and provisions for impairment of THB 4,109 million, the net book value of the premises and equipment was THB 3,670 million. The land, buildings and condominiums under the Bank and subsidiaries's ownership accommodate the Bank's headquarters, business centres, branches, and subsidiaries' offices.

(2) Commitments under long-term leases

As at 31 December 2016 and 2015, 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		Separate	
	2016 THB million	2015 THB million	2016 THB million	2015 THB million
1 - 3 years	309	237	257	197
4 - 5 years	6	8	6	8
6 - 10 years	5	12	5	12
11 - 30 years	1	2	1	2
Total	321	259	269	219

(3) Other commitments

As at 31 December 2016, the Bank had other commitments in the form of agreements relating to computer system and software development with various companies. It would be obligated to further pay THB 83 million, MYR 3.57 million, USD 6.1 million and SGD 715 thousand under such agreements (as at 31 December 2015: THB 112 million, MYR 1.1 million and USD 27 thousand).

Sale of non-performing assets

- Sukhumvit Asset Management Co., Ltd "SAM"

On 29 December 2016, the Bank entered into the agreement with SAM for sales of non-performing assets to SAM, and the Bank (as the transferors) received first payment of THB 4.22 million as at contract date and last payment of THB 80.28 million from SAM (as the transferee) on 6 January 2017, in accordance with the transfer conditions as specified in the agreement.

- Bangkok Commercial Asset Management Public Company Limited "BAM"

On 28 December 2016, the Bank entered into the agreement with BAM for sales of non-performing assets to BAM, and the Bank (as the transferors) received 8 promissory notes of THB 117.44 million each, totalling of THB 939.52 million from BAM (as the transferee), payment date during 9 April 2017 to 30 December 2018 with interest rate of 2.5% per annum, in accordance with the transfer conditions as specified in the agreement.

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, 2016, 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
 - 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 2016, there is no legal dispute which may materially adverse or affect the bank's asset in an amount over 5 % of shareholder equity.

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, 44 Langsuan Road, Lumpini, Patumwan, Bangkok 10330
Telephone Number	:	0-2638-8000 and 0-2626-7000
Facimile Number	:	0-2633-9026
CIMB Thai Care Center	:	Telephone Number: 0-2626-7777 E-mail: cimbthai.carecenter@cimbthai.com
Investor Relation	:	Telephone Number 0-2638-8615 E-mail ir@cimbthai.com
Company Secretary	:	Telephone Number 0-2638-8287 and 0-2638-8274 E-mail cs@cimbthai.com
Website	:	http://www.cimbthai.com

Reference:

Registrar : Thailand Securities Depository Co., Ltd.
Address : 93 Ratchadapisek Road, Din Daeng, Din Daeng, Bangkok 10400
Telephone Number : 0-2009-9000
Facimile Number : 0-2009-9991
SET Contact Center : 0-2009-9999
Website : <http://www.set.or.th/tsd>
E-mail : SETContactCenter@set.or.th
 :

Auditors : PricewaterhouseCoopers ABAS Ltd.
Address : 15th Floor, Bangkok City Tower, 179/74-80, South Sathorn Road, Bangkok 10120, Thailand
Telephone Number : 0-2344-1000 and 0-2286-9999
Facimile Number : 0-2286-5050
Auditors in charge : - Mrs. Anothai Leekijtwattana Certified Public Accountant (Thailand) No. 3442
 - Mrs. Unakorn Phruithithada Certified Public Accountant (Thailand) No. 3257
 - Mr. Paiboon Tunkoon Certified Public Accountant (Thailand) No. 4298

Entities in which CIMB Thai Bank invests 10% or more of total issued shares (As of 31 December 2016)

	Company name / Address	Type of business	Type of share	Paid-up Capital (No. of shares)	Number of shares held	%
1.	Center Auto Lease Co., Ltd. 43 Thai CC Tower 25 th , 32 nd Floor, South Sathon Road,Yannawa, Sathon, Bangkok Tel. +66-2673-9111, 0-2684-6500	Leasing	Ordinary	350,000,000	349,999,994	99.99

	Company name / Address	Type of business	Type of share	Paid-up Capital (No. of shares)	Number of shares held	%
2.	CT COLL Co.,Ltd. 128/229-234 Phayathai Plaza Building, 21 st Floor, Phayathai Road, Thung Phayathai, Ratchathevi, Bangkok Tel. +66-2626-7070	Debt collection service	Ordinary	385,000	384,993	99.99
3.	Worldlease Co., Ltd. 43 Thai CC Tower, 34 th Floor, South Sathon Road, Yannawa, Sathon, Bangkok Tel. +66-2675-6300 Fax. +66-2675-6299	Leasing	Ordinary	60,000,000	59,999,998	99.99
4.	SrithephthaiPlaschem Co., Ltd. (bankrupt) 1200 Bangna-Trad Road, Bangna, Bangkok Tel. +66-2398-0027 Fax. +66-2383-0201	Plastic products	Ordinary	83,332	31,410	37.69
5.	M-Home SPV 3 Co., Ltd. (liquidated) 1006/420 Masterview Executive Place Building, 1 st Floor, Charoennakorn Road., Banglumphu, Klongsan, Bangkok	SPV	Ordinary	10,000	1,282	12.82
6.	Tawana Hotel Co., Ltd. 80 Surawongse Road, Siphraya, Bangrak, Bangkok Tel. +66-2236-0361 Fax. +66-2236-3738	Hotel	Ordinary	33,909	3,390	10.00
7.	Sanwa Interfood Co., Ltd. 2219-2223 New Petchburi Road, Bangkapi, Huaykwang, Bangkok	Instant foods	Ordinary	10,000,000	1,000,000	10.00
8.	Samchai Plc. 522 Ratchada Complex, RatchadaphisekRoad,SamsenNok,Huaykhuang, Bangkok	Electrical appliance	Ordinary	40,000,000	4,000,000	10.00
9.	P.C.Patanasub Co., Ltd. (dissolved) 1600 New Petchaburi Road, Makkasan, Ratchathevi, Bangkok	Commerce	Ordinary	10,000	9,993	99.93
10.	Executive Management Services Manpower Ltd. (bankrupt) 295 Rama III Road, Bangkholaem, Bangkok Tel. +66-2689-2626	Office equipment and furniture rental	Ordinary	2,000	340	17.00
11.	Global Leasing Co., Ltd. (under official receivership) 518/5 Maneeya Center, 8 th Floor, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330 Tel. +66-2652-0730	Leasing	Ordinary	2,000,000	200,000	10.00
12.	TPF Leasing Co., Ltd. (bankrupt) 82 Sangthongthani Tower, 25 th Floor, North Sathon Road, Silom, Bangrak, Bangkok	Leasing	Ordinary	6,000,000	600,000	10.00
13.	UTM Advisory & Capital Management Co., Ltd. (abandoned) 44 CIMB Thai Head Office, 18 th Floor, Langsuan Road, Lumpini, Pathumwan, Bangkok	Consultancy	Ordinary	100,000	10,000	10.00
14.	SPL Development Co., Ltd. (abandoned)149 Modern Home Tower, Nonsi Road, Chong Nonsi,Yannawa, Bangkok	Real estate development	Ordinary	500,000	499,999	99.99

	Company name / Address	Type of business	Type of share	Paid-up Capital (No. of shares)	Number of shares held	%
15.	Thai-Ultra Auto Part Co., Ltd. (bankrupt) 59 Moo 4 Highway Road, Nikompattana, Bankai, Rayong	Auto parts distribution	Ordinary	6,500,000	650,000	10.00
16.	Advance Manufacturing Leasing Co.,Ltd. (abandoned) 246 Time Square Building, 11 th Floor, Sukhumvit12-14 Road,Khongteoy Bangkok	Leasing	Ordinary	20,000,000	2,000,000	10.00
17.	TunRuamkarnCo.,Ltd. (bankrupt) 133/2 Sukhumvit 21 Road, Klongtoey, Klongtoey, Bangkok	Finance	Ordinary	240,000	40,000	16.67
18.	Modern Appraisal Co.,Ltd. (abandoned) 3726/162-163 , 3 rd Floor, Rama III Road, Bangkhlo, Bangkolaem, Bangkok	Appraiser	Ordinary	20,000	2,000	10.00

6.2 Other Important Information

6.2.1 Thai Economy in 2016 and Outlook for 2017

Overview of the Thai Economy in 2016

Thai economy in 2016 was hurt by certain internal headwinds, especially the prolonged droughts which caused farm income to grow at a slow pace and weakened grassroots' purchasing power. This had a bearing on SMEs' business operations and purchasing power of consumers in the agricultural sector. However, since the end of the third quarter, farm income and consumers' purchasing power has picked up driven by the easing drought situation. Thai economic growth prospects in 2017 are expected from SMEs which have started to enjoy positive factors and should stimulate the economic expansion. Challenges lying ahead for Thailand will come from external uncertainties. The US's trade protectionist policy of the new US President, China's slowing economy, and the prevailing money and capital market volatility amidst the upward trend of the Fed funds rate and the oil price hike could more or less impair Thailand's economic stability.

Outlook for 2017

Thailand's economy in 2017 is forecasted to grow further, though at a decelerated pace. Interest rates have to be kept at low levels to support the economy. Thai entrepreneurs are recommended to take cautious steps in their operations. Although the policy rates will remain constant, the costs of funding through the capital markets may go up following the rising trend of bond yields to cope with the tightening liquidity caused by capital outflows. Investors should make early decision to raise funds through the bond markets during the period when funding costs are still low to avoid higher cost burden afterward.

Considering economic challenges lying ahead, CIMB Thai's Research Office views that the rising oil prices should support the prediction of the hike in purchasing power this year. Normally, oil prices move in line with commodity prices and prices of agricultural products. However, purchasing power may not move up so fast due to high household debt which restricted the acceleration of consumption. In the meantime, the prevailing low private investment and unresolved structural issues in the manufacturing sector like excess production capacity, lack of labor skill development and low production innovation, which have long discouraged additional private investment, could further weaken the country's long-term competitiveness.

Another inevitable challenge is that encountered by Thai exports which account for 60% of GDP. Although US President Donald Trump has not directly taken trade protectionist measures against Thailand, and Thai exports to the US should improve following the US's accelerated economic trends, the US stance towards China could hinder Thailand's exports in the supply chain, most of which are consumer goods, and other ASEAN members' exports of raw materials to China in 2017.

Under the current circumstances, Thai private entities, especially labor-intensive ones and those applying basic production technology should get prepared to move their bases more to the CLMV (Cambodia, Laos, Myanmar, Vietnam). So far, several large corporate businesses have already made their presence there, and SMEs should follow suit by jointly forming clusters and supply chains to serve large businesses. They may otherwise upgrade their production technologies to facilitate linkage of their supply chain with large businesses or explore new markets with growth potential, such as India, Australia and the Middle East to fully exploit the recovering global economy when commodity prices should improve to offset the rising trade protectionism.

Looking forward, despite the expected increase in the US Fed funds rates twice, i.e. in the middle and end of 2017, Thailand's interest rates should remain constant throughout the year. Meanwhile, Thai baht is forecasted to weaken further against the US dollar due to the Fed funds rate hike, and hence capital outflows. Anyway, the softening baht could be a boost to Thai exports.

All in all, Thailand's economy in 2016 grew by 3.2%. For 2017, Thai economic growth is predicted at 3.2%, the same as 2016, mainly due to the persisting global market volatility. Domestic consumption, though improving, still cannot offset the external pressures. Thus, public sector investment and tourism will remain to be the main engine to drive the Thai economy.

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 2016 are as follows:

- Registered Capital : THB 12,387,365,839.50 (twelve billion three hundred eighty-seven million three hundred sixty-five thousand and eight hundred thirty-nine baht and fifty satang), which comprises:
- : 24,774,731,679 (twenty-four billion seven hundred seventy-four million seven hundred thirty-one thousand six hundred and seventy-nine) ordinary shares, with a par value of THB 0.50 (fifty satang)
 - : No preference shares
- Issued and Paid-up Share Capital : THB 12,387,365,839.50 (twelve billion three hundred eighty-seven million three hundred sixty-five thousand and eight hundred thirty-nine baht and fifty satang), which comprises:
- : 24,774,731,679 (twenty-four billion seven hundred seventy-four million seven hundred thirty-one thousand six hundred and seventy-nine) ordinary shares, with a par value of THB 0.50 (fifty satang)
 - : No preference shares

7.2 Shareholder

(1) Major Shareholder of the Bank

a. Top 10 shareholders of the Bank as of 19 April 2016:

No.	Name of Shareholders	Number of Shares	% of Total
1.	CIMB BANK BERHAD	23,215,584,403	93.71
2.	BANK JULIUS BAER & CO. LTD, SINGAPORE	760,756,147	3.07
3.	THAI NVDR CO., LTD.	145,854,988	0.59
4.	MR. PISIT PRUKPAIBOON	33,609,986	0.14
5.	MR. PREECHA SUJINANKUL	14,100,000	0.06
6.	MR. PRAWIT PHANSAICHUE	13,452,575	0.05
7.	SCB SET INDEX FUND	11,944,716	0.05
8.	SCB SET BANKING SECTOR INDEX	10,416,925	0.04
9.	MR. WORAPOJ DEEJARIYA	10,000,005	0.04
10.	MRS. JAROONLUK PANICHSHEEWA	9,623,250	0.04
	Other Shareholders	549,388,684	2.22
	Total 6,955 shareholders holding	24,774,731,679	100.00
	Thai shareholders	789,071,961	3.18
	Foreign shareholders	23,985,659,718	96.82
	Total number of shares	24,774,731,679	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 23,215,584,403 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 December 2016)

Classified by type	Interest rate	Maturity	Collateral	Restrictions and Requirements	Value of debt securities in issue as at 31 Dec 2015 (THB)	Credit ratings (Moody's / Fitch Ratings)	Bond holder representative
1. Subordinated debenture ¹	None	22 December 2003	None	None	544,502,520	None	None
2. Subordinated and unsecured debenture, with debenture holder representative (Issued: 9 November 2012)	4.80% per annum	9 November 2022	None	The debenture is redeemable if written approval from the Bank of Thailand has been obtained and subject to the following conditions: 1) Upon the end of 5-year period from the issue date or at any interest payment date after the 5-year period from the issue date, or 2) The issuer can prove that interest payable under the debenture cannot be deducted as expense of the issuer for the taxation benefit of the issuer, or 3) Any other conditions as the Bank of Thailand may prescribe later. To seek approval from the Bank of Thailand as stated above, the issuer shall first propose its redemption and substitution plans to the Bank of Thailand.	3,000,000,000	Issue rating A+ (tha) by Fitch Ratings (Thailand) Limited	Bank of Ayudhya Plc.

Classified by type	Interest rate	Maturity	Collateral	Restrictions and Requirements	Value of debt securities in issue as at 31 Dec 2015 (THB)	Credit ratings (Moody's / Fitch Ratings)	Bond holder representative
3. Tier 2 subordinated debt ²	5.60% per annum	5 July 2024	None	For early redemption for each tranche of the subordinated debt where call option is applicable, the issuer may, at its sole discretion and subject to prior approval of the Bank of Thailand and submission to the Bank of Thailand redemption and substitution plans at least thirty (30) days prior to the call date, redeem and cancel the subordinated debt in whole but not in part on the call date in the principal amount together with all deferred and accrued but unpaid interest (if any), under the subordinated debt). The optional redemption by the issuer of the subordinated debt of one tranche does not trigger the redemption of the subordinated debt of other tranches. This is provided that, if required by the Bank of Thailand, 1) the redemption and substitution plans will include the issuance, either immediately or before the	3,371,180,000 (MYR 400,000,000)	Issue rating AA3 by RAM Rating Services Berhad	None

Classified by type	Interest rate	Maturity	Collateral	Restrictions and Requirements	Value of debt securities in issue as at 31 Dec 2015 (THB)	Credit ratings (Moody's / Fitch Ratings)	Bond holder representative
				redemption, of financial instruments of equivalent or superior quality in substitution for the subordinated debt to be redeemed; and 2) the issuance of these substitute instruments will not affect the issuer's ability to perform its business operation.			
4. Tier 2 subordinated debt ²	5.35%per annum	11 July 2026	None	For early redemption for each tranche of the subordinated debt where call option is applicable, the issuer may, at its sole discretion and subject to prior approval of the Bank of Thailand and submission to the Bank of Thailand redemption and substitution plans at least thirty (30) days prior to the call date, redeem and cancel the subordinated debt in whole but not in part on the call date in the principal amount together with all deferred and accrued but unpaid interest (if any), under the subordinated debt). The optional redemption by the	(MYR 570,000,000)	Issue ratingAA 3 by RAM Rating Services Berhad	None

Classified by type	Interest rate	Maturity	Collateral	Restrictions and Requirements	Value of debt securities in issue as at 31 Dec 2015 (THB)	Credit ratings (Moody's / Fitch Ratings)	Bond holder representative
				issuer of the subordinated debt of one tranche does not trigger the redemption of the subordinated debt of other tranches. This is provided that, if required by the Bank of Thailand, 1) the redemption and substitution plans will include the issuance, either immediately or before the redemption, of financial instruments of equivalent or superior quality in substitution for the subordinated debt to be redeemed; and 2) the issuance of these substitute instruments will not affect the issuer's ability to perform its business operation.			

- Notes:**
1. Referring to a subordinated debt instrument transferred from a financial institution under regulatory intervention, i.e. Union Asia Finance Plc., in the amount of THB 544.50 million.
 2. Referring to a subordinated debt instrument with cash flow hedge in the amount of MYR400 million and MYR 570 million .

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 January 2017, the Board of Directors was composed of the following eight directors:

	Name	Positions
1.	Mr.Chakramon Phasukavanich ^{/1}	Chairman
2.	Dato' Robert Cheim Dau Meng	Vice Chairman / Member and Alternate Chairperson of Nomination, Remuneration and Corporate Governance Committee
3.	Mr. Sukont Kanjana-Huttakit	Independent Director /Chairman of Audit Committee
4.	Mrs. Watanan Petersik	Independent Director / Chairperson of Nomination and Remuneration and Corporate Governance Committee
5.	Dato' Shaarani Bin Ibrahim	Independent Director/ Member of Audit Committee/ Member of Nomination and Remuneration and Corporate Governance Committee
6.	Mr. Chitrapongse Kwangsukstith	Director/Member and Alternate Chairman of Board Risk Committee
7.	Dato' Lee Kok Kwan	Director/Chairman of Board Risk Committee
8.	Ms. Serena Tan Mei Shwen	Director/Member of Board Risk Committee
9.	Mr.Pravej Ongartsittikul ^{/2}	Independent Director / Member of Audit Committee
10.	Mr. Kittiphun Anutarasoti ^{/3}	President and Chief Executive Officer

Note

^{/1}The Annual general Shareholder meeting no. 22, held on 19 April 2016, resolved to appoint Mr.Chakramon Phasukavanich, as Director of the Board. The Board of Directors meeting, held on 28 April 2016, resolved to appoint as the chairman effective from 1 May 2016.

^{/2}The Annual general Shareholder meeting no. 22, held on 19 April 2016, resolved to appoint Mr.Pravej Ongartsittikul, as Director of the Board. The Board of Director meeting, held on 28 April 2016, resolved to appoint Independent Director and member of Audit Committee effective from 1 May 2016

^{/3}The Board of Director meeting, held on 27 September 2016, resolved to appoint Mr. Kittiphun Anutarasoti, as Director in place of Ms. Sopawadee Lertmanaschai who had resigned and appoint Mr. Kittiphun Anutarasoti as President and Chief Executive Officer with effective from 19 October 2016.

Directors Nominated by Major Shareholder

CIMB Bank Berhad (CIMB Bank) has appointed three representatives to the Board, namely Dato' Robert Cheim Dau Meng, Dato'Lee Kok Kwan and Ms. Serena Tan Mei Shwen.

Authorised Signatories

The directors who are authorised signatories of the Bank are Mr. Kittiphun Anutarasoti and Mr. Chitrapongse Kwangsukstith, with both of whom to jointly sign and affix the Bank seal.

Meeting Attendance of Board of Directors

In 2016, the Bank arranged meeting of Board of Directors totalling 12 times. Details of the meeting attendance of each Board members are shown in the table below:

No.	Name	Position	Numbers of the meetings attended
1.	Mr.Chakramon Phasukavanich ^{/1}	Chairman	8/12
2.	Dato' Robert Cheim Dau Meng	Vice Chairman / Member and Altenate Chairperson of Nomination ,Remuneration and Corportate Governance Committee	10/12
3.	Mr. Sukont Kanjana-Huttakit	Independent Director /Chairman of Audit Committee	11/12
4.	Mrs. Watanan Petersik	Independent Director / Chairperson of Nomination and Remuneration and Corporate Governance Committee	10/12
5.	Dato' Shaarani Bin Ibrahim	Independent Director/ Member of Audit Committee/ Member of Nomination and Remuneration and Corporate Governance Committee	12/12
6.	Mr. Chitrapongse Kwangsukstith	Director/Member and Alternate Chairperson of Board Risk Committee	12/12
7.	Ms. Serena Tan Mei Shwen	Director/Chairperson of Board Risk Committee	12/12
8.	Dato'Lee Kok Kwan	Director/Member of Board Risk Committee	10/12
9.	Mr.Pravej Ongartsittigul ^{/2}	Independent Director / Member of Audit Committee	8/12
10.	Mr. Kittiphun Anutarasoti ^{/3}	President and Chief Executive Officer	3/12

Note:

^{/1}The Annual general Shareholder meeting no. 22 , held on 19 April 2016, resolved to appoint Mr.Chakramon Phasukavanich, as Director of the Board . The Board of Directors meeting, held on 28 April 2016, resolved to appoint as the chairman effective from 1 May 2016.

^{/2}The Annual general Shareholder meeting no. 22 , held on 19 April 2016, resolved to appoint Mr.Pravej Ongartsittigul, as Director of the Board. The Board of Director meeting, held on 28 April 2016, resolved to appoint Independent Director and member of Audit Committee effective from 1 May 2016

^{/3}The Board of Director meeting, held on 27September 2016, resolved to appoint Mr. Kittiphun Anutarasoti, as Director in place of Ms. Sopawadee Lertmanaschai who had resigned and appoint Mr. Kittiphun Anutarasoti as President and Chief Executive Officer with effective from 19 October 2016.

8.2 Executive Management

As of 31 January 2017, the Bank's executive management was composed of:

- Mr. Kittiphun Anutarasoti^{/1} President and Chief Executive Officer
- Mr. Sutee Losoponkul Senior Executive Vice President
Treasury Group
- Mr. Adisorn Sermchaiwong Senior Executive Vice President
Consumer Banking Group
- Mr. Arthit Masathirakul^{/2} Senior Executive Vice President
Risk Management Group
- Mr. Pornchai Padmindra Senior Executive Vice President
Wholesale Banking Group
- Mrs. Bussakorn Puttinan^{/3} Senior Executive Vice President
Group Information and Operations Division
- Ms. Siriporn Sanunpairaue Senior Executive Vice President
Internal Audit Division
- Mrs. Wareemon Niyomthai^{/4} Senior Executive Vice President
Commercial Banking Group
- Mrs.Kanokpai Vongsatitporn^{/5} Senior Executive Vice President
Human Resources Management Division
- Mr. JasonLeong kok Yew^{/6} Senior Executive Vice President
Finance Group

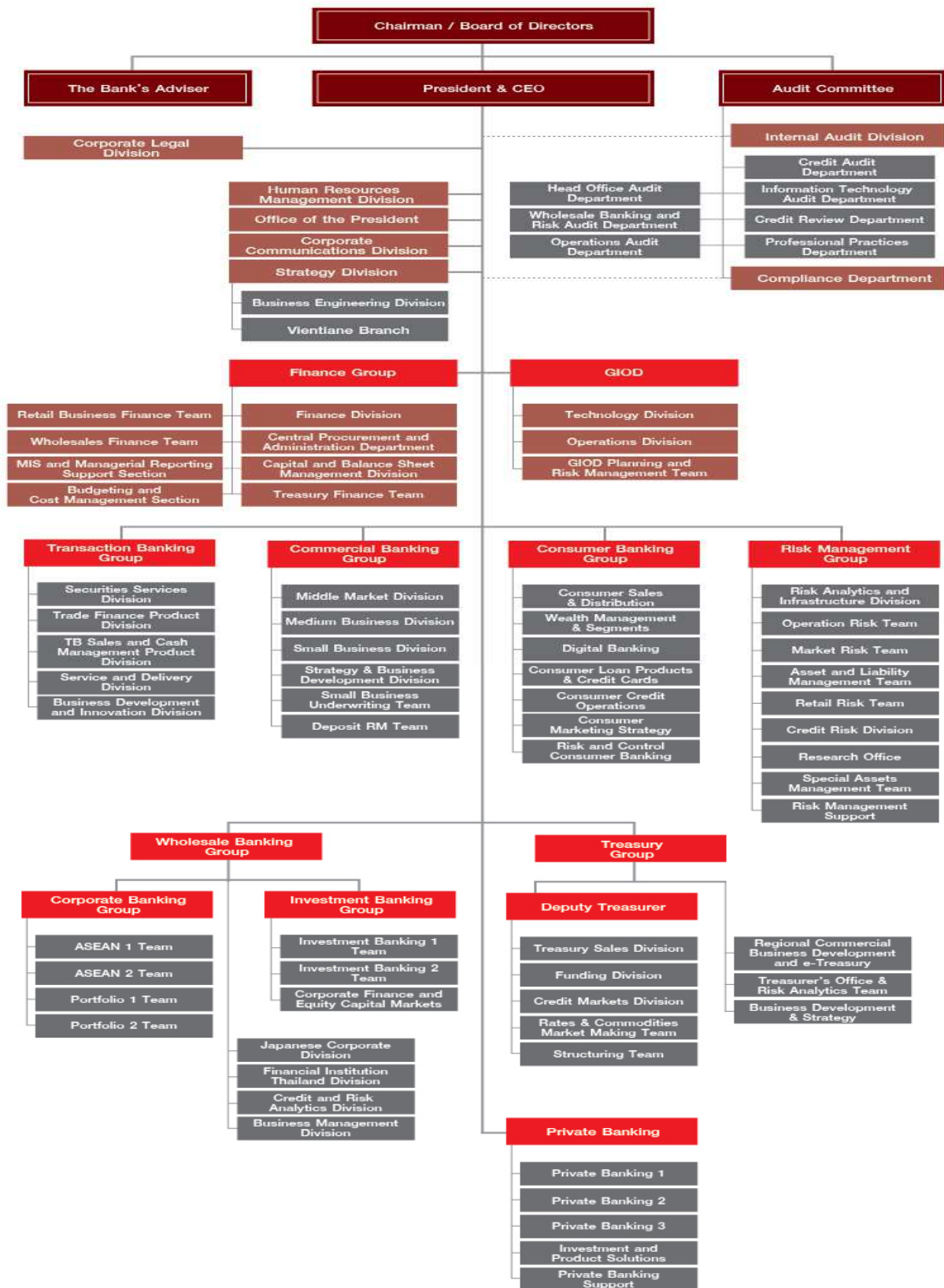
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| 11. | Mr. Tan Keat Jin ^{/7} | Senior Executive Vice President
Strategy Division |
| 12. | Mr. Prapas Thongsuk | Executive Vice President
Corporate Communications Division |
| 13. | Mr. Phisit Sucharitsopit ^{/8} | Executive Vice President
Transaction Banking Group |
| 14. | Mr. Thaphop Kleesuwan | Executive Vice President
Office of the President & Compliance Department |

- Notes**
- /1 The Board meeting, held on 27 September 2016, resolved to appoint Mr. Kittiphun Anutarasoti as President and Chief Executive Officer effective from 19 October 2016.
 - /2 The Board meeting, held on 24 November 2016, resolved to appoint Mr. Arthit Masathirakul, Senior Executive Vice President as Head of Risk Management Group and Chief Risk Officer effective from 1 January 2017.
 - /3 The Board meeting, held on 27 October 2016, resolved to appoint Mrs. Bussakorn Puttinan, Senior Executive Vice President as Head of Group Information and Operations Division effective from 4 January 2017.
 - /4 The Board meeting, held on 27 November 2015, resolved to appoint Mrs. Wareemon Niyomthai, Senior Executive Vice President as Head of Commercial Banking Group effective from 8 February 2016.
 - /5 The Board meeting, held on 24 November 2016, resolved to appoint Mrs. Kanokpai Vongsatitporn as Senior Executive Vice President Human Resources Management Division effective from 30 December 2016.
 - /6 The Board meeting, held on 24 November 2016, resolved to appoint Mr. Jason Leong kok Yew as Senior Executive Vice President Finance Group effective from 30 December 2016.
 - /7 The Board meeting, held on 24 November 2016, resolved to appoint Mr. Tan Keat Jin as Senior Executive Vice President Strategy Division effective from 30 December 2016.
 - /8 The Board meeting, held on 27 November 2015, resolved to appoint Mr. Phisit Sucharitsopit, Executive Vice President as Head of Transaction Banking Group effective from 22 February 2016.

As of 31 January 2017, CIMB Thai has 14 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. Kittiphun Anutarasoti	President and Chief Executive Officer
2.	Mr. Arthit Masathirakul	Senior Executive Vice President Risk Management Group
3.	Mr. Pornchai Padmintra	Senior Executive Vice President Wholesale Banking Group
4.	Mr. Adisorn Sermchaiwong	Senior Executive Vice President Retail Banking Group
5.	Mr. Sutee Losoponkul	Senior Executive Vice President Treasury Group
6.	Mr. Pao Chatakanonta	Senior Executive Vice President Deputy Treasurer
7.	Mrs. Bussakorn Puttinan	Senior Executive Vice President Group Information and Operations Division
8.	Mrs. Wareemon Niyomthai	Senior Executive Vice President Commercial Banking Group
9.	Ms. Siriporn Sanunpairaue	Senior Executive Vice President Internal Audit Division
10.	Mrs.Kanokpai Vongsatitporn	Senior Executive Vice President Human Resources Management Division
11.	Mr. Jason Leong kok Yew	Senior Executive Vice President Finance Group
12.	Mr.Tan Keat Jin	Senior Executive Vice President Strategy Division
13.	Mr. Phisit Sucharitsopit	Executive Vice President Transaction Banking Group
14.	Ms. Winita Kimsawadi	Senior Vice President Financial Reporting Department Finance Division

Management Structure (as at 31 December 2016)



*Reorganization of Bank's Organization Chart is effective from 1 January 2017 onwards.

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 executives , 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 2016

(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 2016. The aggregate remuneration for directors comprising meeting and entertainment allowances for Board members and remuneration for Board committee members amounted to THB 12,142,400 in 2016 (compared with THB 10,384,000 in 2015), as described below:

1.	Board of Directors	THB	7,272,400 (2015: THB 6,136,000)
2.	Audit Committee	THB	2,057,600 (2015: THB 1,824,000)
3.	Nomination, Remuneration and Corporate Governance Committee	THB	1,359,200 (2015: THB 1,104,000)
4.	Board Risk Committee	THB	1,453,200 (2015: THB 1,320,000)

Unit: THB

	Name	Positions	Monetary Remuneration			
			Board and Board Committee Members			
			Board of Directors	Audit Committee	Nomination, Remuneration and Corporate Governance Committee	Board Risk Committee
1	Mr.Chakramon Phasukavanich	Chairman	1,600,000	-	-	-
2	Dato' Robert Cheim Dau Meng	Vice chairman	1,464,400	-	302,000	-
3	Mr. Sukont Kanjana-Huttakit	Independent Director	704,000	993,600	-	-
4	Mrs. Watanan Petersik	Independent Director	508,000	120,000	577,200	-
5	Dato' Shaarani Bin Ibrahim	Independent Director	528,000	552,000	480,000	-
6	Mr. Chitrapongse Kwangsukstith	Director	528,000	-	-	444,000
7	Ms. Serena Tan Mei Shwen	Director	528,000	-	-	444,000
8	Dato'Lee Kok Kwan	Director	488,000	-	-	565,200

Name		Positions	Monetary Remuneration			
			Board and Board Committee Members			
			Board of Directors	Audit Committee	Nomination, Remuneration and Corporate Governance Committee	Board Risk Committee
9	Mr. Pravej Ongartsittigul	Independent Director	396,000	392,000	-	-
10	Mr. Kittiphun Anutarasoti ¹	President and CEO	132,000	-	-	-
Total			7,272,400	2,057,600	1,359,200	1,453,200

Notes:

/1 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 committee

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 2016, the aggregate remuneration for 15 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 105.92 million. In addition, the aggregate remuneration for 44 Executive Vice Presidents and above (in accordance with the BOT definition of the term 'executives') was THB 212.91 million.

2.2 Other benefits

In 2016 the Bank's contribution towards the provident fund for 15 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 4.60 million. Meanwhile, its contribution towards the provident fund for 44 Executive Vice Presidents and above (in accordance with the BOT definition of the term 'executives') was THB 10.12 million

8.4 Organisation and Personnel

As of 31 December 2016 the total manpower of the Bank was 2,699 employees, of whom 802 work at Bank branches and 1,897 at the head office, as below:

	No. of employees
1. President and Chief Executive Officer	1
2. Risk Management Group	98
3. Business Support Group	81
4. Finance Group	90
5. Group Information and Operations Division	562
6. Wholesale Banking Group	114
7. Retail Banking Group	1,299
8. Commercial Banking Group	155
9. Treasury Group	68
10. Transaction Banking Group	50
11. Human Resources Management Division	52
12. Office of the President	14
13. Corporate Communications Division	20

14. Internal Audit Division	55
15. Strategy Division	7
16. Compliance Department	21
17. Private Banking	12
<u>Total</u>	<u>2,699</u>

Staff Development Programme and Human Resource Management Plan

The Bank has continued to develop a robust human resources management system with focus on talent management and succession planning to ensure stronger talent pipeline for internal career progress to key positions in the organization. As for Branch Staff, the competency training roadmap was designed and developed by job role and position to become a professional financial advisor and wealth advisor to the customers implemented since 2015. The Bank has offered various training programmes such as Winning Wealth Management Programme and Branch Network Talent Development Programme on a continuous basis. The Bank has also emphasized on strengthening leadership skills at all staff levels with various leadership programmes as well as implementing Learning Management System (LMS) for self-learning of all mandatory training programmes. In addition, there were many staff engagement initiatives in 2016 as part of our culture building (A Better CIMB Culture) across the region.

Employee Benefits

The Bank has provided employee benefits such as provident fund, social security fund, life insurance, medical treatment, annual health check-up, 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 2,058.08 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 2016, the Bank organized 258 training courses, comprising 115 internal and 143 external courses at a total cost of THB 19.1 million covering 2,838 staff or 98% of total staff. Average training man days was 5 days per staff per year. In addition to existing leadership development program, the bank has support our internal trainers to acquire the certification program of DDI (Development Dimensions International) to internally conduct new leadership programmes i.e. Working as a High-Performing Team, Embracing Change, Fostering Innovation etc. The functional training program included Omega Credit Skills, Product Knowledge, Work System, Standard Operating Procedures, etc. The Bank has provided scholarship to employees to pursue study in MBA and promoted cross-board learning within CIMB Group by sending its employees to undertake regional training programmes such as Group Orientation, INSEAD Programme, Middle Management Development Plan, etc.

Staff Health and Safety Information

Proportion of average leave days of staff classified by type	2016 %	2015 %
Sick leave	30.11	30.76
Work related injury and sick leave	0.0	0.0
Others	69.89	69.24
No. of average sick leave days (days/person)	2.77	2.71
Work related accident death (persons)	0	0

Human Rights Policy and Procedures

The Bank has established Human Rights Policy and Procedures to ensure its directors, executives and employees comply with and respect human rights as prescribed in the Thai Constitution. This includes the right to equal treatment irrespective of differences in homeland, race, religion, gender, age, personal status, social or financial status, religious beliefs, education, or political viewpoints which are not against the provisions of the Constitution. The policy and procedures also provide for the Bank to withdraw its support from, or not engage with, individuals or organisations which are proven to have acted in breach of these human rights.

Policy of Non-violation of Intellectual Property Rights or Copyright

The Bank does not support its directors, executives and employees operating in violation of intellectual property rights or copyright. This includes duplicating, modifying or disseminating creative works with copyrights to the public without permission from the copyright owners.

Policy for Reporting of Interests of Directors and Executives

In order to control and monitor transactions made between the Bank and its directors, executives and related persons, the Bank has formulated a policy for reporting the interests of directors and executives (reports of interests). Directors and executives of the Bank shall submit their reports and those of related persons within seven business days from the end of each fiscal quarter as well as when there are changes (if any). In addition, they are required to submit copies of such reports to the Chairman of the Board and Chairman of the Audit Committee for acknowledgement within seven business days from the date the reports are received by the Company Secretary.

Policy and Procedures on Anti-Corruption

The Bank signed the declaration of intention to participate in the “Private Sector Collective Action Coalition against Corruption” and prepared the “Policy and Procedures on Anti-Corruption” to be strictly complied with by the directors, executives, staff and subsidiaries in order to ensure that the Bank has appropriate practice and regulation for corruption prevention. Currently, the Bank has been certified by the Private Sector Collective Action Coalition against Corruption Council as an official **“Member of the Private Sector Collective Action Coalition against Corruption”**.

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 Division 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. 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. The policy was updated 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 2016 AGM was held on 19 April 2016.

Before the AGM, from 1 November 2015 to 31 January 2016, 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 2016 AGM, no agenda items and no director nominations were proposed by the shareholders.

To convene the 2016 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 2015 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 2016 AGM, nine shareholders appointed the member of the Audit Committee who is independent director to attend the AGM and vote on the shareholder's behalf.

At the 2016 AGM, 100% of the Board members and 500 shareholders and proxies attended the meeting, with total shares held of 24,018,606,645 shares representing 96.9480% 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 had assigned the Vice Chairman to run the meeting in order to assure that the shareholders would have equal opportunity to ask questions, raise any issues or make recommendations without language restriction. 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 2016 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 has 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 Division, 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 2016, the Bank organised IR activities to provide information both directly and indirectly as follows:

1. Welcome of altogether 14 investors and analysts to meet with management team for inquiry on operating results, altogether seven 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 +662-626-7738, 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

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 10 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
- 4 non-executive directors
- 4 independent directors (accounting for 40% 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 and CEO is not eligible to be appointed as the Chairman. In the interest of good governance, the roles of the Chairman and the President and CEO 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.

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 retiring director may be re-elected.

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.

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 Board activities comply with applicable laws and regulations 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 passed 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, minutes of Board meetings, invitation notices and minutes of shareholder meetings, reports of beneficial interests of directors and executives, and other tasks as required by relevant laws.

B. Board Committees

The Board has established Board committees comprising Audit Committee, Nomination, Remuneration and Corporate Governance Committee, Board Risk 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 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 adequate time for studying business agendas and to ensure time spent efficiently during the meeting. The Board Secretary is also responsible for taking the minutes of each meeting and preparing the minutes of the meeting, which is adopted by the Board and filed for possible examination by the Board and relevant agencies. In 2016, the Bank held 12 Board meetings (details as disclosed under "Meeting Attendance of Directors").

E. Board/Board Committee Performance Review

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

Moreover, the Bank has made annual evaluation of President and Chief Executive Officer's performance, taking into consideration the key performance indicators determined based on the Bank's strategies and targets each year. The evaluation results will be compiled and concluded by the Board Secretary before presenting to the Chairman of the Board.

F. Remuneration of Directors and Senior Executives

The Bank discloses information on the remuneration of its directors and senior executives in compliance with the Public Limited Companies Act and the requirements of the supervisory and regulatory bodies. The Board aims to ensure that the Bank maintains competitive policies on remuneration in accordance with the following guidelines:

- **Remuneration of Directors**

The Bank's Articles of Association set out broad policies and practices to allow flexibility in determining directors' remuneration based on excellence in business and personal performance as well as the prevailing market conditions. The remuneration packages for directors, as approved by the meeting of shareholders, comprise meeting allowance, pension, bonus and other benefits. In this respect, the shareholders' meetings shall have remuneration determined either in specific amount or

as per general guidelines, and either set from time to time or set to take effect until any change thereafter. Employees who also serve on the Board are still entitled to receive salary and remuneration in their capacity as staff or employees of the Bank.

The Board is responsible for proposing the remuneration packages for directors at the meeting of shareholders. Such remuneration shall commensurate with long-term value and returns to be delivered by them to the Bank and the shareholders, and shall also be in line with that in the industry.

The 2016 annual general meeting of shareholders no. 22 held on 19 April 2016 passed a resolution approving the remuneration for the Board and Board Committee members for 2016, as detailed below:

1. Meeting and entertainment allowances for Board members:

Remuneration (Position)	Year 2016	
	Allowance (Monthly)	Allowance (Per attendance)
1. Meeting allowance		
• Chairman	71,500 THB/person	58,500 THB/person
• Vice Chairman	48,400 THB/person	39,600 THB/person
• Director	24,000 THB/person	20,000 THB/person
2. Entertainment allowance		
• Chairman	70,000 THB/person	-

Directors are responsible for paying their own income tax.

2. Remuneration for Board Committee members as appointed by the Board shall be paid in form of additional meeting allowances on a monthly basis as below:

Remuneration (Position)	Year 2016	
	Allowance (Monthly)	Allowance (Per attendance)
1. Audit Committee		
• Chairman	39,600 THB/person	32,400 THB/person
• Committee member	22,000 THB/person	18,000 THB/person
2. Other Committees		
• Chairman	28,600 THB/person	23,400 THB/person
• Committee member	22,000 THB/person	18,000 THB/person

Directors are responsible for paying their own income tax.

- Directors who are required to serve on other Board committees are entitled to receive additional fees based on the increase in responsibilities, as the Board sees fit.
- The Board has access to independent expert advice where needed, including determination of appropriate remuneration.
- The Board is duty-bound to disclose information on remuneration packages in compliance with the Public Limited Companies Act and relevant regulatory requirements.

G. Executive Development Programme

The Bank encourages all directors to participate regularly in the executive development programme, which is designed to familiarise the directors with the Bank's businesses, while providing them with an insight into their roles and responsibilities as Board members, and assisting them in developing

visionary thinking. So far, the directors have participated in two programmes organised by the Thai Institute of Directors (IOD), namely the Director Certification Programme (DCP) and Director Accreditation Programme (DAP). Details on the directors' IOD training programmes are in the directors' profiles.

In 2016, there were two new directors elected by the shareholders' meeting. The new directors undergo an in-house induction programme to provide an overview of the Bank and its business plans. They also receive an information pack that explains the Bank's corporate governance policies and practices and the roles and responsibilities of directors and of the Board as a whole, including the various laws and regulations they need to know.

H. Succession Plan

The Bank is fully aware of the necessity to operate its business efficiently and continuously. Thus, Human Resources Management Division has been tasked with formulating a succession plan to ensure that the Bank has identified executives or talents as successors and an appropriate training and development plan to upskill each individual to be ready to replace key positions with immediate effect or within the specified timeframe. The significant process requiring approval by the Nomination, Remuneration and Corporate Governance Committee and the Board of Directors is as follows:

1. Identify key positions in each Group/Division
2. Identify successor's required qualifications/core competencies
3. Identify qualified managerial personnel/executives individually as appropriate successors to replace key positions with immediate effect or within one year
4. Identify qualified managerial personnel/executives individually as appropriate successors to replace key positions within a period more than one year
5. Identify talents in key areas as high potential resources to be successors within the respective timeframe
6. Provide training and development plan for the identified staff to upskill and bridge any gaps
7. Review and complete annual succession plan for approval by the Nomination, Remuneration and Corporate Governance Committee and the Board of Directors

9.2 Board Committees

The Bank has various board committees as follows:

a. Board of Directors

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. 39/2559 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 Office. 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, of 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 judgment, 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 Office.

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 Office;
- (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 Office;
- (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.

B. 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 advisor 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.

C. 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 effective 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 advisor to the Board, or seek professional advice from an external advisor, 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.

D. 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:

- a. 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.
- b. 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.
4. 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.
5. 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 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.

Board of Directors

As of 31 January 2017, the Board of Directors was composed of the following eight directors:

Name	Positions
1. Mr.Chakramon Phasukavanich ¹	Chairman
2. Dato' Robert Cheim Dau Meng	Vice Chairman / Member and Alternate Chairman of Nomination, Remuneration and Corporate Governance Committee
3. Mr. Sukont Kanjana-Huttakit	Independent Director /Chairman of Audit Committee
4. Mrs. Watanan Petersik	Independent Director / Chairperson of Nomination and Remuneration and Corporate Governance Committee
5. Dato' Shaarani Bin Ibrahim	Independent Director/ Member of Audit Committee/ Member of Nomination and Remuneration and Corporate Governance Committee
6. Mr. Chitrapongse Kwangsukstith	Director/Member and Alternate Chairman of Board Risk Committee
7. Dato' Lee Kok Kwan	Director/Chairman of Board Risk Committee
8. Ms. Serena Tan Mei Shwen	Director/Member of Board Risk Committee
9. Mr.Pravej Ongartsittikul ²	Independent Director / Member of Audit Committee
10. Mr. Kittiphun Anutarasoti ³	President and Chief Executive Officer

Note

¹The Annual general Shareholder meeting no. 22, held on 19 April 2016, resolved to appoint Mr.Chakramon Phasukavanich, as Director of the Board. The Board of Directors meeting, held on 28 April 2016, resolved to appoint as the chairman effective from 1 May 2016.

²The Annual general Shareholder meeting no. 22, held on 19 April 2016, resolved to appoint Mr.Pravej Ongartsittikul, as Director of the Board. The Board of Director meeting, held on 28 April 2016, resolved to appoint Independent Director and member of Audit Committee effective from 1 May 2016

³The Board of Director meeting, held on 27 September 2016, resolved to appoint Mr. Kittiphun Anutarasoti, as Director in place of Ms. Sopawadee Lertmanaschai who had resigned and appoint Mr. Kittiphun Anutarasoti as President and Chief Executive Officer with effective from 19 October 2016.

Directors Nominated by Major Shareholder

CIMB Bank Berhad (CIMB Bank) has appointed two representatives to the Board, namely Dato'Lee Kok Kwan and Ms. Serena Tan Mei Shwen.

Authorised Signatories

The directors who are authorised signatories of the Bank are Mr. Kittiphun Anutarasoti and Mr. Chitrapongse Kwangsukstith, with both of whom to jointly sign and affix the Bank seal.

E. Board Committees (as of 31 January 2017)

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. Board Risk Committee
4. Shariah Sub-Committee
5. Management Committee
6. Risk Management Committee
7. Credit Committee Level 2
8. Retail Business Committee
9. Assets and Liabilities Management Committee
10. IT Strategic Planning Committee
11. Thailand Underwriting Committee
12. Marketing and Communications Committee
13. Asset Quality Committee

1. Audit Committee

The Audit Committee (AC) is composed of:

- | | | | |
|----|---|--|--|
| 1. | Mr. Sukont Kanjana-Huttakit | Independent Director | as Chairman |
| 2. | Dato' Shaarani Bin Ibrahim | Independent Director | as Member |
| 3. | Mr. Pravej Ongartsittigul ^{/1} | Independent Director | as Member |
| 4. | Ms. Siriporn Sanunpairaue | Senior Executive Vice President
Internal Audit Division | as Secretary for Internal Audit function |
| 5. | Mr. Thaphop Kleesuwan | Executive Vice President
Compliance Department | as Secretary for Compliance function |

Notes /1 The Board meeting, held on 28 April 2016, resolved to appoint Mr. Pravej Ongartsittigul, as Member of Audit Committee in place of Mrs. Watanan Petersik who had resigned from the Audit Committee with effective from 1 May 2016.

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 to 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 minimum information as stipulated in the SET regulations.
10. Clearly document the scope, roles and responsibilities of the advisory service from external expert to AC or appointment of management to perform duty on behalf of 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 to it 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 | as Chairperson |
| 2. Dato' Robert Cheim Dau Meng | Vice Chairman | as Member and Alternate Chairperson |
| 3. Dato' Shaarani Bin Ibrahim | Independent Director | as Member |
| 4. Mrs. Kanokpai Vongsatitporn | Senior Executive Vice President | as Secretary |
| | Human Resources Management Division | |

Powers, Duties and Responsibilities:

1. Nomination:

- To formulate policies, criteria and methods of nominating candidates as the Bank's directors or persons with management power (EVP upwards) for further proposal to the Board for consideration and approval, and to submit such policies, criteria and methods to the Bank of Thailand upon its request.
- To select and nominate names of qualified candidates for the following positions to the Board of Directors for approval:
 - a) Member of the Board of Directors,
 - b) Member of the Board of Directors appointed to sit at any board committee, and
 - c) EVP upwards
- To ensure that the size and composition of the Board of Directors is appropriate for the organization and the dynamic business environment. Board members shall possess appropriate expertise and experience.
- To disclose the nomination policy and process in the Bank's annual report.

- To consider the appointment and appropriate remuneration of the Bank subsidiaries' directors and recommend to the Board of Subsidiaries for approval.

2. Remuneration:

- To develop the policies on remuneration and other benefits payment, as well as remunerations and benefits for directors and persons with management power (EVP upwards) under clear, transparent criteria for proposal to the Board of Directors for consideration and approval, and to submit such policies to the Bank of Thailand upon its request. (Policies on remunerations, benefits and welfares shall cover every aspect of remunerations, including director fees, salaries, allowances, bonuses, as well as relevant options and benefits.)
- To ensure that directors and persons with management power (EVP upwards)'s remunerations are commensurate with their duties and responsibilities. Board members who take extra assignments should receive remunerations commensurate with their designated duties and responsibilities.
- To determine performance assessment criteria for board members and persons with management power (EVP upwards) for use in annual remuneration review, taking into account their responsibilities and relevant risks, as well as increase of shareholders' equity in a long run.
- To disclose the policy on remuneration determination and remunerations in various forms, and to prepare a report on remuneration determination that at least covers the objectives, activities and opinions of the Remuneration Committee in the Bank's annual report.
- To review the remuneration and compensation schemes for CIMB Thai employees in line with the industry practices and remuneration framework of the CIMB Group.
- To recommend the annual salary adjustments and bonuses framework for CIMB Thai Group to the Board of Directors for approval.

3. Corporate Governance:

- 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.
- 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.

4. The Board may assign any additional assignment to the Nomination, Remuneration and Corporate Governance Committee for consideration and approval.

3. Board Risk Committee

The Board Risk Committee (BRC) is composed of:

- | | | |
|------------------------------------|---|----------------------------------|
| 1. Dato' Lee Kok Kwan ¹ | Director | as Chairman |
| 2. Mr. Chitrapongse Kwangsukstith | Director | as Member and Alternate Chairman |
| 3. Ms. Serena Tan Mei Shwen | Director | as Member |
| 4. Mr. Arthit Masathirakul | Senior Executive
Vice President
Risk Management Group | as Secretary |

Note /1 The Board meeting, held on 22 January 2016, resolved to appoint Dato' Lee Kok Kwan, as BRC Chairman and Mr.Chitrapongse Kwangsukstith as BRC member and alternate Chairman.

Powers, Duties and Responsibilities:

1. Approve the appointment of risk committees and the appointment of new members and changes of members as well as powers, duties and responsibilities of the following risk committees:
 - 1.1. Risk Management Committee (RMC)
 - 1.2. Assets and Liabilities Management Committee (ALCO)
 - 1.3. Thailand Underwriting Committee
 - 1.4. Credit Committee
 - 1.5. Other risk committees appointed to report directly to BRC
2. Concur or approve risk frameworks, policies, limits and MAT (eTo concur or approve risk frameworks, policies, limits and MAT (e.g. Market Risk, Credit Risk, Operational Risk, Strategic Risk, etc.) of CIMB Thai and its Financial Group as follows:-

Frameworks/Policies/Limits and MATs of CIMB Thai

 - 2.1 To approve new or changes resulted in material increase in risk to the existing risk frameworks/policies permitted by regulator(s) to be approved by Board of Directors (BOD) delegated committee; and
 - 2.2 To approve all risk limits and MATs permitted by regulator(s) to be approved by BOD delegated committee.

Frameworks/Policies/Limits and MAT of Financial Group

 - 2.3 To concur on new (only required for Financial Group) or changes resulted in material increase in risk to the existing risk frameworks/policies prior to submission to the respective Board of Directors of the companies within the Financial Group for approval.
 - 2.4 To concur on all risk limits and MATs prior to submission to the respective Board of Directors of the companies within the Financial Group for approval.
- 3 To oversee the entire risk and capital management functions of CIMB Thai and its Financial Group including but not limited to the following:-
 - 3.1 To ensure capital management frameworks, policies and strategies and its related frameworks, policies and strategies operate effectively and being complied with.
 - 3.2 To review and approve the Stress Testing Scenario and Risk Posture.
- 4 To review and concur or approve proposals recommended by risk committees including but not limited to the following:-

New 3rd party of CIMB Thai and its Financial Group

Approve the new 3rd party(ies) of CIMB Thai (excluding CIMB Principal and CIMB Thai's subsidiaries) before selling their products or to concur on the new 3rd party(ies) of Financial Group prior to submission to the respective Board of Directors of the companies within the Financial Group for approval.

 5. To provide strategic guidance and review decisions made by the various risk committees.
 6. To ensure that infrastructure, resources, systems including risk measurement tools and other capabilities of CIMB Thai and its Financial Group are in place for risk management in order to maintain a satisfactory level of risk management and discipline and the risk awareness culture is pervasive throughout the organization.
 7. To appoint external consultants, from time to time, to review and advise BRC on risk management matters.
 8. To approve and ensure the following are in line with regulatory requirements:-
 - 8.1. Risk-related disclosures; and
 - 8.2. Internal control over process of risk-related disclosures.

Coverage: CIMB Thai Financial Group (where appropriate)

4. Shariah Sub-Committee

The Shariah Sub-Committee It consists of Islamic specialists who are not the Bank's employees and/or do not take positions in any other banks shall consist of:

1. Dr. Ismaae Alea
2. Dr. Maroning Salaming

Powers, Duties and Responsibilities

1. Explore all possibilities in conducting a financial service 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 Sub-Committees involved.

5. Management Committee

The Management Committee is composed of:

- | | | |
|--|---|--------------|
| 1. Mr. Kittiphun Anutarasoti ^{/1} | President and Chief Executive Officer | as Chairman |
| 2. Mr. Sutee Losoponkul | Senior Executive Vice President Treasury Group | as Member |
| 3. Mr. Adisorn Sermchaiwong | Senior Executive Vice President Consumer Banking Group | as Member |
| 4. Mr. Arthit Masathirakul ^{/2} | Senior Executive Vice President Risk Management Group | as Member |
| 5. Mr. Pornchai Padmintra | Senior Executive Vice President Wholesale Banking Group | as Member |
| 6. Mrs. Bussakorn Puttinan ^{/3} | Senior Executive Vice President Group Information and Operations Division | as Member |
| 7. Mrs. Wareemon Niyomthai ^{/4} | Senior Executive Vice President Commercial Banking Group | as Member |
| 8. Mrs. Kanokpai Vongsatitporn ^{/5} | Senior Executive Vice President Human Resources Management Division | as Member |
| 9. Mr. Jason Leong kok Yew ^{/6} | Senior Executive Vice President Finance Group | as Member |
| 10. Mr. Tan Keat Jin ^{/7} | Senior Executive Vice President Strategy Division | as Member |
| 11. Mr. Prapas Thongsuk | Executive Vice President Corporate Communications Division | as Member |
| 12. Mr. Phisit Sucharitsopit ^{/8} | Executive Vice President Transaction Banking Group | as Member |
| 13. Mr. Thaphop Kleesuwan | Executive Vice President Office of the President & Compliance Department | as Secretary |
| <u>By invitation</u> | | |
| Ms. Siriporn Sanunpairaue | Senior Executive Vice President Internal Audit Division | |

- Notes**
- /1 The Board meeting, held on 27 September 2016, resolved to appoint Mr. Kittiphun Anutarasoti as President and Chief Executive Officer effective from 19 October 2016.
 - /2 The Board meeting, held on 24 November 2016, resolved to appoint Mr. Arthit Masathirakul, Senior Executive Vice President as Head of Risk Management Group and Chief Risk Officer effective from 1 January 2017.
 - /3 The Board meeting, held on 27 October 2016, resolved to appoint Mrs. Bussakorn Puttinan, Senior Executive Vice President as Head of Group Information and Operations Division effective from 4 January 2017.
 - /4 The Board meeting, held on 27 November 2015, resolved to appoint Mrs. Wareemon Niyomthai, Senior Executive Vice President as Head of Commercial Banking Group effective from 8 February 2016.

- /5 The Board meeting , held on 24 November 2016,resolved to appoint Mrs.Kanokpai Vongsatitporn as Senior Executive Vice President Human Resources Management Division effective from 30 December 2016
- /6 The Board meeting , held on 24 November 2016,resolved to appoint Mr. Jason Leong kok Yew as Senior Executive Vice President Finance Group effective from 30 December 2016.
- /7 The Board meeting , held on 24 November 2016,resolved to appoint Mr.Tan Keat Jin as Senior Executive Vice President Strategy Division effective from 30 December 2016
- /8 The Board meeting , held on 27 November 2015,resolved to appoint Mr. Phisit Sucharitsopit, Executive Vice President as Head of Transaction Banking Group effective from 22 February 2016.

Powers, Duties and Responsibilities:

1. Advise the President and CEO;
2. Monitor and evaluate performance of each business division;
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 authorities on internal operations of non-risk related business unit;
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 which will be related to the Bank's reorganization;
10. Approve the appointment and revision of members, duties and responsibilities of Marketing and Communications Committee;
11. Consider and decide on non-financial issues under 1 Platform 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 referring customers through RBG only in case of 3rd Party Products which are not related parties transaction or do not have material change from the existing ones already approved by Risk Management Committee;
14. Approve 3rd Party Products with non-material change to the existing 3rd Party Products which have already been approved by Risk Management Committee;
15. Appoint insurance broker for the bank;
16. Other matters as directed by the Board/President & CEO.

Coverage : CIMB THAI group

6. Risk Management Committee

Risk Management Committee shall consist of:

- | | | | |
|----|------------------------------|---|------------------------|
| 1. | Mr. Kittiphun Anutarasoti | President and Chief Executive Officer | as Chairman |
| 2. | Mr. Arthit Masathirakul | Senior Executive Vice President
Risk Management Group | as Member |
| 3. | Mr. Jason Leong Kok Yew | Senior Executive Vice President
Finance Group | as Member |
| 4. | Mr. Phisit Sucharitsopit | Executive Vice President
Transaction Banking Group | as Member |
| 5. | Mrs. Bussakorn Puttinan | Senior Executive Vice President
Group Information and Operations
Division | as Member |
| 6. | Mr. Pornchai Padmintra | Senior Executive Vice President
Wholesale Banking Group | as Member |
| | or Ms. Chittavadee Sangthong | Executive Vice President
Credit and Risk Analytics Division | as Alternate
Member |

7.	Ms. Wareemon Niyomthai	Senior Executive Vice President Commercial Banking Group	as Member
8.	Mr. Adisorn Sermchaiwong	Senior Executive Vice President Consumer Banking Group	as Member
9.	Mr. Sutee Losoponkul	Senior Executive Vice President Treasury Group	as Member
10.	Mr. Tan Keat Jin	Senior Executive Vice President Strategy Division	as Member
11.	Mr. Thaphop Kleesuwan	Executive Vice President Office of the President & Compliance Department	as Member
12.	Mr. Anuwat Chuenchon	Vice President Risk Management Group	as Secretary

Powers, Duties and Responsibilities:

Capital management policies and strategies

1. Review and concur on, but not limited to the following, prior to submission to CIMB Thai's Board of Directors (BOD) or board of directors of the companies within the financial group for approval:
 - Capital management policies and strategies including capital management framework, strategic risk framework and annual integrated planning framework;
 - Policies related to Basel - Internal Capital Adequacy Assessment Process (ICAAP) including identifying, measuring, monitoring and controlling of risks to be in line with the risk and capital strategies and regulatory requirements; and
 - Risk appetite statement.

Stress testing scenario and risk posture

2. Concur on stress testing scenario and risk posture prior to submission to Board Risk Committee (BRC) for approval.

Risk frameworks, policies, limits and management action triggers (MATs)

3. Approve or concur on risk frameworks, policies, limits and MATs (e.g. market risk, credit risk, operational risk, strategic risk, etc.) of CIMB Thai and its financial group as follows:

For matters required by regulator(s) to be approved by BOD

- To concur on risk frameworks, policies, limits and MATs prior to submission to BOD or board of directors of the companies within the financial group for approval;

For matters permitted by regulator(s) to be approved by BOD delegated committee

- To concur on new or changes resulted in material increase in risk to the existing risk frameworks/policies prior to submission to BRC for consideration;
- To concur on risk limits and MATs of all types prior to submission to BRC for consideration and to approve risk limits of retail loans;
- To approve changes not resulting in material increase in risk levels to the existing risk frameworks/policies of CIMB Thai;
- To concur on changes not resulting in material increase in risk to the existing risk frameworks/policies of companies in the financial group prior to submission to board of directors of the companies in the financial group for approval;

Products/Services ("products") of CIMB Thai or CIMB Thai's financial group

4. Review and concur new/annual review or changes to the existing treasury products prior to submission to BOD for approval.
5. Approve new/annual review or changes resulting in material increase in risk to the existing non-treasury products.
6. Concur new/annual review or changes resulting in material increase in risk to the existing products of the financial group prior to submission to the respective board of directors of the companies within the financial group for approval.

New third party of the Bank and its financial group (excluding CIMB Principal and CIMB Thai's affiliated companies)

7. Concur new third party(ies) prior to submission to BRC for consideration.

Post-implementation review

8. Review and assess the products of the Bank and its financial group and make recommendation for improvement post-implementation.

Underwriting criteria and delegated authorities

9. Approve underwriting criteria (if required) and delegated authorities (including credit facility approval) under product program and other risk-related delegated authorities (excluding credit facility approval) of CIMB Thai;
10. Concur on underwriting criteria (if required) and delegated authorities (including credit facility approval) under product program and other risk-related delegated authorities (excluding credit facility approval) of the financial group prior to submission to board of directors of the companies within the financial group for approval.

Infrastructure, resources, systems

11. Review and ensure that infrastructure, resources, systems and other capabilities of CIMB Thai and its financial group are in place for risk management.

Risk-related disclosures

12. Review and ensure that the Risk-related disclosures and internal control over process of risk-related disclosures are in line with regulatory requirements prior to submission to BRC for consideration.

Compliance

13. Enforce compliance with all the risk management frameworks, policies, risk limits and delegation of authorities of CIMB Thai and its financial group.

Risk identification and measurement

14. Consider or approve methodologies/standards to identify and measure all the risks and strategies to assess, monitor and control the risks to be within the appropriate levels. (e.g. score cut-off for retail portfolio).

Risk measurement tools

15. Review and concur on risk measurement tools including risk models and validation reports (as appropriate) prior to submission to BRC or board of directors of the companies within the financial group for consideration.

Maintenance of asset quality

16. Ensure the asset quality of CIMB Thai and its financial group through close monitoring of credit approval process, approval of new loans and remedial actions for non-performing loans.
Business continuity management (BCM) framework and policy
17. Review and concur business continuity management framework and policy of CIMB Thai and its financial group prior to submission to BOD or board of directors of the companies within the financial group for approval.

Appointment of new risk committees

18. Consider and propose the appointment of new risk committees to BRC for approval.
Coverage: CIMB Thai financial group (where appropriate)

7. Credit Committee Level 2

The Credit Committee Level 2 is composed of:

- | | | | |
|----|--|--|---|
| 1. | Mr. Kittiphun Anutarasoti | President and Chief Executive Officer | as Chairman |
| 2. | Mr. Arthit Masathirakul | Senior Executive Vice President
Risk Management Group | as Deputy
Chairman |
| 3. | Mr. Pornchai Padmintra
or Ms. Chittavadee Sangthong | Senior Executive Vice President
Wholesale Banking Group
Executive Vice President
Credit and Risk Analytics Division | as Member

as Alternate
Member |
| 4. | Mrs. Wareemon Niyomthai
Mr. Kusol Sripaoraya | Senior Executive Vice President
Commercial Banking Group
Executive Vice President
Middle Market Division | as Member

as Alternate
Member |
| 5. | Mr. Pakorn Moj dara | Senior Vice President
Special Asset Management
Risk Management Group | as Member |
| 6. | Mr. Adisorn Chanpong | Executive Vice President
Corporate Sales Team 3
Treasury Sales Division | as Member |

7. Representative from Credit Risk Management Group as Secretary
 Committee Secretary Team

Powers, Duties and Responsibilities:

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

Credit related decisions

1. Approve credit facilities for customer and/or group of customers/¹ having aggregate limits and global rating (on group basis) as follows:

Table 1

Customer Group Rating^{/2}	Customer and/or Group Limit (excluding DSR Limit)	Customer and/or Group Limit (DSR Limit only)
All Ratings	Up to THB 500 Mil.	Up to THB 500 Mil.
Rating 9 and better	Up to THB 800 Mil.	Up to THB 800 Mil.
Rating 7 and better	Up to THB 2,000 Mil.	Up to THB 2,000 Mil.
Rating 4 and better	Up to THB 3,000 Mil.	Up to THB 3,000 Mil.

^{/1} Including banking institutions/groups, bank holding companies, subsidiaries and sovereign entities

^{/2} Group Rating is the weighted average of the Global Obligor Rating (based on credit limit excluding DSR Limit) of all companies in the group

- Revolving credit: Credit Limit = Approved credit line
- Non-revolving credit: Credit Limit = Outstanding + Available line for drawdown

2. Approve for 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 for customer and/or group of customers/¹ having aggregate limit and/or global rating beyond the Credit Committee Level 2's approval authority as stated in Table 1 but customer and/or group limit (excluding DSR limit) after temporary excess shall not exceed 15% of total capital funds of the Bank.
3. Review and approve annual review for credit facilities originating group-wide and investments in debt instruments including perpetual bond and hybrid financial instruments without embedded derivatives for the customer and/or group of customers/¹ having aggregate limits as follows:

Customer Group Rating	Customer and/or Group Limit (excluding DSR Limit)	Customer and/or Group Limit (DSR Limit only)
All Rating	Up to 15% of the Bank's total capital funds	All Limits

^{/1} including banking institutions/groups which include bank holding companies and all subsidiaries and Sovereign

4. Review and approve changes of terms and conditions for credit facilities originating group-wide and investments in debt instruments including perpetual bond and hybrid financial instruments without embedded derivatives, and such changes cause material effect on risk exposure for the customer and/or group of customers/¹ having aggregate limits as follows:

Customer Group Rating	Customer and/or Group Limit (excluding DSR Limit)	Customer and/or Group Limit (DSR Limit only)
All Rating	Up to 15% of the Banks total capital funds	All Limits

^{/1} Including banking institutions/groups, bank holding companies, subsidiaries and sovereign entities.

Note To consider whether the changes of terms and conditions cause material effect on risk exposure or not is at the discretion of Credit Committee Level 2.

5. Review and approve changes of terms and conditions for credit facilities originating group-wide and investments in debt instruments including perpetual bond and hybrid financial instruments

without embedded derivatives, and such changes do not cause material effect on risk exposure for the customer and/or group of customers/1 having aggregate limits as follows:

Customer Group Rating	Customer and/or Group Limit (excluding DSR Limit)	Customer and/or Group Limit (DSR Limit only)
All Rating	Up to Legal Lending Limit (BOT criteria)	All Limits

/1 Including banking institutions/groups, bank holding companies, subsidiaries and sovereign entities.

Note To consider whether the changes of terms and conditions cause material effect on risk exposure or not is at the discretion of Credit Committee Level 2.

6. Approve temporary extension of annual review for all credit limits.
7. Ensure that CIMB Thai's overall loan portfolio meets with the guidelines of regulatory authorities and approved credit policies, procedures and risk appetite.
8. Review and approve debt restructuring and rescheduling and any recovery action including compromised settlement and write-off within the existing loan loss provision for credit facility extended to the customer and/ or group of customers/1 having aggregate limit as follows:

Customer Group Rating	Customer and/or Group Limit (excluding DSR Limit)	Customer and/or Group Limit (DSR Limit only)
All Rating	Up to THB 500mn	Up to THB 500mn

/1 Including banking institutions/groups, bank holding companies, subsidiaries and sovereign entities

9. Review and approve debt restructuring and rescheduling and any recovery action with no write-off/ hair cut for credit facility extended to the customer and/or group of customers/1 having aggregate limit as follows:

Customer Group Rating	Customer and/or Group Limit (excluding DSR Limit)	Customer and/or Group Limit (DSR Limit only)
All Rating	Up to 15% of total capital funds of the Bank	All Limit

/1 including banking institutions/groups which include bank holding companies and all subsidiaries and Sovereign

10. Review and approve loan classification, loan loss provisions, final obligor risk rating of all credit limits submitted to/ through the Committee for approval.
11. Assess the risk return trade-off when approving loans and advances to ensure that facilities granted are within the risk appetite of CIMB Thai.
12. Approve PSR passive excess of all credit limits.
13. Review and approve investment in debt instruments including perpetual bond and hybrid financial instruments without embedded derivatives for customer and/or group of customers/1 having aggregate limits and global rating (on group basis) as per Table 1.
14. Recommend for the Board approval, where necessary, all credit proposals and/or investments in debt instruments including perpetual bond and hybrid financial instruments without embedded derivatives for those customers and/or group of customers/1 not under authorities of the Credit Committee Level 2, and all proposals for investment in debt instruments including perpetual bond and hybrid financial instruments with embedded derivatives and all lending to related parties.
15. Recommend to the boards of companies in the 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/1 having aggregate limit up to 15% of total capital funds including the management of non-performing assets.

/1 Including banking institutions/groups, bank holding companies, subsidiaries and sovereign entities

Other matters

16. Review and approve the sale of non-performing asset (NPA) which was used for the Bank's operation or for the use of the staff and employees of the Bank with the costs of each NPA of not exceeding THB 50 million.

17. Review and approve the management of NPAs received from the transfer of collateral to the Bank to settle debt or from the public auction of the collateral including approval of offering sale price, sale procedures/ payment conditions and sale of NPAs to a person or group of persons of which the costs of such NPAs are not over THB 500 million.

18. Perform any other functions as and when directed by Board Risk Committee.

Coverage: CIMB Thai Bank

8. Retail Business Committee

The Retail Business Committee consists of:

1.	Mr. Kittiphun Anutarasoti	President and Chief Executive Officer	as Chairman
2.	Mr. Adisorn Sermchaiwong	Senior Executive Vice President Consumer Banking Group	as Alternate Chairman
3.	Mr. Arthit Masathirakul	Senior Executive Vice President Risk Management Group	as Member
	or Ms.Sasima Thongsamak	Senior Vice President Risk Management Group	as Alternate Member
4.	Mr. Jason Leong Kok Yew	Senior Executive Vice President Finance Group	as Member
5.	Mrs. Bussakorn Puttinan	Senior Executive Vice President Group Information and Operations Division	as Member
6.	Mrs.Kanokpai Vongsatitporn	Senior Executive Vice President Human Resources Management Division	as Member
7.	Mr. Prapas Thongsuk	Executive Vice President Corporate Communications Division	as Member
8.	Ms. Dusanee Klewpatinontha	Executive Vice President Head of Wealth Advisory Acting Head of Wealth Products	as Member
9.	Ms. Onanong Udomkantong	Executive Vice President Retail Loan Products	as Member
10.	Head	Cards and Fee Based Products	as Member
11.	Mr. Boonsong Teachakidatikul	Senior Vice President Customer Segment and Digital Banking (Acting)	as Member
12.	Ms. Piyawan Thianphranon	Senior Vice President Head of Retail Business Finance Team	as 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. Analyze 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) (hereon 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 and details are as follows:
 - 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 which related to Retail Business; for example, down time issue, turn-around time, etc
- 4.4. Risk Performance which have impacts on Retail Business; for example, credit criteria, credit processing and others
- 4.5. Staff turnover of Retail Business including other arising issues;
5. Delegate an authority of approval to Head, Retail Banking Group and Head, Strategy & Finance Group for the framework and concept of incentive* scheme designed for the bank's staff, and any changes in relation to framework and payout of the new or existing scheme only with the case that expenses ≤ 0.5 Million Baht;
6. Delegate an authority of approval to Head, Retail Banking Group and Head, Strategy & Finance Group for new marketing plan, sales promotion plan, media and advertising, and other related expenses** (excluding interest rates and fees) only with the case that expenses ≤ 0.5 Million Baht;
7. Delegate an authority of approval to the Chairman, Director and Managing Director of subsidiaries for the framework and concept of incentive* scheme designed for the subsidiaries' staff, and for new marketing plan, sales promotion plan, media and advertising, and other related expenses** only with the case that expenses ≤ 0.5 Million Baht and acknowledge in the next RBC Meeting; and
8. Perform any other functions as designated by the Management Committee or the President and CEO

* Incentive: any form of payment to the bank's employees (staff and direct sale staff) in the form of cash or other properties i.e. gold and other benefits for tax calculation i.e. trip, etc. which are on top of compensation in the form of salary.

Remark: In case that proposed incentive was approved at ≤ 0.5 Million Baht; however, actual incentive paid is over 0.5 Million Baht, it is required to acknowledge in the next RBC Meeting

** Other related expenses: 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, etc.

9. Assets and Liabilities Management Committee

The Assets and Liabilities Management Committee consists of:

- | | | |
|----------------------------------|--|---------------------|
| 1. Mr. Kittiphun Anutarasoti | President and Chief Executive Officer | as Chairman |
| 2. Mr. Arthit Masathirakul | Senior Executive Vice President
Risk Management Group | as Member |
| or Mr. Radhapol Chudhangkura | Senior Vice President
Risk Management Group | as Alternate Member |
| or Mr. Somchai Yongkrittaya | Executive Vice President
Market Risk Team | as Alternate Member |
| 3. Mr. Jason Leong Kok Yew | Senior Executive Vice President
Finance Group | as Member |
| or Ms. Pannee Deesilpakij | Senior Vice President
Wholesales Finance Team | as Alternate Member |
| 4. Mr. Tan Keat Jin | Senior Executive Vice President
Strategy Division | as Member |
| or Mr. Waravoot Tocharoentanapol | Senior Vice President
Strategy Division | as Alternate Member |
| 5. Mr. Sutee Losoponkul | Senior Executive Vice President
Treasury Group | as Member |
| or Mr. Pao Chatakanonta | Senior Executive Vice President
Deputy Treasurer | as Alternate Member |
| or Ms. Panawan Wongakkarakul | Executive Vice President | |

	Funding Division	as Alternate Member
6. Mr. Pornchai Padmintra	Senior Executive Vice President	as Member
or Ms. Somjittra Dhanasobhon	Wholesale Banking Group	
	Executive Vice President	as Alternate Member
	Business Management Division	
7. Ms. Wareemon Niyomthai	Senior Executive Vice President	as Member
or Mr. Preepop Woradithee	Commercial Banking Group	
	Senior Vice President	as Alternate Member
	Strategy & Portfolio Manager & RM	
	Performance & CRM Team	
8. Mr. Adisorn Sermchaiwong	Senior Executive Vice President	as Member
or Mr. Chayakom Piromrat	Consumer Banking Group	
	Vice President	as Alternate Member
	Deposit Products and ATM / Debit Cards	
9. Mr. Phisit Sucharitsopit	Executive Vice President	as Member
or Ms. Chanida Mujanatongsuk	Transaction Banking Group	
	Senior Vice President	as Alternate Member
	Business Development and Innovation Division	
10. Mr. Radhapol Chudhangkura	Senior Vice President	as Secretary
	Asset and Liability Management Team	

Powers, Duties and Responsibilities:

Current Operating Environment and Market Update

1. To review the economic outlook and market outlook.

Balance Sheet and NII Review

2. To review and analyze the Bank's balance sheet plan by business, asset and liability mix, currency, growth, yield and margin;
3. To review variations between actual and planned balance sheet and how these impact loan-deposit and other balance sheet ratios and funding plan and whether the Bank will remain within the established risk appetite;
4. To review net interest income and margin trends including forecast position, and the variances from the planned net interest margin, and detail any required actions as appropriate;
5. To review the impact on earnings (NII) under base case and stressed economic scenarios;
6. To review and ensure the FTP is appropriate and act as the arbitrator between business lines in designing and implementing FTP and promote consistency across the Bank and its subsidiaries; and
7. To review and approve the pricing that requires regulatory approval or notification e.g. Base Lending Rate (e.g. MLR, MOR, etc.), base rate for consumer lending, board rates for fixed deposits and pricing for new products to be in line with the Bank's strategic objectives and business plan.

Contingency Funding Plans

8. To review the Contingency Funding Plan ("CFP") as an operational business plan and assess the capacity of the plan to ensure that any management action is realistic; and
9. To ensure that early warning indicators are up-to-date and relevant.

Asset Liability Management

10. To review ALM framework and policies to ensure they are appropriate for the size and complexity of the current and future operations of the Bank;
11. To promote consistent policies and practices in line with those of CIMB Group;
12. To review and recommend established Management Action Triggers ("MATs") / Limits for liquidity risk and interest rate risk in banking book to BOD for approval;

13. To set, monitor and review the hedging strategies of the Bank;
14. To review and ensure that the Bank's risk profile is within established MAT / Limits for liquidity risk and interest rate risk in banking book, including reviewing internal and regulatory stress testing results across material currencies within the Bank and its subsidiaries;
15. To review and recommend ALM risk model parameters and model validation results for approval by BRC; and
16. To identify and review the Bank liquidity and funding requirements and appropriate actions to address these requirements.

Approval Authority

17. To review and recommend ALM risks framework and policies for BOD approval;
18. To review and approve ALM risks methodologies and standard to be met to comply with approved policies;
19. To review and approve FTP framework, policies and methodologies for the Bank;
20. To review and approve the pricing that requires regulatory approval or notification e.g. MLR, MOR, base rate for consumer lending, board rates for fixed deposits and pricing for new products to be in line with the Bank's strategic objectives and business plan;
21. To approve the Delegated Authority ("DA") for pricing of deposits for the group business committees; and
22. To escalate to BRC and BOD any MAT / trigger / limits breaches (non-regulatory) that are not viewed as material variance to the approved Risk Appetite Statement and to the capital / liquidity / reputation of the Bank.

Coverage: CIMB Thai financial group (where appropriate)

10. IT Strategic Planning Committee

The IT Strategic Planning Committee is composed of:

- | | | | |
|----|---------------------------------|---|-------------------------|
| 1. | Mr. Kittiphun Anutarasoti | President and Chief Executive Officer | as Chairman |
| 2. | Mr. Jason Leong Kok Yew | Senior Executive Vice President Finance Group | as Alternate Chairman |
| 3. | Mr. Tan Keat Jin | Senior Executive Vice President Strategy Division | as Member |
| 4. | Mr. Adisorn Sermchaiwong | Senior Executive Vice President Consumer Banking Group | as Member |
| | or Mr. Boonsong Teachakidatikul | Senior Vice President Customer Segment and Digital Banking (Acting) | as Alternate Member |
| 5. | Mr. Somchai Yongkrittaya | Executive Vice President Market Risk Team | as Member |
| | or Ms. Suchada Phokasub | Executive Vice President Risk Analytics and Infrastructure Division | as Alternate Member |
| 6. | Mrs. Bussakorn Puttinan | Senior Executive Vice President Group Information and Operations Division | as Member |
| 7. | Mr. Tapakorn Siritanawutichai | Executive Vice President Technology Division | as Member and Secretary |
| 8. | Mr. Boonkiat Ekwanich | First Vice President Information Technology Audit Department | as 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 to support the overall organisational strategic business plan;
3. Consider and determine technical projects, acquisitions and efficiencies of technologies as well as 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 the assignments;
 9. Approve IT project the project cost of which exceeds THB 1 million but not exceeding THB 100 million;
 10. Review and endorse recommendations on IT project the project cost of which exceeds THB 100 million;
 11. Approve the purchases or the hiring under a special process for IT project;
 12. Approve a disbursement of the 1Platform R1.1 budget of up to RM 24 million and the R 2.0 budget of up to RM 2.467 million, totaling around RM 26.467 million;
 13. Ensure the success of the 1Platform project implementation through engagement with various stakeholders and relevant bodies;
 14. Make and approve decision on the strategy, direction, timeline, resources, staffing, finance and budget of the project;
 15. Review project status and approve key project deliverables;
 16. Remove roadblocks and provide ongoing support for the project teams;
 17. Review the project status;
 18. Ensure compliance of 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 post implementation review (PIR) papers for implemented projects to ascertain project management quality and meet the deliverables of business cases;
 22. Prioritise and examine status of IT projects to ensure compliance with service level agreements.
 23. Appoint Pre-IT SPC Review Team to review and ensure completeness of business case papers before submission to ITSPC.
- Coverage: CIMB Thai group

11. Thailand Underwriting Committee

The Thailand Underwriting Committee Thailand is composed of:

- | | | |
|--|---|------------------------|
| 1. Mr. Kittiphun Anutarasoti | President and Chief Executive Officer | as Chairman |
| 2. Mr. Arthit Masathirakul | Senior Executive Vice President
Risk Management Group | as Member |
| 3. Mr. Jason Leong Kok Yew | Senior Executive Vice President
Finance Group | as Member |
| or Ms. Pannee Deesilpakij | Senior Vice President
Wholesales Finance Team | as Alternate
Member |
| 4. Mr. Pornchai Padmindra | Senior Executive Vice President
Wholesale Banking Group | as Member |
| or Ms. Suchada Phokasub | Executive Vice President
Risk Analytics and Infrastructure
Division | as Alternate
Member |
| 5. Head of Credit Risk Division | | as Member |
| 6. Ms. Sumalee Boonanan | Senior Vice President
Treasurer's Office & Risk Analytics
Team | as Member |
| or Ms. Pacharin Sanglerdsilapachai | Vice President
Credit Risk Analytics Section | as Alternate
Member |
| 7. Mr. Somchai Yongkrittaya | Executive Vice President
Market Risk Team | as Member |
| 8. Representative from Risk Management Group | | as Secretary |

Powers, Duties and Responsibilities:

1. To 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 markets block placements.
 and ensure that the pricing of any proposal is adequate to compensate the risk, sufficient measures are taken to mitigate against adverse market movement and assessment on the extent to which market conditions are conducive for the success of the deals.
2. To approve in firm Debt underwriting transaction for primary market of THB500million or less with the minimum debt rating of A-.
3. To review and recommend approval to the Board of Directors/ delegated Board member(s) of CIMB Thai the firm underwriting or bought deal for debt securities issuance.
4. To review and recommend to BOD/ delegated Board member(s) for approval of the holding amount of any debt securities for market making purpose with the following conditions:-
 - The debt securities are underwritten by CIMB Thai.
 - Within 90 days after the issue date, the holding amount must be within the limit approved by BOD/ delegated BOD member(s).
 - After 90 days from the issue date, the holding 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. Kittiphun Anutarasoti	President and Chief Executive Officer	as Chairman
2. Mr. Prapas Thongsuk	Executive Vice President Corporate Communications Division	as Alternate Chairman
3. Mr. Jason Leong Kok Yew	Senior Executive Vice President Finance Group	as Member
4. Mr. Adisorn Sermchaiwong	Senior Executive Vice President Consumer Banking Group	as Member
5. Mrs. Kanokpai Vongsatitporn	Senior Executive Vice President Human Resources Management Division	as Member
6. Ms. Sunitta Yodsheewan	First Vice President Public Relations & CSR Team	as Secretary

Powers, Duties and Responsibilities:

1. Provide strategic direction and guidance for CIMB THAI group wide, aligning it to the Group brand management and positioning, across all businesses and markets;
2. Review and approve all marketing plans, including all ATL campaigns and major BTL campaigns;
3. Address all elements with regards to general advertising spend and associated media exposure; and
4. Review and approve all internal and external communications processes and mediums.

Scope: CIMB THAI Bank Group-wide

13. Asset Quality Committee

The Asset Quality Committee is composed of:

1. Mr.Arthit Masathirakul	Senior Executive Vice President Risk Management Group	as Chairman
2. Mr. Pakorn Moj dara	Senior Vice President Risk Management Group	as Deputy Chairman

	or Mr.Chalernpol Decharit	Senior Vice President Risk Management Group	as Alternate
3.	Head Credit Risk Division		as Member
4.	Mr.Pornchai Padmindra	Senior Executive Vice President Wholesale Banking Group	as Member
	or Ms.Chittavadee Sangthong	Executive Vice President Credit and Risk Analytics Division	as Alternate Member
5.	Mrs.Wareemon Niyomthai	Senior Executive Vice President Commercial Banking Group	as Member
	or Mr.Preepop Woradithee	Senior Vice President Strategy & Portfolio Manager & RM Performance & CRM Team	as Alternate Member
6.	Mr.Jason Leong Kok Yew	Senior Executive Vice President Finance Group	as Member
	or Mrs. Pannee Deesilpakij	Senior Vice President Wholesales Finance Team	as Alternate Member
7.	Representative from Risk Management Group		as Secretary

Powers, duties and responsibilities:

1. Deliberate on trends and developments as well as account strategy relating to non-performing loan (NPL)/impaired accounts under negotiation for debt restructuring, watch list medium and high accounts and any other concerned accounts managed by non-retail business units of CIMB Thai (on individual assessment basis). The accounts to be reviewed will be those with account exposure at or above THB 10 million;
2. Review progress/update of new and existing watch list accounts and existing NPL/impaired accounts under negotiation for debt restructuring, to agree on proper credit risk ratings and watch list classification;
3. Review and recommend for Credit Committee/Board's approval on amount of loan loss provisions which is beyond requirement of Bank of Thailand, and other matters in relation to impairment and write back of Impaired Loans;
4. Review and deliberate on possible impaired loan (PIL), NPL default trends and provision trend;
5. Review that the business units have clearly defined asset quality review and early warning indicators process in identifying, classifying, reporting, monitor any problem loan(s) (in particular impaired loans) in line with the Bank's credit risk policy/regulatory authorities/accounting standards.
6. Review restructure and rescheduling report (including TDR/rescheduling/grace period) prior to submission to senior management/relevant authorities.

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. 39/2559 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;
- (j) 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 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 2016, 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

Appointment of external auditors and consideration of audit fees

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.

Remuneration for external auditors

For the year ended 31 December 2016, fees paid to the external auditors were as follows:

(1) Audit fees

CIMB Thai group paid the auditors audit fees totaling THB 11.2 million. Other incidental expenses included transport and photocopying expenses.

(2) Non-audit fees

CIMB Thai group paid fees for non-audit services to the Bank's auditors in the fiscal year 2016 amounting to THB 110,000 for the services provided in 2016.

9.7 Other Compliance of Corporate Governance

In 2016, meeting attendance of Board members and Board committee members was as follows:

Unit: Attendance

No	Director Name (number of meetings attended/total meetings)	(1) Board	(2) Audit Committee	(3) Nomination, Remuneration and Corporate Governance Committee	(4) Board Risk Committee*	(5) Management Committee	(6) Risk Management Committee	(7) Credit Risk Committee	(8) Credit Committee Level 2
1.	Mr.Chakramon Phasukavanich [†]	8/12	-	-	-	-	-	-	-
2.	Dato' Robert Cheim Dau Meng	10/12	-	10/11	-	-	-	-	-
3.	Mr. Sukont Kanjana-Huttakit	11/12	15/15	-	-	-	-	-	-

No	Director Name (number of meetings attended/total meetings)	(1) Board	(2) Audit Committee	(3) Nomination, Remunera- tion and Corpo- rate Gover- nance Committee	(4) Board Risk Committee*	(5) Manage- ment Committee	(6) Risk Manage- ment Committee	(7) Credit Risk Committee	(8) Credit Committee Level 2
4.	Mrs. Watanan Petersik ^{/2}	10/12	2/15	10/11	-	-	-	-	-
5.	Dato' Shaarani Bin Ibrahim	12/12	15/15	11/11	-	-	-	-	-
6.	Mr. Chitrapongse Kwangsukstith	12/12	-	-	10/11	-	-	-	-
7.	Ms. Serena Tan Mei Shwen	12/12	-	-	11/11	-	-	-	-
8.	Dato'Lee Kok Kwan	10/12	-	-	11/11	-	-	-	-
9.	Mr.Pravej Ongartsittigul ³	8/12	11/15		-	-	-	-	-
10.	Mr. Kittiphun Anutarasoti ^{/4}	3/12	-	-	2/11	13/47	3/14	2/11	10/52

No	Director Name (number of meetings attended/total meetings)	(9) Retail Business Committee	(10) Assets and Liabilities Manage- ment Committee	(11) IT Strategic Planning Committee	(12) Thailand Under Writing Committee	(13) Marketing & Commu- nication Committee	(14) Product Develop- mentCo mmittee	(15) Problem Loan Manage- ment Working Group	(16) Share holder meeting
1.	Mr.Chakramon Phasukavanich	-	-	-	-	-	-	-	0/1
2.	Dato' Robert Cheim Dau Meng	-	-	-	-	-	-	-	1/1
3.	Mr. Sukont Kanjana-Huttakit	-	-	-	-	-	-	-	1/1
4.	Mrs. Watanan Petersik	-	-	-	-	-	-	-	1/1
5.	Dato' Shaarani Bin Ibrahim	-	-	-	-	-	-	-	1/1
6.	Mr. Chitrapongse Kwangsukstith	-	-	-	-	-	-	-	1/1
7.	Ms. Serena Tan Mei Shwen	-	-	-	-	-	-	-	1/1
8.	Dato'Lee Kok Kwan	-	-	-	-	-	-	-	1/1
9.	Mr.Pravej Ongartsittigul	-	-	-	-	-	-	-	0/1
10.	Mr. Kittiphun Anutarasoti	3/12	3/14	3/11	4/16	0/0	3/11	2/7	0/1

Note:

/1The Annual general Shareholder meeting no. 22 , held on 19 April 2016, resolved to appoint Mr.Chakramon Phasukavanich,as Director of the Board . The Board of Directors meeting, held on 28 April 2016, resolved to appoint as the chairman effective from 1 May 2016

/2 The Board meeting, held on 28 April 2016, acknowledged Mr. Watanan Petersik's resignation form the Audit Committee effective from 1 May 2016.

/3The Annual general Shareholder meeting no. 22 , held on 19 April 2016, resolved to appoint Mr.Pravej Ongartsittigul,as Director of the Board. The Board of Director meeting, held on 28 April 2016, resolved to appoint Independent Director and member of Audit Committee effective from 1 May 2016

/4The Board of Director meeting, held on 27September 2016, resolved to appoint Mr. Kittiphun Anutarasoti,as Director in place of Ms. Sopawadee Lertmanaschai who had resigned and appoint Mr. Kittiphun Anutarasoti as President and Chief Executive Officer with effective from 19 October 2016.

10. Corporate Social Responsibilities

The Bank gives importance to corporate social responsibilities in core business operation as it is aware that business sustainable growth can be achieved with social responsibilities.

10.1 Social responsibility policy

The Bank recognizes the importance of rights of all stakeholders, namely employees, shareholders, customers, trading partners, creditors and government agencies. The policy for stakeholders is determined as detailed below:

Customers

The Bank is determined to protect the interests of, pay attention to and take responsibility for, as well as bring maximum satisfaction to the customers, by offering quality and efficient services and products.

Shareholders

The Bank is determined to operate its business efficiently, effectively and transparently, with appropriate and consistent growth and stability of returns to the shareholders, and to put best efforts in maintaining its assets, reputation and good image.

Employees

The Bank considers all staff a valuable resource and is thus determined to promote and develop their knowledge and capabilities for their career progress and stability and proper remuneration commensurate with their capabilities and performance.

Trade partners/creditors

The Bank adheres to operating its business with integrity on the basis of contractual compliances and under business conditions which are fair and equitable to the creditors.

Corporate social responsibility

Corporate social responsibility (CSR) is part of the Bank's policy of giving back to the society by strictly complying with the relevant laws and regulations, and assisting and supporting activities that benefit the community and the society as a whole.

Responsibility for competitors

The Bank has a policy to promote competition under fair and transparent rules and circumstances, with no access to competitors' confidential information in an unethical manner and no ill intention to the reputation of competitors through false or unfair statements or acts.

The Bank's corporate social responsibilities are determined and categorized into eight principles in line with the Stock Exchange of Thailand ("SET")'s corporate social responsibility guideline:

1. Business operation for fairness

The Bank has a policy to promote competition under fair and transparent rules and circumstances, with no access to competitors' confidential information in an unethical manner and no ill intention to the reputation of competitors through false or unfair statements or acts.

2. Anti-corruption

The Bank has a policy to operate businesses with integrity, transparency and ethics. It emphasizes the importance of staff having mutual attitudes to countering, resolving and being accountable for the

corruption issue, and encourages all employees to have common knowledge and understanding and work with integrity and in accordance with the Bank's Corporate Governance Policy and Codes of Conduct.

3. Respect for human rights

Respect the human rights specified in the constitution; for instance, to respect the rights and human dignity for all persons living in Kingdom of Thailand although there are differences in homeland, race, religion, sex, age, personal status, social or financial status, belief in religion, education, or political view points which are not against the purview of the constitution.

4. Fair treatment for labour

- Strictly comply with the law, rules and regulations relating to employees.
- Treat every employee equally, without discrimination on race, sex, skin color, religion, origins, age, physical disability or personal characteristics irrelevant to performance of duties.
- Appointment, transfer, rewarding and punishment, as well as fringe benefits for employees shall be based on their knowledge, capabilities, suitability, and conduct or performance of duties.

5. Responsibilities to consumers

- Aim at creating benefits to and satisfaction of customers by offering good quality products and services that can respond to customer needs timely and punctually.
- Strictly comply with contracts, agreements or conditions committed to customers. In case of inability to comply, the Bank shall inform the customers thereof in advance in order to jointly work out solutions to prevent any possible damage.

6. Environment maintenance

The Bank complies with laws and regulations regarding environment as well as efficiently ensure the safety and environment. Its employees are encouraged be aware of and have responsibilities for environment and community seriously and continuously. Safety, Occupational Health and Working Environment Policy is prepared to ensure the efficiency of continuous operation of this issue as per the safety, occupational health and working environment standard.

7. Community and social development

The main concept of CIMB Thai Community Link is not only for a long-term participation of the branch teams to create the most suitable project but the Bank will also invite executives, employees, and customers to participate in the activities. The Community Link project which will be financially supported by CIMB Foundation, Malaysia can be considered as a way to give back to the Thai society with the use of foreign capitals.

8. Innovation and its distribution

The Bank has a policy to offer products and services that respond the customers' need. It also supports the energy reservation by offering CIMB Thai's Clean Energy Loan to facilitate the customers who want to make energy efficiency investment.

10.2 Operation

The eight principles of the SET's corporate social responsibilities that the Bank conforms to are:

1. Business operation for fairness

The Bank operates business using transparent and auditable credit underwriting criteria and complying with regulatory requirements. In addition, the Bank has measures to prevent any

transaction having conflict of interest, related party transaction or inappropriate related transaction. Policies are determined as follows:

- Making of such significant transactions as connected transactions and/or acquisition or disposal of assets of the Bank shall comply with the rules and regulations of the relevant regulators.
- The Bank has a policy to consider granting of credits to or making investments or commitments or making credit-like transactions with its major shareholder, or to the business in which directors or persons with managing power have beneficial interests in all cases pursuant to the ratio prescribed by the BOT. Such transactions are subject to unanimous approval by the Board and without involvement in the consideration and approval thereof by directors or persons with managing power who have beneficial interests in such credit or investment granting or credit-like transactions.

2. Anti-corruption

Being aware of the responsibility for all stakeholders, the Bank's Board of Directors ensures that channel is provided for making whistleblowing or complaints directly to the Chairman, the Chairman of the Audit Committee or the President and Chief Executive Officer. The channel is provided on the Bank's website. During the Bank's investigation, the names of the whistleblowers or the complainants will be kept confidential to protect them from any impact.

To ensure that the Bank has appropriate practice and regulation for corruption prevention, the Bank has prepared the "Policy and Procedures on Anti-Corruption" to be strictly complied with by the directors, executives, staff and subsidiaries. The Bank has also reviewed the practice, responsibility structure, risk management system, internal control and audit to prevent any internal fraud. Apart from the announcement of the Policy and Procedures, e-learning on this matter is provided to enhance the staff's knowledge and understanding.

The Bank was among the first group of organizations participating in the declaration of intention to join the "Private Sector Collective Action Coalition against Corruption" or CAC on 9 November 2010. Mr. Chakramon Phasukavanich, the Bank's then Chairman, signed the declaration and had consistently supported the Bank to participate in the certification process in order to establish a standard in business operation with transparency, integrity and social responsibility. On 16 January 2015, the Bank was officially certified to be the "CAC Member" by the Private Sector Collective Action Coalition Against Corruption Council.

3. Respect for human rights

Human rights are the fundamental rights all human beings equally have regardless of race, skin, gender, language, religion, political opinion, or other belief. To promote and protect human rights together with government agencies, the Bank has the following practices in place:

- All staff of the Bank has the equal rights in the workplace under the rules, regulations, announcements, and orders of the Bank.
- The Bank adheres to the principles of justice and sincerity in its management by complying with business ethics and etiquettes towards all stakeholders.
- The Bank has the employment standard laws, regulations, orders, and guidelines established devoid of use of forced labor and harassment or abuse in any case.
- All employees of the Bank receive safety rights protection according to the administration and management of the occupational health and safety and workplace environment.
- The Bank provides welfare benefits for the Bank's employees in addition to those required by laws as well as other benefits. Additionally, the Bank has set criteria and regulations for internal use as deemed appropriate

4. Fair treatment for labour

The Bank has provided employee benefits such as provident fund, social security fund, life insurance, medical treatment, annual health check-up, 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.

In 2016, the Bank organized 258 training courses, comprising 115 internal and 143 external courses at a total cost of THB 19.1 million covering 2,838 staff or 98% of total staff. Average training man days was 5 days per staff per year. In addition to existing leadership development program, the bank has support our internal trainers to acquire the certification program of DDI (Development Dimensions International) to internally conduct new leadership programmes i.e. Working as a High-Performing Team, Embracing Change, Fostering Innovation etc. The functional training program included Omega Credit Skills, Product Knowledge, Work System, Standard Operating Procedures, etc. The Bank has provided scholarship to employees to pursue study in MBA and promoted cross-board learning within CIMB Group by sending its employees to undertake regional training programmes such as Group Orientation, INSEAD Programme, Middle Management Development Plan, etc.

5. Responsibilities to consumers

Provide accurate, adequate and updated information on products and services to customers to support their decision-making, carrying no exaggerated statements that may mislead customers about the quality and conditions pertaining to the products and services.

Give importance to keeping customers' information confidential, and not use it to seek personal interests or those of related persons.

6. Environment maintenance

In 2016, The Bank has also attached great importance to social and environmental projects. Altogether six projects were undertaken in the previous year with focus on community involvement and building of learning centres as well as passing on folk wisdom crystallised from real experiences of the elder generations to the younger generations. This has not only contributed to knowledge transfer, but also served as an aging therapy for the elderly.

7. Community and social development

For the sixth straight year, CIMB Thai Bank has remained committed to carrying out CSR projects and activities to give back to the Thai society. Education is the area on which we have put emphasis considering it crucial foundations for national development. In 2016, we promoted ICT-based education with handover of 10 computer and Internet learning centres to 35 rural schools to broaden educational opportunities, upgrade educational standards for the youth in remote areas, and facilitate as well as strengthen the educational progress of the schools.

As one of the 15 CSR members of Thai Bankers' Association, we have consistently cooperated in a financial literacy program called "Saving for Change," which aims at fostering knowledge on financial planning, financial discipline, and corruption countering culture on an integrated basis for people in the society starting from their early age. This should pave way for the country's sustainable economic development looking forward. We have also invited our instructors from such program to assist in a seminar organised by us titled "4-Knows about Saving" to guide school children, parents and local communities in recording income and expenses for better understanding of saving and finance at the family level.

8. Innovation and its distribution

The Bank is focusing on making continuous process improvement by adopting innovations to best serve customers. In 2016, many processes have been improved driven by innovations, allowing the Bank to receive many recognition awards internationally and locally. International awards include 'The Best Risk and Compliance Excellence in Technology Innovation' from Asian Banker 2016 under SOP Re-engineering with ARIS Process Modelling Project, 'Highly Recommended in the Most Innovation Business Model' from Retail Banker International 2016 under Business Transformation Project, and 'Elite Quality Recognition Award' from JP Morgan 2016 under US Dollar Clearing MT202 99.85% Project. Locally, CIMB Thai received 'The Excellence Award in Core Process Improvement' from TMA ICT 2016 under Loan Classification and Provision Project, 'Complementary Award in Business Enablement Project' under Payment Behavior Score Project and 'Thailand TQM Best Practices' from Foundation of TQM Promotion in Thailand. The Bank is committed to continued use of innovations to develop the organization with the target to provide the best services to our customers.

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. Board Risk Committee has been appointed by the Board of Directors with relevant roles, duties and responsibilities defined on overseeing all types of risks and capital management of the Bank and companies in the financial business group and assessing operations to ensure conformity with the risk management plan. 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, Senior 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 Party Transactions

As of 31 December 2016, 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 43 of Financial Statements as of 31 December 2016.

- 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
CIMB Investment Bank Berhad, a subsidiary of CIMB Group which is indirect major shareholder of the Bank	<p>The Bank has utilized the available debenture budget by issuing subordinated debenture of up to THB 5,000 million in Thai Baht or Malaysian Ringgit currency with a tenure of up to 10 years and a call option at year 5.</p> <p>CIMB Investment Bank Berhad and/or affiliated parties within CIMB Group has been appointed to act as a financial advisor / principal advisor / lead arranger / lead manager / book runner / underwriter, with an underwriting fee charged at 0.15% of total issue size in Malaysian Ringgit equivalent to THB 5,000 million</p> <p>This transaction is considered the Banks normal business support under general trading terms.</p>	<p>The Board of Directors' meeting no. 2/2016 held on 26 February 2016 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter) deemed it proper to approve the transaction since it was the Bank's normal business support under general trading terms.</p>
CIMB-Principal Asset Management Co., Ltd. (CPAM), a subsidiary of CIMB Group which is the indirect major shareholder of the Bank	<p>The Bank has renewed the insourcing service agreement with CPAM for two years, valid from 14 April 2016 to 15 April 2018. The provided services cover two areas, including information technology and human resources, with estimated revenue to be generated of THB 970,000.</p> <p>This transaction is considered the Bank's normal business support under general trading terms.</p>	<p>The Board of Directors' meeting no. 3/2016 held on 17 March 2016 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter) deemed it proper to approve the transaction since it was the Bank's normal business support and brought benefits to the Bank.</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>CIMB Bank by Group Decision Management, Consumer Banking has assisted the Bank in transferring the knowledge of decision management, customer analysis and statistical model by accessing to non-confidential information of CIMB Thai's customer and performing the analysis of such non-confidential information. There is no cost chargeable to CIMB Thai by CIMB Bank.</p>	<p>The Board of Directors' meeting no. 4/2016 held on 28 April 2016 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter) deemed it</p>

Name and Relationship	Transaction Characteristics and Value	Necessity and Reasonableness with Audit Committee's Opinion
	This transaction is considered the Bank's normal business support under general trading terms.	proper to approve the transaction since it was the Bank's normal business support and brought benefits to the Bank.
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 has made 1P pay back to CIMB Bank at the revised rate of MYR 39.72 per new account opened. This transaction is considered the Bank's normal business support under general trading terms.	The Board of Directors' meeting no. 5/2016 held on 25May 2016 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter) deemed it proper to approve the transaction since it was the Bank's normal business support and brought benefits to 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 has made customer referral to CPAM for private fund and provident fund products, with the referral fees as below: <ul style="list-style-type: none"> - <u>New provident fund</u> (no less than 30 employees with monthly contribution over THB 30,000): 50% of set-up fee (approximately THB 0 - 30,000) - <u>Transfer of provident fund</u> <ul style="list-style-type: none"> - Single fund: 30% of first year's provident fund management fee - Pooled fund: 0.15% of transferred NAV <p>This transaction is considered the Bank's normal business support under general trading terms.</p>	The Board of Directors' meeting no. 6/2016 held on 23 June 2016 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter) deemed it proper to approve the transaction since it was the Bank's normal business support and brought benefits to the Bank.
iCIMB MSC, a wholly owned subsidiary of CIMB Holdings which is a subsidiary having CIMB Group as the indirect major shareholder	iCIMB (MSC) Sendirian Berhad has performed the development of ShARP system for the Bank with the operational cost for hubbing (cost allocation) of THB 3,556,956 with the payment term of three years (THB 1,185,652 annually). This transaction is considered the Bank's normal business support under general trading terms.	The Board of Directors' meeting no. 7/2016 held on 26July 2016 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter) deemed it proper to approve the transaction since it was the Bank's normal business support and brought benefits to 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	<p>CIMB Bank has charged back the Bank for CIMB Thai Corporate Website Redesign Project, with the cost allocation of THB 1,078,495 per annum or a total of THB 5,392,475 for a period of five years.</p> <p>This transaction is considered the Bank's normal business support under general trading terms.</p>	<p>The Board of Directors' meeting no. 8/2016 held on 25 August 2016 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter) deemed it proper to approve the transaction since it was the Bank's normal business support and brought benefits to the Bank.</p>
Sathorn Asset Management Co., Ltd. (STAMC), a subsidiary of CIMB Group which is the indirect major shareholder of the Bank	<p>The Bank has changed the 1P cost allocation mechanism to STAMC, from new account opened to allocation by number of existing account and number of monetary transaction.</p> <p>The proposed new cost allocation was 3.70%, while the previous cost allocation based on new account opened was 0.02%.</p> <p>This transaction is considered the Bank's normal business support under general trading terms.</p>	<p>The Board of Directors' meeting no. 9/2016 held on 27 September 2016 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter) deemed it proper to approve the transaction since it was the Bank's normal business support and brought benefits to the Bank. Furthermore, the fee charges are reasonable.</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>The Bank has outsourced credit migration model to CIMB Bank Berhad for three models as below:</p> <ol style="list-style-type: none"> 1) Credit Risk Migration Model for Non-Retail Portfolio 2) Credit Risk Migration Model for Retail Portfolio (CIMB Thai and subsidiaries) 3) Credit Risk Migration Model for Corporate Bond Portfolio <p>CIMB Bank would only charge fees for the service rendered as above mentioned only if it is not a part of the requirement of CIMB Bank to comply with Bank Negara Malaysia's Basel requirements.</p> <p>This transaction is considered the Bank's normal business support under general trading terms.</p>	<p>The Board of Directors' meeting no. 9/2016 held on 27 September 2016 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter) deemed it proper to approve the transaction since it was the Bank's normal business support and brought benefits to the Bank. Furthermore, the fee charges are reasonable.</p>

Name and Relationship	Transaction Characteristics and Value	Necessity and Reasonableness with Audit Committee's Opinion																		
iCIMB MSC, a wholly owned subsidiary of CIMB Holdings which is a subsidiary having CIMB Group as the indirect major shareholder	<p>iCIMB(MSC) Sendirian Berhad has operated GEPS system for the Bank,with the operational cost for hubbing (cost allocation) of THB 469,431.50 and payment term of four years (an average of THB 117,357.78 per annum).</p> <p>This transaction is considered the Bank's normal business support under general trading terms</p>	The Board of Directors' meeting no. 10/2016 held on 27 October 2016 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter) deemed it proper to approve the transaction since it was the Bank's normal business support and brought benefits to the Bank. Furthermore, the fee charges are reasonable.																		
<p>CIMB Securities (Thailand) Co., Ltd. (CIMBS), a wholly owned subsidiary of CIMB Securities International Pte. Ltd. which is a subsidiary having CIMB Group as the major shareholder</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 has provided insourcing services of internal audit to CIMBS and CPAM. The service fee would be charged based on estimated working hours of auditors and other relevant fees and expenses, such as traveling expense and accommodation expense in case of upcountry travel,etc.</p> <p>This transaction is considered the Bank's normal business support under general trading terms.</p>	The Board of Directors' meeting no. 10/2016 held on 27 October 2016 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter) deemed it proper to approve the transaction since it was the Bank's normal business support and brought benefits to the Bank. Furthermore, the fee charges are reasonable.																		
CIMB Group, the indirect major shareholder of the Bank	<p>The Bank has signed an agreement with CIMB Group Sdn Bhd foroutsourcing IT service for Regional Corporate Loan Management System (RCLMS), with yearly service fee, excluding taxes, as below:</p> <p>Unit: MYR</p> <table><tr><td>Year</td><td>2016</td><td>2017</td><td>2018</td><td>2019</td></tr><tr><td>Total charge</td><td>40,107</td><td>240,641</td><td>625,124</td><td>628,837</td></tr></table> <table><tr><td>Year</td><td>2020</td><td>2021</td><td>2022</td></tr><tr><td>Total Charge</td><td>632,660</td><td>636,598</td><td>640,655</td></tr></table>	Year	2016	2017	2018	2019	Total charge	40,107	240,641	625,124	628,837	Year	2020	2021	2022	Total Charge	632,660	636,598	640,655	The Board of Directors' meeting no. 10/2016 held on 27 October 2016 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter) deemed it proper to approve the transaction since it was the Bank's normal business support and brought benefits to the Bank. Furthermore, the fee charges are reasonable.
Year	2016	2017	2018	2019																
Total charge	40,107	240,641	625,124	628,837																
Year	2020	2021	2022																	
Total Charge	632,660	636,598	640,655																	

Name and Relationship	Transaction Characteristics and Value	Necessity and Reasonableness with Audit Committee's Opinion												
	This transaction is considered the Bank's normal business support under general trading terms.													
iCIMB MSC, a wholly owned subsidiary of CIMB Holdings which is a subsidiary having CIMB Group as the indirect major shareholder	<p>The Bank has used a service of Security Operation Center from Tangerine Monitoring Centerto ensure the Bank has a 24x7 real time security monitoring to promptly respond to cyber security threat, and has signed an agreement with iCIMB (Malaysia) Sdn Bhd, with a yearly service fee for five years, starting from year 2017, as described below:</p> <p style="text-align: right;">Unit: THB million</p> <table><tr><td>Year</td><td>2017</td><td>2018</td><td>2019</td><td>2020</td><td>2021</td></tr><tr><td>Total charge</td><td>1.2</td><td>1.2</td><td>1.2</td><td>1.2</td><td>1.2</td></tr></table> <p>This transaction is considered the Bank's normal business support under general trading terms.</p>	Year	2017	2018	2019	2020	2021	Total charge	1.2	1.2	1.2	1.2	1.2	The Board of Directors' meeting no. 12/2016 held on 15 December 2016 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter) deemed it proper to approve the transaction since it was the Bank's normal business support and brought benefits to the Bank. Furthermore, the fee charges are reasonable.
Year	2017	2018	2019	2020	2021									
Total charge	1.2	1.2	1.2	1.2	1.2									
Sathorn Asset Management Co., Ltd. (STAMC), a subsidiary of CIMB Group which is the indirect major shareholder of the Bank	<p>The Board of Directors' meeting no.3/2016, held on 17 March 2016, resolved to terminate the engagement of STAMC who provided service on debts recovery, debts restructuring and management of non-performing loan (NPL) and sale of non-performing assets (NPA) which have been categorized as Non-material Function, with the existing agreement expiring on 31 December 2018.</p> <p>The Board of Directors' meeting no.11/2016, held on 23 November 2016, resolved to approve the reorganization and a setup of new unit namely "Special Assets Management Team" under Risk Management Group to manage NPLs and NPAs starting 1 January 2017, replacing Business Support Group which will be dissolved by 31 December 2016.</p> <p>The Bank and STAMC had negotiated the reduction of service fee for corporate and SME loans, retail secured loans and legal fees with effect from 1 January 2017 in return for the extension of service agreement for another two years. Such reduction in service fee for the remaining two years (2017-2018) under existing agreement would result in a loss of STAMC revenueestimated at around THB2.8 million. This would be offset by the extension of the service agreement period for another two years, which wouldgenerate additional revenue for STAMC estimated at around THB 3 million.</p>	The Board of Directors' meeting no. 12/2016 held on 15December 2016 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter) deemed it proper to approve the transaction since it was the Bank's normal business support and brought benefits to the Bank. Furthermore, the fee charges are reasonable.												

Name and Relationship	Transaction Characteristics and Value	Necessity and Reasonableness with Audit Committee's Opinion
	This transaction is considered the Bank's normal business support under general trading terms.	

- 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 2016				% share s holding	Joint management
	Contingent liabilities	Outstandin g loans / Investments in receivables	Deposits	Borrowings		
<u>Parent Company</u>						
CIMB Bank Berhad	44	-	-	3,755	93.71	-
Interest rate swap contracts						
- Fixed rate payee	71,805	-	-	-		
- Floating rate payee	102,216	-	-	-		
Forward and spot contracts						
- Bought	510	-	-	-		
Cross currency and interest rate swap contracts						
- Bought	8,507	-	-	-		
- Sold	1,792	-	-	-		
Commodity						
- Bought	56	-	-	-		
- Sold	50	-	-	-		
Credit derivatives						
- Sold	4,523	-	-	-		
<u>Subsidiary companies</u>						
Center Auto Lease Co.,Ltd.	-	19,028	134	-	99.99	Directors with delegated signature authority: Mr.Adisorn Sermchaiwong Ms.Sasima Thon gsamak

Company name	31 December 2016				% share s holding	Joint management
	Contingent liabilities	Outstandin g loans / Investments in receivables	Deposits	Borrowings		
CT COLL Co.,Ltd.	-	8	56	-	99.99	Directors with delegated signature authority: Mr. Adisorn Sermchaiwong Ms. Onanong Udomkantong Ms. Sasima Thongsamak Mr. Goh Therd Siang
Worldlease Co., Ltd.	-	2,644	24	-	99.99	Directors with delegated signature authority: Mr. Adisorn Sermchaiwong Ms. Onanong Udomkantong
<u>Company under common control</u> Sathorn Asset Management Co., Ltd.	-	-	581	-	-	Directors: Mr. Goh Therd Siang
CIMB Securities (Singapore)	-	-	49	-	-	Directors with delegated signature authority: Mr. Sutee Losoponkul
CIMB Principal Asset Management Co., Ltd.	-	-	371	-	-	Directors with delegated signature authority: Mr. Adisorn Sermchaiwong
Other related companies	-	-	9	-	-	
Related persons	-	38	846	-	-	-

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 2016, 2015 and 2014, and its operating results and financial ratios for the years ended 31 December 2016, 2015 and 2014.

(Unit: THB)

Statements of Financial Position

	Separate		
	31 December 2016	31 December 2015	31 December 2014
Assets			
Cash	1,936,147,365	2,395,111,405	3,987,736,777
Interbank and money market items, net	8,463,665,047	14,229,670,008	6,453,199,978
Derivative assets	21,235,341,272	25,581,046,242	10,803,916,302
Investments, net	55,061,910,795	54,891,019,817	55,253,273,115
Investments in subsidiaries, net	1,324,920,707	1,324,920,707	1,324,920,707
Loans and accrued interest receivables			
Loans	202,939,467,801	196,736,743,351	188,334,023,282
Accrued interest receivables	593,582,295	524,470,027	459,212,620
Total loans and accrued interest receivables	203,533,050,096	197,261,213,378	188,793,235,902
<u>Less</u> Deferred revenue	(38,988,676)	(90,837,521)	(163,150,115)
<u>Less</u> Allowance for doubtful debts	(9,666,516,204)	(6,572,231,944)	(5,447,517,156)
<u>Less</u> Revaluation allowance for debt restructuring	(45,259,015)	(55,383,987)	(68,351,237)
Loans and accrued interest receivables, net	193,782,286,201	190,542,759,926	183,114,217,394
Customers' liability under acceptance	45,230,520	41,017,884	68,889,332
Properties for sale, net	1,195,702,862	1,109,004,276	1,582,424,466
Premises and equipment, net	3,609,493,321	2,714,361,639	3,002,336,396
Intangible assets, net	363,158,838	373,090,594	355,963,642
Deferred tax assets	1,075,692,045	862,314,440	752,636,225
Account receivable from Thai Asset Management Corporation	-	-	3,572,457,936
Other assets, net	7,529,507,359	9,533,185,948	3,196,065,790
Total assets	295,623,056,332	303,597,502,886	273,468,038,060

(Unit: THB)

Statements of Financial Position (Cont'd)

	Separate		
	31 December 2016	31 December 2015	31 December 2014
Liabilities and shareholders' equity			
Liabilities			
Deposits	183,877,466,049	170,502,086,949	184,105,739,854
Interbank and money market items, net	11,595,328,411	19,994,416,948	18,230,366,777
Liability payable on demand	250,092,171	320,768,448	344,291,120
Financial liabilities designated at fair value			
through profit or loss	18,873,674,513	16,039,533,025	7,693,132,792
Derivative liabilities	21,381,015,668	25,682,672,770	10,396,602,437
Debt issued and borrowings	25,582,513,107	33,994,659,909	24,512,208,453
Bank's liability under acceptance	45,230,520	41,017,884	68,889,332
Provisions	1,919,842,460	1,578,957,438	1,420,434,528
Other liabilities	6,809,617,409	9,126,765,983	4,556,103,564
Total liabilities	270,334,780,308	277,280,879,354	251,327,768,857
Shareholders' equity			
Share capital			
Registered			
24,774,731,679 ordinary shares of Baht 0.50 each	12,387,365,840		
27,410,341,432 ordinary shares of Baht 0.50 each		13,705,170,716	
21,084,878,025 ordinary shares of Baht 0.50 each			10,542,439,013
Issued and paid-up share capital			
24,774,731,679 ordinary shares of Baht 0.50 each	12,387,365,840	12,387,365,840	
21,084,878,025 ordinary shares of Baht 0.50 each			10,542,439,013
Premium on share capital	5,712,665,258	5,712,665,258	3,867,738,430
Other reserves	1,115,382,330	737,068,079	899,934,224
Accretion of equity interests in subsidiary	-	-	-
Retained earnings			
Appropriated - statutory reserve	397,800,000	365,950,000	341,300,000
Unappropriated	5,675,062,596	7,113,574,355	6,488,857,536
Total shareholders' equity	25,288,276,024	26,316,623,532	22,140,269,203
Total liabilities and shareholders' equity	295,623,056,332	303,597,502,886	273,468,038,060

(Unit: THB)

Statements of Comprehensive Income

	Separate		
	For the years ended 31 December		
	2016	2015	2014
Interest income	12,723,807,296	13,025,701,782	12,460,684,461
Interest expenses	(4,806,998,270)	(6,141,335,838)	(6,028,333,772)
Net interest income	7,916,809,026	6,884,365,944	6,432,350,689
Fee and service income	1,289,666,205	1,374,889,474	1,236,361,987
Fee and service expenses	(238,708,889)	(319,343,580)	(296,494,840)
Net fee and service income	1,050,957,316	1,055,545,894	939,867,147
Gains on trading and foreign exchange transactions	1,402,493,444	1,819,384,602	1,804,875,080
Losses on financial liabilities designated at fair value through profit or loss	(810,387,742)	(458,154,763)	(1,093,726,426)
Gains on investments, net	482,570,051	551,005,717	329,535,536
Other operating income	329,240,877	383,010,621	186,960,038
Total operating income	10,371,682,972	10,235,158,015	8,599,862,064
Other operating expenses			
Employee expenses	3,302,361,160	3,236,564,534	3,248,965,426
Directors' remuneration	12,262,400	10,744,000	8,804,000
Premises and equipment expenses	1,150,024,878	1,277,119,380	1,268,595,392
Taxes and duties	441,485,090	442,470,291	393,443,378
Others	1,259,456,059	950,068,015	789,876,300
Total other operating expenses	6,165,589,587	5,916,966,220	5,709,684,496
Bad and doubtful debts and impairment losses	5,785,126,100	3,425,200,000	1,702,567,406
(Loss) Profit before income tax expenses	(1,579,032,715)	892,991,795	1,187,610,162
Income tax expenses	318,811,256	(185,657,054)	(245,916,503)
Net (loss) profit for the years	(1,260,221,459)	707,334,741	941,693,659

(Unit: THB)

Statements of Comprehensive Income (Cont'd)
Separate

	For the years ended 31 December		
	2016	2015	2014
Other comprehensive income (expenses)			
Items that will be reclassified subsequently to profit or loss			
(Losses) Gains on remeasuring available-for-sale investments	(644,156,155)	12,859,905	240,733,492
(Losses) Gains arising from translating the financial statement of a foreign operation	(1,206,592)	28,964,409	7,337,610
Gains (Losses) on cash flow hedges	58,446,328	(25,306,951)	(149,627,279)
Income tax relating to items that will be reclassified subsequently to profit or loss	117,141,965	2,489,409	(18,221,243)
Total items that will be reclassified subsequently to profit or loss	(469,774,454)	19,006,772	80,222,580
Items that will not be reclassified subsequently to profit or loss			
Changes in revaluation surplus	1,078,204,826	(125,210,829)	(24,262,109)
Remeasurements of post-employment benefit obligations	(18,093,944)	(102,130,316)	(66,293,589)
Income tax relating to items that will not be reclassified subsequently to profit or loss	(212,022,177)	45,468,228	18,111,140
Total items that will not be reclassified subsequently to profit or loss	848,088,705	(181,872,917)	(72,444,558)
Total other comprehensive income (expenses)	378,314,251	(162,866,145)	7,778,022
Total comprehensive (expenses) income for the years	(881,907,208)	544,468,596	949,471,681

(Unit: THB)

Statements of Comprehensive Income (Cont'd)
Separate
For the years ended 31 December

	2016	2015	2014
Net (loss) profit attributable to:			
Equity holders of the Bank	(1,260,221,459)	707,334,741	941,693,659
Non-controlling interests	-	-	-
	<u>(1,260,221,459)</u>	<u>707,334,741</u>	<u>941,693,659</u>
Total comprehensive(expenses)income attributable to:			
Equity holders of the Bank	(881,907,208)	544,468,596	949,471,681
Non-controlling interests	-	-	-
	<u>(881,907,208)</u>	<u>544,468,596</u>	<u>949,471,681</u>
(Loss) Earnings per share for profit attributable to the equity holders of the Bank			
Basic (loss) earnings per share (Baht per share)	<u>(0.05)</u>	<u>0.03</u>	<u>0.04</u>
Weighted average number of ordinary shares (shares)	<u>24,774,731,679</u>	<u>21,650,992,558</u>	<u>21,084,878,025</u>

(Unit: THB)

Statements of Cash Flows
Separate

	For the years ended 31 December		
	2016	2015	2014
Cash flows from operating activities			
(Loss) Profit before corporate income tax	(1,579,032,715)	892,991,795	1,187,610,162
Adjustments to reconcile net income before income tax to cash in (out) flows from operating activities:			
Depreciation and amortisation	414,246,806	470,167,340	494,154,138
Bad debts and doubtful accounts	5,785,126,100	3,425,200,000	1,702,567,406
Provision for (Reversal of) off-balance sheet items	302,644,995	14,347,673	(90,880,000)
Share-based payment	30,526,962	10,277,930	7,396,892
Provision for liabilities	142,650,148	166,067,925	142,690,798
Losses on impairment of properties for sale	1,388,641	248,119	203,691
Losses on impairment of other assets	11,684,173	-	-
Losses on impairment of investments	-	4,290,484	-
Unrealised gains on exchange and derivatives	(425,352,139)	(322,857,972)	(1,457,976,392)
Gains on properties for sale	(108,592,164)	(91,006,865)	(15,912,856)
Unrealised losses (gains) on revaluation of investments	96,264,552	(571,459)	22,516,398
Gains on sale of investments	(470,349,197)	(728,736,343)	(453,705,914)
Gains on disposal of premises and equipment	(26,932,026)	(11,486,702)	(3,477,968)
Gains on surplus from revaluation of assets	(2,392,301)	-	-
(Gains) Losses on impairment of premises and equipment	(10,064,738)	9,604,772	-
Losses from write off premises and equipment	48,312,019	27,967,972	19,036,757
Losses from write off leasehold rights	10,658,464	36,576	2,314,144
Losses on financial liabilities designated at fair value through profit or loss	810,387,742	458,154,763	1,093,726,426
Interest and dividend income	(12,785,751,455)	(13,077,532,558)	(12,511,907,316)
Interest expenses	3,815,885,348	5,139,554,380	5,099,929,817
Losses from operations before changes in operating assets and liabilities	(3,938,690,785)	(3,613,282,170)	(4,761,713,817)

(Unit: THB)

Statements of Cash Flows (Cont'd)

	Separate		
	For the years ended 31 December		
	2016	2015	2014
(Increase) Decrease in operating assets			
Interbank and money market items	5,763,323,834	(7,776,075,046)	27,044,939,614
Investments held for trading	(1,342,468,824)	965,186,346	3,548,028,199
Loans	(9,261,228,058)	(10,448,746,321)	(20,462,513,058)
Properties for sale	454,003,598	754,590,140	172,716,286
Receivable from Thai Asset Management Corporation	-	3,486,699,265	-
Other assets	1,915,526,015	(6,203,974,364)	613,934,470
Increase (Decrease) in operating liabilities			
Deposits	13,375,379,100	(13,603,652,904)	31,833,205,418
Interbank and money market items	(8,399,088,537)	1,764,050,171	(26,011,095,078)
Liability payable on demand	(70,676,277)	(23,522,672)	(160,576,057)
Short-term borrowings	(14,314,372,766)	9,882,271,652	(14,379,308,526)
Provisions	(122,504,066)	(124,023,003)	(106,708,726)
Other liabilities	(1,921,335,943)	4,169,679,412	(900,697,858)
Cash flows used in operating activities	(17,862,132,709)	(20,770,799,494)	(3,569,789,133)
Cash received from interest income	11,288,812,167	11,290,617,897	10,849,596,102
Cash paid for interest expenses	(4,507,130,058)	(5,241,650,019)	(5,442,147,607)
Cash paid for income tax	(175,078,844)	(82,567,693)	-
Net cash flows (used in) provided by operating activities	(11,255,529,444)	(14,804,399,309)	1,837,659,362

(Unit: THB)

Statements of Cash Flows (Cont'd)
Separate

	For the years ended 31 December		
	2016	2015	2014
Cash flows from investing activities			
Cash paid for purchases of available-for-sale securities	(37,905,998,597)	(29,765,886,180)	(54,106,282,038)
Proceeds from disposals of available-for-sale securities	32,003,101,453	27,203,327,558	31,109,002,243
Proceeds from maturity of available-for-sale securities	1,607,800,000	510,978,043	26,015,683,807
Cash paid for purchases of held-to-maturity securities	(5,074,765,297)	(4,922,649,754)	(12,020,896,051)
Proceeds from disposals of held-to-maturity securities	480,340	-	-
Proceeds from maturity of held-to-maturity securities	9,830,560,000	6,666,336,490	3,972,000,340
Proceeds from repayment of investment in receivables	2,974,664	20,702,034	48,205,321
Cash paid for purchases of general investments	-	-	(182,610)
Proceeds from disposals of general investments	942,262	6,927,784	164,902
Proceeds from decrease in capital of general investments	31,750,000	30,000,000	31,160,601
Proceeds from payback of investment in subsidiary	-	-	22,540,041
Cash paid for purchases of premises and equipment	(218,862,488)	(140,749,076)	(223,997,232)
Proceeds from disposals of premises and equipment	36,746,101	19,267,618	11,398,972
Cash paid for purchases of intangible assets	(107,327,530)	(125,449,171)	(138,631,410)
Dividend received	61,944,159	51,830,775	51,222,854
Interest received	1,800,073,714	1,934,284,359	1,678,336,020
Net cash flows provided by (used in) investing activities	2,069,418,781	1,488,920,480	(3,550,274,240)

(Unit: THB)

Statements of Cash Flows (Cont'd)
Separate
For the years ended 31 December

	2016	2015	2014
Cash flows from financing activities			
Dividend paid	(185,810,488)	(158,136,585)	(210,848,780)
Proceeds from issuing subordinated debentures	5,007,729,300	-	4,066,540,000
Cash paid for redemption of subordinated debentures	(3,000,000,000)	-	(2,500,000,000)
Proceeds from issuance of structured bills of exchange and debentures	10,516,592,516	12,802,546,172	11,405,500,000
Cash paid for redemption of structured bills of exchange and debentures	(3,610,000,000)	(4,639,000,000)	(10,392,000,000)
Cash received from capital increase	-	3,689,853,654	-
Net cash flows provided by financing activities	8,728,511,328	11,695,263,241	2,369,191,220
Foreign currency translation differences	(1,364,705)	27,590,216	6,503,496
Net (decrease) increase in cash and cash equivalents	(458,964,040)	(1,592,625,372)	663,079,838
Cash and cash equivalents at beginning of the year	2,395,111,405	3,987,736,777	3,324,656,939
Cash and cash equivalents at the end of the year	1,936,147,365	2,395,111,405	3,987,736,777

Supplemental disclosure of cash flows information

Non-cash transaction:

Payable from purchase premises and equipment	7,885,214	6,082,109	30,592,954
Properties for sale received from premises and equipment	116,468,697	60,976,206	125,838,175
Change in revaluation surplus in available-for-sale investment	644,156,155	12,859,905	240,733,492
Interest amortisation from premium or discount	404,473,541	385,340,992	100,700,529

The Bank's Financial Ratios	31-Dec-16	31-Dec-15	31-Dec-14
Profitability Ratios			
Gross profit margin (%)	64.0	55.1	53.8
Net profit margin (%)	(12.2)	6.9	11.0
Return on equity (%)	(4.8)	3.1	4.3
Yield ⁽¹⁾ (%)	6.2	6.5	6.9
Cost of funds ⁽²⁾ (%)	2.2	2.7	2.8
Spread ⁽³⁾ (%)	4.0	3.8	4.1
Return on investment (%)	3.3	3.8	3.5
Efficiency Ratios			
Cost to income ratio (%)	59.4	57.8	66.4
Net interest margin (%)	3.1	2.7	2.8
Return on assets (%)	(0.4)	0.2	0.4
Assets turnover ratio (time)	0.03	0.03	0.03
Financial Policy Ratios			
Debt to equity ratio (time)	10.7	10.5	11.3
Loan to borrowing ratio ⁽⁴⁾ (%)	96.8	96.0	90.1
Loan to deposit ratio (Modified LDR) ⁽⁵⁾ (%)	90.9	90.1	89.2
Deposits to debts ratio (%)	68	61.5	73.3
Capital adequacy ratio (%)	15.6	15.5	15.0
Asset Quality Ratios			
Allowance for doubtful debts to loans and accrued interest receivables (%)	4.8	3.3	2.9
Bad debt and doubtful accounts to loans and accrued interest receivables (%)	1.4	1.1	0.7
NPL ratio ⁽⁶⁾ (%)	6	2.9	3.0
Accrued interest receivables to loans and accrued interest receivables (%)	0.3	0.3	0.2

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 items (liabilities))

(3) Spread = Yield – Cost of funds

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

(5) Modified loan to deposit ratio (modified LDR) = (Gross loans+Loans guaranteed by other banks+Loans to financial institutions) / (Deposits+Bills of exchange+Debentures+Selected structured deposit products)

(6) NPL ratio is calculated under Bank of Thailand criteria.

Summary of statements of financial position of CIMB Thai Bank Public Company Limited and its subsidiaries as at 31 December 2016, 2015 and 2014, and their operating results and financial ratios for the years ended 31 December 2016, 2015 and 2014.

(Unit: THB)

Statements of Financial Position

	Consolidated		
	31 December 2016	31 December 2015	31 December 2014
Assets			
Cash	1,938,616,493	2,397,196,928	3,989,621,938
Interbank and money market items, net	8,527,657,244	14,292,801,636	6,522,689,913
Derivative assets	21,235,341,272	25,581,046,242	10,803,916,302
Investments, net	55,061,910,795	54,891,019,817	55,253,273,115
Investments in subsidiaries, net	-	-	-
Loans and accrued interest receivables			
Loans	211,437,378,135	203,552,832,710	194,610,261,270
Accrued interest receivables	589,798,750	520,569,785	455,304,547
Total loans and accrued interest receivables	212,027,176,885	204,073,402,495	195,065,565,817
<u>Less</u> Deferred revenue	(5,848,448,651)	(4,945,478,647)	(4,642,328,361)
<u>Less</u> Allowance for doubtful debts	(9,793,289,246)	(6,730,530,954)	(5,979,008,801)
<u>Less</u> Revaluation allowance for debt restructuring	(45,259,015)	(55,383,987)	(68,351,237)
Loans and accrued interest receivables, net	196,340,179,973	192,342,008,907	184,375,877,418
Customers' liability under acceptance	45,230,520	41,017,884	68,889,332
Properties for sale, net	1,285,079,244	1,194,255,368	1,826,291,636
Premises and equipment, net	3,670,638,674	2,769,718,388	3,071,759,407
Intangible assets, net	368,387,320	378,987,475	361,802,153
Deferred tax assets	1,289,224,887	1,040,358,204	957,064,866
Account receivable from Thai Asset Management Corporation	-	-	3,572,457,936
Other assets, net	7,708,041,398	9,692,983,893	3,365,142,396
Total assets	297,470,307,820	304,621,394,742	274,168,786,412

(Unit: THB)

Statements of Financial Position (Cont'd)

	Consolidated		
	31 December 2016	31 December 2015	31 December 2014
Liabilities and shareholders' equity			
Liabilities			
Deposits	183,663,324,706	170,217,136,926	183,894,650,541
Interbank and money market items, net	11,595,328,411	20,018,416,948	18,304,766,777
Liability payable on demand	250,092,171	320,768,448	344,291,120
Financial liabilities designated at fair value			
through profit or loss	18,873,674,513	16,039,533,025	7,693,132,792
Derivative liabilities	21,381,015,668	25,682,672,770	10,396,602,437
Debt issued and borrowings	25,582,513,107	33,994,659,909	24,512,208,453
Bank's liability under acceptance	45,230,520	41,017,884	68,889,332
Provisions	1,997,419,699	1,641,262,617	1,471,525,306
Other liabilities	7,376,288,614	9,557,915,819	4,892,161,996
Total liabilities	270,764,887,409	277,513,384,346	251,578,228,754
Shareholders' equity			
Share capital			
Registered			
24,774,731,679 ordinary shares of Baht 0.50 each	12,387,365,840		
27,410,341,432 ordinary shares of Baht 0.50 each		13,705,170,716	
21,084,878,025 ordinary shares of Baht 0.50 each			10,542,439,013
Issued and paid-up share capital			
24,774,731,679 ordinary shares of Baht 0.50 each	12,387,365,840	12,387,365,840	
21,084,878,025 ordinary shares of Baht 0.50 each			10,542,439,013
Premium on share capital	5,712,665,258	5,712,665,258	3,867,738,430
Other reserves	1,094,080,196	720,704,664	887,619,600
Accretion of equity interests in subsidiary	(42,753,751)	(42,753,751)	(42,753,751)
Retained earnings			
Appropriated - statutory reserve	397,800,000	365,950,000	341,300,000
Unappropriated	7,156,262,868	7,964,078,385	6,994,214,366
Total shareholders' equity	26,705,420,411	27,108,010,396	22,590,557,658
Total liabilities and shareholders' equity	297,470,307,820	304,621,394,742	274,168,786,412

(Unit: THB)

Statements of Comprehensive Income
Consolidated
For the years ended 31 December

	2016	2015	2014
Interest income	14,671,929,135	14,620,048,451	13,927,429,582
Interest expenses	(4,806,163,382)	(6,143,023,747)	(6,038,723,192)
Net interest income	9,865,765,753	8,477,024,704	7,888,706,390
Fee and service income	1,837,426,211	1,734,247,566	1,547,716,018
Fee and service expenses	(201,845,300)	(266,581,243)	(208,850,553)
Net fee and service income	1,635,580,911	1,467,666,323	1,338,865,465
Gains on trading and foreign exchange transactions	1,402,493,444	1,819,384,602	1,804,875,080
Losses on financial liabilities designated at fair value through profit or loss	(810,387,742)	(458,154,763)	(1,093,726,426)
Gains on investments, net	482,570,051	551,005,717	329,535,536
Other operating income	352,086,453	377,101,198	237,961,382
Total operating income	12,928,108,870	12,234,027,781	10,506,217,427
Other operating expenses			
Employee expenses	3,857,722,186	3,753,835,420	3,741,535,210
Directors' remuneration	12,598,400	11,080,000	9,260,000
Premises and equipment expenses	1,279,866,016	1,404,482,827	1,399,493,378
Taxes and duties	461,092,983	458,627,188	408,517,126
Others	1,812,232,818	1,499,238,226	1,581,197,029
Total other operating expenses	7,423,512,403	7,127,263,661	7,140,002,743
Bad and doubtful debts and impairment losses	6,279,268,383	3,770,112,827	2,129,643,339
(Loss) Profit before income tax expenses	(774,671,916)	1,336,651,293	1,236,571,345
Income tax expenses	145,146,699	(284,169,352)	(247,212,868)
Net (loss) profit for the years	(629,525,217)	1,052,481,941	989,358,477

(Unit: THB)

Statements of Comprehensive Income (Cont'd)
Consolidated

	For the years ended 31 December		
	2016	2015	2014
Other comprehensive income (expenses)			
Items that will be reclassified subsequently to profit or loss			
(Losses) Gains on remeasuring available-for-sale investments	(644,156,155)	12,859,905	240,733,492
(Losses) Gains arising from translating the financial statement of a foreign operation	(1,206,592)	28,964,409	7,337,610
Gains (Losses) on cash flow hedges	58,446,328	(25,306,951)	(149,627,279)
Income tax relating to items that will be reclassified subsequently to profit or loss	117,141,965	2,489,409	(18,221,243)
Total items that will be reclassified subsequently to profit or loss	(469,774,454)	19,006,772	80,222,580
Items that will not be reclassified subsequently to profit or loss			
Changes in revaluation surplus	1,078,204,826	(125,210,829)	(24,262,109)
Remeasurements of post-employment benefit obligations	(24,267,343)	(107,191,305)	(72,316,467)
Income tax relating to items that will not be reclassified subsequently to profit or loss	(210,787,497)	46,480,426	19,315,715
Total items that will not be reclassified subsequently to profit or loss	843,149,986	(185,921,708)	(77,262,861)
Total other comprehensive income (expenses)	373,375,532	(166,914,936)	2,959,719
Total comprehensive (expenses) income for the years	(256,149,685)	885,567,005	992,318,196

(Unit: THB)

Statements of Comprehensive Income (Cont'd)
Consolidated
For the years ended 31 December
2016
2015
2014
Net (loss) profit attributable to:

Equity holders of the Bank

(629,525,217)

1,052,481,941

989,358,477

Non-controlling interests

-

-

-

(629,525,217)

1,052,481,941

989,358,477

Total comprehensive(expenses)income attributable to:

Equity holders of the Bank

(256,149,685)

885,567,005

992,318,196

Non-controlling interests

-

-

-

(256,149,685)

885,567,005

992,318,196

(Loss) Earnings per share for profit attributable to the equity holders of the Bank

Basic (loss) earnings per share (Baht per share)

(0.03)

0.05

0.05

Weighted average number of ordinary shares (shares)

24,774,731,679

21,650,992,558

21,084,878,025

(Unit: THB)

Statements of Cash Flows
Consolidated

	For the years ended 31 December		
	2016	2015	2014
Cash flows from operating activities			
(Loss) Profit before corporate income tax	(774,671,916)	1,336,651,293	1,236,571,345
Adjustments to reconcile net income before income tax to cash in (out) flows from operating activities:			
Depreciation and amortisation	440,170,964	497,330,736	518,920,584
Bad debts and doubtful accounts	6,279,268,383	3,770,112,827	2,129,643,339
Provision for (reversal of) off-balance sheet items	302,644,995	14,347,673	(90,880,000)
Share-based payment	30,526,962	10,277,930	7,396,892
Provision for liabilities	151,748,809	172,221,337	150,899,422
Losses (Gains) on impairment of properties for sale	5,250,682	(96,738,212)	69,486,326
Losses on impairment of other assets	11,684,173	-	-
Losses on impairment of investments	-	4,290,484	-
Unrealised gains on exchange and derivatives	(425,352,139)	(322,857,972)	(1,457,976,392)
Losses on properties for sale	322,090,738	468,815,242	591,065,360
Unrealised losses (gains) on revaluation of investments	96,264,552	(571,459)	22,516,398
Gains on sale of investments	(470,349,197)	(728,736,343)	(453,705,914)
Gains on disposal of premises and equipment	(29,016,065)	(13,074,954)	(3,870,312)
Gains on surplus from revaluation of assets	(2,392,301)	-	-
(Gains) Losses on impairment of premises and equipment	(10,064,738)	9,604,772	-
Losses from write off premises and equipment	48,312,019	27,967,972	19,036,757
Losses from write off leasehold rights	10,658,464	36,576	2,314,144
Losses on financial liabilities designated at fair value through profit or loss	810,387,742	458,154,763	1,093,726,426
Interest and dividend income	(14,691,524,064)	(14,671,879,227)	(13,978,652,436)
Interest expenses	3,815,050,461	5,141,242,289	5,110,319,237
Losses from operations before changes in operating assets and liabilities	(4,079,311,476)	(3,922,804,273)	(5,033,188,824)

(Unit: THB)

Statements of Cash Flows (Cont'd)

	Consolidated		
	For the years ended 31 December		
	2016	2015	2014
(Increase) Decrease in operating assets			
Interbank and money market items	5,762,463,266	(7,769,716,740)	27,021,999,228
Investments held for trading	(1,342,468,824)	965,186,346	3,548,028,199
Loans	(12,208,351,681)	(12,946,534,144)	(21,762,185,863)
Properties for sale	1,709,786,609	2,065,664,313	1,007,089,896
Receivable from Thai Asset Management Corporation	-	3,486,699,265	-
Other assets	1,899,646,123	(6,180,186,065)	656,115,612
Increase (Decrease) in operating liabilities			
Deposits	13,446,187,779	(13,677,513,614)	31,761,978,155
Interbank and money market items	(8,423,088,537)	1,713,650,171	(26,561,495,078)
Liability payable on demand	(70,676,277)	(23,522,672)	(160,576,057)
Short-term borrowings	(14,314,372,766)	9,882,271,652	(14,379,308,526)
Provisions	(122,504,066)	(123,010,806)	(107,135,789)
Other liabilities	(1,911,540,150)	4,254,220,690	(947,076,805)
Cash flows used in operating activities	(19,654,230,000)	(22,275,595,877)	(4,955,755,852)
Cash received from interest income	13,236,817,311	12,884,956,736	12,311,195,461
Cash paid for interest expenses	(4,506,261,540)	(5,243,286,425)	(5,452,994,418)
Cash paid for income tax	(260,166,103)	(158,713,168)	(58,026,091)
Net cash flows (used in) provided by operating activities	(11,183,840,332)	(14,792,638,734)	1,844,419,100

Statements of Cash Flows (Cont'd)	(Unit: THB)		
	Consolidated		
	For the years ended 31 December		
	2016	2015	2014
Cash flows from investing activities			
Cash paid for purchases of available-for-sale securities	(37,905,998,597)	(29,765,886,180)	(54,106,282,038)
Proceeds from disposals of available-for-sale securities	32,003,101,453	27,203,327,558	31,109,002,243
Proceeds from maturity of available-for-sale securities	1,607,800,000	510,978,043	26,015,683,807
Cash paid for purchases of held-to-maturity securities	(5,074,765,297)	(4,922,649,754)	(12,020,896,051)
Proceeds from disposals of held-to-maturity securities	480,340	-	-
Proceeds from maturity of held-to-maturity securities	9,830,560,000	6,666,336,490	3,972,000,340
Proceeds from repayment of investment in receivables	2,974,664	20,702,034	48,205,321
Cash paid for purchases of general investments	-	-	(182,610)
Proceeds from disposals of general investments	942,262	6,927,784	164,902
Proceeds from decrease in capital of general investments	31,750,000	30,000,000	31,160,601
Proceeds from payback of investment in subsidiary	-	-	22,540,041
Cash paid for purchases of premises and equipment	(248,780,868)	(152,719,262)	(232,063,643)
Proceeds from disposals of premises and equipment	39,224,327	21,370,934	11,974,809
Cash paid for purchases of intangible assets	(108,847,701)	(127,149,554)	(140,095,981)
Dividend received	19,594,927	51,830,775	51,222,854
Interest received	1,800,077,764	1,934,291,399	1,678,324,931
Net cash flows provided by (used in) investing activities	1,998,113,274	1,477,360,267	(3,559,240,474)

(Unit: THB)

Statements of Cash Flows (Cont'd)
Consolidated
For the years ended 31 December

	2016	2015	2014
Cash flows from financing activities			
Dividend paid	(185,810,488)	(158,136,585)	(210,848,780)
Proceeds from issuing subordinated debentures	5,007,729,300	-	4,066,540,000
Cash paid for redemption of subordinated debentures	(3,000,000,000)	-	(2,500,000,000)
Proceeds from issuance of structured bills of exchange and debentures	10,516,592,516	12,802,546,172	11,405,500,000
Cash paid for redemption of structured bills of exchange and debentures	(3,610,000,000)	(4,639,000,000)	(10,392,000,000)
Cash received from capital increase	-	3,689,853,654	-
Net cash flows provided by financing activities	8,728,511,328	11,695,263,241	2,369,191,220
Foreign currency translation differences	(1,364,705)	27,590,216	6,503,496
Net (decrease) increase in cash and cash equivalents	(458,580,435)	(1,592,425,010)	660,873,342
Cash and cash equivalents at beginning of the year	2,397,196,928	3,989,621,938	3,328,748,596
Cash and cash equivalents at the end of the year	1,938,616,493	2,397,196,928	3,989,621,938

Supplemental disclosure of cash flows information

Non-cash transaction:

Payable from purchase premises and equipment	7,885,214	6,082,109	30,592,954
Properties for sale received from premises and equipment	116,468,697	60,976,206	125,838,175
Change in revaluation surplus in available-for-sale investment	644,156,155	12,859,905	240,733,492
Interest amortisation from premium or discount	404,473,541	385,340,992	100,700,529

The Bank and Subsidiaries' Financial Ratios	31-Dec-16	31-Dec-15	31-Dec-14
Net interest margin (%)	3.7	3.3	3.4
Return on equity (%)	(2.3)	4.4	4.4
Return on assets (%)	(0.2)	0.4	0.4
Cost to income ratio (%)	57.4	58.3	68.0
Loan to deposit ratio (Modified LDR) (%)	92.4	91.2	90.1
NPL ratio (%)	6.1	3.1	3.3
Capital adequacy ratio (%)	16.1	15.7	15.2
Tier 1 capital funds to risk-weight assets (%)	10.7	11.0	10.1

14. Analysis of Financial Standing and Operating Performance

14.1 Consolidated operating results

For the year ended 31 December 2016, CIMB Thai group's consolidated operating income rose by THB 694.1 million or 5.7% year-on-year ("YoY") to THB 12,928.1 million, derived from a 16.4% growth in net interest income and an 11.4% expansion in net fee and service income, while other income dropped by 37.7%. Pre-provision operating profit increased by 7.8% YoY to THB 5,504.6 million due to a slight increase in operating expenses of 4.2% YoY.

However, net loss was posted at THB 629.5 million in 2016, compared with net profit of THB 1,052.5 million in 2015, as a result of a 66.6% increase in provisions to mainly buffer the rising NPLs in certain industries during the year and amid the economic recovering pace.

Net interest margin (NIM) over earning assets stood at 3.77% in 2016, compared with 3.27% in 2015, as a result of more efficient funding cost management.

As at 31 December 2016, total gross loans (inclusive of loans guaranteed by other banks and loans to financial institutions) were THB 206.4 billion, marking a growth of 3.7% from 31 December 2015. Deposits (inclusive of bills of exchange, debentures and selected structured deposit products) amounted to THB 223.5 billion, an increase of 2.4% from THB 218.4 billion at the end of December 2015. The modified loan to deposit ratio went up to 92.4% from 91.2% as at 31 December 2015.

(a) Summary of CIMB Thai group's income

On a YoY basis, net interest income improved by THB 1,388.7 million or 16.4%, attributable to a drop in interest expenses by 21.8%. Meanwhile, net fee and service income grew by THB 167.9 million or 11.4%, thanks to higher hire-purchase and financial lease fees and insurance premiums. Other operating income dropped by THB 862.6 million or 37.7% mainly from a decrease in treasury business activities.

(b) Cost of funds and operating expenses

CIMB Thai group's interest expenses in 2016 amounted to THB 4.8 billion, going down by THB 1.3 billion, or 21.8%, largely from a decrease in interest expenses on deposits.

For the year ended 31 December 2016, operating expenses moved up by THB 296.2 million or 4.2% YoY from an increase in other expenses but partially offset by declining premises and equipment expenses. The cost to income ratio improved to 57.4% in 2016 compared with 58.3% in 2015 as a result of better cost management and increased income.

(c) Net profit (loss)

Net loss was THB 629.5 million for the year 2016, compared with net profit of THB 1,052.5 million in 2015, as a result of a 66.6% increase in provisions. The increase in provision was mainly to buffer the rising NPLs in certain industries during the year and amid the economic recovering pace.

(d) Return on equity

For the year 2016, CIMB Thai group's return on equity was -2.3% comparable with 4.4% in 2015 and the Bank's return on equity was -4.8% compared with 3.1% in 2015, mainly caused by net loss during the year.

14.2 Consolidated financial standing

Assets

As at 31 December 2016, CIMB Thai group's total assets amounted to THB 297.5 billion, declining by THB 7.2 billion or 2.4% from a year earlier, as detailed below:

Interbank and money market items (assets) were THB 8.5 billion, a THB 5.8 billion or 40.3% drop, mainly attributable to the Bank's liquidity management.

Derivative assets moved down by THB 4.3 billion or 17.0% to THB 21.2 billion, coming mainly from foreign exchange contracts.

Net investments stood at THB 55.1 billion, up by THB 171 million or 0.3%, mainly due to an increase in trading and available-for-sale securities.

Net loans and accrued interest receivables were THB 196.3 billion, up by 2.1% largely in retail segment.

Other assets amounted to THB 7.7 billion, dropping by THB 2.0 billion or 20.5%, mainly as a result of the decrease in marginal deposit derivatives and account receivables – bills of exchange.

Asset quality

(a) Loans and loan concentration

As at 31 December 2016, CIMB Thai group's total loans net of deferred revenue were THB 205.6 billion, an growth of THB 7.0 billion or 3.5% from THB 198.6 billion as at 31 December 2015. Loans principally comprised loans extended to the manufacturing and commerce sector, housing, and public utilities and service sectors, making up 66.9% of total loans. The housing loans represented the largest proportion, i.e. THB 57.2 billion or 27.8% of total loans. This was in line with the Bank's strategy. Meanwhile, the loans to manufacturing and commerce sector amounted to THB 50.0 billion or 24.3% of total loans, and public utilities and services loans THB 30.4 billion or 14.8% of total loans. Sectors with growth of loans were public utilities and services, personal cash, hire purchase and financial lease and housing loans, recorded at 22.2%, 16.8%, 16.1% and 7.3% respectively compared with those at year-end 2015.

Loans classified by type of business	31 December 2016		31 December 2015		Change	
	THB million	%	THB million	%	THB million	%
Agricultural and mining	4,791	2.3	6,052	3.0	(1,261)	(20.8)
Manufacturing and commerce	49,992	24.3	52,411	26.4	(2,419)	(4.6)
Real estate and construction	12,460	6.1	15,800	8.0	(3,340)	(21.1)
Public utilities and services	30,448	14.8	24,918	12.5	5,530	22.2
Personal cash	13,059	6.4	11,180	5.6	1,879	16.8
Housing loans	57,239	27.8	53,337	26.9	3,902	7.3
Hire purchase receivable and financial lease receivable	24,338	11.8	20,962	10.6	3,376	16.1
Others	13,261	6.5	13,946	7.0	(685)	(4.9)
Total loans net of deferred revenue	205,588	100.0	198,606	100.0	6,982	3.5

To avoid concentration risk in any particular industry, the Bank has a policy in place to diversify the proportion of loans granted to various business sectors covering clients from all categories: large, medium and small enterprises as well as retail clients.

(b) Classification of assets

As at 31 December 2016, CIMB Thai group's net loans and accrued interest receivables (excluding loans to financial institutions) amounted to THB 206.2 billion, an increase of 3.5% compared with those as at 31 December 2015. Classification of loans is in compliance with Bank of Thailand's notification. Pass loans stood at THB 180.7 billion, special-mention loans amounted to THB 12.8 billion, and non-performing loans classified as sub-standard, doubtful and doubtful of loss were reported at THB 4.6 billion, THB 4.8 billion, and THB 3.4 billion respectively.

CIMB Thai group's loan loss coverage ratio decreased to 77.3% as at 31 December 2016 from 106.5% a year earlier. Total provisions amounted to THB 9.8 billion, which was THB 3.5 billion in excess of Bank of Thailand's reserve requirements.

(c) Non-performing loans (NPL)

Gross non-performing loans ("NPL") stood at THB 12.7 billion, with an equivalent gross NPL ratio of 6.1%. This constituted an increase from 3.1% as at 31 December 2015, due to declining repayment capability of borrowers in certain corporate accounts. However, the Bank has continued to strictly adhere to high credit underwriting standards and risk management policies. It has also focused on improving efficiency in debt monitoring, collection and resolution, as well as managing all accounts more closely.

(d) Income recognition

Interest income is recognised on an accrual basis. The Bank discontinues recognition of accrued interest income on loans that are more than three months overdue or when there is uncertainty of collectability, and then 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. It will continue income recognition on an 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 applicable to the loans discussed above, with the exception of loans that are subject to monitoring in 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 at least three consecutive months or three consecutive installments, whichever is longer.

Liabilities

As at 31 December 2016, CIMB Thai group's total liabilities amounted to THB 270.8 billion, down by THB 6.7 billion or 2.4% from 31 December 2015 as follows:

Deposits were THB 183.7 billion, going up by THB 13.4 billion or 7.9%, mainly from an increase in savings and fixed deposits offset with current deposits.

Interbank and money market items (liabilities) were THB 11.6 billion, dropping by THB 8.4 billion or 42.1%, as a result of the Bank's liquidity management.

Financial liabilities designated at fair value through profit or loss increased by THB 2.8 billion or 17.7% to THB 18.9 billion, mainly from structured bills of exchange.

Derivative liabilities went down by THB 4.3 billion or 16.8% to THB 21.4 billion, mainly due to foreign exchange contracts.

Debt issued and borrowings amounted to THB 25.6 billion, dropping by THB 8.4 billion or 24.8%, due to the redemption of short-term debentures during the year.

Equity

As at 31 December 2016, CIMB Thai group's equity stood at THB 26.7 billion, representing a decrease of THB 403 million or 1.5% from a year earlier, mainly due to net loss during the year.

Off balance sheets: Commitments

As at 31 December 2016, the Bank and its subsidiaries had combined commitments of THB 2,405.3 billion, up by THB 79.0 billion (3.4%) from THB 2,326.3 billion at the end of 2015, mostly from an increase in derivatives as indicated in the table below:

(THB million)

Off balance sheets: commitments	31 December 2016	31 December 2015	Variance %
Avals to bills and guarantees of loans	37	54	(31.5)
Liability under unmatured import bills	490	282	73.8
Letters of credit	1,331	1,224	8.7
Other commitments:	2,403,407	2,324,703	3.4
Derivatives	2,367,672	2,288,552	3.5
Undrawn bank overdrafts	18,404	17,678	4.1
Investments	6,668	9,447	(29.4)
Others	10,663	9,026	18.1
Total	2,405,265	2,326,263	3.4

Liquidity

Cash and cash equivalent items, as indicated in the cash flow statement of CIMB Thai group as at 31 December 2016, amounted to THB 1.9 billion, a net decrease of THB 458.6 million from 2015. Details of the changes are as follows:

Net cash flows used in operating activities in 2016 were THB 11.2 billion. Losses from operations before changes in operating assets and liabilities were THB 4.1 billion, including THB 774.7 million in pre-tax net loss for the year, and adjustments of non-cash items to net profit, largely from the increase in interest and dividend as well as bad debts and doubtful accounts. Operating assets for the year went up by THB 4.2 billion mainly from an increase in loans and investments held for trading. In addition, operating liabilities moved down by THB 11.4 billion, resulting from short-term borrowings.

Net cash flows provided by investing activities were THB 2.0 billion, mostly coming from net cash received for held-to-maturity securities.

Net cash flows provided by financing activities were THB 8.7 billion, comprising proceeds from net cash received for structured bills of exchange and structured debentures as well as net cash received from subordinated debentures.

Relationship between sources and applications of funds

Two major sources of funds for the Bank were deposits and borrowings, while the applications of funds covered the extension of loans. As at 31 December 2016, the Bank had deposits, borrowings and loans classified by maturity as follows:

(Unit: THB billion)

Maturities	Loans*	%	Deposits*	%	Borrowings*	%
Payable on demand	20.4	9.9	91.1	47.4	6.5	14.2
Up to one year	56.8	27.4	100.2	52.1	6.3	13.7
Over one year	129.8	62.7	1.0	0.5	33.1	72.1
Total	207.0	100.0	192.3	100.0	45.9	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	2016*		2015*		2014*	
	Amount	%	Amount	%	Amount	%
Current deposits	3.1	1.7	3.1	1.7	2.8	1.5
Savings deposits	88.0	45.7	85.0	46.4	58.9	30.3
Fixed deposits	101.2	52.6	94.9	51.9	132.5	68.2
Total	192.3	100.0	183.0	100.0	194.2	100.0

*Including interbank and money market items.

Credit Rating

The Bank's credit rating by Fitch Ratings, Moody's Investors Service and RAM Ratings are shown below:

2 August 2016

Fitch Ratings

National Long-Term Rating	AA (tha)
Outlook	Stable
National Long-Term Rating on subordinated debt	AA- (tha)

12 December 2016

Moody's Investors Service

Outlook	Stable
Bank deposits	Baa2/P-2
Baseline credit assessment	ba2
Adjusted baseline credit assessment	baa2
Counterparty risk assessment	Baa1(cr)/P-2(cr)
Issuer rating	Baa2
ST issuer rating	P-2

16 June 2016

RAM Ratings

Financial Institution Ratings	AA2/Stable/P1
Tier-2 Subordinated Debt	AA3/Stable

Financial Ratios

Capital funds and capital adequacy ratio

As at 31 December 2016, the Bank's assets were THB 25.3 billion higher than its liabilities. The difference represented positive shareholders' equity. Its total capital funds amounted to THB 37.0 billion with capital adequacy ratio (BIS ratio) of 15.6%, exceeding the regulatory requirement. At CIMB Thai group-level, the consolidated capital funds amounted to THB 38.0 billion with BIS ratio of 16.1%.

Liquidity and loan to deposit ratio

The Bank maintains the average cash reserve ratio at 1 % of the total deposits and several types of borrowings in accordance with the BOT regulations. As at 31 December 2016, the Bank's cash in hand, cash at cash center and cash at BOT totaled THB 2.4 billion, while the modified loan to deposit ratio was 90.9% compared with 90.1% as of 31 December 2015. Such level was in line with the business plan and stayed in the Bank's comfortable range.

Appointment of external auditors and consideration of audit fees

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.

Remuneration for external auditors

For the year ended 31 December 2016, fees paid to the external auditors were as follows:

(1) Audit fees

CIMB Thai group paid the auditors audit fees totaling THB 11.2 million. Other incidental expenses included transport and photocopying expenses.

(2) Non-audit fees

CIMB Thai group paid fees for non-audit services to the Bank's auditors in the fiscal year 2016 amounting to THB 110,000 for the services provided in 2016.

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 December 2016 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. Chitrapongse Kwangsukstith	Director	- Chitrapongse Kwangsukstith -
2. Mr. Kittiphun Anutarasoti	President and Chief Executive Officer	- Kittiphun Anutarasoti -

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
(As of 31 January 2017)**

1. Information on Directors, Management, Persons with Power and Company Secretary
1.1 Details on Directors, Management, Persons with Power and Company Secretary

Name of Director / Age / Position / Date of Appointment	Education	Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years		
1. Mr. Chakramon Phasukavanich Age 69 years Chairman of Board of Directors Date of appointment: 19 April 2016 Total shareholding in Bank No. of shares held as of year-end 2016 - By himself: 1 share - By his spouse or minor children: None	Education - Master of Arts (Economics), California State University, Northridge, U.S.A. - Bachelor of Arts (Economics), Chulalongkorn University - Certificate of Senior Executive Development Program (Class 12) - The National Defence Course, National Defence College (Class of 39) Training Courses provided by Thai Institute of Directors:- - 2011: Financial Institutions Governance Program (FGP) - 2010: Advanced Audit Committee Program (AAP) - 2010: Control and Risk Management (MIR) - 2008: Current Issue Seminar (CIS) - 2008: Role of the Chairman Program (RCP) - 2006: Director Certification Program (DCP) - 2006: Audit Committee Program (ACP) - 2004: Financial for Non-Financial Director (FND) - 2004: Director Accreditation Program (DAP)	Listed companies		
		Period	Position	Company/Organisation
		2015 – Present	Independent Director	Indorama Ventures PCL
		Non-listed companies and other companies and organisations		
		Period	Position	Company/Organisation
		16 Dec 2016 - Present	President	Investor Club Association
		2015 - Present	Chairman	P.C.S. Machine Group Holding PCL
		2004 - Present	Member	Office of the Council of State
		Work experience within last 5 years		
		Period	Period	Period
		2014 – 2015	Minister of industry	The Prime Minister's Office
		2013 – 2014	Chairman	P.C.S. Machine Group Holding PCL
		2013 – 2014	Independent Director and Member of the Audit Committee	Akara Resources PCL
		2011 - Aug 2014	Chairman	CIMB Thai Bank PCL
		2011 - 2015	Member	Office the Public Sector Department Commission
		2011 – 2014	Member	CIMB Southeast Asia Research
		2009 - 2014	Independent Director and Audit Committee Director	Indorama Ventures PCL
		2009 – 2012	Member	Burapha University Council
		2006 – 2008	Member	The National Legislative Assembly
		2004 – 2008	Permanent secretary, Office of Permanent Secretary	Ministry of Industry
		2004 – 2006	Secretary General	Office of the National Economic and Social Development Board
		2003 – 2004	Secretary General	Board of Investment of Thailand
2. Dato' Robert Cheim Dau Meng Age 65 years Vice Chairman Member and Alternate Chairman of Nomination, Remuneration and Corporate Governance Committee Date of appointment: 5 November 2008	Education - Fellow of the Institute of Chartered Accountants in England and Wales - Member of the Malaysian Institute of Accountants Training - Capital Market Directors Programme (21-24 March 2016) - Implementation of FIDE Forum's Directors	Listed companies		
		Period	Position	Company/Organisation
		-	-	-
		Non-listed companies and other companies and organisations		
		Period	Position	Company/Organisation
		1996 - Present	Director	RC Capital Sdn Bhd
		2012 - Present	Director	Yu Cai Foundation
		Jul 2015 - Present	Chairman/Director	CIMB Investment Bank Bhd
		Aug 2015 - Present	Trustee	CIMB Foundation
		Nov 2015 - Present	Chairman/Director	CIMB - Principal Asset Management Bhd.

Name of Director / Age / Position / Date of Appointment	Education	Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years		
Total shareholding in Bank	Register (2 June 2016) - Securities Commission-FIDE Forum Dialogue: Fintech's Impact on Financial Institutions (29 August 2016) - Bank Negara Malaysia: Future Finance Conference (23 September 2016) - CIMB Annual Management Summit (11-12 November 2016) - CIMB Board Risk Workshop (2 December 2016) - ICAEW Talk: 4Q South East Asia Economic Insight (6 December 2016)	Work experience within last 5 years		
No. of shares held as of year-end 2016 - By himself: <i>None</i> - By his spouse or minor children: <i>None</i>		Period	Position	Company/Organisation
		2006 - Feb 2015 2006 - Feb 2015 2005 - 2016 2005 - 2014 1999 - 2006 1993 - 1999	Non-executive Director Adviser Chairman Director Executive Director Chief Executive Officer	CIMB Group Holdings Bhd CIMB Investment Bank Bhd Tanjong PLC CIMB Securities International Pte Ltd. CIMB Investment Bank Bhd CIMB Investment Bank Bhd
3. Mr. Sukont Kanjana-Huttakit Age 70 years Independent Director Chairman of Audit Committee Date of appointment: 24 September 2009	Education - M.A. (Finance), Virginia Polytechnic and State University, U.S.A. - B.A. (Finance), Virginia Polytechnic and State University, U.S.A. Training - 2010: Audit Committee Programme (ACP) Class 30/2010, Thai Institute of Directors - 2007: Director Certification Programme (DCP), Thai Institute of Directors	Listed companies		
		Period	Position	Company/Organisation
		2015 - Present 2014 - Present	Chairman of the Board Independent Director/Chairman of Audit Committee	JAS Asset PCL World Corporation PCL
		2012 - Present	Chairman of the Board	Srisawad Power 1979 PCL
		Non-listed companies and other companies and organisations		
		Period	Position	Company/Organisation
		2011 - Present	Member of Ethics Committee	Federation of Accounting Professions
		Work experience within last 5 years		
		Period	Position	Company/Organisation
		2014 - 2015 2012 - 2014 2006 - 2014 2007 - 2009 2006 - 2008 Aug 2006 - Oct 2006 2005 - 2008	Vice Chairman and Chairman of Audit Committee Independent Director Executive Adviser Member of Risk Management Committee Board member and Chairman of Audit Committee Board member Member of Auditing Standard Screening Sub-Committee	Thai Sri Insurance PCL Scan Inter Co., Ltd. Tricor Outsourcing (Thailand) Co., Ltd. TMB Asset Management Co., Ltd. Government Housing Bank CAT Telecom PCL Federation of Accounting Professions
Total shareholding in Bank				
No. of shares held as of year-end 2016 - By himself: <i>None</i> - By his spouse or minor children: <i>None</i>				

Name of Director / Age / Position / Date of Appointment	Education	Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years		
		2003 - 2007 2003 - 2006 1998 - 2006	Member of Audit Committee Member of Electronic Transactions Commission Chairman and Senior Partner	Royal Bangkok Sports Club Ministry of Information and Communication Technology PricewaterhouseCoopers Co., Ltd.
4. Mrs. Watanan Petersik Age 56 years Independent Director Chairperson of Nomination, Remuneration and Corporate Governance Committee Date of appointment: 25 April 2007 Total shareholding in Bank No. of shares held as of year-end 2016 - By herself: <i>None</i> - By her spouse or minor children: <i>None</i>	Education AB Bryn Mawr College, PA, U.S.A. Training - Bursatra Sdn Bhd: Mandatory Accreditation Programme (MAP) for Directors of Public Listed Companies (17-18 March 2010) - Director Accreditation Programme (DAP) Class 83/2010 English Programme, Thai Institute of Directors (27 April 2010) - Certificate, Singapore Institute of Directors Course: Role of Directors	Listed companies		
		Period	Position	Company/Organisation
		2014 - Present	Independent Director	PTT Global Chemical PCL
		Non-listed companies and other companies and organisations		
		Period	Position	Company/Organisation
		Jan 2016 - Present	Director	TPG Star SF Pte Ltd.
		Jan 2016 - Present	Director	TPG Growth SF Pte Ltd.
		Jan 2016 - Present	Director	TPG Growth III Asia Internet Holdings Pte Ltd.
		Feb 2015 - Present	Director	TE Asia Healthcare Advisory Pte Ltd.
		Sep 2014 - Present 2011 - Present	Director Director	TE Asia Healthcare Partners Pte Ltd. Lien Centre for Social Innovation, Singapore Management University CIMB Group Holdings Bhd
		2010 - Present	Independent Director	CIMB Group Sdn Bhd
		2010 - Present	Non-executive Director	Asia Capital Advisory Pte Ltd.
		2008 - Present	Independent Director	TPG Capital Asia
		2007 - Present	Non-executive Director	
			Director	
			Senior Adviser/Consultant	
		Work experience within last 5 years		
		Period	Position	Company/Organisation
		-	-	-
5. Dato' Shaarani Bin Ibrahim Age 67 years Independent Director Member of Audit Committee Member of Nomination, Remuneration and Corporate Governance Committee Date of appointment: 20 January 2009	Education B.A. (Hons) International Relations, Universiti Malaya Training - September 2015: World Capital Markets Symposium, Malaysia - June 2015: Affin Hwang Asset Management Investment Forum 2015, Malaysia - June 2015: IDFR (Institute of Diplomacy and Foreign Relations) Lecture Series 3/2015 themed "China's One Belt, One Road Initiative: Strategic Implications, Regional Responses," Malaysia	Listed companies		
		Period	Position	Company/Organisation
		-	-	-
		Non-listed companies and other companies and organisations		
		Period	Position	Company/Organisation
		Aug 2015 – Present	Director	CIMB Bank PCL, Vietnam
		Sep 2010 - Present	Chairman of the Board, Chairman of Risk Committee, Member of Audit Committee	CIMB Bank PCL, Cambodia

Name of Director / Age / Position / Date of Appointment	Education	Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years		
Total shareholding in Bank	<ul style="list-style-type: none">- September 2014: ASEAN Game Changer Forum, Singapore- June 2014: CIMB Group on the 6th Regional Compliance, Audit & Risk (CAR) Summit, Malaysia- June 2014: 28th Asia-Pacific Roundtable (APR), Malaysia- June 2013: CIMB Group on the 5th Regional Compliance, Audit & Risk (CAR) Conference, Indonesia- April 2011: Director Certification Programme (DCP) Class 145/2011 English Programme, Thai Institute of Directors- April 2010: Director Accreditation Programme (DAP) Class 83/2010 English Programme, Thai Institute of Directors- August 2009: Non-Executive Director Development Series- August 2009: "Corporate Governance" by PriceWaterhouseCoopers, Malaysia	Sep 2010 - Present	Independent Director, Chairman of Remuneration Committee, Member of Audit Committee, Member of Nomination Committee	Dragon Group International Limited (DGI), Singapore
No. of shares held as of year-end 2016 - By himself: <i>None</i> - By his spouse or minor children: <i>None</i>		Work Experience within Last 5 Years		
		Period	Position	Company / Organization
		Jan 2011 - Jan 2014	Board Member, Chairman of Audit Committee, Member of Investment Committee	Universiti Putra Malaysia (UPM)
		2005 - 2008	Ambassador of Malaysia	The Kingdom of Thailand
6. Mr. Chitrapongse Kwangsukstith	Education	Listed Companies		
Age 67 years Director (Authorised Signatory) Member and Alternate Chairman of Board Risk Committee	<ul style="list-style-type: none">- Doctor of Engineering (Industrial Engineering), Lamar University, U.S.A.- Master of Engineering (Industrial Engineering), Lamar University, U.S.A.- Bachelor of Engineering (Mechanical Engineering), Chulalongkorn University, Thailand	Period	Position	Company / Organization
Date of appointment: 11 April 2014		Present	Director	Thoresen Thai Agencies PCL
		Non-Listed Companies and Other Companies/Organisations		
		Period	Position	Company / Organization
		Present Present Present Present Present Present Present	Director Director Director Director Director Director Director	Earth Green Co., Ltd. Baan Mee Green Co., Ltd. Panom Green Co., Ltd. Rayong Green Co., Ltd. Advances Advertising Technology Co., Ltd. Green Energy Holding Co., Ltd. Green Energy Asia Group Co., Ltd.
Total shareholding in Bank	Training	Work Experience within Last 5 Years		
No. of shares held as of year-end 2016 - By himself: <i>None</i> - By his spouse or minor children: <i>None</i>	<ul style="list-style-type: none">- Stanford Executive Program, Stanford University, U.S.A.- The National Defence Course, National Defence College, (Class of 4212), Thailand- Director Certification Program (DCP) Class 42/2004, Finance for Non-Finance Directors (FND) Class 9/2004, Role of Compensation Committee (RCC) Class 10/2010 and National Corporate Governance Committee (NCGC), Thai Institute of Directors (IOD)	Period	Position	Company / Organization
		2014 2009-2014 2008 - 2009	Chairman Chairman Chief Operating Officer, Upstream Petroleum and Gas Business Group	PTT Energy Resources Co., Ltd. PTT International Co., Ltd. PTT PCL
		2003 – 2007	Senior Executive Vice President, Gas Business Unit	PTT PCL

Name of Director / Age / Position / Date of Appointment	Education	Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years		
7. Dato' Lee Kok Kwan Age 51 years Director Chairman of Board Risk Committee Date of Appointment: 24 December 2015 Total shareholding in Bank No. of shares held as of year-end 2016 - By himself: <i>None</i> - By his spouse or minor children: <i>None</i>	Education - Joint Honors (First Class), Bachelor of Business Administration & Economics, Simon Fraser University, Canada - Master of Business Administration, Simon Fraser University, Canada Training - Bursatra Sdn Bhd: Mandatory Accreditation Programme for Directors of Public Listed Companies (2015)	Listed Companies		
		Period	Position	Company / Organization
		Present	Director	CIMB Group Holdings Bhd
		Present		
		Period	Position	Company / Organization
		Present	Director	CIMB Bank Bhd
		Present	Director	Cagamas Holdings Bhd
		Present	Adviser	Securities Commission Malaysia
		Present	President	Financial Markets Association of Malaysia
		Work Experience within Last 5 Years		
		Period	Position	Company / Organization
		2012-2015	Group Deputy CEO & Head of Treasury, Corporate Banking & Transaction Banking	CIMB Group Holding Bhd
		2008-2012	Group Deputy CEO & Treasurer	CIMB Group Holding Bhd
		2006-2008	Group Treasurer	CIMB Group Holding Bhd
		1997-2006	General Manager of Treasury & Debt Capital Markets	CIMB Investment Bank
		1996-1997	Head of Risk Management	CIMB Investment Bank
8. Ms. Serena Tan Mei Shwen Age 38 years Director Member of Board Risk Committee Date of Appointment: 6 May 2014 Total shareholding in Bank No. of shares held as of year-end 2016 - By herself: <i>None</i> - By her spouse or minor children: <i>None</i>	- Master of Business Administration, Massachusetts Institute of Technology, USA - Bachelor of Commerce, Accounting & Finance, Macquarie University, Sydney, Australia - 7 th Form Bursary Certificate - (Economics, Statistics, English, History), Aranui High School, Christchurch, New Zealand	Listed Companies		
		Period	Position	Company / Organization
		-	-	-
		Non-Listed Companies and Other Companies/Organisations		
		Period	Position	Company / Organization
		2005 - Present	Director	Investments, Khazanah Nasional Berhad, Kuala Lumpur, Malaysia
		Present	Director	Board of Acibadem Saglik ve Hayat Sigorta A.S. (Non-Independent Non-Executive Director)
		Work Experience within Last 5 Years		
		Period	Position	Company / Organization
		April 2008 - Oct 2009	Principal	Olivant Advisors (Seconded from Khazanah), Singapore
		March 2006 - April 2008	Senior Vice President, Office of the Chairman/CEO	Lippo Bank Tbk (Seconded from Khazanah), Jakarta, Indonesia
		Oct 2005 - March 2006	Vice President	Credit Cards Group Head
		Dec 2003 - Feb 2005	Associate	Boston Consulting Group, Kuala Lumpur, Malaysia
		April 2001 - Dec 2003	Senior Analyst	FIG Specialist, McKinsey & Company, Kuala Lumpur, Malaysia

Name of Director / Age / Position / Date of Appointment	Education	Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years		
9. Mr. Pravej Ongartsittigul Age 61 years Independent Director Member of Audit Committee Date of appointment: 19 April 2016	Education - Master of Business Administration (Finance), New Hampshire College, U.S.A. - Master of Business Administration (Decision Support Systems), New Hampshire College, U.S.A. - Bachelor of Accounting, Faculty of Commerce and Accountancy, Chulalongkorn University Training - 2016: Corporate Governance for Capital Market Intermediaries (CGI), Class 17/2016, Thai Institute of Directors - 2009: Advanced Senior Executive Program, Northwestern University (Kellogg) - 2007: Director Certification Program, (DCP), Class 86/2007), Thai Institute of Directors - 2007: Strategic Leadership Program, Capital Market Academy Class 1/2007, Stock Exchange of Thailand - 2007: Public-Private Partnership Program, Class 1/2007, Royal Thai Police - 1990: Chartered Bank EDP Auditor, Designation 898/1990, Bank Administration Institute, U.S.A. - 1987: Chartered Bank Auditor, Designation 3167/1987, Bank Administration Institute, U.S.A.	Listed Companies		
		Period	Position	Company / Organization
		May 2016 – Present	Indepentdent Director Member of Audit Committee	CIMB Thai Bank PCL
		Non-Listed Companies and Other Companies/Organisations		
		Period	Position	Company / Organization
		Jul 2016 – Present	Indepentdent Director	Advance Medical Co., Ltd.
		Apr 2016 – Present	Chairman and Indepentdent Director	AIRA Securities PCL
		2006 – Present	Director (Invesment Advisory)	Thai Red Cross Society
		Work Experience within Last 5 Years		
		Period	Position	Company / Organization
2011 - 2015 2005 - 2011	Secretary General Senior Assistant Secretary General	Office of Insurance Commission Securities and Exchange Commission		
2011 - 2015	Member of Committee for the Protection of Credit Information	Bank of Thailand		
2011 - 2015	Member of Financial Institutions Policy Committee	Bank of Thailand		
2011 - 2015	Director	Anti-Money Laundering Office		
10. Mr. Kittiphun Anutarasoti Age 47 years Director (Authorized Signatory) President and Chief Executive Officer Chairman of Management Committee Chairman of Risk Management Committee	Education - Master of Business Administration (Finance), Saint Louis University, U.S.A. - Bachelor of Economics (1st Class Honour & Gold Medal), Chulalongkorn University	Listed Companies		
		Period	Position	Company / Organization
		-	-	-
		Non-listed companies and other companies and organisations		
		Period	Position	Company / Organization
		-	-	-
		Work experience within last 5 years		

Name of Director / Age / Position / Date of Appointment	Education	Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years		
Alternate 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 Market Risk Committee Thailand Chairman of Marketing and Communications Committee Chairman of Thailand Underwriting Committee Date of appointment : 19 October 2016	Training - Advanced Management Program – INSEAD Business School - Financial Institution Risk Analysis – Fitch Training, Singapore - Structured Derivatives Instruments – JP Morgan, Singapore - Advanced Credit Training – Bank of America, San Francisco - Basic Credit Training – Bank of America, San Francisco	2556 – 2559	Senior Executive Vice President	Krungthai Bank PCL
		2552 - 2556	First Executive Vice President	Siam Commercial Bank PCL
		2543 - 2552	Executive Director	JP Morgan Chase Bank, N.A., Bangkok Branch
Total shareholding in Bank				
No. of shares held as of year-end 2016 - By himself: <i>None</i> - By his spouse or minor children: <i>None</i>				
11. Assoc.Prof. Dr. Ismaae Alea Age 66 years Shariah Advisor Date of appointment: 1 August 2011	- Higher Certificate in Promotion of Peaceful Society, King Prajadhipok’s Institute - Ph.D., Al-Fiqh (First Class Hons), Islamic University of Madinah, Saudi Arabia - Master of Arts, Al-Fiqh (Excellence), Islamic University of Madinah, Saudi Arabia - Bachelor of Arts, Sharia (Hons), Islamic University of Madinah, Saudi Arabia - Bachelor of Arts, Dawah and Usul al- din, Islamic University of Madinah, Saudi Arabia	Listed Companies		
		Period	Position	Company / Organization
		-	-	-
Total shareholding in Bank				
No. of shares held as of year-end 2016 - By himself: <i>None</i> - By his spouse or minor children: <i>None</i>				
		Non-Listed Companies and Other Companies/Organisations		
		Period	Position	Company / Organization
		2014 - Present 2007 - Present	Chairman Member, Chairman of Halal Affairs	Orphans Foundation Central Islamic Council of Thailand (CICOT)
		Work Experience within Last 5 Years		
		Period	Position	Company / Organization
		2010 - 2011 2008 - 2010	Head of Delegation Member	Thai Haj Delegation Shariah Advisory Council, Securities Commission, Malaysia
		2007 - 2010 2006 - 2010	Associate Professor of Islamic Law Head	Advisory Council for Peace Building in Southern Border Provinces of Thailand College of Islamic Studies (CIS), Prince of Songkla University (PSU)

Name of Director / Age / Position / Date of Appointment	Education	Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years		
		2002 - 2010	Director	Doctoral Degree in Islamic Studies of CISPSU College of Islamic Studies CIS-PSU
12. Dr. Maroning Salaming Age 51 years Shariah Advisor Date of appointment: 1 August 2011	- Ph.D., Principles of Islamic Jurisprudence, Islamic University of Medina, Saudi Arabia - Master of Arts, Principles of Islamic Jurisprudence, Islamic University of Medina, Saudi Arabia - Bachelor of Arts, Islamic Law, Islamic University of Medina, Saudi Arabia	Listed Companies		
		Period	Position	Company / Organization
		-	-	-
		Non-Listed Companies and Other Companies/Organisations		
		Period	Position	Company / Organization
		2016 – Present	Haj Affairs Committee B.E. 2016	Central Islamic Council of Thailand
		2016 – Present	President, Shariah transactions	Dhipaya Takaful
		2016 – Present 2015 – Present	President, Office AmirunHajj Adviser of Director College of Islamic Studies	Sheikhul Islam College of Islamic Studies, Prince of Songkla University, Pattani Campus
		2013 – Present 2011 - Present	Expert Sheikhul Islam Member of Shariah Advisory Council	Sheikhul Islam Provinces Administration Center Koperasi Bina Berhad
		2010 - Present	Consultant and Working Committee Member	Sheikhul Islam
		2008 – Present	Adviser on Ph.D. Thesis	College of Islamic Studies, Prince of Songkla University, Pattani Campus
		2006 - Present	Adviser on Master's Degree Thesis	College of Islamic Studies, Prince of Songkla University, Pattani Campus
		2005 – Present	Professor of Islamic Law Department	College of Islamic Studies, Prince of Songkla University, Pattani Campus
		Work Experience within Last 5 Years		
		Period	Position	Company / Organization
2013 – 2014	Deputy Secretary General	Southern Border Provinces Administration Center		
2012 - 2014	Specialised Committee Member	Hajj Promotion Committee of Southern Border Provinces of Thailand, pursuant to the appointment order of Southern Border		
2011 - 2013	Specialised Council Member	Council for Yala Primary Educational Service Area 1		
2009 – 2015	Member of Management Committee of Ph.D Programme	College of Islamic Studies, Prince of Songkla University, Pattani Campus		
2008 - 2010	Adoption of Islamic Laws in Southern Border Provinces	Pursuant to the order of Sub Committee on Policy and Coordination of Judicial Process in Southern Border Provinces		
Total shareholding in Bank				
No. of shares held as of year-end 2016 - By himself: <i>None</i> - By his spouse or minor children: <i>None</i>				
13. Mr. Pornchai Padmindra	Education - Bachelor of Accounting, Kasetsart University	Listed Companies		
		Period	Position	Company / Organization
		-	-	-

Name of Director / Age / Position / Date of Appointment		Education	Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years		
Age 44 years Senior Executive Vice President, Wholesale Banking Group Date of appointment: 1 September 2013 Total shareholding in Bank No. of shares held as of year-end 2016 - By himself: <i>None</i> - By his spouse or minor children: <i>None</i>	- AFS Scholarship Student Exchange Programme Training - 2008: Director Accreditation Program (DAP), Class 73/2008, Thai Institute of Directors - 2016: Capital Market Academy - Greater Mekong Sub-region 2 (CMA-GMS2), Stock Exchange of Thailand		Non-Listed Companies and Other Companies/Organisations		
			Period	Position	Company / Organization
			-	-	-
			Work Experience within Last 5 Years		
			Period	Position	Company / Organization
			Sep 2011 - Aug 2013	Executive Vice President, Corporate Banking Team 2	Thanachart Bank PCL
			Oct 2008 - Aug 2011	Executive Vice President, Origination & Client Coverage	Standard Chartered Bank (Thai)
			Mar 2007 - Sep 2008	Managing Director	Citicorp Securities (Thailand) Ltd.
14. Mr. Adisorn Sermchaiwong Age 51 years Senior Executive Vice President Consumer Banking Group Date of appointment : 11 September 2012 Total shareholding in Bank No. of shares held as of year-end 2016 - By himself: <i>None</i> - By his spouse or minor children: <i>None</i>	Education - Master of Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University - Bachelor of Engineering, Chulalongkorn University Training - Director Certification Programme (DCP), Thai Institute of Directors - Advanced Management Programme, Oxford University - Capital Market Academy Leadership Programme, Capital Market Academy (CMA) Class 1 - Corporate Governance for Capital Market Intermediaries (CGI), Class 17/2016, Thai Institute of Directors		Listed Companies		
			Period	Position	Company / Organization
			-	-	-
			Non-Listed Companies and Other Companies/Organisations		
			Period	Position	Company / Organization
			2013 - Present	Director	CIMB-Principal Asset Management Co., Ltd.
			2015 - Present	Director	Finansa Asset Management Ltd.
			2015 - Present	Chairman	CT COLL Co., Ltd.
			Period	Position	Company / Organization
			2015 - Present	Chairman	WorldLease Co., Ltd.
			2016 - Present	Chairman	Center Auto Lease Co., Ltd.
			Work Experience within Last 5 Years		
			Period	Position	Company / Organization
			2010 - 2012	Executive Director, Country Head of Channels	UOB Bank PCL
			2007 - 2010	Executive Vice President, Saving & Investment Products	Siam Commercial Bank PCL
			2002 - 2007	President	SCB Asset Management Co., Ltd.
15. Mr. Sutee Losoponkul Education - MBA, National Institute of Development			Listed Companies		
			Period	Position	Company / Organization
			-	-	-
			Non-Listed Companies and Other Companies/Organisations		

Name of Director / Age / Position / Date of Appointment	Education	Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years		
Age 56 years Senior Executive Vice President Treasury Group Date of appointment: 1 April 2011	Administration (NIDA) - B.Sc. (Industrial Engineering), Prince of Songkla University Training - The National Defence college of Thailand - 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 MarketForeign Exchange ArithmeticFinancial FutureOptionsCitibank Bourse Game	Period	Position	Company / Organization
		23 Apr 2013 - Present 4 Mar 2011 - Present	Director Director	The Thai Bond Market Association CIMB Securities (Thailand) Co., Ltd.
Total shareholding in Bank		Work Experience within Last 5 Years		
No. of shares held as of year-end 2016 - By himself: <i>None</i> - By his spouse or minor children: <i>None</i>		Period	Position	Company / Organization
		-	-	-
16. Mrs.Wareemon Niyomthai Age 50 years Senior Executive Vice President, Commercial Banking Group Date of appointment: 8 February 2016	Education - Master of Business Administration (Finance), Saint Louis University, U.S.A. - Master of Science, (Mass Communications), Iowa State University, U.S.A. - Bachelor of Education, Srinakharinwirot University, Thailand Training - Columbia Senior Executive Programme, Columbia University, U.S.A.	Listed Companies		
		Period	Position	Company / Organization
		-	-	-
		Non-Listed Companies and Other Companies/Organisations		
		Period	Position	Company / Organization
		-	-	-
Total shareholding in Bank		Work Experience within Last 5 Years		
No. of shares held as of year-end 2016 - By herself: <i>None</i> - By her spouse or minor children: <i>None</i>		Oct 2013 – Jan 2016	First Executive Vice President, Advisor to the President	Krungthai Bank PCL
		Dec 2008 – Sep 2013 Nov 2003 – Dec 2008	Executive Vice President Executive Vice President	Siam Commercial Bank PCL Standard Chartered Bank (Thai)
17. Ms. Siriporn Sanunpairaue Age 52 years Senior Executive Vice President Internal Audit Division Date of appointment: 1 July 2015	Education - Master of Business Administration, Thammasat University - Bachelor of Accounting, Thammasat University	Listed Companies		
		Period	Position	Company / Organization
		-	-	-
		Non-Listed Companies and Other Companies/Organisations		
		Period	Position	Company / Organization
		-	-	-
		2007 - 2008	Head of Internal Audit	Standard Chartered Bank (Thai)

Name of Director / Age / Position / Date of Appointment	Education	Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years		
Total shareholding in Bank	Training - CIMB-INSEAD Leadership Programme - CIA Preparation, Institute of Internal Auditors of Thailand - Certified Professional Internal Auditor (CPIA), Institute of Internal Auditors of Thailand	2006 - 2007	Department, Senior Vice President Senior Audit Manager, Group Internal Audit	Standard Chartered Bank
No. of shares held as of year-end 2016 - By herself: <i>None</i> - By her spouse or minor children: <i>None</i>				
18. Mr. Jason Leong Kok Yew Age 44 years Senior Executive Vice President, Finance Group Date of appointment: 30 December 2016	Bachelor of Economics, Macquarie University, Australia	Listed Companies		
Total shareholding in Bank No. of shares held as of year-end 2016 - By himself: <i>None</i> - By his spouse or minor children: <i>None</i>		Period	Position	Company / Organization
		-	-	-
		Non-Listed Companies and Other Companies/Organisations		
		Period	Position	Company / Organization
		2008 - Present	Director, Group Finance	CIMB Bank
		Work Experience within Last 5 Years		
		Period	Position	Company / Organization
		2005 - 2008 2000 - 2005 1992 - 2000	Accounting Department Manager Manager	Bangkok Bank PCL PriceWaterhouseCoopers /IBM Deloitte
		19. Mr. Arthit Masathirakul Age 50 years Senior Executive Vice President, Risk Management Group Date of appointment: 1 January 2017	Education Master of Business Administration, University of Colorado at Boulder, U.S.A. Training - Senior Credit Officer Workshop, Standard Chartered Bank, Thailand - Assets Valuation, Standard Chartered Bank, Hong Kong - Executive Programme, INSEAD, Fontainebleau, France - Engaging & Managing People, Standard Chartered Bank, London - Market Risks, Standard Chartered Bank, Hong Kong - Credit Skills Assessment (OMEGA), Standard Chartered Bank - Corporate Finance, Deutsche Bank AG, Singapore	Listed Companies
Total shareholding in Bank No. of shares held as of year-end 2016 - By himself: <i>None</i> - By his spouse or minor children: <i>None</i>	Period	Position		Company / Organization
	-	-		-
	Non-Listed Companies and Other Companies/Organisations			
	Period	Position		Company / Organization
	2005 - Present	Authorised Director		Advance Business Management Corporation Co., Ltd.
	Work Experience within Last 5 Years			
	Period	Position		Company / Organization
	Jan. 2014 – Jul. 2016 Apr. 2010 - Jan. 2014 2005 - 2008 Jul. 1997 – May 2005	Head of Risk Head of Loan Management Advisor, Alternate Investment Group Executive Vice President, Group Special Assets Management		Deutsche Bank AG, Bangkok Branch Bangkok, Thailand The Hongkong and Shanghai Banking Corporation Ltd., Bangkok, Thailand Standard Chartered Bank, Hong Kong Standard Chartered Bank, Bangkok, Thailand

Name of Director / Age / Position / Date of Appointment	Education	Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years		
		Listed Companies		
		Period	Position	Company / Organization
20. Mrs. Bussakorn Puttinan Age 59 years Senior Executive Vice President Group Information and Operations Division Date of appointment: 4 January 2017 Total shareholding in Bank No. of shares held as of year-end 2016 - By herself: <i>None</i> - By her spouse or minor children: <i>None</i>	Education Bachelor of Science (Agriculture Economics), Chiang Mai University Training - Core Operations, Managing people, Citibank, Singapore - Custody Services, E-Business, Citibank, Singapore and Hongkong - Process Management, Quality ISO, Citibank, Singapore - Risk in Financial Market, Citibank, Philippines - Executive Program, Columbia Business School, Columbia University	-	-	-
		Non-Listed Companies and Other Companies/Organisations		
		Period	Position	Company / Organization
		-	-	-
		Work Experience within Last 5 Years		
		Period	Position	Company / Organization
		Nov 2015 - Feb 2016	Advisor to President	Krungthai Bank PCL
		2015	Senior Executive Vice President	Siam Commercial Bank PCL
		2008 - 2014	First Executive Vice President, Corporate Operations Division	Siam Commercial Bank PCL
21. Mrs. Kanokpai Vongsatitporn Age 44 years Senior Executive Vice President, Human Resources Management Division Date of appointment: 30 December 2016 Total shareholding in Bank No. of shares held as of year-end 2016 - By herself: <i>None</i> - By her spouse or minor children: <i>None</i>	Education - Master of Business Administration, Kasetsart University - Bachelor of Business Administration (MIS/Finance), Thammasat University Training - 2013: CPP/Potentia, MBTI Certification Programme - 2013: CPP/Potentia, MBTI Type and Coaching	Listed Companies		
		Period	Position	Company / Organization
		-	-	-
		Non-Listed Companies and Other Companies/Organisations		
		Period	Position	Company / Organization
		-	-	-
		Work Experience within Last 5 Years		
		Period	Position	Company / Organization
		2012 - 2014	Chief Human Resources Officer	FWD Life Insurance PCL
		2011	Acting Head of Human Resources	Hongkong and Shanghai Banking Corporation
		2005 - 2011	Vice President, Human Resources	Hongkong and Shanghai Banking Corporation
22. Mr. Tan Keat Jin Age 42 years Senior Executive Vice President, Head of Strategy Division Date of Appointment: 30 December 2016	Education - Master of Business Administration (Merit), University of Bath, United Kingdom - Bachelor of Engineering (1st Class Honours), University College London, United Kingdom	Listed Companies		
		Period	Position	Company / Organization
		-	-	-
		Non-Listed Companies and Other Companies/Organisations		
		Period	Position	Company / Organization
		-	-	-

Vice Pre

Name of Director / Age / Position / Date of Appointment	Education	Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years		
Total shareholding in Bank	Training CIMB-INSEAD Executive Development Programme, Cohort 4			
No. of shares held as of year-end 2016 - By himself: <i>None</i> - By his spouse or minor children: <i>None</i>		Work Experience within Last 5 Years		
		Period	Position	Company / Organization
		2013 - 2015 2011 - 2013	General Manager Portfolio Management Lead	CIMB Bank, London Branch Private Equity – Portfolio Management (CIMB Group)
		2006 - 2011	Programme Lead with specialisation in areas of Corporate Banking, SME Banking, Treasury, Finance, Risk Management, IT and Operations	CASA Enhancement Programme (CIMB Niaga) Regional CASA Taskforce (CIMB Group) Bank-wide Business Turnaround (CIMB Thai) Single Largest Big-Bang Bank Merger in ASEAN (Bank Niaga – Bank Lippo Merger) Cross-border Synergy Programme (CIMB Group – Bank of Yingkou, China) Cross-border Synergy Programme (CIMB Group – Bank Niaga) Fastest Bank Merger in Malaysia (BCB – Southern Bank Merger)
		2005 - 2006	Specialist	Bank Negara Malaysia (Central Bank of Malaysia)
		1997 - 2005	Team Leader (various disciplines)	Accenture Malaysia
23. Mr. Prapas Thongsuk Age 53 years Executive Vice President Corporate Communications Division Date of appointment: 1 April 2010	<ul style="list-style-type: none"> - Master of Business Administration, National Institute of Development Administration (NIDA) - Bachelor of Education, Chulalongkorn University 	Listed Companies		
		Period	Position	Company / Organization
		-	-	-
		Non-Listed Companies and Other Companies/Organisations		
		Period	Position	Company / Organization
		-	-	-
Total shareholding in Bank		Work Experience within Last 5 Years		
No. of shares held as of year-end 2016 - By himself: <i>None</i> - By his spouse or minor children: <i>None</i>		Period	Position	Company / Organization
		2004 - 2010	Senior Vice President, Corporate Marketing	Krungthai Card PCL
24. Mr. Phisit Sucharitsopit Age 50 years Executive Vice President Transaction Banking Group	Education <ul style="list-style-type: none"> - Master of Science in Financial Engineering, City University of Hong Kong - Executive Management Program, Haas School of Business, University of 	Listed Companies		
		Period	Position	Company / Organization
		-	-	-
		Non-Listed Companies and Other Companies/Organisations		
		Period	Position	Company / Organization

Name of Director / Age / Position / Date of Appointment	Education	Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years		
Date of appointment: 22 February 2016	California, Berkeley - Master of Arts (Physics), Wayne State University, Michigan, U.S.A. - Bachelor of Arts (Math/Computer Science/Physics, Augustana College, Illinois, U.S.A. Training - Advanced Management Programme, University of California, Berkeley, U.S.A.	-	-	-
Total shareholding in Bank		Work experience within last 5 years		
No. of shares held as of year-end 2016 - By himself: <i>None</i> - By his spouse or minor children: <i>None</i>		Jun 2014 – Feb 2016	Senior Vice President, Head of Cash Management Services	Standard Chartered Bank (Thai)
25. Mr. Thaphop Kleesuan Age 56 years Executive Vice President, Compliance Department Head Date of appointment: 22 June 2011 Executive Vice President, Office of the President and Company Secretary Date of appointment: 21 July 2008	Education - LL.M. (Laws in Taxation), DePaul University, Chicago, Illinois, U.S.A. - LL.B., Chulalongkorn University Training - 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 - Securities Business Operation for Compliance Head Programme by Thai Bankers' Association and the Thai Institute of Banking and Finance Association	Listed Companies		
Total Share Held in Bank		Period	Position	Company / Organization
No. of shares held as of year-end 2016		-	-	-
- By himself: <i>None</i>		Non-Listed Companies and Other Companies/Organisations		
- By his spouse or minor children: <i>None</i>		Period	Position	Company / Organization
		Work Experience within Last 5 Years		
		Period	Position	Company / Organization
		2008 - 2010	Director	Sathorn Asset Management Co., Ltd.

Name of Director / Age / Position / Date of Appointment	Education	Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years		
26. Ms. Winita Kimsawadi Age 51 years Senior Vice President Financial Reporting Department Date of appointment: 11 January 2016	<div>- Master of Accountancy, Chulalongkorn University</div> <div>- BBA.(Accounting), Chulalongkorn University</div> <div>Training</div> <div>Advanced Financial Leadership Program (AFLP)</div>	Listed Companies		
		Period	Position	Company / Organization
		-	-	-
		Non-Listed Companies and Other Companies/Organisations		
		Period	Position	Company / Organization
		-	-	-
		Work Experience within Last 5 Years		
		Period	Position	Company / Organization
No. of shares held as of year-end 2016 - By himself: <i>None</i> - By his spouse or minor children: <i>None</i>		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.

Change in Shareholding of Directors and Senior Executives of the Bank

Information as at 31 December 2016 compared with information as at 31 December 2015:

Name	Position	No. share holding As at 31 Dec 16 (Shares)	No. share holding As at 31 Dec 15 (Shares)	No. of shares changed
Mr.Chakramon Phasukavanich ^{1/}	Chairman	1	-	1

Remark : ^{1/} The Annual general Shareholder meeting no. 22 , held on 19 April 2016, resolved to appoint Mr.Chakramon Phasukavanich,as Chairman of the Board with effective from 1 May 2016.

Directors' and Senior Executives' Share Ownership in Subsidiary Companies

Information as at 31 December 2016 compared with information as at 31 December 2015:

Particulars	No. share holding As at 31 Dec 16 (Shares)	No. share holding As at 31 Dec 15 (Shares)	No. of shares changed
Mr. Adisorn Sermchaiwong Senior Executive Vice President, Consumer Banking Group - Worldlease Co., Ltd.		1	1
Mr. Thaphop Kleesuwan Executive Vice President, Office of the President and Compliance Department - Center Auto Lease Co., Ltd.	2	2	-
- Worldlease Co., Ltd.	1	1	-
Ms. Onanong Udomkantong Executive Vice President, Retail Loan Products - CT Coll Co.,Ltd.	1	1	-
Mr. Tanit Onnuch First Vice President, Central Procurement and Administration Department - Center Auto Lease Co.,Ltd.	2	2	-

1.2 Responsibilities of 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 Board activities comply with applicable laws and regulations 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 passed 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, minutes of Board meetings, invitation notices and minutes of shareholder meetings, reports of beneficial interests of directors and executives, and other tasks as required by relevant laws.

Attachment 2**Information on Directors of Subsidiaries**

Details of Directors and Executives in Subsidiaries and Related Companies (as of 31 January 2017)

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
1. Mr. Chakramon Phasukavanich	A				D	O	A	R																
2. Dato' Robert Cheim Dau Meng	B								F	F	A,F	I	A,F											
3. Mr. Sukont Kanjana-Huttakit	D,C													A	D,C	A	X							
4. Mrs. Watanan Petersik	D,G																	D	F	F	F	F	F	D,J
5. Dato' Shaarani Bin Ibrahim	D,E,Z																							
6. Mr. Chitrapongse Kwangsukstith	F																							
7. Dato' Lee Kok Kwan	F,H																							
8. Ms. Serena Tan Mei Shwen	F																							
9. Mr. Pravej Ongartsittigul	D,E																							
10. Mr. Kittiphun Anutarasoti	F, S																							
11. Mr. Sutee Losoponkul	T																							
12. Mr. Adisorn Sermchaiwong	T																							
13. Mr. Arthit Masathirakul	T																							
14. Mr. Pornchai Padmindra	T																							
15. Mrs. Bussakorn Puttinan	T																							
16. Ms. Siriporn Sanunpairaue	T																							
17. Mrs. Wareemon Niyomthai	T																							
18. Mrs.Kanokpai Vongsatitporn	T																							
19. Mr. JasonLeong kok Yew	T																							
20. Mr. Tan Keat Jin	T																							
21. Mr. Prapas Thongsuk	U																							
22. Mr. Phisit Sucharitsopit	U																							
23. Ms. Winita Kimsawadi	V																							

Name	Bank	Subsidiaries			Others / Affiliate Companies																	
		1	2	3	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38
1. Mr. Chakramon Phasukavanich	A																					
2. Dato' Robert Cheim Dau Meng	B																					
3. Mr. Sukont Kanjana-Huttakit	D,C																					
4. Mrs. Watanan Petersik	D,G				D,J	F	F	Y														
5. Dato' Shaarani Bin Ibrahim	D,E,Z								F	A,K, E	D,L, E,M											
6. Mr. Chitrapongse Kwangsukstith	F											F	F	F	F	F	F	F	F			
7. Dato' Lee Kok Kwan	F,H																			F	F	F
8. Ms. Serena Tan Mei Shwen	F																					
9. Mr. Pravej Ongartsittigul	D,E																					
10. Mr. Kittiphun Anutarasoti	F, S																					
11. Mr. Sutee Losoponkul	T																					
12. Mr. Adisorn Sermchaiwong	T																					
13. Mr. Arthit Masathirakul	T																					
14. Mr. Pornchai Padmindra	T																					
15. Mrs. Bussakorn Puttinan	T																					
16. Ms. Siriporn Sanunpairaue	T																					
17. Mrs. Wareemon Niyomthai	T																					
18. Mrs.Kanokpai Vongsatitporn	T																					
19. Mr. JasonLeong kok Yew	T																					
20. Mr. Tan Keat Jin	T																					
21. Mr. Prapas Thongsuk	U																					
22. Mr. Phisit Sucharitsopit	U																					
23. Ms. Winita Kimsawadi	V																					

Name	Bank	Subsidiaries			Others / Affiliate Companies												
		1	2	3	39	40	41	42	43	44	45	46	47	48	49	50	51
1. Mr. Chakramon Phasukavanich	A																
2. Dato' Robert Cheim Dau Meng	B																
3. Mr. Sukont Kanjana-Huttakit	D,C																
4. Mrs. Watanan Petersik	D,G																
5. Dato' Shaarani Bin Ibrahim	D,E,Z																
6. Mr. Chitrapongse Kwangsukstith	F																
7. Dato' Lee Kok Kwan	F,H				N	O											
8. Ms. Serena Tan Mei Shwen	F						F	F									
9. Mr. Pravej Ongartsittigul	D,E								D	A,D	AA						
10. Mr. Kittiphun Anutarasoti	F, S																
11. Mr. Sutee Losoponkul	T											F	F				
12. Mr. Adisorn Sermchaiwong	T	A	A	A										F	F		
13. Mr. Arthit Masathirakul	T															W	
14. Mr. Pornchai Padmindra	T																
15. Mrs. Bussakorn Puttinan	T																
16. Ms. Siriporn Sanunpairaue	T																
17. Mrs. Wareemon Niyomthai	T																
18. Mrs. Kanokpai Vongsatitporn	T																
19. Mr. Jason Leong kok Yew	T																AB
20. Mr. Tan Keat Jin	T																
21. Mr. Prapas Thongsuk	U																
22. Mr. Phisit Sucharitsopit	U																
23. Ms. Winita Kimsawadi	V																

A Chairman	B Vice Chairman	C Chairman of Audit Committee
D Independent Director	E Member of Audit Committee	F Director
G Chairman of Nomination, Remuneration and Corporate Governance Committee	H Chairman of Board Risk Committee	I Trustee
J Non-Executive Director	K Chairman of Risk Committee	L Chairman of Remuneration Committee
M Member of Nomination Committee	N Adviser	O President
P Member, Audit Committee	Q Member, Corporate Governance and Social Responsibility Committee	R Member
S President and Chief Executive Officer	T Senior Executive Vice President	U Executive Vice President
V Senior Vice President	W Authorised Director	X Member of Ethics Committee
Y Senior Adviser/Consultant	Z Member of Nomination, Remuneration and Corporate Governance Committee	AA Director (Investment Advisory)
AB Director, Group Finance		

Subsidiaries

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

Others / Affiliate Companies

- | | | |
|---|---|---|
| 1. Indorama Ventures PCL | 2. Investor Club Association | 3. P.C.S. Machine Group Holding PCL |
| 4. Office of the Council of State | 5. RC Capital Sdn Bhd | 6. Yu Cai Foundation |
| 7. CIMB Investment Bank Bhd | 8. CIMB Foundation | 9. CIMB - Principal Asset Management Bhd. |
| 10. JAS Asset PCL. | 11. World Corporation PCL. | 12. Srisawad Power 1979 PCL |
| 13. Federation of Accounting Professions | 14. PTT Global Chemical PCL. | 15. TPG Star SF Pte Ltd |
| 16. TPG Growth SF Pte Ltd | 17. TPG Growth III Asia Internet Holdings Pte Ltd | 18. TE Asia Helathcare Advisory Pte Ltd |
| 19. TE Asia Helathcare Partners Pte Ltd | 20. CIMB Group Holdings Berhad | 21. CIMB Group Sdn Bhd |
| 22. Lien Center for Social Innovation Singapore Management University | 23. Asia Capital Advisory Pte Ltd | 24. TPG Capital Asia |
| 25. CIMB Bank PCL, Vietnam | 26. CIMB Bank PCL, Cambodia | 27. Dragon Group International Limited (DGI), Singapore |
| 28. Thoresen Thai Agencies PCL. | 29. Earth Green Co., Ltd. | 30. Baan Mee Green Co., Ltd. |
| 31. Panom Green Co., Ltd. | 32. Rayong Green Co., Ltd. | 33. Advances advertising Technology Co., Ltd. |
| 34. Green Energy Holding Co., Ltd. | 35. Green Energy Asia Group Co., Ltd. | 36. CIMB Group Holdings Bhd |
| 37. CIMB Bank Bhd | 38. Cagamas Holdings Berhad | 39. Securities Commission Malaysia |

-
- | | | |
|---|---|--|
| 40. Financial Markets Association of Malaysia | 41. Investment, Khazanah Nasional Berhad | 42. Board of Acibadem Saglik ve Hayat Sigorta A.S. |
| 43. Advance Medical Co., Ltd. | 44. AIRA Securities PCL | 45. Thai Red Cross Society |
| 46. The Thai Bond Market Association | 47. CIMB Securities (Thailand) Co., Ltd. | 48. CIMB-Principal Asset Management Co., Ltd. |
| 49. Finansa Asset Management Ltd. | 50. Advance Business Management Corporation Co., Ltd. | 51. CIMB Bank |

Attachment 3

Details of Internal Audit Division Head and Compliance Department Head

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. 17 and 25).

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**Detail on Asset Valuation**

- None -

Attachment 5**Audit Committee Report**

Audit Committee Report

In 2016, 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, the Stock Exchange of Thailand, the Securities and Exchange Commission, the Bank of Lao PDR, and the relevant regulatory bodies. In addition, it has in place adequate procedures and systems of good corporate governance, appropriate risk management and internal control system 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, the Securities and Exchange Commission and the Bank of Lao PDR.
3. To review the effectiveness of the external auditor, in particular, the appointment, 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 as well as financial reporting standards.
6. To meet with Executive Management and the external auditors periodically to acknowledge and exchange opinions. In particular, to meet with external auditors without the presence of Executive 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, effective systems of internal control, 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.

* In 2016, there were 15 meetings of Audit Committee.

- Sukont Kanjana-Huttakit -

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

Attachment 6**The Nomination, Remuneration, and Corporate Governance Committee Report**

The Nomination, Remuneration, and Corporate Governance Committee Report

In line with the roles and responsibilities of the Nomination, Remuneration, and Corporate Governance Committee, in 2016, the Committee continued to ensure that the Bank considered and nominated names of qualified candidates for positions of directors and senior executives of the Bank, and with appropriate remuneration and benefits according to their duties and responsibilities. In addition, the Committee also reviewed 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.

In summary, the main roles and responsibilities of the Nomination, Remuneration, and Corporate Governance Committee are as follows:

1. To nominate qualified directors and senior executives and recommend remuneration and benefits appropriate to their duties and responsibilities to the Board for approval.
2. To consider the appointment of the Bank subsidiaries' directors and senior executives to the Board for concurrence.
3. To assess the performance of the Bank's senior executives against targets and performance criteria and refer the results to the Board with recommendations regarding the appropriate remuneration and benefits.
4. To review and consider the annual salary adjustments and bonuses for the Bank employees and propose to the Board for approval.
5. To review the Corporate Governance Policy and Codes of Conduct for directors and employees of the Bank ensuring consistency with the corporate governance criteria of relevant regulatory authorities, and to submit to the Board for approval.
6. To approve corporate governance guidelines for relevant units and present to the Board annually for acknowledgement so as to enhance good corporate governance of the Bank.

The Committee is also of the opinion that remuneration for directors and senior executives in year 2016 was in line with their duties and responsibilities, the individuals' performance, the overall economic situation, and the performance of the Bank.

- Watanan Petersik -

(Mrs. Watanan Petersik)
Chairperson of the Nomination, Remuneration,
and Corporate Governance Committee

Attachment 7

Statement on the Board of Directors Responsibility for Financial Statements

Report of Responsibility of the Board of Directors 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 have been prepared in accordance with Thailand's generally accepted accounting standards and international accounting standards, applying appropriate and consistent accounting policies and with careful judgment and best estimates. Important information is adequately disclosed in the notes to financial statements to ensure compliance with the Notifications of the Bank of Thailand and the rules and regulations of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.

The Board of Directors has established and maintained 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 fraud or irregular operations.

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

The Board of Directors is of the opinion that the Bank's overall internal control is at a satisfactory level and reasonably provides reliability of the Bank's and its subsidiaries' financial statements for the year ended 31 December 2016.

- *Chitrapongse Kwangsukstith* -
(Mr. Chitrapongse Kwangsukstith)
Director

- *Kittiphun Anutarasoti* -
(Mr. Kittiphun Anutarasoti)
President and Chief Executive Officer

Attachment 8

Certified Financial Statement Report

Form 56-3

Certified Financial Statement Report

Financial Statement of CIMB Thai Public Company Limited
For The Accounting Period Ending December 31, 2016

Name of Auditor : **Mrs. Anothai Leekijwattana** 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 **31 December 2016** 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. Chitrapongse Kwangsukstith	Director	- Chitrapongse Kwangsukstith -
2. Mr. Kittiphun Anutarasoti	President and Chief Executive Officer	- Kittiphun Anutarasoti -