

**Annual Registration Statement  
For the Year Ended 31 December 2017  
(Form 56-1)**



**CIMB Thai Bank Public Company Limited**

## Content

	<b>Page</b>
<b>Part 1 Business Operation</b>	
1. Policy and Business Overview	1 - 7
2. Nature of Business	8 - 17
3. Risk Factors	18 - 24
4. Business Assets	25 - 26
5. Legal Disputes	27
6. General and Other Important Information	28 - 32
<b>Part 2 Management and Corporate Governance</b>	
7. Securities and Shareholders Information	33 - 36
8. Management Structure	37 - 46
9. Corporate Governance	47 - 60
10. Corporate Social Responsibilities	61 - 65
11. Internal Control and Risk Management	66 - 67
12. Related Transactions	68 - 74
<b>Part 3 Financial Position and Operating Performance</b>	
13. Key Financial Information	75 - 90
14. Analysis of Financial Standing and Operating Performance	91 - 97
<b>Confirmation of Information Accuracy</b>	98
<b>Attachment</b>	
Attachment 1 Information on Directors, Management, Persons with Power and Company Secretary	99 - 115
Attachment 2 Information on Directors of Subsidiaries	116 - 120
Attachment 3 Information on Internal Audit Head and Compliance Head	121 - 122
Attachment 4 Detail on Asset Valuation	123
Attachment 5 Audit Committee Report	124 - 125
Attachment 6 Nomination, Remuneration and Corporate Governance Committee Report	126 - 127
Attachment 7 Statement on the Board of Directors Responsibility for Financial Statement	128 - 129
Attachment 8 Certified Financial Statement (Form 56-3)	130 - 131

## **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 2017, the Bank operated 19 main offices with credit facilities and 84 branches, with foreign exchanges facilities, 10 stand-alone

#### **1.1 Vision, Objectives and Corporate Value**

##### **VISION**

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

##### **MISSION**

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

##### **CORPORATE VALUE**

Core values reflect what is truly important for CIMB Thai. These are not values that change over time, according to situations or by persons, but rather they are the foundation of our culture, and the soul of our Bank.

##### **CTHAI:**

- **Customer**

We appreciate the unique needs of each individual and organisation. 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 for both our shortcomings and successes. This mindset allows our customers to entrust their business with us.

- **ASEAN**

As a member 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**”) <sup>1</sup> was established through the amalgamation of the Union Bank of Bangkok Public Company Limited, the 12 state-intervened finance companies<sup>2</sup> and Krungthai Thanakit Finance Public Company Limited<sup>3</sup> 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.

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

<sup>2</sup> 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.

<sup>3</sup> 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.

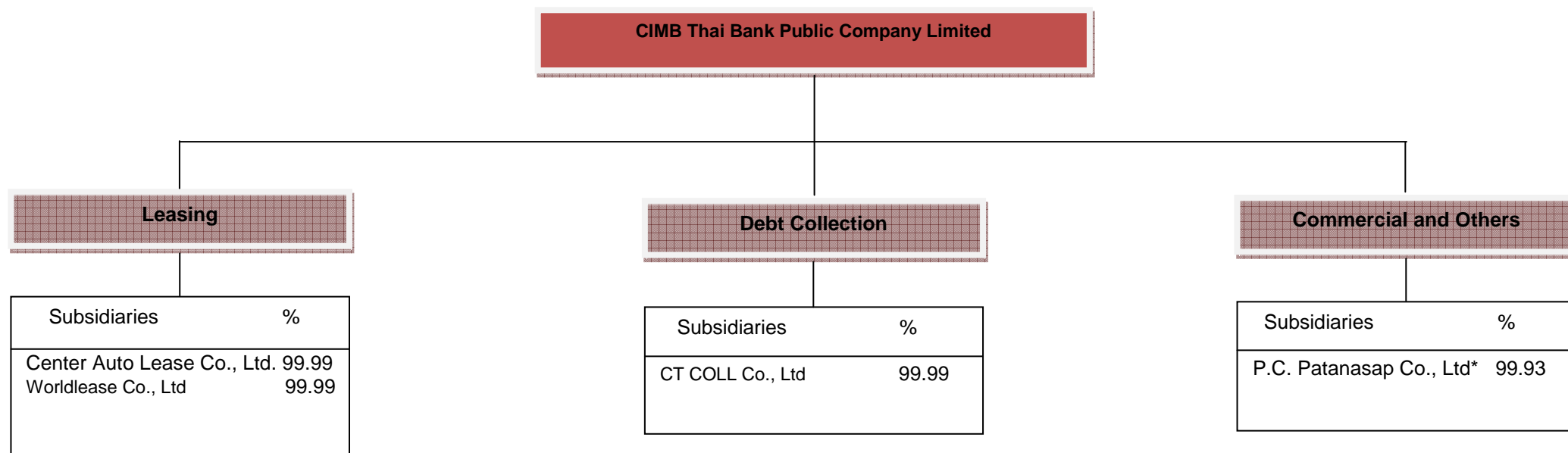
Later, on 11 April 2014, the Annual General Meeting of Shareholders No. 20 approved the Bank's cancellation of 125,837,157 unsold Rights Shares and 4,894,780,426 unoffered General Mandate Rights Shares, totaling 5,020,617,583 unsold and unoffered shares approved by the Annual General Meeting of Shareholders 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

On 24 February 2017, the Extraordinary General Meeting of Shareholders No. 1/2017 ("EGM") approved the increase of the Bank's registered capital by THB 2,752,747,964.00, from THB 12,387,365,839.50 to THB 15,140,113,803.50, via the issuance of 5,505,495,928 new ordinary shares with a par value of THB 0.50 per share to existing shareholders in proportion to their shareholding ("Rights Offering") at the ratio of 2 new shares for every 9 existing CIMB Thai shares, at an offering price of THB 1.00 per share. After the completion of share offered on 2 June 2017 CIMB Bank holds 28,496.70 million shares, or equivalent to 94.11 percent of total issued and offered shares of the Bank.

**3. The Corporate Structure of the Bank and its Subsidiaries** (as of 31 December 2017)



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 2017)



## 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)

	For the years ended 31 December					
	2017	%	2016	%	2015	%
<b>Interest income</b>						
1. Loans	10,558.0	104.9	11,320.1	109.1	11,343.1	110.8
2. Interbank and money market items	165.0	1.6	68.7	0.7	73.3	0.7
3. Investments	1,144.4	11.4	1,313.4	12.7	1,598.2	15.6
4. Others	45.8	0.5	21.6	0.2	11.1	0.1
<b>Total interest income</b>	<b>11,913.2</b>	<b>118.4</b>	<b>12,723.8</b>	<b>122.7</b>	<b>13,025.7</b>	<b>127.2</b>
<b>Interest expenses</b>						
1. Deposits	2,387.7	23.7	2,611.6	25.2	3,893.4	38.0
2. Interbank and money market items	218.7	2.2	281.8	2.7	338.1	3.3
3. Contribution fee to Deposit Protection Agency and FIDF	962.2	9.6	991.1	9.6	1,001.8	9.8
4. Debt securities issued and borrowings	711.6	7.1	871.0	8.4	852.9	8.3
5. Others	45.0	0.4	51.5	0.5	55.2	0.5
<b>Total interest expenses</b>	<b>4,325.2</b>	<b>43.0</b>	<b>4,807.0</b>	<b>46.4</b>	<b>6,141.4</b>	<b>59.9</b>
<b>Net interest income</b>	<b>7,588.0</b>	<b>75.4</b>	<b>7,916.8</b>	<b>76.3</b>	<b>6,884.3</b>	<b>67.3</b>
<b>Operating income</b>	<b>2,475.9</b>	<b>24.6</b>	<b>2,454.9</b>	<b>23.7</b>	<b>3,350.8</b>	<b>32.7</b>
<b>Total income</b>	<b>10,063.9</b>	<b>100.0</b>	<b>10,371.7</b>	<b>100.0</b>	<b>10,235.1</b>	<b>100.0</b>

##### 2.1.1.2 Non- Interest income

(Unit: THB Million)

	For the years ended 31 December					
	2017	%	2016	%	2015	%
Fee and service income	1,471.4	59.4	1,289.7	52.5	1,374.9	41.0
Fee and service expenses	223.8	9.0	238.7	9.7	319.3	9.5
<b>Net fee and service income</b>	<b>1,247.6</b>	<b>50.4</b>	<b>1,051.0</b>	<b>42.8</b>	<b>1,055.6</b>	<b>31.5</b>
Gains on trading and foreign exchange transactions, net	2,238.2	90.4	1,402.5	57.1	1,819.4	54.3
Losses on financial liabilities at fair value through profit or loss, net	(1,733.9)	(70.0)	(810.4)	(33.0)	(458.2)	(13.7)
Gains on investments, net	490.7	19.8	482.6	19.7	551.0	16.5
Other operating income	233.3	9.4	329.2	13.4	383.0	11.4
<b>Net non-interest income</b>	<b>2,475.9</b>	<b>100.0</b>	<b>2,454.9</b>	<b>100.0</b>	<b>3,350.8</b>	<b>100.0</b>

## 2.1.2 CIMB Thai's Subsidiaries

(Unit: THB Million)

	For the years ended 31 December					
	2017	%	2016	%	2015	%
<b>1. Center Auto Lease Co., Ltd.</b>						
Interest income	2,289.0	97.5	1,734.0	102.9	1,443.7	123.8
Interest expense	617.7	26.3	551.0	32.7	526.7	45.2
<b>Net interest income</b>	<b>1,671.3</b>	<b>71.2</b>	<b>1,183.0</b>	<b>70.2</b>	<b>917.0</b>	<b>78.6</b>
Operating income	676.0	28.8	502.7	29.8	248.8	21.4
<b>Total income</b>	<b>2,347.3</b>	<b>100.0</b>	<b>1,685.7</b>	<b>100.0</b>	<b>1,165.8</b>	<b>100.0</b>
<b>2. World Lease Co., Ltd.</b>						
Interest income	1,038.6	88.9	948.5	97.0	871.1	100.7
Interest expense	109.9	9.4	183.0	18.7	196.4	22.7
<b>Net interest income</b>	<b>928.7</b>	<b>79.5</b>	<b>765.5</b>	<b>78.3</b>	<b>674.7</b>	<b>78.0</b>
Operating income	240.2	20.5	211.8	21.7	190.6	22.0
<b>Total income</b>	<b>1,168.9</b>	<b>100.0</b>	<b>977.3</b>	<b>100.0</b>	<b>865.3</b>	<b>100.0</b>
<b>3. CT Coll Co., Ltd.</b>						
Interest income	0.6	1.6	0.7	1.5	1.2	2.0
Interest expense	0.2	0.5	0.2	0.4	0.2	0.3
<b>Net interest income</b>	<b>0.4</b>	<b>1.1</b>	<b>0.5</b>	<b>1.1</b>	<b>1.0</b>	<b>1.7</b>
Operating income	37.3	98.9	45.3	98.9	58.8	98.3
<b>Total income</b>	<b>37.7</b>	<b>100.0</b>	<b>45.8</b>	<b>100.0</b>	<b>59.8</b>	<b>100.0</b>

## 2.2 Nature of Products and Services

### Wholesale Banking

#### Corporate Banking and Financial Institution

Corporate Banking (CPB) of CIMB Thai provides financial services to a diverse range of business entities in commercial, manufacturing, property development and transportation sectors while Financial Institution (FI) offers financial services to financial institutional customers, both banks and non-bank entities such as leasing, securities, asset management, and insurance companies. As most clients have had a long-time relationship with the Bank, we work alongside them as their strategic business partner that supports them toward strong and sustainable business growth. We also offer them business and investment opportunities through CIMB Group's regional network.

In 2017, the Thai economy expanded slightly higher than in 2016 on the back of growing exports and tourism. However, challenges remained with significant impacts from such factors as private investors' confidence, investment rules and restrictions, volatility of agricultural commodity prices and financial markets along with external economic woes and caution over asset quality in the commercial banking system, hence hindering business expansion of large clients. Therefore, CPB and FI focused more on maintaining the quality of existing loan portfolios, with prudent consideration of risks in new loan approvals, as well as close and regular monitoring of clients. We collaborated with Research Office in keeping abreast of business and economic trends, and with Risk Management in expanding our exposure and business to low risk sectors. We also targeted large clients with strong financial position and investment plans into ASEAN and those with cross-selling opportunities. These included big projects which generated comprehensive income, e.g. interest, fee and financial advisory income, and other income from transactional banking and hedging products, as well as equity and debt underwriting.

Profit before tax of Wholesale Banking (WSB), covering Corporate Banking, Financial Institution and Investment Banking, grew significantly by 130% in 2017 despite a decrease in overall revenues. This resulted from the tightened loan underwriting process, close debt monitoring using Early Warning

Indicators (EWI) in asset quality management to prevent problem loans, and accelerated debt collection and resolutions. Consequently, provision set aside in 2017 dropped by 90% year-on-year. Moreover, we managed to cut down operating expenses by 11%. Most of our revenues came from significant client groups entrusting us as their main bank including those with ASEAN aspirations in line with our strategy and motto: “Be More Relevant to Important Clients & Accelerate Our ASEAN Initiatives.”

WSB was successful in expanding business to other ASEAN countries, particularly CLMV (Cambodia, Laos, Myanmar, Vietnam), through CIMB Group which has strength in capital, professional and partnering network in ASEAN. We completed business deals with big corporate clients who had large investments in both domestic and regional markets, as we could quickly provide solutions and services that met their expectations. The Bank worked closely with other CIMB Group members in continuously expanding the income base in their respective countries.

For the business plan from 2018 onwards, CPB and FI will focus on generating firm and consistent income with priority given to key account management and planning to achieve recurring income and also cross-selling opportunities. Our strategy is to reach out to selected major client groups as well as in new acquisition of clients with strong potential to continuously improve our asset quality. Furthermore, we will keep expanding our business and service across ASEAN and fostering business and relationships with foreign clients investing in Thailand with cooperation from other CIMB Group members.

### **Investment Banking**

2017 saw CIMB Thai's Investment Banking (IB) achieve a leap-frog, record-high growth. In Thailand's merger and acquisition (M&A) league table, CIMB Thai's market share moved up from ranking no. 23 in 2016 to no. 3 in 2017. Moreover, we successfully completed large transactions in collaboration with CIMB Group in equity capital markets, at both local and regional levels, performing as financial advisor, lead underwriter and initial purchaser (jointly with CIMB Group) for listing of TPI Polene Power Public Company Limited on the Stock Exchange of Thailand (SET) worth THB 17,500 million and as initial purchaser (jointly with CIMB Group) for listing of B.Grimm Power Public Company Limited on the SET worth THB 10,428.80 million.

We continued to reinforce our teams through collaboration with CIMB Group. We have sector specialists to provide knowledge and insight of industry sectors at regional level and work closely with us to offer our clients comprehensive financial services, including strategic and business operation advisory services. As a result, we have been able to strengthen our relationships and add value to our clients' business while enhancing their competitiveness through innovation of financial products that suit them.

The collaboration and synergy among Corporate Banking, Financial Institution, Investment Banking and CIMB network in ASEAN will contribute to the Bank's potential as an important bank to our clients and their business partner in achieving their ASEAN investment goal.

Key successful deals in 2017 included:

<b>Debt Markets</b>	<b>Role</b>	<b>Issue Size (THB mil)</b>
<b>Government Housing Bank</b>	Sole Lead Underwriter	22,300.00
<b>Government Savings Bank</b>	Joint Lead Underwriter	16,666.67
<b>Amata B.Grimm Power SPV1 Limited</b>	Joint Lead Underwriter	5,750.00
<b>TPI Polene Public Company Limited</b>	Sole Lead Underwriter	4,000.00
<b>Expressway Authority of Thailand</b>	Joint Lead Underwriter	3,700.00
<b>Bangkok Mass Transit Authority</b>	Joint Lead Underwriter	3,230.17
<b>Srisawad Power 1979 Public Company Limited</b>	Joint Lead Underwriter	3,130.00
<b>SC Asset Corporation Public Company Limited</b>	Sole Lead Underwriter	2,900.00
<b>Toyota Leasing (Thailand) Company Limited</b>	Joint Lead Underwriter	2,886.67
<b>AEON Thana Sinsap (Thailand) Public Company Limited</b>	Sole Lead Underwriter	2,000.00
<b>Center Auto Lease Company Limited</b>	Sole Lead Underwriter	2,000.00
<b>Krungthai Card Public Company Limited</b>	Joint Lead Underwriter	1,875.00
<b>Ananda Development Public Company Limited</b>	Sole Lead Underwriter	1,630.00
<b>Jay Mart Public Company Limited</b>	Sole Lead Underwriter	1,590.00
<b>TTCL Public Company Limited</b>	Joint Lead Underwriter	1,500.00

Debt Markets	Role	Issue Size (THB mil)
Muangthai Leasing Public Company Limited	Sole Lead Underwriter	1,226.90
Easy Buy Public Company Limited	Sole Lead Underwriter	1,000.00
M.K. Real Estate Development Public Company Limited	Sole Lead Underwriter	1,000.00
Sena Development Public Company Limited	Sole Lead Underwriter	1,000.00
Don Muang Tollway Public Company Limited	Sole Lead Underwriter	800.00
JMT Network Services Public Company Limited	Sole Lead Underwriter	700.00
Fraser's Property Holdings (Thailand) Company Limited	Joint Lead Underwriter	513.60
Major Cineplex Group Public Company Limited	Sole Lead Underwriter	500.00
Siamgas and Petrochemicals Public Company Limited	Joint Lead Underwriter	500.00
Lalin Property Public Company Limited	Joint Lead Underwriter	360.00

Equity Markets	Role	Deal Size (THB mil)
TPI Polene Power Public Company Limited	Financial Advisor/Lead Underwriter/Initial Purchaser (Jointly with CIMB Group)	17,500.00
B.Grimm Power Public Company Limited	Initial Purchaser (Jointly with CIMB Group)	10,428.80
Triple I Logistics Public Company Limited	Financial Advisor/Lead Underwriter (Jointly with CIMB Group)	789.60
Grande Hospitality Real Estate Investment Trust	Selling Agent	1,755.00
Global Green Chemical Public Company Limited	Co-Underwriter (Jointly with CIMB Group)	2,762.67
Information and Communication Networks Public Company Limited	Co-Underwriter (Jointly with CIMB Group)	220.80
Gulf Energy Development Public Company Limited	Co-Underwriter (Jointly with CIMB Group)	23,998.50
Thonburi Healthcare Group Public Company Limited	Co-Underwriter (Jointly with CIMB Group)	3,230.00

## Commercial Banking

Commercial Banking (CMB) serves business customers with annual sales turnover of up to THB 3 billion through our business centres situated in strategic locations nationwide. We provide comprehensive financial products and services tailored to suit each customer's needs. In addition, with CIMB Group's strong and well-established network throughout ASEAN, we work with our customers to enable their full potential in their trade and investment in the region.

In 2017, the Bank faced challenges both locally and internationally that impacted business performance, especially in the agro-industry, as seen in high NPL recorded. Hence, asset quality management has remained our highest priority rather than market acquisition. With this in mind, our business foundation has been fortified under the new organisation structure implemented over the past two years and correspondingly, we have witnessed upward momentum in both business growth and asset quality.

Looking forward to 2018, we will continuously strive to strengthen our foundation by maintaining satisfactory portfolio quality, expanding loan portfolio in promising geographic locations and industries, further improving the work process, and enhancing staff's capabilities to best cater to our customers and achieve sustainable business growth.

## Consumer Banking

The year 2017 was another successful year of Consumer Banking with growth recorded in various business areas. We still focused on the "Push & Pull Strategy" to "push" for building relationships, access to and understanding of our customers, and "pull" or encourage our customers to be alert and begin to approach the Bank. We expanded sale channels with DSE kiosk available for customers to apply for unsecured loans and get instant approval result by themselves. In addition, we partnered with 7-Eleven store and SPAR Supermarket to offer mini branch service in convenience stores.

Viewing operational performance in 2017, Consumer Banking adopted the risk based pricing approach in loan underwriting to provide customers with quality loans that meet their debt servicing capability. As for performance in 2017 of subsidiaries, both Center Auto Lease Co., Ltd. (CAL) and WorldLease Co., Ltd. (WL) recorded solid business growth. Total car loan approvals amounted to more than THB 10,000 million, a 15% year-on-year growth, and total motorcycle loan approvals more than THB 3,000 million, a 23% year-on-year growth. In addition, the year 2017 also witnessed the subsidiaries' continued digital service development, with WL launching SOM "e-Statement on Mobile" application for its motorcycle loan customers.

To cater to the affluent segment (Preferred customers), we have developed our staff's skill and knowledge under the "Wealth Academy" scheme so that they have the right skill-set to render effective advisory services that meet the customers' needs. This aims to affirm our commitment to the role of not only a financial intermediary but also provider of financial planning and advisory services. We have offered diversified investment products that are complicated but offer better returns to our customers, such as TDIF (Thai Dynamic Income Equity) Fund, GOPP (Global Opportunity) Fund, VNEQ (Vietnam Equity) Fund, etc. In addition, we launched a persona campaign called "Be the Victor," to encourage people, our customers in particular, to brave difficulties and pursue their dreams in their own way toward success. A group of customers were selected as the 'victor' and role model to inspire other customers to set and strive to achieve their own goals together with the Bank.

With the increasing role of the digital system in people's daily life, we have set up a dedicated Digital Banking team to develop and provide solutions under new platforms to serve our customers more efficiently.

For 2018, Consumer Banking will continue to focus on providing services for all target groups through the digital channel and unconventional branches. We will also expand the number of financial advisors for customers by giving opportunity for new staff with such aspirations to undergo special training on financial planning.

Consumer Banking's performance in 2017 was as shown below:

- Total operating income was THB 8,447 million, a 14% growth compared with that in 2016.
- Net interest income from all products was THB 7,027 million, which was THB 898 million higher than that in 2016.
- Profit before tax was THB 2,506 million, or a 39% growth year-on-year.
- Total consumer loan approval\* amounted to THB 35,875 million, a 16% growth year-on-year.

Note: Total consumer loan approval\* covered secured loans, unsecured loans and those of subsidiaries.

## Transaction Banking

CIMB Thai's Transaction Banking (TB) provides corporate clients and financial institutions with an array of products and services, covering cash management, trade services, trade finance and structured supply chain products. We offer financial solutions to our customers to help them save financial cost, manage operating expenses and minimise risks. Securities services are also made available, including security agent and facility agent, escrow accounts, trustee, custody and other related services.

In the peer to peer (P2P) remittance business, CIMB Thai's TB is a leading player offering individual customers a convenient, reliable and low cost international remittance service through "SpeedSend."

In 2017, our SpeedSend service was awarded the “Remittance Product of the Year” by The Asian Banker.

Forging ahead toward Target 2018 (T18), we made significant progress in 2017 on enhancing product coverage and acquiring new customers in the SME segment. Moreover, 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 and expanding enterprises and customers.

For 2018, besides assisting leading Thai corporates in their cross-border growth aspirations in ASEAN, we will continue to build on strategic initiatives that remain aligned with both CIMB Group and regulators with focus on promoting financial inclusion, cashless society, new age technologies like blockchain and provision of superior services to the expanding SME segment in Thailand.

We will continue to innovate and roll out new digital customer servicing tools and products through our regional Internet banking platform BizChannel@CIMB, and partner with such financial disruptors as FinTech operators to launch customised customer solutions in merchant acquisition, payment via QR code or otherwise and supply chain management. Therefore, we look forward to expanding our client base through enhancement of digital capabilities to keep pace with the robust market trends and highlight our role as Thailand’s leading ASEAN bank.

## Treasury

Treasury of CIMB Thai provides comprehensive financial products and services across multiple asset classes to assist our clients in managing their investment, liabilities and risks as well as fund raising through debt capital markets. We also manage the Bank’s funding and liquidity in accordance with regulatory requirements.

In 2017, Treasury contributed satisfactory financial results to CIMB Thai with strong product capabilities in structured products, interest rate derivatives and debt securities trading, which earned the Bank altogether three awards as follows:

### The Asset Triple A Private Banking, Wealth Management: Investment ETF Awards

- (1) Best Structured Product House, Thailand (for four consecutive years since 2014)
- (2) Best Credit Derivatives House, Thailand (for two consecutive years since 2016)

### The Asset Benchmark

- (3) Top Bank in Secondary Market, Corporate Bonds, Thailand (ranking no. 1)

Furthermore, CIMB Thai is one of the key players in the debt capital market ranking no. 6 with a 9.64% market share in THB corporate bond underwriting league table published by Bloomberg, and ranking no. 1 in state-owned enterprise bond underwriting with 40.45% market share announced by Thai Bond Market Association. Regarding the secondary market, CIMB Thai has ranked no. 3 with 13.1% market share in terms of trading value according to a league table reported by Thai Bond Market Association.

Looking forward, we will continue to expand our treasury product and service offerings into wealth management for high net-worth individuals (HNWIs) as well as risk management solutions to help wholesale and commercial banking clients manage their market risks across foreign exchange (FX), interest rate, credit and commodity markets. Moreover, we will also build and strengthen our sales expertise and structuring capabilities to cater to the growing needs of clients.

## 2.3 Market Shares and Competitions

Competitive Environment - Market Shares

Unit (THB\*Million)

BANK	Asset	Marketshare	Deposit	Marketshare	Loan	Marketshare
BANGKOK BANK	3,076,310	13.4%	2,310,743	13.9%	2,003,989	12.7%
SIAM COMMERCIAL BANK	3,024,032	13.2%	2,092,457	12.6%	2,034,732	12.9%
KASIKORNBANK	2,900,841	12.7%	1,878,672	11.3%	1,802,783	11.4%
KRUNG THAI BANK	2,864,373	12.5%	2,070,875	12.5%	1,938,082	12.3%
BANK OF AYUDHYA	2,088,772	9.1%	1,319,229	8.0%	1,550,404	9.8%
THANACHART CAPITAL	1,009,557	4.4%	716,278	4.3%	711,675	4.5%
TMB BANK	843,872	3.7%	611,430	3.7%	643,373	4.1%
TISCO FINANCIAL GROUP	303,436	1.3%	180,804	1.1%	251,396	1.6%
CIMB THAI BANK	300,604	1.3%	177,401	1.1%	211,022	1.3%
KIATNAKIN BANK	259,335	1.1%	132,878	0.8%	192,107	1.2%
Others*	6,253,950	27.3%	5,101,125	30.7%	4,469,883	28.3%
Total	22,925,081		16,591,891		15,809,445	

Source: 1) Commercial Bank's consolidated financial statement as of December 2017 (Unaudited)

2) All Commercial Banks' Assets and Liabilities report from Bank of Thailand (FI\_CB\_001\_S5)

## 2.4 Provision of Products and services

### Source of Funding

As at 31 December 2017, deposits managed by the Bank stood at THB 189.8 billion (including interbank and money market deposits), whilst borrowings (including interbank and money market borrowings) amounted to THB 41.5 billion. Of that total, 88.9% was used for gross loans including accrued interest, while the balance was applied towards interbank and money market items and investments. The Bank has closely monitored its liquidity gap in each period in line with the policy in place to acquire and utilise 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 78.1 billion while loans with maturity of more than one year amounted to THB 141.0 billion. Meanwhile, deposits with maturity of not more than one year stood at THB 187.7 billion and those with maturity of over one year amounted to THB 2.1 billion.

### Capital Adequacy Ratio

As at 31 December 2017, CIMB Thai group's capital adequacy ratio (CAR), common equity tier 1 (CET1) capital and tier 1 capital were 17.0%, 12.9% and 12.9%, respectively, while those of the Bank were 16.6%, 12.5% and 12.5%, 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 9.75%, 5.75% and 7.25%, respectively.

Unit:  
 THB billion

Capital funds	Minimum requirements	Consolidated			Separate		
		31-Dec-17	31-Dec-16	31-Dec-15	31-Dec-17	31-Dec-16	31-Dec-15
Tier 1 capital		30.9	25.3	25.0	29.9	24.1	24.7
CET1 capital		30.9	25.3	25.0	29.9	24.1	24.7
Tier 2 capital		9.8	12.7	10.5	9.9	12.9	10.7
<b>Total capital funds</b>		<b>40.7</b>	<b>38.0</b>	<b>35.5</b>	<b>39.8</b>	<b>37.0</b>	<b>35.4</b>
Tier 1 capital to risk-weight assets	7.25%	12.9%	10.7%	11.0%	12.5%	10.2%	10.8%
CET1 capital to risk-weight assets	5.75%	12.9%	10.7%	11.0%	12.5%	10.2%	10.8%
Tier 2 capital to risk-weight assets	-	4.1%	5.4%	4.7%	4.2%	5.4%	4.7%
Capital adequacy ratio	9.75%	<b>17.0%</b>	<b>16.1%</b>	<b>15.7%</b>	<b>16.6%</b>	<b>15.6%</b>	<b>15.5%</b>
<b>Total risk-weight assets</b>		<b>239.1</b>	<b>235.9</b>	<b>227.0</b>	<b>239.6</b>	<b>237.4</b>	<b>229.0</b>

### 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), which is responsible for the independent monitoring of the liquidity risk profile, works closely with Treasury in the surveillance of market conditions. Business units are responsible for establishing and maintaining strong business relations with their respective depositors and key funding sources. Treasury 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.

### **Credit Approval**

In 2017 the Bank changed approval process of Non-Retail Credit from "Credit Committee Level 2", "Credit Committee Level 3", and "Joint Delegation Authority to Approve Certain Credit Cases of Risk Management and Business Unit" changed to "Joint Delegation Authority (JDA) of Risk Management and Business Unit" and "Credit Committee".

JDA approval level is determined by Group Exposure, Global Group Rating, and Loan-to-collateral value, to help shorten the approval process, and alleviate Credit Committee burden.

In case that the customer's criteria does not fall into the Matrix, approval by Credit Committee shall be sought.

### **Collateral Policy**

In the Bank's lending policies, the primary basis of assessing the creditworthiness is the borrower's ability to repay loan obligations, most often from cash flows generated through normal business operations and other primary sources of repayment. Nevertheless, collateral also represents an important component of many credit transactions because it 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 mentioned. These watch list accounts as well as NPL accounts with exposure more than THB 10 million are regularly reported to Asset Quality Committee (AQC) on monthly basis.

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

Moreover, the Bank has revamped the policies in relation to Non-Performing Loan (NPL) and Non-Performing Asset (NPA) management and guidelines to determine valuation for disposition based on discounted cash flow and fair market value to enhance transparency in auditing while also minimize loss for 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 of Directors, or the Credit Committee, or the Asset Quality Committee, or other persons as authorised by the Bank.

### **Policy on Asset Classification and Loan Loss Provision**

The Bank has complied with the Bank of Thailand's regulations 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 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 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 undertaking of risk management and mitigation include risk identification, measurement, monitoring and managing under a robust risk management framework, in which returns must commensurate with the risks taken.

The Board Risk Committee (BRC) is appointed by the Board of Directors (BOD) 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) is appointed by the Board of Directors, reporting to BRC to oversee 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. And BRC approved to appointment the Asset Quality Committee (AQC) with responsibilities to review and/or recommend for relevant board approval (where necessary) and approve and concur proposals, account plan and provision of accounts with problem or potential problem from non-retail Business Units within CIMB Thai.

Risk Management 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 is independent from other business units involved in risk taking transactions or activities.

In 2017, Special Assets Management was also formed under Risk Management 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.

## 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 underlying objective of credit risk management at the Bank is to create value for shareholders by ensuring that the revenue is generated in balance with the acceptable credit risk appetite. Under the Credit Risk Management Policy, the Bank has put in place credit risk management process, techniques and controls to maintain a check and balance system with clearly defined responsibilities for relationship managers, credit analysts, credit risk evaluators, 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 Model that was developed and implemented for corporate clients, SME Rating Model for SME clients, Lift Insurance Model and General Insurance Model for Life & Non-Life bancassurance customers, specialised lending rating model such as Project Finance Model (PF) and Income Producing Real Estate (IPRE) 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 market parameters such as 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.

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**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 materialized

**4. Market risk of other market risk underlyings**

The Bank offers structured products to be alternative investments for clients. However, if the market risk underlyings are not Interest rate risk or Foreign exchange risk, the Bank will fully hedges against such market risk underlyings. Therefore, the market risk exposure from other market risk underlying 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 of savings, demand, and term deposits, thus providing 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.

Liquidity risk factors mainly comprise the structure of the sources and use of funds, the shift in deposit mobilization of commercial banks towards a larger share in low-cost deposits amidst a low interest rate environment, and the influence of Liquidity Coverage Ratio (LCR) guidelines, which focus on growing

transactional current and saving accounts. Additionally, the monetary policies adopted by the BOT and central banks of major countries that may directly affect the movement of international capital flows and to money market fluctuations, which may subsequently affect liquidity and increase funding costs.

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 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 acts as a global fund 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 when there is any significant change in response to regulatory changes, and changing business needs and market conditions. Liquidity positions are monitored on a daily basis 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 (FCM). 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) normally arises when the repricing and/or maturity schedule of assets, liabilities and off balance sheet positions are not matched, or when the movements of reference interest rates on assets and liabilities are not correlated, negatively affecting net interest income (NII) and/or economic value of equity (EVE).

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

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 and Capital and Balance Sheet Management (CBSM) Division under Finance, 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 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 and guidelines that not only bring the Bank in line with international standards, but also contribute to enhancing transparency and good governance. In this respect, Risk Management Committee (RMC) has been given the authority to establish policies and guidelines which correspond with international best practice and to make recommendations to the Board of Directors (BOD) or Board Risk Committee (BRC) as delegated for approval and deployment as the Bank's policies and guidelines. 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, Risk and Control Officer (RCO)/ Designated Compliance & Operational Risk Officer (DCORO) are 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. 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 Guideline which provides an approach to systematically capture control issues and provides rules around the robust management or mitigation. The purpose of the guideline 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 a 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 and Compliance as independent units to assist Audit Committee in auditing and monitoring, and directly report to the Audit Committee. Internal Audit 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 unit 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 a policy not to increase any exposure in the foreign equity investment. The current exposure is insignificant as a result of the amalgamation. The Bank divested some exposure of foreign equity investment in 2017.

## 4. Business Assets

### 4.1 Fixed Assets for Business Operation

#### (1) Premises and equipment

As at 31 December 2017, CIMB Thai group had land valued at THB 2,105 million, buildings THB 2,955 million, equipment THB 2,588 million and assets under construction THB 3 million. Net of accumulated depreciation and provisions for impairment of THB 4,063 million, the net book value of the premises and equipment was THB 3,588 million. Such land, buildings and condominiums accommodate the Bank's headquarters, business centres, branches and sub-branches, and subsidiaries' offices.

#### (2) Commitments under long-term leases

As at 31 December 2017 and 2016, CIMB Thai group had entered into a number of agreements to rent land, buildings and vehicles for periods of six months or more. Rental fees to be paid as specified in the agreements can be summarised as follows:

Lease periods	Consolidated		Separate	
	2017 THB million	2016 THB million	2017 THB million	2016 THB million
1 - 3 years	326	309	231	257
4 - 5 years	10	6	5	6
6 - 10 years	4	5	4	5
11 - 30 years	-	1	-	1
Total	340	321	240	269

#### (3) Other commitments

As at 31 December 2017, the Bank had other commitments under various agreements relating to computer system installation and development. It would be obligated to further pay THB 119.6 million, MYR 2.7 million, USD 58.4 thousand and SGD 444.2 thousand under such agreements (as at 31 December 2016: THB 83 million, MYR 3.57 million, USD 6.1 million and SGD 715 thousand).

### 4.2 Policy Governing Subsidiaries and Associate Companies

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

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

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

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

1. Investment in companies in the Financial Group that the Bank has management control over the company as approved by The Bank of Thailand which consist of companies engaging in financial service businesses and companies engaging in supporting businesses whereby such companies will operate business mainly to support and promote business of the bank and companies in the Financial Group.  
Bank of Thailand has granted approval to the Bank to establish a Financial Group on March 10, 2008. As at December 31, 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 criterior of Bank of Thailand for such investment will be in accordance with rules and guidelines of as speicified by the relavant authority.

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## 5. Legal Disputes

As of 31 December 2017, 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

<b>Company Name</b>	:	CIMB Thai Bank Public Company Limited
<b>Registration No.</b>	:	0107537002338 (former Bor. Mor. Jor. 480)
<b>Business Type</b>	:	Commercial Banking
<b>Head Office</b>	:	Langsuan Building, 44 Langsuan Road, Lumpini, Patumwan, Bangkok 10330
<b>Telephone Number</b>	:	0-2638-8000 and 0-2626-7000
<b>Facimile Number</b>	:	0-2633-9026
<b>CIMB Thai Care Center</b>	:	Telephone Number: 0-2626-7777 E-mail: cimbthai.carecenter@cimbthai.com
<b>Investor Relation</b>	:	Telephone Number 02-626-7738 E-mail ir@cimbthai.com
<b>Company Secretary</b>	:	Telephone Number 0-2638-8287 and 0-2638-8274 E-mail cs@cimbthai.com
<b>Website</b>	:	<a href="http://www.cimbthai.com">http://www.cimbthai.com</a>

**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** : 15<sup>th</sup> 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** : - Mr. Boonlert Kamolchanokkul Certified Public Accountant (Thailand) No. 5339  
 - Ms. Sinsiri Thangsombat Certified Public Accountant (Thailand) No. 7352  
 - 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 2017)**

	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 <sup>th</sup> , 32 <sup>nd</sup> 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 <sup>st</sup> Floor, Phayathai Road, ThungPhayathai, Ratchathevi, Bangkok 10400 Tel. +66-2626-7070	Debt collection service	Ordinary	385,000	384,993	99.99
3.	Worldlease Co., Ltd. 43 Thai CC Tower, 34 <sup>th</sup> Floor, South Sathon Road, Yannawa, Sathon, Bangkok Tel. +66-2675-6300	Leasing	Ordinary	60,000,000	59,999,998	99.99
4.	SrithepthaiPlaschem Co., Ltd. (bankrupt) 1200 Bangna-Trad Road, Bangna, Bangkok 10260 Tel. +66-2398-0027	Plastic products	Ordinary	83,332	31,410	37.69
5.	M-Home SPV 3 Co., Ltd. (liquidated) 1006/420 Masterview Executive Place Building, 1 <sup>st</sup> Floor, Charoennakorn Road., Banglumphu, Klongsan, Bangkok 10600	SPV	Ordinary	10,000	1,282	12.82
6.	Tawana Hotel Co., Ltd. 80 Surawongse Road, Siphrya, Bangrak, Bangkok Tel. +66-2236-0361	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 <sup>th</sup> 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 <sup>th</sup> 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 , 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. (bankrupt) 246 Time Square Building, 11 <sup>th</sup> 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 <sup>rd</sup> 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 2017 and Outlook for 2018

#### Overview of Thai economy in 2017

Thai economy expanded by 3.9% in 2017, an accelerated pace of growth compared with 3.2% a year earlier. Main growth drivers were export and tourism. Export expanded beyond prediction across all product categories and export markets on the back of the recovery of major global economies. Tourism also continued to grow from the previous year in terms of both number of tourist inflows and tourism income. However, the reviving export has not yet fully fueled the labor market, hence no significant growth for household consumption. At the same time, commodity prices especially in agricultural sector remained low, partly due to ample farm output that affected most households' income and constrained household purchasing power that had not yet been distributed all through the region. Meanwhile, private investment started to signal some improvement after several years of faltering, but remained at low level.

Inflation and unemployment rates stayed at low levels throughout 2017, which reflected stability of domestic economy. Moreover, with high level of international reserves, Thai economy remained resilient in the face of global economic volatility.

#### Outlook for 2018

The Thai economy in 2018 is predicted to grow at an accelerated pace from 2017 supported by the continued expansion in export and tourism. Private investment is likely to rebound in line with the consistent increase in export production capacity and the clearer signal of government's spending and investment, following the supplementary budget for FY 2018 and budget framework for FY 2019.

At present, there has been steady progress in construction of public infrastructures and expectedly higher disbursement of government expenditures in projects under construction, particularly mass transit system in Bangkok and the vicinity, dual track rail system, motorway, and Eastern Economic Corridor (EEC) development covering high-speed rail projects, airports, ports and incentives to attract investment. This will help foster the investment climate for the business sector. It is expected that the measures to take care of agricultural products and low income earners, those for the SMEs, and the minimum wage hike would serve to offset the low purchasing power in the previous year and relieve debt to income, which is a factor contributing to a strong recovery of private consumption.

In view of political situation, which could affect the economy and confidence of investors, Research Office considers that, regardless of whether the election would postpone to the first quarter of 2019, Thai economy is likely to grow in the range of 3.5%-4.5%, better than those for the past several years thanks to the accelerated improvement of such fundamentals as external factors that could drive the export turnaround. If the export sector continues to recover for two consecutive quarters, from the middle of the year, economic activity is expected to be carried on especially for SME businesses. Domestic demand for both private consumption and investment should start to grow and pave way for continued expansion of the economy. Therefore, Research Office forecasts the Thai economy will grow by 4.0% in 2018, compared with 3.9% in 2017.

For the exchange rate, it is expected that Thai baht will depreciate against the US dollar. Capital outflow from the US could be seen as a result of the Fed's continued interest rate hike and President Donald Trump's tax reform, the largest in 30 years. This will help US companies make more net profits. Thai baht which strengthened against the US dollar in the past and moved along the regional currencies will only be temporary, triggered by lack of confidence in Trump's tax reform and the Fed's series of interest rate increase. It is predicted that the current account surplus in 2018 will be less than that in 2017, as exports will grow at a slow rate from the high base last year and imports begin expanding with demand for capital goods.

The financial system has remained in an accommodative state to facilitate economic growth. The policy rate in 2018 is expected to stay at 1.5% throughout the year to maintain the balance of economic recovery. Inflation will remain low at a year-round average of 1.5% but it is likely to be pushed up in the second half of the year by rising oil prices and recovering domestic purchasing power. Research Office forecasts that the Monetary Policy Committee (MPC) is likely to maintain the policy rate at the existing level throughout 2018. However, tightening liquidity and the three-time increase of the US interest rate in this year will contribute to the rise in Thai bond yields in line with the US bond yields. When the US interest rate is higher than Thai interest rate, investors may lose interest in Thai bond which will lead to capital outflows. It is expected that Thai baht will weaken against the US dollar and stay at 34 baht per US dollar at the end of 2018.

However, Thailand's prevailing economic structural problems should be resolved in the long term, such as development of skilled labor force, promotion of investment in high technology sectors, taking

care of the elderly in respect of healthcare, and reduction of disparity, as well as amendments to relevant rules, regulations and restrictions in order to enhance private entities' competitiveness, etc. The economic reform should still be carried on despite political changes, and a close watch should be kept at world crude oil price movements, the US's internal and external political factors, financial system risks in China, and geopolitical conflicts, especially in the Korean peninsula and the Middle East.

## 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 2017 are as follows:

Registered Capital	THB 15,140,113,803.50 (fifteen billion one hundred forty million one hundred thirteen thousand eight hundred and three baht and fifty satang), which comprises: : 30,280,227,607 (thirty billion two hundred eighty million two hundred twenty seven thousand six hundred and seven) ordinary shares, with a par value of THB 0.50 (fifty satang) : No preference shares
Issued and Paid-up Share Capital	THB 15,140,113,803.50 (fifteen billion one hundred forty million one hundred thirteen thousand eight hundred and three baht and fifty satang), comprising 30,280,227,607 shares (thirty billion two hundred eighty million two hundred twenty seven thousand six hundred and seven) ordinary shares, with a par value of THB 0.50 (fifty satang) and no preference shares

#### 7.2 Shareholder

##### (1) Major Shareholder of the Bank

##### a. Top 10 shareholders of the Bank as of 15 June 2017:

No.	Name of Shareholders	Number of Shares	% of Total
1	CIMB BANK BERHAD	28,496,703,159	94.11
2	BANK JULIUS BAER & CO. LTD, SINGAPORE	760,756,147	2.51
3	Thai NVDR Co., Ltd.	185,813,795	0.61
4	Mr. Pisit Prukpaiboon	41,526,382	0.14
5	SCB SET INDEX FUND	20,182,452	0.07
6	Mr. Prawit Phansaichue	13,997,591	0.05
7	Mr. Somchart Namsricharoensuk	13,384,881	0.04
8	Mrs. Jaroonluk Panichsheewa	11,761,750	0.04
9	Mr. Surasit Kiatiyothsakul	11,070,481	0.04
10	SCB SET BANKING SECTOR INDEX	10,484,908	0.03
	Other shareholders	714,546,061	2.36
	<b>Total 8,429 shareholders holding</b>	<b>30,280,227,607</b>	<b>100.00</b>
	8,359 Thai shareholders	1,005,875,794	3.32
	70 Foreign shareholders	29,274,351,813	96.68
	<b>Total number of shares</b>	<b>30,280,227,607</b>	<b>100.00</b>

**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 28,496,703,159 of the total issued and paid-up shares of the Bank, which is equivalent to 94.11%.

**(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 2017)

Classified by type	Interest rate	Maturity	Collateral	Restrictions and Requirements	Value of debt securities in issue as at 31 Dec 2017 (THB)	Credit ratings (Moody's / Fitch Ratings)	Bond holder representative
1. Subordinated debenture <sup>1</sup>	None	22 December 2003	None	None	544,502,520	None	None
2. Tier 2 subordinated debt <sup>2</sup>	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.	3,371,180,000 (MYR 400,000,000)	Issue rating AA 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 2017 (THB)	Credit ratings (Moody's / Fitch Ratings)	Bond holder representative
				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.			
3. Tier 2 subordinated debt <sup>2</sup>	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 issuer of the subordinated debt of one tranche does not trigger 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 2017 (THB)	Credit ratings (Moody's / Fitch Ratings)	Bond holder representative
				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 2018, the Board of Directors was composed of the following 10 directors:

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

#### **Note**

<sup>/1</sup> The Board of Directors meeting, held on 25 April 2017, resolved to appoint Mr. Maris Samaram as Independent Director/Chairman of Audit Committee in place of Mr. Sukont Kanjana-Huttankit who had resigned, effective on 8 May 2017.

#### **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, both of whom to jointly sign and affix the Bank seal.

#### **Powers of the 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.

### **Duties and Responsibilities of Board of Directors**

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

1. Set vision, targets, policies, strategies, administration, utilisation of resources, and business standards and framework of the Bank; and monitor and supervise the Bank's business operations to ensure efficient and effective discharge of functions in accordance with the policies set forth.
2. Select individuals qualified for directorship and make recommendation thereof to the shareholders' meeting for election as directors, as well as encourage the shareholders to nominate candidates for election as directors.
3. Select qualified individuals from diverse professional backgrounds and with a broad spectrum of experience and expertise for appointment to executive management positions.
4. Review and approve budgets proposed by executive management under joint consideration with executive management.
5. Delegate authority for day-to-day management to executives based on agreed objectives and targets, except when the matter is of high significance and not in normal course of business of the Bank and hence warrants the Board's attention, such as change in the Bank's capital structure, investment in other business, business merger, disposal of assets and capital expenditure; or in case where the Board's ratification is required, including the matter with conflict of interest, and an approval by the shareholders' meeting has to be sought; the Board is duty-bound to give opinion to the shareholders on such matter.
6. Determine the issues to be brought to its attention by executive management.
7. Set measures for executive management to communicate and ensure there is communication of operational targets and policies to Bank staff at all levels.
8. Monitor and supervise executive management's business operations to ensure compliance with relevant laws and regulations as well as contractual terms and conditions.
9. Monitor and ensure that the Bank has in place efficient and effective risk management system.
10. Monitor and ensure that the Bank has in place adequate, proper and efficient internal control system for the benefit of the Bank; formulate and implement a clear procedure to cope with conflict of interest; put in place policies and processes preventing executive management and other concerned parties from using confidential inside information for personal gains; and assess and review the adequacy of the Bank's internal controls every year-end.
11. Ensure that all stakeholders are treated fairly.
12. Assume responsibility for the financial statements of the Bank and its subsidiary companies and in that process, ensure that the notes to the financial statements contain all important disclosures; and supervise to ensure that processes are in place for implementing a sound accounting system and proper accounting records are kept for future references.
13. Ensure that processes are in place for reporting of operating results in comparison with the targets and the problems arisen so that the Board can monitor, improve and rectify the plans and strategies as appropriate.
14. Establish procedures for evaluating the performance of senior executives to determine the appropriate levels of remuneration, taking into account risks and responsibilities involved as well as added value to shareholders in the long run.
15. Review the pay structure and criteria for authorising bonuses, incentives and benefits for regular and temporary staff or any person doing business for the Bank, regardless of whether on a regular basis or not, as recommended by executive management.
16. Appoint any person as 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:**

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

**Prudence:**

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

**Integrity:**

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

**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 five 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.
- c. 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 three-fourths 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.

In 2017, 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
1.	Mr.Chakramon Phasukavanich	12/12	-	-	-
2.	Dato' Robert Cheim Dau Meng	11/12	-	11/11	-
3.	Mr. Sukont Kanjana-Huttakit	3/3	4/6	-	-
	Mr. Maris Samaram	8/8	10/10	-	-
4.	Mrs. Watanan Petersik	8/12	-	7/11	-
5.	Dato' Shaarani Bin Ibrahim	12/12	16/16	11/11	-
6.	Mr. Chitrapongse Kwangsukstith	10/12	-	-	8/11
7.	Ms. Serena Tan Mei Shwen	11/12	-	-	8/11
8.	Dato'Lee Kok Kwan	9/12	-	-	9/11
9.	Mr. Pravej Ongartsittigul	12/12	16/16	-	-
10.	Mr. Kittiphun Anutarasoti <sup>/</sup>	12/12	-	-	9/11

**Note**

<sup>/1</sup> The Board of Directors meeting, held on 25 April 2017, resolved to appoint Mr. Maris Samaram, as Independent Director/Chairman of Audit Committee in place of Mr. Sukont Kanjana-Huttakit who had resigned, effective on 8 May 2017.

## 8.2 Executive Management

As of 31 January 2018, the Bank's executive management is composed of:

- |    |                           |   |
|----|---------------------------|---|
| 1. | Mr. Kittiphun Anutarasoti | President and Chief Executive Officer   |
| 2. | Mr. Sutee Losoponkul      | Co-Head of Wholesale Banking and Head of Treasury                                 |
| 3. | Mr. Adisorn Sermchaiwong  | Head of Consumer Banking  |
| 4. | Mr. Arthit Masathirakul   | Head of Risk Management   |
| 5. | Mr. Pornchai Padmindra    | Co-Head of Wholesale Banking and Head of Corporate Banking and Investment Banking |

6.	Mrs. Bussakorn Puttinan	Head of Information and Operations
7.	Mrs. Wareemon Niyomthai	Head of Commercial Banking
8.	Ms. Siriporn Sanunpairaue	Head of Internal Audit
9.	Mrs. Kanokpai Vongsatitporn	Head of Human Resources Management
10.	Mr. Jason Leong kok Yew	Head of Finance
11.	Mr. Tan Keat Jin	Head of Strategy
12.	Mr. Prapas Thongsuk	Head of Corporate Communications
13.	Mr. Akash Rathke	Head of Transaction Banking
14.	Mr. Jittiwat Kantamala	Head of Private Banking
15.	Mr. Zethjak Leeyakars	Head of Compliance and Acting Head of Office of the President

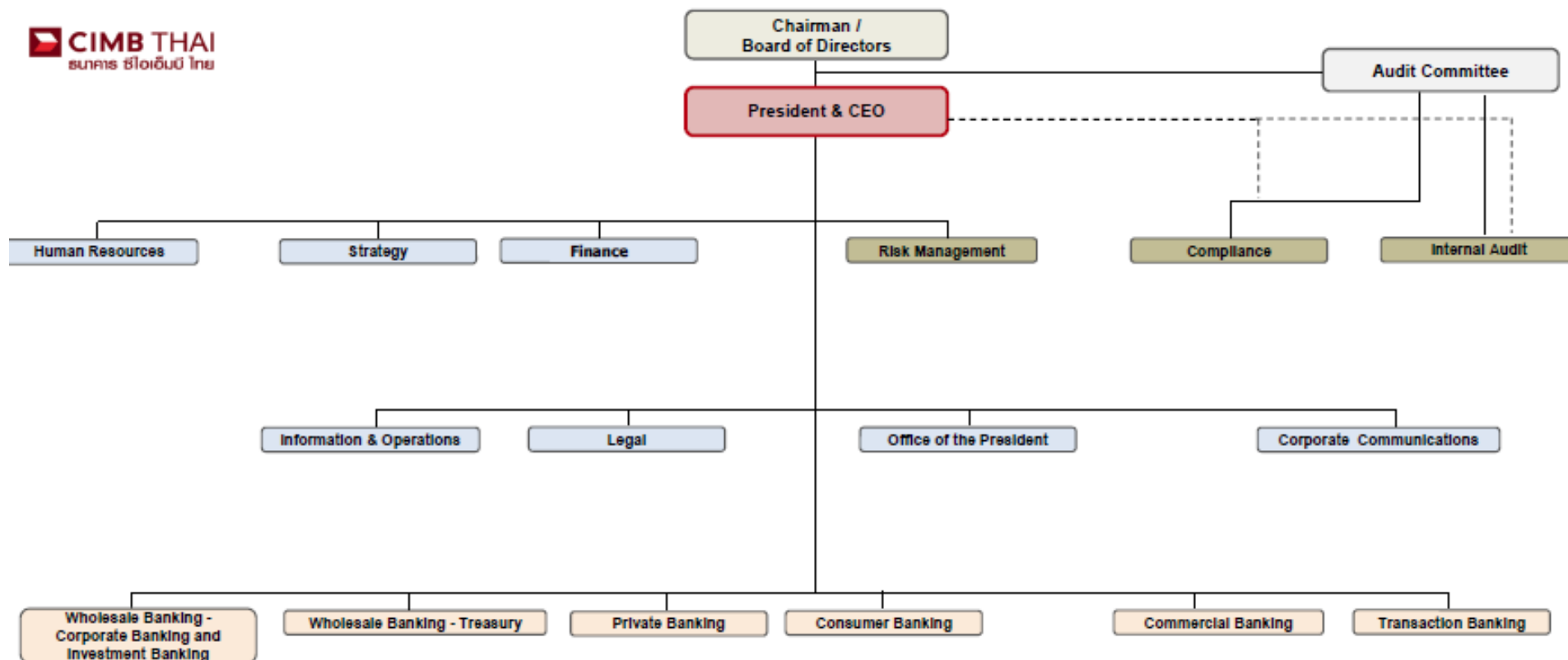
As of 31 January 2018, CIMB Thai has 14 executives from Senior Executive Vice President upward and executives in Accounting and Finance in accordance with the SEC definition of the term 'executives' as below:

1.	Mr. Kittiphun Anutarasoti	President and Chief Executive Officer
2.	Mr. Sutee Losoponkul	Co-Head of Wholesale Banking and Head of Treasury
3.	Mr. Adisorn Sermchaiwong	Head of Consumer Banking
4.	Mr. Arthit Masathirakul	Head of Risk Management
5.	Mr. Pornchai Padmintra	Co-Head of Wholesale Banking and Head of Corporate Banking and Investment Banking
6.	Mrs. Bussakorn Puttinan	Head of Information and Operations
7.	Mrs. Wareemon Niyomthai	Head of Commercial Banking
8.	Ms. Siriporn Sanunpairaue	Head of Internal Audit
9.	Mrs. Kanokpai Vongsatitporn	Head of Human Resources
10.	Mr. Jason Leong kok Yew	Head of Finance
11.	Mr. Tan Keat Jin	Head of Strategy
12.	Mr. Prapas Thongsuk	Head of Corporate Communications
13.	Mr. Akash Rathke	Head of Transaction Banking
14.	Mr. Pao Chatakanonta	Dputy Head of Treasury

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

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

**Management Structure** (as at 31 December 2017)



### 8.3 Company Secretary

The Board has appointed Mr. Zethjak Leeyakars 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 and 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.

Profile of the Company Secretary is shown in attachment 1

### 8.4 Director and Management Remuneration as of 31 December 2017

#### (1) Monetary remuneration

##### a. Remuneration for Board members

This report describes the current components of the Bank's remuneration policy and details of the remuneration for each director during his/her directorship in 2017. The aggregate remuneration for directors comprising meeting and entertainment allowances for Board members and remuneration for Board committee members amounted to THB 12,216,000 in 2017 (compared with THB 12,142,400 in 2016), as described below:

1.	Board of Directors	THB	7,400,400 (2016: THB 7,272,400)
2.	Audit Committee	THB	2,014,800 (2016: THB 2,057,600)
3.	Nomination, Remuneration and Corporate Governance Committee	THB	1,431,000 (2016: THB 1,359,200)
4.	Board Risk Committee	THB	1,369,800 (2016: THB 1,453,200)

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	2,400,000	-	-	-
2	Dato' Robert Cheim Dau Meng	Vice chairman	1,016,400	-	462,000	-
3	Mr. Sukont Kanjana-Huttakit	Independent Director	156,000	288,000	-	-
4	Mr. Maris Samaram	Independent Director	352,000	640,800	-	-
5	Mrs. Watanan Petersik	Independent Director	448,000	-	507,000	-
6	Dato' Shaarani Bin Ibrahim	Independent	528,000	534,000	462,000	-

Name	Positions	Monetary Remuneration			
		Board and Board Committee Members			
		Board of Directors	Audit Committee	Nomination, Remuneration and Corporate Governance Committee	Board Risk Committee
7	Mr. Chitrapongse Kwangsukstith	Director	488,000	-	408,000
8	Ms. Serena Tan Mei Shwen	Director	488,000	-	408,000
9	Dato' Lee Kok Kwan	Director	468,000	-	553,800
10	Mr. Pravej Ongartsittigul	Independent Director	528,000	552,000	-
11	Mr. Kittiphun Anutarasoti <sup>1</sup>	President and CEO	528,000	-	-
<b>Total</b>		<b>7,400,400</b>	<b>2,014,800</b>	<b>1,431,000</b>	<b>1,369,800</b>

**Note:**

/1 President and CEO has declared his intention not to receive the meeting allowances in the BOD committees.

**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 2017, the aggregate remuneration for 14 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 113.32 million. In addition, the aggregate remuneration for 48 Executive Vice Presidents and above (in accordance with the BOT definition of the term 'executives') was THB 269.67 million.

**(2) Other benefits**

In 2017, the Bank's contribution towards the provident fund for 14 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 4.56 million. Meanwhile, its contribution towards the provident fund for 48 Executive Vice Presidents and above (in accordance with the BOT definition of the term 'executives') was THB 10.99 million.

**8.5 Organisation and Personnel**

As of 31 December 2017, the total manpower of the Bank was 2,642 employees, of whom 740 work at Bank branches and 1,902 at the head office, as below:

	No. of employees
1. President and Chief Executive Officer	1
2. Wholesale Banking, Corporate Banking and Investment Banking	107
3. Wholesale Banking, Treasury	69
4. Private Banking	15
5. Consumer Banking	1,241
6. Commercial Banking	161
7. Transaction Banking	49
8. Risk Management	99
9. Finance	138

10. Information and Operations	534
11. Legal	15
12. Strategy	39
13. Human Resources	50
14. Office of the President	11
15. Corporate Communications	23
16. Internal Audit	53
17. Compliance	36
18. Advisor to the President and CEO	1
<u>Total</u>	<u>2,642</u>

### Staff Development Programme and Human Resource Management Plan

The Bank is committed to continually developing human resources management system with focus on developing existing internal personnel to become a leader and successor to various key positions in the organisation with competency based learning. Training roadmap has been in place for branch staff at all levels to ensure increased skills in serving as a professional financial advisor in line with Consumer Banking business management strategies. Various development programmes have been initiated for branch staff and continued every year, including Winning Wealth Management Programme and Branch Network Talent Development Programme. The Bank has also emphasised on providing all staff levels with leadership programmes. Technology is also available to help employees learn in the Learning Management System (LMS), which can be carried out via the mobile phone or the web at home for key mandatory training programmes for all staff. Its focus has also been on building an organisation culture under 'A Better CIMB' theme of CIMB Group.

### 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 2,104.44 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 2017, the Bank organised 284 training courses, comprising 151 internal and 133 external courses at a total cost of THB 23.3 million covering 2,793 staff or 100% of total staff. The average ratio of training for staff was five days per staff per year. In addition, the Bank developed sales and customer experience programmes such as Lead Generator Skill Enhancement, Sale Process and Customer Objection Handling and Service Recovery, etc. The Bank has also teamed up with executives who specialise in credit function to share credit knowledge and experiences under the Credit 101 Programme, and cooperated with Omega Performance (Thailand) to organise the Credit Analysis Certification Programme in line with Omega standard.

As part of Leadership Programmes, the Bank has conducted continuous in-house training such as Working as a High Performing Team, The 7 Habits for Highly Effective People, and so on. Moreover, it has supported high potential staff to join overseas training with employees from other countries under CIMB Group such as Accelerated Universal Bankers (AUB) Programme. Undergraduate scholarship has also been offered to students to support learning and networking with CIMB Group.

## Staff Health and Safety Information

Proportion of average leave days of staff classified by type	2017 %	2016 %
Sick leave	19.26	30.11
Work related injury and sickness	0.0	0.0
Others	80.74	69.89
No. of average sick leave days (days/person)	3.39	2.77
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, gender, age, personal status, economic or social status, religious beliefs, education, or political viewpoints which are not against the provisions of the Constitution. The Bank is also determined not to get involved or support individuals or organisations having 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. 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 and Compliance 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](http://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 2017 AGM was held on 12 April 2017.

Before the AGM, from 1 October 2016 to 31 December 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 2017 AGM, no agenda items and no director nominations were proposed by the shareholders.

To convene the 2017 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 2016 annual report in hard copy. The Bank has assigned Thailand Securities Depository Co., Ltd., 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 at least 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 also 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 2017 AGM, nine shareholders appointed the member of the Audit Committee who is an independent director to attend the AGM and vote on the shareholders' behalf.

At the 2017 AGM, 90% of the Board members and 486 shareholders and proxies attended the meeting, with total shares held of 24,064,752,762 shares representing 97.1343% of the total issued shares. Before the meeting began, the Chairman had assigned the Company Secretary to give an explanation regarding voting rights and procedures to the attendees. The Chairman assured the shareholders that they would have equal opportunity to ask questions, raise any issues or make recommendations 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 draft minutes of the 2017 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](http://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 Executive Vice President or the equivalents upward, and those holding executive positions or heads of work units 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 Code of Ethics and 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 Code of Ethics and 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 Office of the President, Internal Audit, Compliance 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 2017, the Bank organised IR activities to provide information both directly and indirectly as follows:

1. Welcome of altogether five investors and analysts to meet with the management team for inquiry on operating results, altogether eight 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](mailto:ir@cimbthai.com), phone at +662-626-7738, or website at [http://www.cimbthai.com/CIMB/investor\\_relations/](http://www.cimbthai.com/CIMB/investor_relations/).
- Dissemination of information to the general public via the media when financial results and business directions are to be announced to interested parties. This allows local and foreign investors and analysts to keep abreast of the Bank's performance and growth.

## 5. Responsibilities of the Board

### A. Board Structure

Members of the Board comprise professionals with diversified backgrounds in finance, banking, business management, marketing, legal, auditing, accounting and government affairs. At present, there are 10 Board members. Election of Board members follows the resolution of the 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 five 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 the amendments. The Board composition is as follows:

- 2 executive directors
- 4 non-executive directors
- 4 independent directors (accounting for 40% of the entire Board)

Four of the 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. Zethjak Leeyakars 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 and 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. Code of Ethics and Conduct and Conflict of Interests**

The Bank has formulated Code of Ethics and Conduct 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 Ethics and Conduct are available on [www.cimbthai.com](http://www.cimbthai.com). The Bank has communicated to all staff guidelines for compliance with Code of Ethics and Conduct by making such information available online through Lotus Note.

The Bank has policies in place 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 function line, 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 2017, 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 self-assessment of Board/Board committees 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 committees, 3) Board/Board committee meetings, 4) Board/Board committees' performance of duties, 5) relationship with the management, and 6) self-development of the Board/Board committee members and executive officers; and 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 committees. The evaluation results will be compiled and concluded by the Board Secretary before presenting to the Chairman of the Board/Board committees for review to ensure compliance of the practices with the Board/Board committee Charters.

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 2017 annual general meeting of shareholders no. 23 held on 12 April 2017 passed a resolution approving the remuneration for the Board and Board Committee members for 2017, as detailed below:

#### 1. Meeting and entertainment allowances for Board members

Remuneration (Position)	Year 2017	
	Allowance (Monthly)	Allowance (Per attendance)
1. Meeting allowance		
• Chairman	71,500THB/person	58,500THB/person
• Vice Chairman	48,400THB/person	39,600THB/person
• Director	24,000 THB/person	20,000THB/person
2. Entertainment allowance		
• Chairman	70,000 THB/person	-

*Directors are responsible for paying their own income tax.*

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

Remuneration (Position)	Year 2017	
	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 the 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 2017, there was one new director appointed by the Board meeting. The new director has undergone an in-house induction programme that gives an overview of the Bank and its business plans. An information pack has been provided explaining the Bank's corporate governance policies

and practices and the roles and responsibilities of directors and the Board as a whole, including the various laws and regulations the director needs to know.

## H. Succession Plan

The Bank is fully aware of the necessity to operate its business efficiently and continuously. Thus, Human Resources Management 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 function line
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 up skill 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

Board Committee comprise:

1. Audit Committee
2. Nomination, Remuneration and Corporate Governance Committee
3. Board Risk Committee
4. Shariah Sub-Committee

### 1. Audit Committee

The Audit Committee (AC) is composed of:

- |                               |                        |  |
|-------------------------------|------------------------|--|
| 1. Mr. Maris Samaram          | Independent Director   | as Chairman                              |
| 2. Dato' Shaarani Bin Ibrahim | Independent Director   | as Member                                |
| 3. Mr. Pravej Ongartsittigul  | Independent Director   | as Member                                |
| 4. Ms. Siriporn Sanunpairaue  | Head of Internal Audit | as Secretary for Internal Audit function |
| 5. Mr. Zethjak Leeyakars      | Head of Compliance     | as Secretary for Compliance function     |

### Powers, Duties and Responsibilities:

1. Assist the Board in discharging its statutory duties and responsibilities relating to accounting, reporting practices and corporate governance. The AC shall review the effectiveness of internal controls, risk management processes and governance practices, taking into account the requirements of relevant BOT guidelines and SEC's and SET's listing requirements.
2. Review the effectiveness of Internal Audit function.
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 work unit 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 the 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 and Compliance Charter.
14. Perform any other duties as specified in Audit Committee Charter.
15. Perform any other assignments delegated to it by the Board.

Coverage: CIMB Thai group

## 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 | Head of Human Resources | as Secretary                                      |

### 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 on any board committee, and
  - c) EVP upwards
- To ensure that the size and composition of the Board of Directors is appropriate for the organisation 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.
- To approve any matter relating to staff remuneration and benefits involving an amount up to THB 50 million.

## 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 Committee may consider other matters assigned by the Board.

### 3. Board Risk Committee

The Board Risk Committee (BRC) is composed of:

- |                                   |                         |                                  |
|-----------------------------------|-------------------------|----------------------------------|
| 1. Dato' Lee Kok Kwan             | 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        | Head of Risk Management | as Secretary                     |

**Powers, Duties and Responsibilities:**

1. To 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 (TUC)
  - 1.4. Credit Committee (CC)
  - 1.5. Any other risk committees appointed to report directly to BRC
2. To concur or approve risk management 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 which may result 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 the BOD delegated committee.

Frameworks/Policies/Limits and MAT of Financial Group

- 2.3 To concur on new (only required for the financial group) or changes which may result 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 are complied with and implemented effectively.
  - 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 3<sup>rd</sup> party of CIMB Thai and its Financial Group

- Approve the new 3rd party(ies) of CIMB Thai (excluding CIMB Principal and companies in the financial group) before selling their products or 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 organisation.
  7. To appoint external consultants, from time to time, to review and advise BRC on risk management matters as necessary.
  8. To approve and ensure the following are in line with regulatory requirements:
    - 8.1. Risk-related disclosures; and
    - 8.2. Internal control on risk-related disclosure process.

Coverage: CIMB Thai financial group (where appropriate)

**4. Shariah Sub-Committee**

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

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

### **Powers, Duties and Responsibilities**

1. Explore all possibilities in conducting Shariah financial service business through the Bank and its subsidiaries.
2. Give opinions and propose relevant issues of Shariah business to the Board of Directors and/or other committees involved.

### **9.3 Management Committee**

The Management Committee is composed of:

- |  |                       |
|--|-----------------------|
| 1. President and Chief Executive Officer   | as Chairman           |
| 2. Co-Head of Wholesale Banking and Head of Treasury                                 | as Alternate Chairman |
| 3. Head of Risk Management   | as Member             |
| 4. Head of Finance   | as Member             |
| 5. Head of Transaction Banking   | as Member             |
| 6. Head of Information and Operations  | as Member             |
| 7. Co-Head of Wholesale Banking and Head of Corporate Banking and Investment Banking | as Member             |
| 8. Head of Commercial Banking  | as Member             |
| 9. Head of Consumer Banking  | as Member             |
| 10. Head of Human Resources  | as Member             |
| 11. Head of Corporate Communications   | as Member             |
| 12. Head of Strategy   | as Member             |
| 13. Head of Compliance   | as Member             |
| 14. Head of Private Banking  | as Member             |
| 15. Company Secretary  | as Secretary          |

### **By invitation**

Head of Internal Audit

### **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 reorganisation;
10. Approve the appointment and revision of members, duties and responsibilities of Marketing and Communications Committee and Retail Business Committee;
11. Consider and decide on non-financial issues under 1Platform Project;
12. Review, give opinions, consider and approve the proposed legal provision in case the Bank and executives are sued for damages as recommended by Corporate Legal work unit;
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 party 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

### **Selection of Executives**

In 2017, 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 auditor and consideration of audit fees**

The Audit Committee considers the qualifications and performance of external candidates and recommends the appointment thereof as the external auditor 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 external auditor to be proposed must also be endorsed by the BOT.

### **Remuneration for external auditor**

For the year ended 31 December 2017, fees paid to the external auditor were as follows:

#### **(1) Audit fee**

CIMB Thai group paid the auditor audit fee of THB 11.5 million. Other incidental expenses included transport and photocopying expenses.

#### **(2) Non-audit fee**

CIMB Thai group paid non-audit service fee to the auditor in the fiscal year 2017 amounting to THB 660,000 for the services provided in 2017

## 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. Details of such policy and undertakings related to anti-corruption are disclosed in the Bank's website at [www.cimbthai.com](http://www.cimbthai.com) under 'corporate governance' topic.

## **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 2017, the Bank organized 284 training courses, comprising 151 internal and 133 external courses at a total cost of THB 23.3 million covering 2,793 staff or 100% of total staff. The average ratio of training for staff was five days per staff per year. In addition to existing sales and customer experience

program such as Lead Generator Skill Enhancement, Sale Process and Customer Objection Handling and Service Recovery. In addition, the Bank has teamed up with executives who specialize in credit function to share knowledge and experiences about credit in Credit 101 Programme. As well as corporate with Omega Performance (Thailand) to organize the Credit Analysis Certification Program to meet standardize of Omega.

As part of Leadership Program, the Bank conduct continuous in-house training such as Working as a High Performing Team, The 7 Habits for Highly Effective People etc. Moreover, the Bank supports high potential staff to join overseas training with employees from other countries under CIMB Group such as Accelerated Universal Bankers (AUB) Programme. The Bank also offers undergraduate scholarship to student to support learning and networking between CIMB Group as well.

## **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. Community and social development**

Since corporate social responsibility is one of our core missions, CIMB Thai Bank has remained committed to carrying out CSR projects and activities through educational and social projects for the seventh straight year in an attempt to upgrade educational standards for the youth in remote areas which were still in need of learning tools, especially in the area of information and communication technology (ICT). We have handed over computers to rural schools to ensure that children had equal opportunities to access sources of knowledge in line with the government's policy to expedite a set-up of internet connection at all schools in remote areas nationwide to upgrade educational standards for the youth that will become the grown-up in days to come. It has also laid the foundation for the country development in the future according to Thailand 4.0 Policy.

Last year, CIMB Thai, together with its partners such as Thai Television Channel 3 News Family (KROB KRUA KAO 3), Srinakharinwirot University, Bodhivijjalaya College, Media Associated Co., Ltd., Kingsmen C.M.T.I. Pcl., and My Exhibit Co., Ltd. and our customers has joined in the educational projects for altogether seven schools.

Through continued projects as mentioned above which were consistently open for our volunteering staff to participate in various Bank activities, has given staff chances to realize and absorb the sense of being a part of having social responsibility. With this, it has shaped the mindset and organization culture to instill social responsibility consciousness. Each staff from different business units will have the chance to coordinate and team up to initiate projects that contribute to the society, with the support from the Bank and senior management. This has given the chance for staff to step out from their daily routine responsibilities in doing something for the community. A committee has been appointed to assign roles and responsibilities and committed their time to visit local communities in listening to their voices, hence, cooperating and forming a working committee together. Long term initiatives are all planned to give the projects a tangible idea, including CSR Garage Sale activity that was purposely organized to gather funds, without spending the Bank's budget. Projects such as "Let Children Color Their Dreams...Pig Bank Project" and "Let Children Color Their Dreams...Mulberry and Silkworm Learning Center Project" are the projects that required the wisdoms of community leaders and local philosophers to continue and carry on the projects to increase its economic value and creativity to the society.

Aside from that, the Bank has rehabilitated schools that underwent flood in Nakhon Si Thammarat province under the project name of "Fight through floods and rehabilitate with CIMB Thai Bank" project with the donation from customers and public, including staff, of stationery such as notebooks, pens, pencils, desks and chairs to Baan Paak Bang Glom School and other schools in the same area for altogether eight schools in Amphoe Cha Uat, Nakhon Si Thammarat province.

In conclusion, teachers of each school, including teachers and students of network centers, parents, alumni and communities of a total of approximately 7,770 people have benefited from all of the Bank's CSR projects in 2017.

**Educational projects** Computer Literacy Centers, Community Libraries, Science Labs, Growing their Own Lunch and Sericulture Learning Centers, a total of 12 projects over 14 schools are:

1. Baan Ton Pring School, Amphoe Na Mom, Songkhla Province
2. Wat Haem Soong School, Amphoe Chakaraj, Nakhon Ratchasima Province
3. Baan Sum Pa Haan School, Amphoe Uukaew, Udon Thani Province
4. Baan Nhong Majaab School, Amphoe San Sai, Chiang Mai Province
5. Baan Naam Paad School, Amphoe Neunmaprang, Pitsanulok Province
6. Baan Sup Charoen School, Amphoe Soidao, Chantaburi Province
7. Pong Gan Ton Eang Dan Chum Chon School, Amphoe Bo Rai, Trat Province
8. Baan Maneehot Samakkee School, Amphoe Wangmuang, Saraburi Province
9. Baan Kok See School, Amphoe Mayawadee, Roi Et Province
10. Baan Nhong Dern School, Amphoe Mayawadee, Roi Et Province
11. Baan Sarng Fan, Buriram Province by Police Captain Apichit Pantaprateeb
12. Wat Cheetaram School, Amphoe Songpinong, Suphanburi Province
13. Baan Khao Sarapi Border Patrol Police School, Amphoe Sarapi, Sa kaew Province
14. Baan Nhong Muang Waan School, Amphoe Huay Talaeng, Nakhon Ratchasima Province

**Social and environmental projects** The Bank has arranged 6 projects as follows:

1. Blood donation
2. "Fight through floods and rehabilitate with CIMB Thai Bank" Project
3. "Let Children Color Their Dreams...Pig Bank Project", Baan Khao Sarapi Border Patrol Police School and Baan Khao Sarapi Community
4. "Let Children Color Their Dreams...Mulberry and Silkworm Learning Center Project", Baan Hnong Muang Whan School and Community and Baan Muang Ngam Community

## 7. Innovation and its distribution

The Bank is focusing on making continuous process improvement by adopting innovations to best serve customers. In 2017, many customer experience improvement projects have been done driven by innovations, allowing the Bank to receive many recognition awards, including Highly Commended in the Best CX Business Model 2017 from The Customer Experience In Financial Services Awards 2017 under FORWARD>>CX "The Best or Nothing" Program; The Best Employee Engagement: Honorary Mention from Customer Experience Asia Excellence Awards 2017 under CIMB Thai Customer Experience; The Best CX Personality, CX Rockstar Awards from Customer Experience Asia Excellence Awards 2017 to Dr. Piyawat Jirapongsuwan, Senior Vice President of Business Engineering; ICT Excellent Award in Core Process Improvement 2017 from TMA ICT 2017 under Collection and Recovery Platform. 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 sustainable business growth and compliance with good corporate governance principles. In addition, the Bank has mechanism in place to consistently monitor, assess and audit its internal control system to ensure adequacy, effectiveness and appropriateness.

- **Organisation and environment**

The Bank has structured its organization taking into account proper segregation of duties that will contribute to effective risk management and internal control as well as monitoring and auditing 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 and Risk Management Committee have been appointed by the Board of Directors with relevant roles, duties and responsibilities defined and operations of which assessed to ensure conformity with the risk management plan in place. Risk Management 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 responsibilities between various management positions provides a mechanism for checks and balances between senior executives.

Management is required to bring to the attention of the Board any transactions that concern major shareholders, directors, senior executives or parties related to them. In addition, the Bank has instituted policies and procedures governing the approval of loans for, or investment in businesses in which the Bank, its shareholders, its senior executives or parties related to them have material interest. Any sale, lease, purchase or rent of assets in relation to authorised directors, major shareholders and parties related to them shall also comply with the relevant policies in place.

Furthermore the Bank has established the Compliance unit 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 has also been set up as an independent unit to examine and ensure all Bank activities are effectively and efficiently managed and operated in line with the risk management and internal control principles.

- **Information and communication infrastructure**

The Bank has adopted accounting policies and procedures in line with the generally accepted accounting principles that support the Bank's business requirements. It has consistently developed and managed its information and database systems so that significant information is accessible on an adequate and timely basis. The electronic document management system provides an effective tool for retrieving and storing important 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. It prepares an annual business plan, which is periodically reviewed to ensure its effectiveness in a 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.

The Bank appointed Ms. Siriporn Sanunpairaue, Senior Executive Vice President, to be Internal Audit 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 Head are roles and responsibilities of the Audit Committee.

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

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

## 12. Related Party Transactions

As of 31 December 2017, 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 heads of work units 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 such persons or entities. Details are as disclosed in the Notes to Financial Statements item 44 of Financial Statements for the year ended 31 December 2017.

- 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												
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 engaged iCIMB (MSC) Sdn Bhd for the following services:</p> <p>a) Housing CIMB Thai hardware and software in CIMB data center in Malaysia;</p> <p>b) Supporting daily business operations and troubleshoot problems;</p> <p>c) Maintaining systems covering daily batch runs, backup and reporting;</p> <p>d) Sharing some of CIMB Bank's hardware and software; and</p> <p>e) Ensuring system stability and business continuity.</p> <p>For the services provided by iCIMB, the Bank would pay to iCIMB the following yearly fees:</p> <table><tr><th>Year</th><th>*Fees (MYR)</th></tr><tr><td>2017</td><td>150,973</td></tr><tr><td>2018</td><td>153,908</td></tr><tr><td>2019</td><td>153,908</td></tr><tr><td>2020</td><td>153,908</td></tr><tr><td>Total</td><td>612,697</td></tr></table> <p>This transaction is considered the Bank's normal business support under general trading terms.</p>	Year	*Fees (MYR)	2017	150,973	2018	153,908	2019	153,908	2020	153,908	Total	612,697	<p>The Board of Directors' meeting no. 1/2017 held on 19 January 2017 (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>
Year	*Fees (MYR)													
2017	150,973													
2018	153,908													
2019	153,908													
2020	153,908													
Total	612,697													
CIMB Bank Berhad (CIMB Bank), the major shareholder of the Bank holding 94.11% of the Bank's total issued and paid-up shares	<p>The Bank and CIMB Bank have been granted to be an appointed cross currency dealer (ACCD) for MYR and THB respectively.</p> <p>The Bank, as an ACCD bank for MYR, can offer interest-bearing foreign currency deposit (FCD) in MYR to Thai corporates. CIMB Bank can also pay THB interest for THB balance in THB deposit account which Malaysian corporates open with them.</p> <p>To enable CIMB Bank to pay interest to THB accounts held by Malaysian corporates, CIMB Bank needs to receive interest for THB balance in SNA Nostro account as stipulated in the ACCD guidelines.</p> <p>Payment of THB interest for balance in SNA to CIMB Bank has details as follows:</p> <p>Interest rate offered is normal corporate deposit rate + 0.125% = 0.50%. The ratio of 0.125% is constituted based on 0.025% for withholding tax and other operational cost, and 0.10% reserved for normal profit margin for</p>	<p>The Board of Directors' meeting no. 1/2017 held on 19 January 2017 (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>												

Name and Relationship	Transaction Characteristics and Value	Necessity and Reasonableness with Audit Committee's Opinion
	<p>deposit taking institution.</p> <p>This transaction is considered the Bank's normal business support under general trading terms.</p>	
<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>The Bank has opened an equity account (cash balance account) at CIMBS for ELN shares settlement. The Bank would pay a transfer fee to CIMBS at a rate of THB 100 per transaction. This transaction is considered the Bank's normal business support under general trading terms.</p>	<p>The Board of Directors' meeting no. 2/2017 held on 24 February 2017 (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>
<p>CIMB Bank Berhad (CIMB Bank), the major shareholder of the Bank holding 94.11% of the Bank's total issued and paid-up shares</p>	<p>The Bank has outsourced the validation of IFRS9 models (for CIMB Thai Group) to validation team of CIMB Bank by extending services scope of outsourcing agreement dated 1 February 2012 between the Bank and CIMB Bank to cover IFRS9 model validation services.</p> <p>CIMB Bank may consider charging the Bank on validation services used for the Bank's benefits from 1 January 2019 onwards, following the effective date of IFRS9 in Thailand. Before CIMB Bank starts charging the Bank for the model validation, Finance will seek Audit Committee/Board of Directors' approval for the charges. However, such charge would not include the services provided during 2017-2018.</p> <p>This transaction is considered the Bank's normal business support under general trading terms.</p>	<p>The Board of Directors' meeting no. 3/2017 held on 28 March 2017 (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>
<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 renewed the existing lease contract of space on floor 16 (600 sq.m.) and floor 15 (436 sq.m.) of its head office building to CPAM for another three years at the rental rate of THB 735/sq.m./month.</p> <p>This transaction is a rental or lease of immovable property under a term of not exceeding 3 years and under general trading conditions.</p>	<p>The Board of Directors' meeting no. 6/2017 held on 29 June 2017 (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 a rental or lease of</p>

Name and Relationship	Transaction Characteristics and Value	Necessity and Reasonableness with Audit Committee's Opinion
		immovable property under a term of not exceeding 3 years and under general trading conditions.
CIMB Bank Berhad (CIMB Bank), the major shareholder of the Bank holding 94.11% of the Bank's total issued and paid-up shares	1) The Bank has appointed CIMB Bank as Malaysia sub-custodian, for which the new agreement will be arranged. 2) CIMB Bank has appointed the Bank as Thailand sub-custodian. The agreement has already been arranged and implemented since September 2009. However, it will be amended in the part of fee payment schedule. Cross-charge will be similarly applied both way with safekeeping fee charged at 2.5 bps of asset value and transaction fee USD 15 (THB 500 equivalent) per trade so as to maximise business opportunity within CIMB Group. This transaction is considered the Bank's normal business support under general trading terms.	The Board of Directors' meeting no. 6/2017 held on 29 June 2017 (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 conducted an annual review and extended the L/G (performance) limit, totaling THB 4 million, to 31 August 2018 for CPAM. This transaction is considered the Bank's normal business support under general trading terms.	The Board of Directors' meeting no. 8/2017 held on 25 August 2017 (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 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	The Bank has performed an annual review and extended all credit facilities in the amount of THB 811 million to 30 September 2018 for CIMBS. This transaction is considered the Bank's normal business support under general trading terms.	The Board of Directors' meeting no. 9/2017 held on 22 September 2017 (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.
Sathorn Asset Management Co., Ltd. (STAMC), a subsidiary of CIMB Group which is	The Bank has sold NPLs to STAMC at the price of THB 1,850 million. This transaction is considered the Bank's normal business support under general trading	The Board of Directors' meeting no. 10/2017 held on 31 October 2017 (excluding CIMB Bank's

Name and Relationship	Transaction Characteristics and Value	Necessity and Reasonableness with Audit Committee's Opinion
the indirect major shareholder of the Bank	terms.	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 course of business and brought benefits to the Bank.
CIMB Group, the indirect major shareholder of the Bank	The Bank has outsourced to CIMB Group IT service for ICRES Revamp, for which agreement would be signed with CIMB Group, covering a period of 5 years, starting from 2018. The yearly service fee (excluding taxes) is MYR 458,886. The cost would be shared between Wholesale Banking (65%) and Commercial Banking (35%). This transaction is considered the Bank's normal business support.	The Board of Directors' meeting no. 11/2017 held on 29 November 2017 (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 a normal business support from CIMB Group Sdn Bhd which caused no damage and brought benefit to the Bank.
Sathorn Asset Management Co., Ltd. (STAMC), a subsidiary of CIMB Group which is the indirect major shareholder of the Bank	The Bank has sold its retail secured NPLs to STAMC. The proposed selling price was originally set at THB 1,248 million. However, later STAMC, the buyer, has engaged an independent advisor to conduct a valuation, resulting in the valuation price of THB 1,201 million. The Bank has accepted THB 1,201 million as the execution price, given the gap of less than 15% from the original pricing, which is the same basis as that adopted for the recent disposal of non-retail NPLs. This transaction is considered the Bank's normal business support.	The Board of Directors' meeting no. 11/2017 held on 29 November 2017 (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 course of business and brought benefits to the Bank.
CIMB Bank Berhad (CIMB Bank), the major shareholder of the Bank holding 94.11% of the Bank's total issued and paid-up shares	The Bank has opened a segregated AOO account with CIMB Bank. This transaction is considered the Bank's normal business support.	The Board of Directors' meeting no. 12/2017 held on 22 December 2017 (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

Name and Relationship	Transaction Characteristics and Value	Necessity and Reasonableness with Audit Committee's Opinion
		the Bank's normal course of business and brought benefits to the Bank

#### - Loans, Deposits and Contingent Liabilities

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

(Unit: THB million)

Company name	31 December 2017				% shares holding	Joint management
	Contingent liabilities	Outstanding loans	Deposits	Borrowings		
<b><u>Parent Company</u></b>						
CIMB Bank Berhad	13	-	-	3,802	94.11	-
Interest rate swap contracts						
- Fixed rate payee	17,198	-	-	-		
- Floating rate payee	55,833	-	-	-		
Forward and spot contracts						
- Bought	2,657	-	-	-		
- Sold	217	-	-	-		
Cross currency and interest rate swap contracts						
- Bought	8,622	-	-	-		
- Sold	1,634	-	-	-		
Commodity						
- Bought	128	-	-	-		
Swaption						
-Sold	1,500	-	-	-		
Equity option						
-Sold	308	-	-	-		
Credit derivatives						
- Sold	5,264	-	-	-		
<b><u>Subsidiary companies</u></b>						
Center Auto Lease Co.,Ltd.	2,150	19,730	184	-	99.99	Mr. Adisorn Sermchaiwong Ms. Sasima Thongsamak Mr. Goh Therd Siang Ms. Onanong Udomkantong

Company name	31 December 2017				% shares holding	Joint management
	Contingent liabilities	Outstanding loans	Deposits	Borrowings		
CT COLL Co.,Ltd.	-	-	49	-	99.99	Mr. Adisorn Sermchaiwong Ms. Onanong Udomkantong Ms. Sasima Thongsamak Mr. Goh Therd Siang
Worldlease Co., Ltd.	-	3,018	69	-	99.99	Mr. Adisorn Sermchaiwong Mr. Visit Phuengpornawan Ms. Onanong Udomkantong Ms. Sasima Thongsamak Ms. Piyawan Thianphranon Mr. Goh Therd Siang
<b><u>Company under common control</u></b>						
CIMB Bank Plc., Cambodia	61	-	-	-	-	
Sathorn Asset Management Co., Ltd.	-	-	302	-	-	Mr. Goh Therd Siang Mr. Tan Keat Jin
CIMB Securities (Singapore)	-	-	8	-	-	
CIMB Securities (Thailand) Co., Ltd.	-	-	874	-	-	Mr. Sutee Losoponkul
CIMB Principal Asset Management Co., Ltd.	-	-	261	-	-	Mr. Adisorn Sermchaiwong
Other related companies	-	30	8	-	-	
Related persons	-	8	470	-	-	-

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.

**- Related party transaction trends**

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 2017, 2016 and 2015, and its operating results and financial ratios for the years ended 31 December 2017, 2016 and 2015.

Statements of Financial Position	(Unit: THB)		
	31 December 2017	31 December 2016	31 December 2015
<b>Assets</b>			
Cash	1,588,987,409	1,936,147,365	2,395,111,405
Interbank and money market items, net	18,099,695,389	8,463,665,047	14,229,670,008
Derivative assets	21,278,460,920	21,235,341,272	25,581,046,242
Investments, net	44,059,846,768	55,061,910,795	54,891,019,817
Investments in subsidiaries, net	1,708,315,115	1,324,920,707	1,324,920,707
Loans and accrued interest receivables			
Loans	205,242,484,739	202,939,467,801	196,736,743,351
Accrued interest receivables	522,709,406	593,582,295	524,470,027
Total loans and accrued interest receivables	205,765,194,145	203,533,050,096	197,261,213,378
<u>Less</u> Deferred revenue	(8,651,407)	(38,988,676)	(90,837,521)
<u>Less</u> Allowance for doubtful debts	(9,256,336,052)	(9,666,516,204)	(6,572,231,944)
<u>Less</u> Revaluation allowance for debt restructuring	(105,673,656)	(45,259,015)	(55,383,987)
Loans and accrued interest receivables, net	196,394,533,030	193,782,286,201	190,542,759,926
Customers' liability under acceptance	581,413,868	45,230,520	41,017,884
Properties for sale, net	888,480,141	1,195,702,862	1,109,004,276
Premises and equipment, net	3,529,189,193	3,609,493,321	2,714,361,639
Intangible assets, net	364,943,160	363,158,838	373,090,594
Deferred tax assets	1,023,345,737	1,075,692,045	862,314,440
Other assets, net	6,789,804,499	7,529,507,359	9,533,185,948
<b>Total assets</b>	<b>296,307,015,229</b>	<b>295,623,056,332</b>	<b>303,597,502,886</b>

(Unit: THB)			
Statements of Financial Position (Cont'd)	Separate		
	31 December 2017	31 December 2016	31 December 2015
<b>Liabilities and shareholders' equity</b>			
<b>Liabilities</b>			
Deposits	177,702,506,611	183,877,466,049	170,502,086,949
Interbank and money market items, net	15,648,105,797	11,595,328,411	19,994,416,948
Liability payable on demand	254,663,261	250,092,171	320,768,448
Financial liabilities designated at fair value			
through profit or loss	23,103,810,514	18,873,674,513	16,039,533,025
Derivative liabilities	19,965,010,587	21,381,015,668	25,682,672,770
Debt issued and borrowings	17,933,103,726	25,582,513,107	33,994,659,909
Bank's liability under acceptance	581,413,868	45,230,520	41,017,884
Provisions	1,855,519,989	1,919,842,460	1,578,957,438
Other liabilities	7,938,994,106	6,809,617,409	9,126,765,983
<b>Total liabilities</b>	<b>264,983,128,459</b>	<b>270,334,780,308</b>	<b>277,280,879,354</b>
<b>Shareholders' equity</b>			
Share capital			
Registered			
30,280,227,607 ordinary shares of Baht 0.50 each	15,140,113,804		
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
Issued and paid-up share capital			
30,280,227,607 ordinary shares of Baht 0.50 each	15,140,113,804		
24,774,731,679 ordinary shares of Baht 0.50 each		12,387,365,840	12,387,365,840
Premium on share capital	8,465,413,222	5,712,665,258	5,712,665,258
Other reserves	1,558,840,917	1,115,382,330	737,068,079
Retained earnings			
Appropriated - statutory reserve	398,680,000	397,800,000	365,950,000
Unappropriated	5,760,838,827	5,675,062,596	7,113,574,355
<b>Total shareholders' equity</b>	<b>31,323,886,770</b>	<b>25,288,276,024</b>	<b>26,316,623,532</b>
<b>Total liabilities and shareholders' equity</b>	<b>296,307,015,229</b>	<b>295,623,056,332</b>	<b>303,597,502,886</b>

(Unit: THB)

## Statements of Comprehensive Income

	Separate		
	For the years ended 31 December		
	2017	2016	2015
Interest income	11,913,199,518	12,723,807,296	13,025,701,782
Interest expenses	(4,325,189,459)	(4,806,998,270)	(6,141,335,838)
<b>Net interest income</b>	<b>7,588,010,059</b>	<b>7,916,809,026</b>	<b>6,884,365,944</b>
Fee and service income	1,471,420,808	1,289,666,205	1,374,889,474
Fee and service expenses	(223,841,719)	(238,708,889)	(319,343,580)
<b>Net fee and service income</b>	<b>1,247,579,089</b>	<b>1,050,957,316</b>	<b>1,055,545,894</b>
Gains on trading and foreign exchange transactions, net	2,238,222,821	1,402,493,444	1,819,384,602
Losses on financial liabilities designated at fair value through profit or loss, net	(1,733,886,254)	(810,387,742)	(458,154,763)
Gains on investments, net	490,748,334	482,570,051	551,005,717
Other operating income	233,222,081	329,240,877	383,010,621
<b>Total operating income</b>	<b>10,063,896,130</b>	<b>10,371,682,972</b>	<b>10,235,158,015</b>
<b>Other operating expenses</b>			
Employee expenses	3,444,686,567	3,302,361,160	3,236,564,534
Directors' remuneration	12,456,000	12,262,400	10,744,000
Premises and equipment expenses	929,630,735	1,150,024,878	1,277,119,380
Taxes and duties	397,448,867	441,485,090	442,470,291
Others	1,334,179,030	1,259,456,059	950,068,015
<b>Total other operating expenses</b>	<b>6,118,401,199</b>	<b>6,165,589,587</b>	<b>5,916,966,220</b>
Bad and doubtful debts and impairment losses	3,944,113,706	5,785,126,100	3,425,200,000
<b>Profit (loss) before income tax expenses</b>	<b>1,381,225</b>	<b>(1,579,032,715)</b>	<b>892,991,795</b>
Income tax expenses	70,008,975	318,811,256	(185,657,054)
<b>Net profit (loss) for the years</b>	<b>71,390,200</b>	<b>(1,260,221,459)</b>	<b>707,334,741</b>

Statements of Comprehensive Income (Cont'd)	(Unit: THB)		
	Separate		
	For the years ended 31 December		
	2017	2016	2015
Other comprehensive income (expenses)			
Items that will be reclassified subsequently to profit or loss			
Gains (losses) on remeasuring available-for-sale investments	467,099,324	(644,156,155)	12,859,905
(Losses) gains arising from translating the financial statement of a foreign operation	(30,696,516)	(1,206,592)	28,964,409
Gains (losses) on cash flow hedges	62,042,015	58,446,328	(25,306,951)
Income tax relating to items that will be reclassified subsequently to profit or loss	(105,828,268)	117,141,965	2,489,409
<b>Total items that will be reclassified subsequently to profit or loss</b>	<b>392,616,555</b>	<b>(469,774,454)</b>	<b>19,006,772</b>
Items that will not be reclassified subsequently to profit or loss			
Changes in revaluation surplus	-	1,078,204,826	(125,210,829)
Remeasurements of post-employment benefit obligations	82,635,079	(18,093,944)	(102,130,316)
Income tax relating to items that will not be reclassified subsequently to profit or loss	(16,527,016)	(212,022,177)	45,468,228
<b>Total items that will not be reclassified subsequently to profit or loss</b>	<b>66,108,063</b>	<b>848,088,705</b>	<b>(181,872,917)</b>
<b>Total other comprehensive income (expenses)</b>	<b>458,724,618</b>	<b>378,314,251</b>	<b>(162,866,145)</b>
<b>Total comprehensive income (expenses) for the years</b>	<b>530,114,818</b>	<b>(881,907,208)</b>	<b>544,468,596</b>
<b>Net profit (loss) attributable to:</b>			
Equity holders of the Bank	71,390,200	(1,260,221,459)	707,334,741
Non-controlling interests	-	-	-
	<b>71,390,200</b>	<b>(1,260,221,459)</b>	<b>707,334,741</b>
<b>Total comprehensive income (expenses) attributable to:</b>			
Equity holders of the Bank	530,114,818	(881,907,208)	544,468,596
Non-controlling interests	-	-	-
	<b>530,114,818</b>	<b>(881,907,208)</b>	<b>544,468,596</b>
<b>Earnings (loss) per share for profit attributable to the equity holders of the Bank</b>			
Basic earnings (loss) per share (Baht per share)	0.00	(0.05)	0.03
<b>Weighted average number of ordinary shares (shares)</b>	<b>28,233,684,776</b>	<b>25,333,286,323</b>	<b>21,650,992,558</b>

Statements of Cash Flows	(Unit: THB)		
	Separate		
	For the years ended 31 December		
	2017	2016	2015
<b>Cash flows from operating activities</b>			
Profit (loss) before corporate income tax	1,381,225	(1,579,032,715)	892,991,795
Adjustments to reconcile net income before income tax to cash in (out) flows from operating activities:			
Depreciation and amortisation	344,091,704	414,246,806	470,167,340
Bad debts and doubtful accounts	3,944,113,706	5,785,126,100	3,425,200,000
(Reversal of) provision for off-balance sheet items	(42,701,555)	302,644,995	14,347,673
Share-based payment	35,251,070	30,526,962	10,277,930
Provision for liabilities	197,903,657	142,650,148	166,067,925
Losses on impairment of properties for sale	20,391,212	1,388,641	248,119
Losses on impairment of other assets	-	11,684,173	-
Losses on impairment of investments	3,476,616	-	4,290,484
Reversal of losses on impairment of investment in subsidiaries	(383,394,408)	-	-
Unrealised gains on exchange and derivatives	(3,015,423,032)	(425,352,139)	(322,857,972)
Gains on properties for sale	(72,996,501)	(108,592,164)	(91,006,865)
Unrealised (gains) losses on revaluation of investments	(135,317,715)	96,264,552	(571,459)
Gains on sale of investments	(366,098,877)	(470,349,197)	(728,736,343)
Gains on disposal of premises and equipment	(34,334,525)	(26,932,026)	(11,486,702)
Gains on surplus from of 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	12,487,613	48,312,019	27,967,972
Losses from write off leasehold rights	41,454,421	10,658,464	36,576
Losses (gains) on sale of non - performing loan	162,476,024	(771,810)	-
Losses on financial liabilities designated at fair value through profit or loss	1,733,886,254	810,387,742	458,154,763
Interest and dividend income	(11,927,068,959)	(12,785,751,455)	(13,077,532,558)
Interest expenses	3,362,986,992	3,815,885,348	5,139,554,380
<b>Losses from operations before changes in operating assets and liabilities</b>	(6,117,435,078)	(3,939,462,595)	(3,613,282,170)
<b>(Increase) decrease in operating assets</b>			
Interbank and money market items	(9,634,584,045)	5,763,323,834	(7,776,075,046)
Investments held for trading	(2,196,019,258)	(1,342,468,824)	965,186,346
Loans	(5,314,731,312)	(9,260,456,248)	(10,448,746,321)
Properties for sale	409,785,779	454,003,598	754,590,140
Receivable from Thai Asset Management Corporation	-	-	3,486,699,265
Other assets	662,550,529	1,915,526,015	(6,203,974,364)

Statements of Cash Flows (Cont'd)	(Unit: THB)		
	Separate		
	For the years ended 31 December		
	2017	2016	2015
<b>Increase (decrease) in operating liabilities</b>			
Deposits	(6,174,959,438)	13,375,379,100	(13,603,652,904)
Interbank and money market items	4,052,777,386	(8,399,088,537)	1,764,050,171
Liability payable on demand	4,571,090	(70,676,277)	(23,522,672)
Short-term borrowings	(6,046,902,521)	(14,314,372,766)	9,882,271,652
Provisions	(136,889,494)	(122,504,066)	(124,023,003)
Other liabilities	1,073,994,131	(1,921,335,943)	4,169,679,412
<b>Cash flows used in operating activities</b>	<b>(29,417,842,231)</b>	<b>(17,862,132,709)</b>	<b>(20,770,799,494)</b>
Cash received from interest income	10,804,211,696	11,288,812,167	11,290,617,897
Cash paid for interest expenses	(3,848,193,597)	(4,507,130,058)	(5,241,650,019)
Cash paid for income tax	(62,402,645)	(175,078,844)	(82,567,693)
<b>Net cash flows used in operating activities</b>	<b>(22,524,226,777)</b>	<b>(11,255,529,444)</b>	<b>(14,804,399,309)</b>
<b>Cash flows from investing activities</b>			
Cash paid for purchases of available-for-sale securities	(14,520,484,708)	(37,905,998,597)	(29,765,886,180)
Proceeds from disposals of available-for-sale securities	24,559,533,593	32,003,101,453	27,203,327,558
Proceeds from maturity of available-for-sale securities	60,000,000	1,607,800,000	510,978,043
Cash paid for purchases of held to maturity securities	(503,847,389)	(5,074,765,297)	(4,922,649,754)
Proceeds from disposals of held to maturity securities	480,340	480,340	-
Proceeds from maturity of held to maturity securities	4,305,000,000	9,830,560,000	6,666,336,490
Proceeds from repayment of investment in receivable	2,482,988	2,974,664	20,702,034
Cash paid for purchases of general investments	(792,307)	-	-
Proceeds from disposals of general investments	-	942,262	6,927,784
Proceeds from decrease in capital of general investments	22,710,000	31,750,000	30,000,000
Cash paid for purchases of premises and equipment	(158,616,076)	(218,862,488)	(140,749,076)
Proceeds from disposals of premises and equipment	36,697,603	36,746,101	19,267,618
Cash paid for purchases of intangible assets	(171,322,945)	(107,327,530)	(125,449,171)
Dividend received	13,869,440	61,944,159	51,830,775
Interest received	1,487,963,769	1,800,073,714	1,934,284,359
<b>Net cash flows provided by investing activities</b>	<b>15,133,674,308</b>	<b>2,069,418,781</b>	<b>1,488,920,480</b>

Statements of Cash Flows (Cont'd)	(Unit: THB)		
	Separate		
	For the years ended 31 December		
	2017	2016	2015
<b>Cash flows from financing activities</b>			
Dividend paid	-	(185,810,488)	(158,136,585)
Cash paid for interest expenses	-	-	-
Cash received from capital increase	5,505,495,928	-	3,689,853,654
Proceeds from issuance of debenture	-	-	-
Proceeds from issuing subordinate debentures	-	5,007,729,300	-
Cash paid for redemption of subordinated debentures	(3,000,000,000)	(3,000,000,000)	-
Proceeds from issuance of structured debentures	9,467,646,107	1,778,000,000	8,978,000,000
Cash paid for redemption of structured debentures	(9,028,000,000)	(3,610,000,000)	(4,339,000,000)
Proceeds from issuance of structured bills of exchange	4,184,682,754	8,738,592,516	3,824,546,172
Cash paid for redemption of structured bills of exchange	(57,000,000)	-	(300,000,000)
<b>Net cash flows provided by financing activities</b>	7,072,824,789	8,728,511,328	11,695,263,241
Foreign currency translation differences	(29,432,276)	(1,364,705)	27,590,216
<b>Net decrease in cash and cash equivalents</b>	(347,159,956)	(458,964,040)	(1,592,625,372)
Cash and cash equivalents at beginning of the year	1,936,147,365	2,395,111,405	3,987,736,777
<b>Cash and cash equivalents at the end of the year</b>	1,588,987,409	1,936,147,365	2,395,111,405
<b>Supplemental disclosure of cash flows information</b>			
Non-cash transaction:			
Payable from purchase premises and equipment	22,735,861	7,885,214	6,082,109
Properties for sale received from premises and equipment	38,817,769	116,468,697	60,976,206
Change in revaluation surplus in available-for-sale	(467,099,324)	644,156,155	12,859,905
Interest amortisation from premium or discount	236,842,411	404,473,541	385,340,992

The Bank's Financial Ratios	31-Dec-17	31-Dec-16	31-Dec-15
<b>Profitability Ratios</b>			
Gross profit margin (%)	66.0	64.0	55.1
Net profit margin (%)	0.7	(12.2)	6.9
Return on equity (%)	0.3	(4.8)	3.1
Yield <sup>(1)</sup> (%)	5.7	6.2	6.5
Cost of funds <sup>(2)</sup> (%)	2.1	2.2	2.7
Spread <sup>(3)</sup> (%)	3.6	4.0	3.8
Return on investment (%)	3.2	3.3	3.8
<b>Efficiency Ratios</b>			
Cost to income ratio (%)	60.8	59.4	57.8
Net interest margin (%)	2.9	3.1	2.7
Return on assets (%)	0.02	(0.4)	0.2
Assets turnover ratio (time)	0.03	0.03	0.03
<b>Financial Policy Ratios</b>			
Debt to equity ratio (time)	8.5	10.7	10.5
Loan to borrowing ratio <sup>(4)</sup> (%)	104.8	96.8	96.0
Loan to deposit ratio (Modified LD ratio) <sup>(5)</sup> (%)	115.5	90.9	90.1
Deposits to debts ratio (%)	67.1	68.0	61.5
Capital adequacy ratio (%)	16.6	15.6	15.5
<b>Asset Quality Ratios</b>			
Allowance for doubtful debts to loans and accrued interest receivables (%)	4.5	4.8	3.3
Bad debt and doubtful accounts to loans and accrued interest receivables (%)	0.8	1.4	1.1
NPL ratio <sup>(6)</sup> (%)	4.7	6.0	2.9
Accrued interest receivables to loans and accrued interest receivables (%)	0.3	0.3	0.3

Notes:

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

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

(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 financial products)

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

**Summary of statements of financial position of CIMB Thai Bank Public Company Limited and its subsidiaries as at 31 December 2017, 2016 and 2015, and their operating results and financial ratios for the years ended 31 December 2017, 2016 and 2015.**

Statements of Financial Position	(Unit: THB)		
	Consolidated		
	31 December 2017	31 December 2016	31 December 2015
<b>Assets</b>			
Cash	1,591,188,651	1,938,616,493	2,397,196,928
Interbank and money market items, net	18,167,812,758	8,527,657,244	14,292,801,636
Derivative assets	21,278,460,920	21,235,341,272	25,581,046,242
Investments, net	44,059,846,768	55,061,910,795	54,891,019,817
Investments in subsidiaries, net	-	-	-
Loans and accrued interest receivables			
Loans	218,058,207,223	211,437,378,135	203,552,832,710
Accrued interest receivables	516,911,663	589,798,750	520,569,785
Total loans and accrued interest receivables	218,575,118,886	212,027,176,885	204,073,402,495
<u>Less</u> Deferred revenue	(7,036,133,482)	(5,848,448,651)	(4,945,478,647)
<u>Less</u> Allowance for doubtful debts	(9,869,265,119)	(9,793,289,246)	(6,730,530,954)
<u>Less</u> Revaluation allowance for debt restructuring	(105,673,656)	(45,259,015)	(55,383,987)
Loans and accrued interest receivables, net	201,564,046,629	196,340,179,973	192,342,008,907
Customers' liability under acceptance	581,413,868	45,230,520	41,017,884
Properties for sale, net	1,033,943,008	1,285,079,244	1,194,255,368
Premises and equipment, net	3,588,378,733	3,670,638,674	2,769,718,388
Intangible assets, net	370,043,208	368,387,320	378,987,475
Deferred tax assets	1,372,672,738	1,289,224,887	1,040,358,204
Other assets, net	6,995,795,275	7,708,041,398	9,692,983,893
<b>Total assets</b>	<b>300,603,602,556</b>	<b>297,470,307,820</b>	<b>304,621,394,742</b>

Statements of Financial Position (Cont'd)	(Unit: THB)		
	Consolidated		
	31 December 2017	31 December 2016	31 December 2015
<b>Liabilities and shareholders' equity</b>			
<b>Liabilities</b>			
Deposits	177,400,677,986	183,663,324,706	170,217,136,926
Interbank and money market items, net	15,648,105,797	11,595,328,411	20,018,416,948
Liability payable on demand	254,663,261	250,092,171	320,768,448
Financial liabilities designated at fair value			
through profit or loss	23,103,810,514	18,873,674,513	16,039,533,025
Derivative liabilities	19,965,010,587	21,381,015,668	25,682,672,770
Debt issued and borrowings	19,933,103,726	25,582,513,107	33,994,659,909
Bank's liability under acceptance	581,413,868	45,230,520	41,017,884
Provisions	1,946,444,925	1,997,419,699	1,641,262,617
Other liabilities	8,718,523,191	7,376,288,614	9,557,915,819
<b>Total liabilities</b>	<b>267,551,753,855</b>	<b>270,764,887,409</b>	<b>277,513,384,346</b>
<b>Shareholders' equity</b>			
Share capital			
Registered			
30,280,227,607 ordinary shares of Baht 0.50 each	15,140,113,804		
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
Issued and paid-up share capital			
30,280,227,607 ordinary shares of Baht 0.50 each	15,140,113,804		
24,774,731,679 ordinary shares of Baht 0.50 each		12,387,365,840	12,387,365,840
Premium on share capital	8,465,413,222	5,712,665,258	5,712,665,258
Other reserves	1,534,848,299	1,094,080,196	720,704,664
Accretion of equity interests in subsidiary	(42,753,751)	(42,753,751)	(42,753,751)
Retained earnings			
Appropriated - statutory reserve	398,680,000	397,800,000	365,950,000
Unappropriated	7,555,547,127	7,156,262,868	7,964,078,385
<b>Total shareholders' equity</b>	<b>33,051,848,701</b>	<b>26,705,420,411</b>	<b>27,108,010,396</b>
<b>Total liabilities and shareholders' equity</b>	<b>300,603,602,556</b>	<b>297,470,307,820</b>	<b>304,621,394,742</b>

Statements of Comprehensive Income	(Unit: THB)		
	Consolidated		
	For the years ended 31 December		
	2017	2016	2015
Interest income	14,557,766,606	14,671,929,135	14,620,048,451
Interest expenses	(4,355,322,725)	(4,806,163,382)	(6,143,023,747)
<b>Net interest income</b>	<b>10,202,443,881</b>	<b>9,865,765,753</b>	<b>8,477,024,704</b>
Fee and service income	2,140,296,232	1,837,426,211	1,734,247,566
Fee and service expenses	(195,842,620)	(201,845,300)	(266,581,243)
<b>Net fee and service income</b>	<b>1,944,453,612</b>	<b>1,635,580,911</b>	<b>1,467,666,323</b>
Gains on trading and foreign exchange transactions, net	2,238,222,821	1,402,493,444	1,819,384,602
Losses on financial liabilities designated at fair value through profit or loss, net	(1,733,886,254)	(810,387,742)	(458,154,763)
Gains on investments, net	107,353,927	482,570,051	551,005,717
Other operating income	396,161,195	352,086,453	377,101,198
<b>Total operating income</b>	<b>13,154,749,182</b>	<b>12,928,108,870</b>	<b>12,234,027,781</b>
<b>Other operating expenses</b>			
Employee expenses	4,068,397,712	3,857,722,186	3,753,835,420
Directors' remuneration	12,792,000	12,598,400	11,080,000
Premises and equipment expenses	1,060,266,367	1,279,866,016	1,404,482,827
Taxes and duties	420,692,273	461,092,983	458,627,188
Others	2,050,806,859	1,812,232,818	1,499,238,226
<b>Total other operating expenses</b>	<b>7,612,955,211</b>	<b>7,423,512,403</b>	<b>7,127,263,661</b>
Bad and doubtful debts and impairment losses	5,053,034,607	6,279,268,383	3,770,112,827
<b>Profit (loss) before income tax expenses</b>	<b>488,759,364</b>	<b>(774,671,916)</b>	<b>1,336,651,293</b>
Income tax expenses	(103,861,136)	145,146,699	(284,169,352)
<b>Net profit (loss) for the years</b>	<b>384,898,228</b>	<b>(629,525,217)</b>	<b>1,052,481,941</b>

	(Unit: THB)		
Statements of Comprehensive Income (Cont'd)	Consolidated		
	For the years ended 31 December		
	2017	2016	2015
Other comprehensive income (expenses)			
Items that will be reclassified			
subsequently to profit or loss			
Gains (losses) on remeasuring			
available-for-sale investments	467,099,324	(644,156,155)	12,859,905
(Losses) gains arising from translating			
the financial statement of a foreign operation	(30,696,516)	(1,206,592)	28,964,409
Gains (losses) on cash flow hedges	62,042,015	58,446,328	(25,306,951)
Income tax relating to items that will be			
reclassified subsequently to profit or loss	(105,828,268)	117,141,965	2,489,409
Total items that will be reclassified			
subsequently to profit or loss	392,616,555	(469,774,454)	19,006,772
Items that will not be reclassified			
subsequently to profit or loss			
Changes in revaluation surplus	-	1,078,204,826	(125,210,829)
Remeasurements of post-employment			
benefit obligations	79,271,973	(24,267,343)	(107,191,305)
Income tax relating to items that will not be			
reclassified subsequently to profit or loss	(15,854,394)	(210,787,497)	46,480,426
Total items that will not be reclassified			
subsequently to profit or loss	63,417,579	843,149,986	(185,921,708)
Total other comprehensive income (expenses)	456,034,134	373,375,532	(166,914,936)
Total comprehensive income (expenses)			
for the years	840,932,362	(256,149,685)	885,567,005
Net profit (loss) attributable to:			
Equity holders of the Bank	384,898,228	(629,525,217)	1,052,481,941
Non-controlling interests	-	-	-
	384,898,228	(629,525,217)	1,052,481,941
Total comprehensive income (expenses) attributable to:			
Equity holders of the Bank	840,932,362	(256,149,685)	885,567,005
Non-controlling interests	-	-	-
	840,932,362	(256,149,685)	885,567,005
Earnings (loss) per share for profit attributable			
to the equity holders of the Bank			
Basic earnings (loss) per share (Baht per share)	0.01	(0.02)	0.05
Weighted average number of ordinary shares (shares)	28,233,684,776	25,333,286,323	21,650,992,558

Statements of Cash Flows	(Unit: THB)		
	Consolidated		
	For the years ended 31 December		
	2017	2016	2015
<b>Cash flows from operating activities</b>			
Profit (loss) before corporate income tax	488,759,364	(774,671,916)	1,336,651,293
Adjustments to reconcile net income before income tax to cash in (out) flows from operating activities:			
Depreciation and amortisation	367,291,254	440,170,964	497,330,736
Bad debts and doubtful accounts	5,053,034,607	6,279,268,383	3,770,112,827
(Reversal of) provision for off-balance sheet items	(42,701,555)	302,644,995	14,347,673
Share-based payment	35,251,070	30,526,962	10,277,930
Provision for liabilities	207,888,248	151,748,809	172,221,337
Losses (gains) on impairment of properties for sale	47,970,983	5,250,682	(96,738,212)
Losses on impairment of other assets	-	11,684,173	-
Losses on impairment of investments	3,476,616	-	4,290,484
Reversal of losses on impairment of investment in subsidiaries	-	-	-
Unrealised gains on exchange and derivatives	(3,015,423,032)	(425,352,139)	(322,857,972)
Losses on properties for sale	380,078,551	322,090,738	468,815,242
Unrealised (gains) losses on revaluation of investments	(135,317,715)	96,264,552	(571,459)
Gains on sale of investments	(366,098,877)	(470,349,197)	(728,736,343)
Gains on disposal of premises and equipment	(36,746,849)	(29,016,065)	(13,074,954)
Gains on surplus from of 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	13,044,307	48,312,019	27,967,972
Losses from write off leasehold rights	41,603,154	10,658,464	36,576
Losses (gains) on sale of non - performing loan	162,476,024	(771,810)	-
Losses on financial liabilities designated at fair value through profit or loss	1,733,886,254	810,387,742	458,154,763
Interest and dividend income	(14,571,636,046)	(14,691,524,064)	(14,671,879,227)
Interest expenses	3,393,120,258	3,815,050,461	5,141,242,289
<b>Losses from operations before changes in operating assets and liabilities</b>	<b>(6,240,043,384)</b>	<b>(4,080,083,286)</b>	<b>(3,922,804,273)</b>
<b>(Increase) decrease in operating assets</b>			
Interbank and money market items	(9,638,709,217)	5,762,463,266	(7,769,716,740)
Investments held for trading	(2,196,019,258)	(1,342,468,824)	965,186,346
Loans	(10,508,908,673)	(12,207,579,871)	(12,946,534,144)
Properties for sale	1,344,666,908	1,709,786,609	2,065,664,313
Receivable from Thai Asset Management Corporation	-	-	3,486,699,265
Other assets	659,376,394	1,899,646,123	(6,180,186,065)

(Unit: THB)

## Statements of Cash Flows (Cont'd)

	Consolidated		
	For the years ended 31 December		
	2017	2016	2015
<b>Increase (decrease) in operating liabilities</b>			
Deposits	(6,262,646,720)	13,446,187,779	(13,677,513,614)
Interbank and money market items	4,052,777,386	(8,423,088,537)	1,713,650,171
Liability payable on demand	4,571,090	(70,676,277)	(23,522,672)
Short-term borrowings	(6,046,902,521)	(14,314,372,766)	9,882,271,652
Provisions	(136,889,495)	(122,504,066)	(123,010,806)
Other liabilities	1,217,226,192	(1,911,540,150)	4,254,220,690
<b>Cash flows used in operating activities</b>	<b>(33,751,501,298)</b>	<b>(19,654,230,000)</b>	<b>(22,275,595,877)</b>
Cash received from interest income	13,450,792,981	13,236,817,311	12,884,956,736
Cash paid for interest expenses	(3,839,287,454)	(4,506,261,540)	(5,243,286,425)
Cash paid for income tax	(333,270,211)	(260,166,103)	(158,713,168)
<b>Net cash flows used in operating activities</b>	<b>(24,473,265,982)</b>	<b>(11,183,840,332)</b>	<b>(14,792,638,734)</b>
<b>Cash flows from investing activities</b>			
Cash paid for purchases of available-for-sale securities	(14,520,484,708)	(37,905,998,597)	(29,765,886,180)
Proceeds from disposals of available-for-sale securities	24,559,533,593	32,003,101,453	27,203,327,558
Proceeds from maturity of available-for-sale securities	60,000,000	1,607,800,000	510,978,043
Cash paid for purchases of held to maturity securities	(503,847,389)	(5,074,765,297)	(4,922,649,754)
Proceeds from disposals of held to maturity securities	480,340	480,340	-
Proceeds from maturity of held to maturity securities	4,305,000,000	9,830,560,000	6,666,336,490
Proceeds from repayment of investment in receivable	2,482,988	2,974,664	20,702,034
Cash paid for purchases of general investments	(792,307)	-	-
Proceeds from disposals of general investments	-	942,262	6,927,784
Proceeds from decrease in capital of general investments	22,710,000	31,750,000	30,000,000
Cash paid for purchases of premises and equipment	(178,507,407)	(248,780,868)	(152,719,262)
Proceeds from disposals of premises and equipment	39,159,489	39,224,327	21,370,934
Cash paid for purchases of intangible assets	(173,301,907)	(108,847,701)	(127,149,554)
Dividend received	13,869,440	19,594,927	51,830,775
Interest received	1,487,963,769	1,800,077,764	1,934,291,399
<b>Net cash flows provided by investing activities</b>	<b>15,114,265,901</b>	<b>1,998,113,274</b>	<b>1,477,360,267</b>

(Unit: THB)

## Statements of Cash Flows (Cont'd)

	Consolidated		
	For the years ended 31 December		
	2017	2016	2015
<b>Cash flows from financing activities</b>			
Dividend paid	-	(185,810,488)	(158,136,585)
Cash paid for interest expenses	(31,820,274)	-	-
Cash received from capital increase	5,505,495,928	-	3,689,853,654
Proceeds from issuance of debenture	2,000,000,000	-	-
Proceeds from issuing subordinate debentures	-	5,007,729,300	-
Cash paid for redemption of subordinated debentures	(3,000,000,000)	(3,000,000,000)	-
Proceeds from issuance of structured debentures	9,467,646,107	1,778,000,000	8,978,000,000
Cash paid for redemption of structured debentures	(9,028,000,000)	(3,610,000,000)	(4,339,000,000)
Proceeds from issuance of structured bills of exchange	4,184,682,754	8,738,592,516	3,824,546,172
Cash paid for redemption of structured bills of exchange	(57,000,000)	-	(300,000,000)
<b>Net cash flows provided by financing activities</b>	9,041,004,515	8,728,511,328	11,695,263,241
Foreign currency translation differences	(29,432,276)	(1,364,705)	27,590,216
<b>Net decrease in cash and cash equivalents</b>	(347,427,842)	(458,580,435)	(1,592,425,010)
Cash and cash equivalents at beginning of the year	1,938,616,493	2,397,196,928	3,989,621,938
<b>Cash and cash equivalents at the end of the year</b>	1,591,188,651	1,938,616,493	2,397,196,928

## Supplemental disclosure of cash flows information

## Non-cash transaction:

Payable from purchase premises and equipment	22,735,861	7,885,214	6,082,109
Properties for sale received from premises and equipment	38,817,769	116,468,697	60,976,206
Change in revaluation surplus in available-for-sale	(467,099,324)	644,156,155	12,859,905
Interest amortisation from premium or discount	236,842,411	404,473,541	385,340,992

The Bank and its subsidiaries' financial ratios	31-Dec-17	31-Dec-16	31-Dec-15
Net interest margin (%)	3.9	3.7	3.3
Return on equity (%)	1.3	(2.3)	4.4
Return on assets (%)	0.1	(0.2)	0.4
Cost to income ratio (%)	57.9	57.4	58.3
Loan to deposit ratio (Modified LD ratio) (%)	96.8	92.4	91.2
NPL ratio (%)	4.8	6.1	3.1
Capital adequacy ratio (%)	17.0	16.1	15.7
Tier 1 capital funds to risk-weight assets (%)	12.9	10.7	11.0

## **14. Analysis of Financial Standing and Operating Performance**

### **14.1 Consolidated operating results**

For the year ended 31 December 2017, CIMB Thai group recorded a consolidated net profit of THB 384.9 million, an increase of THB 1,014.4 million or 161.1% from a net loss of THB 629.5 million year on year (YoY). The improvement was attributed to a 1.8% YoY growth in operating income and a 19.5% YoY drop in provisions, while other operating expenses rose slightly by 2.6%.

Net interest margin (NIM) over earning assets stood at 3.89% in 2017, compared to 3.77% a year earlier, as a result of more efficient funding cost management.

As at 31 December 2017, total gross loans (inclusive of loans guaranteed by other banks and loans to financial institutions) amounted to THB 213.0 billion, marking a YoY increase of 3.2%. Deposits (inclusive of bills of exchange, debentures and selected structured deposit products) accounted for THB 220.1 billion, a decrease of 1.5% from THB 223.5 billion YoY. The modified loan to deposit ratio went up to 96.8% from 92.4% as at 31 December 2016.

#### **(a) Summary of CIMB Thai group's income**

On a YoY basis, operating income picked up by THB 226.6 million, or 1.8% to THB 13,154.7 million, mainly driven by the increase in net fee and service income of THB 308.9 million or 18.9% from improvements in mutual funds, corporate finance and hire-purchase fees, and an increase in net interest income of THB 336.7 million or 3.4%, resulting from a 9.4% decrease in interest expenses offset by a decrease of THB 418.9 million or 29.4% in other operating income, mainly due to lower gains on investments.

#### **(b) Cost of funds and operating expenses**

CIMB Thai group's interest expenses in 2017 amounted to THB 4.4 billion, a YoY drop by THB 450.8 million, or 9.4%, largely from a decrease in interest expenses on deposits.

For the year ended 31 December 2017, operating expenses moved up by THB 189.4 million or 2.6% YoY, mainly from higher other operating expenses and employee expenses but partially offset by lower premises and equipment expenses. The cost to income ratio increased to 57.9% in 2017 from 57.4% in 2016.

#### **(c) Net profit**

For the year ended 31 December 2017, CIMB Thai group recorded a consolidated net profit of THB 384.9 million, a growth of THB 1,014.4 million or 161.1% from a net loss of THB 629.5 million YoY. The improvement was attributed to a 1.8% YoY growth in operating income and a 19.5% YoY drop in provisions, while other operating expenses rose slightly by 2.6%.

#### **(d) Return on equity**

For the year 2017, CIMB Thai group's return on equity was 1.3% compared with -2.3% in 2016 and the Bank's return on equity was 0.3% compared with -4.8% in 2016, mainly driven by an increase in net profit during the year.

## 14.2 Consolidated financial standing

### Assets

As at 31 December 2017, CIMB Thai group's total assets amounted to THB 300.6 billion, an increase by THB 3.1 billion or 1.1% from a year earlier, as detailed below:

Interbank and money market items (assets) were THB 18.2 billion, a THB 9.6 billion or 113.1% surge, mainly attributable to the Bank's liquidity management.

Derivative assets moved up by THB 43 million or 0.2% to THB 21.3 billion, coming mainly from interest rate contracts.

Net investments stood at THB 44.1 billion, down by THB 11.0 billion or 20.0%, mainly due to a decrease in available-for-sale securities and held to maturity debt securities.

Net loans and accrued interest receivables were THB 201.6 billion, up by 2.7% largely in retail segment.

Other assets amounted to THB 7.0 billion, dropping by THB 0.7 billion or 9.2%, mainly as a result of the decrease in maginal deposit derivatives.

### Asset quality

#### (a) Loans and loan concentration

As at 31 December 2017, CIMB Thai group's total loans net of deferred revenue were THB 211.0 billion, a growth of THB 5.4 billion or 2.6% from THB 205.6 billion as at 31 December 2016. Loans principally comprised loans extended to housing, manufacturing and commerce sectors as well as public utilities and service sectors, making up 65.4% of total loans. Housing loans represented the largest proportion, i.e. THB 61.0 billion or 28.9% of total loans. This was in line with the Bank's strategy. Meanwhile, loans to manufacturing and commerce sectors amounted to THB 48.8 billion or 23.1% of total loans, and public utilities and service loans THB 28.2 billion or 13.4% of total loans. Sectors with growth of loans were hire purchase, agricultural and mining loans, housing loans, personal cash and others, recording a YoY growth of 17.1%, 17.0%, 6.5%, 3.4% and 0.2% respectively.

Loans classified by type of business	31 December 2017		31 December 2016		Change	
	THB million	%	THB million	%	THB million	%
Agricultural and mining	5,606	2.7	4,791	2.3	815	17.0
Manufacturing and commerce	48,810	23.1	49,992	24.3	(1,182)	(2.4)
Real estate and construction	12,116	5.7	12,460	6.1	(344)	(2.8)
Public utilities and services	28,229	13.4	30,448	14.8	(2,219)	(7.3)
Personal cash	13,505	6.4	13,059	6.4	446	3.4
Housing loans	60,971	28.9	57,239	27.8	3,732	6.5
Hire purchase receivables	28,504	13.5	24,338	11.8	4,166	17.1
Others	13,281	6.3	13,261	6.5	20	0.2
<b>Total loans net of deferred revenue</b>	<b>211,022</b>	<b>100.0</b>	<b>205,588</b>	<b>100.0</b>	<b>5,434</b>	<b>2.6</b>

To prevent 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 2017, CIMB Thai group's net loans and accrued interest receivables (excluding loans to financial institutions) amounted to THB 211.5 billion, an increase of 2.6% compared with those as at 31 December 2016. Classification of loans is in compliance with the Bank of Thailand's notification. Pass loans stood at THB 188.4 billion, special-mention loans THB 12.4 billion, and non-performing loans classified as sub-standard, doubtful and doubtful of loss were reported at THB 3.1 billion, THB 2.9 billion, and THB 4.7 billion respectively.

CIMB Thai group's loan loss coverage ratio moved up to 93.2% as at 31 December 2017 from 77.3% at the end of December 2016. As at 31 December 2017, total provisions stood at THB 9.9 billion, an excess of THB 3.7 billion over the Bank of Thailand's reserve requirements.

(c) Non-performing loans (NPL)

Gross NPL stood at THB 10.7 billion, with a lower equivalent gross NPL ratio of 4.8% compared to 6.1% a year earlier. The lower NPL ratio was mainly due to NPL sale in 2017, more efficient risk management measures, and improved asset quality management and loan collection processes.

(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. It 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 principal and overdue interest has been settled.

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 2017, CIMB Thai group's total liabilities amounted to THB 267.6 billion, down by THB 3.2 billion or 1.2% YoY as follows:

Deposits were THB 177.4 billion, dropping by THB 6.3 billion or 3.4% YoY, mainly from a decrease in savings deposits offset by an increase in fixed deposits.

Interbank and money market items (liabilities) were THB 15.6 billion, up by THB 4.1 billion or 35.0% YoY, as a result of the Bank's liquidity management.

Financial liabilities designated at fair value through profit or loss increased by THB 4.2 billion or 22.4% to THB 23.1 billion, mainly from structured bills of exchange.

Derivative liabilities went down by THB 1.4 billion or 6.6% to THB 20.0 billion, mainly due to interest rate contracts.

Debt issued and borrowings amounted to THB 19.9 billion, dropping by THB 5.6 billion or 22.1%, largely caused by the redemption of bills of exchange and subordinated debentures during the year.

## Equity

As at 31 December 2017, CIMB Thai group's equity stood at THB 33.1 billion, representing a growth of THB 6.3 billion or 23.8% from a year earlier, mainly due to the increase in the issued and paid-up share capital and net profit in 2017.

## Off balance sheets: Commitments

As at 31 December 2017, the Bank and its subsidiaries had combined commitments of THB 2,502.8 billion, up by THB 72.3 billion (3.0%) from THB 2,430.5 billion YoY, mostly from an increase in derivatives as indicated in the table below:

(THB million)

Off balance sheets: Commitments	31 December 2017	31 December 2016	Variance %
<b>Avals to bills and guarantees of loans</b>	<b>90</b>	<b>37</b>	<b>143.2</b>
<b>Liability under unmatured import bills</b>	<b>299</b>	<b>490</b>	<b>(39.0)</b>
<b>Letters of credit</b>	<b>1,683</b>	<b>1,331</b>	<b>26.4</b>
<b>Other commitments:</b>	<b>2,500,700</b>	<b>2,428,612</b>	<b>3.0</b>
Derivatives	2,446,966	2,367,672	3.3
Undrawn bank overdrafts	17,674	18,404	(4.0)
Undrawn credit lines	25,073	25,205	(0.5)
Investments	1,170	6,668	(82.5)
Others	9,817	10,663	(7.9)
<b>Total</b>	<b>2,502,772</b>	<b>2,430,470</b>	<b>3.0</b>

## Liquidity

Cash and cash equivalent items, as indicated in the cash flow statement of CIMB Thai group as at 31 December 2017, amounted to THB 1.6 billion, a net decrease of THB 347.4 million YoY. Details of the changes are as follows:

Net cash flows used in operating activities in 2017 were THB 24.5 billion. Losses from operations before changes in operating assets and liabilities were THB 6.2 billion, including THB 488.8 million in pre-tax net profit for the year, and adjustments of non-cash items to net profit, largely from interest and dividend as well as bad debts and doubtful accounts. Operating assets for the year went up by THB 20.3 billion mainly from an increase in loans and interbank and money market items. In addition, operating liabilities moved down by THB 7.2 billion, resulting from deposits and short-term borrowings.

Net cash flows provided by investing activities were THB 15.1 billion, mostly coming from net cash received for available for sale securities.

Net cash flows provided by financing activities were THB 9.0 billion, comprising proceeds from net cash received from structured bills of exchange and cash received from capital increase.

**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 2017, the Bank had deposits, borrowings and loans classified by maturity as follows:

(Unit: THB billion)

<b>Maturities</b>	<b>Loans*</b>	<b>%</b>	<b>Deposits*</b>	<b>%</b>	<b>Borrowings*</b>	<b>%</b>
Payable on demand	18.0	8.2	71.0	37.4	0.9	2.2
Up to one year	60.1	27.5	116.7	61.5	6.6	15.9
Over one year	141.0	64.3	2.1	1.1	34.0	81.0
<b>Total</b>	<b>219.1</b>	<b>100.0</b>	<b>189.8</b>	<b>100.0</b>	<b>41.5</b>	<b>100.0</b>

\*Including interbank and money market items.

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

(Unit: THB billion)

<b>Categories of Deposit</b>	<b>2017*</b>		<b>2016*</b>		<b>2015*</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
Current deposits	3.4	1.8	3.1	1.7	3.1	1.7
Savings deposits	67.6	35.6	88.0	45.7	85.0	46.4
Fixed deposits	118.8	62.6	101.2	52.6	94.9	51.9
<b>Total</b>	<b>189.8</b>	<b>100.0</b>	<b>192.3</b>	<b>100.0</b>	<b>183.0</b>	<b>100.0</b>

\*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:

	15 February 2018
<b>Fitch Ratings</b>	
National long-term rating	AA (tha)
National short-term rating	F1+(tha)
Outlook	Stable
National long-term rating on subordinated debt	AA- (tha)
National short-term rating on short-term debt instruments	F1+(tha)
	14 June 2017
<b>Moody's Investors Service</b>	
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
	7 July 2017
<b>RAM Ratings</b>	
Financial institution ratings	AA2/Stable/P1
Tier-2 subordinated debt	AA3/Stable

**Capital funds and capital adequacy ratio**

As at 31 December 2017, the Bank's assets were THB 31.3 billion higher than its liabilities, hence positive shareholders' equity. Its total capital funds amounted to THB 39.8 billion with capital adequacy ratio (BIS ratio) of 16.6%, exceeding the Bank of Thailand (BOT) regulatory requirement. CIMB Thai group's consolidated capital funds amounted to THB 40.7 billion with BIS ratio of 17.0%.

**Liquidity and loan to deposit ratio**

The Bank has maintained 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 2017, the Bank's cash in hand, cash at cash center and cash at BOT totaled THB 2.7 billion, while the modified loan to deposit ratio was 115.5%, compared with 90.9% a year earlier, which was in line with its business plan.

**Appointment of external auditor and consideration of audit fees**

The Audit Committee considers the qualifications and performance of external candidates and recommends the appointment thereof as the external auditor 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 external auditor to be proposed must also be endorsed by the BOT.

**Remuneration for external auditor**

For the year ended 31 December 2017, fees paid to the external auditor were as follows:

**(1) Audit fee**

CIMB Thai group paid the auditor audit fee of THB 11.5 million. Other incidental expenses included transport and photocopying expenses.

**(2) Non-audit fee**

CIMB Thai group paid non-audit service fee to the auditor in the fiscal year 2017 amounting to THB 660,000 for the services provided in 2017.

### 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 2017 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. Zethjak Leeyakars to sign every page of the documentation. If any page is not signed by Mr. Zethjak Leeyakars, 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. Zethjak Leeyakars	Head of Compliance and (Acting) Head of Office of the President	- Zethjak Leeyakars -

**Attachment 1**

**Information on Directors, Management, Persons with Power and Company Secretary  
(As of 31 January 2018)**

**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 Executive/Position/Date of Appointment	Education/Training	Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years		
1. Mr. Chakramon Phasukavanich  Age 70 years Chairman of Board of Directors  Date of appointment: 19 April 2016	<b>Education</b> - 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)	<b>Listed companies</b>		
		<b>Period</b>	<b>Position</b>	<b>Company/Organisation</b>
		2015 – Present	Independent Director	Indorama Ventures PCL
		2015 - Present	Chairman	P.C.S. Machine Group Holding PCL
		<b>Non-listed companies and other companies and organisations</b>		
<b>Total shareholding in Bank</b>	<b>Training</b>	<b>Period</b>	<b>Position</b>	<b>Company/Organisation</b>
No. of shares held as of year-end 2017	Courses provided by Thai Institute of Directors:-	16 Dec 2016 - Present	President	Investor Club Association
- By himself: 1 share	- 2011: Financial Institutions Governance Program (FGP)	<b>Work experience within last 5 years</b>		
- By his spouse or minor children: None	- 2010: Advanced Audit Committee Program (AAP)	<b>Period</b>	<b>Period</b>	<b>Period</b>
	- 2010: Control and Risk Management (MIR)	2014 – 2015	Minister of industry	The Prime Minister's Office
	- 2008: Current Issue Seminar (CIS)	2013 – 2014	Chairman	P.C.S. Machine Group Holding PCL
	- 2008: Role of the Chairman Program (RCP)	2013 – 2014	Independent Director and Member of the Audit Committee	Akara Resources PCL
	- 2006: Director Certification Program (DCP)	2011 - Aug 2014	Chairman	CIMB Thai Bank PCL
	- 2006: Audit Committee Program (ACP)	2011 - 2015	Member	Office the Public Sector Department Commission
	- 2004: Financial for Non-Financial Director (FND)	2011 – 2014	Member	CIMB Southeast Asia Research
	- 2004: Director Accreditation Program (DAP)	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
		2004 - 2017	Member	Office of the Council of State
		2003 – 2004	Secretary General	Board of Investment of Thailand
2. Dato' Robert Cheim Dau Meng  Age 66 years Vice Chairman Member and Alternate Chairperson of Nomination, Remuneration and Corporate Governance Committee	<b>Education</b> - Fellow of the Institute of Chartered Accountants in England and Wales - Member of the Malaysian Institute of Accountants	<b>Listed companies</b>		
		<b>Period</b>	<b>Position</b>	<b>Company/Organisation</b>
		-	-	-
		<b>Non-listed companies and other companies and organisations</b>		
		<b>Period</b>	<b>Position</b>	<b>Company/Organisation</b>
		2012 - Present	Trustee	Yu Cai Foundation
		Jul 2015 - Present	Chairman/Director	CIMB Investment Bank Bhd

Name of Executive/Position/Date of Appointment	Education/Training	Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years		
Date of appointment: 5 November 2008	<b>Training</b> - FIDE Core Programme Module A (Bank) (13-16 March 2017) - Bank Negara Malaysia Annual Report 2016/Financial Stability & Payment Systems Report 2016 Briefing (23 March 2017) - Fintech:Opportunities for the Financial Services Industry in Malaysia (11 July 2017) - Invest Malaysia 2017 – Malaysia At 60 Maximising Potential (25-26 July 2017) - Asean@50 Conference (4 August 2017) - FIDE Core Programme Module B (7 August 2017) - CIMB Risk Workshop (10 August 2017) - (BRC)1 <sup>st</sup> Directors' Regional Sharing Session (17-18 August 2017) - (NRC)1 <sup>st</sup> Directors' Regional Sharing Session (17-18 August 2017) - Talk Presentation on ESH Reporting (18 September 2017) - Briefing on Companies Act 2016 for Directors of CPAM & CPIAM (19 September 2017) - Khazanah Mega Trends Forum (2-3 October 2017) - Annual Management Summit (17-18 November 2017)	Aug 2015 - Present	Trustee	CIMB Foundation
<b>Total shareholding in Bank</b>		Nov 2015 - Present	Chairman/Director	CIMB - Principal Asset Management Bhd.
		<b>Work experience within last 5 years</b>		
		<b>Period</b>	<b>Position</b>	<b>Company/Organisation</b>
No. of shares held as of year-end 2017 - By himself: <i>None</i> - By his spouse or minor children: <i>None</i>		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. Maris Samaram	<b>Education</b> Program for Management Development, Harvard Business School, USA B.S.B.A, Accounting, University of The East, The Philippines  <b>Training</b> - Director Certification Program Class No.33/2003, Thai Institute of Directors, Thailand - Audit Committee Program Class No.3/2004, Thai Institute of Directors, Thailand - Quality of Financial Reporting Program Class No.2/2006, Thai Institute of Directors, Thailand - Monitoring the Internal Audit Function Class	<b>Listed companies</b>		
Age 75 years		<b>Period</b>	<b>Position</b>	<b>Company/Organisation</b>
Independent Director		2010 - Present	Independent Director, Chairman of Audit Committee and Member of the Sustainability and Risk Management Committee	Indorama Ventures PCL
Chairman of Audit Committee		<b>Non-listed companies and other companies and organisations</b>		
		<b>Period</b>	<b>Position</b>	<b>Company/Organisation</b>
Date of appointment: 8 May 2017		2005 – Present	Director	PAC (Siam) Co., Ltd.
<b>Total shareholding in Bank</b>		2004 – Present	Director	Marsh PB Co., Ltd.
		<b>Work experience within last 5 years</b>		
		<b>Period</b>	<b>Position</b>	<b>Company/Organisation</b>
No. of shares held as of year-end 2017		2003 – Aug 2017	Independent Director, Chairman of Audit Committee and Member	Tata Steel (Thailand) PCL
- By himself: <i>None</i>				
- By his spouse or minor children: <i>None</i>				

Name of Executive/Position/Date of Appointment	Education/Training	Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years		
	No.3/2008, Thai Institute of Directors, Thailand - Monitoring the System of Internal Control and Risk Management Class No.4/2008, Thai Institute of Directors, Thailand - Handling Conflicts of Interest: What the Board Should Do?, Thai Institute of Directors, Thailand - Board Failure and How to Fix it, Thai Institute of Directors, Thailand - The Responsibilities and Liabilities of Directors and Executives under the New SEC ACT (May 2008), Thai Institute of Directors, Thailand	2013 – 2015  2003 – 2015  2008 – 2011  2004 – 2010	of Corporate Governance and Nomination Committee Independent Director and Chairman of Audit Committee, Independent Director and Chairman of Audit Committee Independent Director and Member of Audit Committee Independent Director	Akara Resources PCL  Siam Commercial Bank PCL  Indorama Polymers PCL  Sub Sri Thai Warehouse PCL
4. Mrs. Watanan Petersik  Age 57 years Independent Director Chairperson of Nomination, Remuneration and Corporate Governance Committee  Date of appointment: 25 April 2007	<b>Education</b> AB Bryn Mawr College, PA, U.S.A.  <b>Training</b> - 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	<b>Listed companies</b>		
		<b>Period</b>	<b>Position</b>	<b>Company/Organisation</b>
		2014 - Present	Independent Director	PTT Global Chemical PCL
		<b>Non-listed companies and other companies and organisations</b>		
		<b>Period</b>	<b>Position</b>	<b>Company/Organisation</b>
		2011 - Present	Director	Lien Centre for Social Innovation, Singapore
		2010 - Present	Independent Director	Management University
		2010 - Present	Non-executive Director	CIMB Group Holdings Bhd
		2010 - Present	Independent Director	CIMB Group Sdn Bhd
		2008 - Present	Non-executive Director	Asia Capital Advisory Pte Ltd.
		<b>Work experience within last 5 years</b>		
		<b>Period</b>	<b>Position</b>	<b>Company/Organisation</b>
		Jan 2016 - Nov 2017	Director	TPG Star SF Pte Ltd.
		Jan 2016 - Nov 2017	Director	TPG Growth SF Pte Ltd.
		Jan 2016 - Nov 2017	Director	TPG Growth III Asia Internet Holdings Pte Ltd.
		Feb 2015 - Nov 2017	Director	TE Asia Healthcare Advisory Pte Ltd.
Sep 2014 - Nov 2017	Director	TE Asia Healthcare Partners Pte Ltd		
2007 - Nov 2017	Senior Adviser/Consultant	TPG Capital Asia		
5. Dato’ Shaarani Bin Ibrahim  Age 68 years Independent Director	<b>Education</b> B.A. (Hons) International Relations, Universiti Malaya	<b>Listed companies</b>		
		<b>Period</b>	<b>Position</b>	<b>Company/Organisation</b>
		-	-	-

Name of Executive/Position/Date of Appointment	Education/Training	Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years		
Member of Audit Committee Member of Nomination, Remuneration and Corporate Governance Committee  Date of appointment: 20 January 2009	<b>Training</b> - Forum, World Economic Forum on ASEAN 2017 (10- 12 May 2017, Phnom Penh, Cambodia) - Workshop ,12th World Islamic Economic Forum (2-4 August 2016, Jakarta, Indonesia) - 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 - 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	<b>Non-listed companies and other companies and organisations</b>		
		<b>Period</b>	<b>Position</b>	<b>Company/Organisation</b>
<b>Total shareholding in Bank</b> No. of shares held as of year-end 2017 - By himself: <i>None</i> - By his spouse or minor children: <i>None</i>		Aug 2015 – Present	Board of Members, Chirman of Risk Committee and Chairman of Risk Settlement Committee	CIMB Bank PCL, Vietnam
		Sep 2010 - Present	Chairman of the Board, Member of Audit Committee	CIMB Bank PCL, Cambodia
		<b>Work experience within last 5 years</b>		
		<b>Period</b>	<b>Position</b>	<b>Company/Organisation</b>
		Sep 2010 – Apr 2017	Independent Director, Chairman of Remuneration Committee, Member of Audit Committee, Member of Nomination Committee	Dragon Group International Limited (DGI), Singapore
		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  Age 68 years Director (Authorised Signatory) Member and Alternate Chairman of Board Risk Committee  Date of appointment: 11 April 2014	<b>Education</b> - 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	<b>Listed companies</b>		
		<b>Period</b>	<b>Position</b>	<b>Company / Organization</b>
		Present	Director	Thoresen Thai Agencies PCL
		<b>Non-listed companies and other companies and organisations</b>		
		Present Present	Director Director	Earth Green Co., Ltd. Baan Mee Green Co., Ltd.

Name of Executive/Position/Date of Appointment	Education/Training	Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years		
<div>Total shareholding in Bank</div> <div>No. of shares held as of year-end 2017</div> <div>- By himself: <i>None</i></div> <div>- By his spouse or minor children: <i>None</i></div>	<div>Training</div> <div>- Stanford Executive Program, Stanford University, U.S.A.</div> <div>- The National Defence Course, National Defence College, (Class of 4212), Thailand</div> <div>- 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)</div>	Present	Director	Panom Green Co., Ltd.
		Present	Director	Advances Advertising Technology Co., Ltd.
		Present	Director	Green Energy Holding Co., Ltd.
		Present	Director	Green Energy Asia Group Co., Ltd.
		Present	Director	DRCM Holding Co., Ltd.
		Work Experience within Last 5 Years		
		Period	Position	Company / Organization
		2017	Director	Rayong Green Co., Ltd
		2012 - 2014	Chairman	PTT Energy Resources Co., Ltd.
		2009-2014	Chairman	PTT International Co., Ltd.
2008 - 2009	Chief Operating Officer, Upstream Petroleum and Gas Business Group	PTT PCL		
2003 – 2007	Senior Executive Vice President, Gas Business Unit	PTT PCL		
7. Dato' Lee Kok Kwan  Age 52 years Director Chairman of Board Risk Committee  Date of appointment: 24 December 2015 <div>Total shareholding in Bank</div> <div>No. of shares held as of year-end 2017</div> <div>- By himself: <i>None</i></div> <div>- By his spouse or minor children: <i>None</i></div>	<div>Education</div> <div>- Joint Honors (First Class), Bachelor of Business Administration &amp; Economics, Simon Fraser University, Canada</div> <div>- Master of Business Administration, Simon Fraser University, Canada</div> <div>Training</div> <div>- Bursatra Sdn Bhd: Mandatory Accreditation Programme for Directors of Public Listed Companies (2015)</div>	Listed companies		
		Period	Position	Company/Organisation
		Present	Director	CIMB Group Holdings Bhd
		Present		
		Period	Position	Company/Organisation
		Present	Director	CIMB Bank Bhd
		Present	Director	Cagamas Holdings Bhd
		Present	Adviser	Securities Commission Malaysia
		Present	President	Financial Markets Association of Malaysia
		Present	Director	Megmoni Sdn Bhd
		Present	Director	Sterns Knight Corp
		Present	Director	Ukaydev38 Sdn Bhd
		Work experience within last 5 years		
		Period	Position	Company/Organisation
		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 39 years Director Member of Board Risk Committee	<div>- Master of Business Administration, Massachusetts Institute of Technology, USA</div> <div>- Bachelor of Commerce, Accounting &amp; Finance, Macquarie University, Sydney, Australia</div>	Listed companies		
		Period	Position	Company/Organisation
		-	-	-
		Non-listed companies and other companies and organisations		
		Period	Position	Company / Organization
		2005 - Present	Director	Investments, Khazanah Nasional Berhad, Kuala

Name of Executive/Position/Date of Appointment	Education/Training	Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years		
Date of appointment: 6 May 2014	<div>- 7<sup>th</sup> Form Bursary Certificate - (Economics, Statistics, English, History), Aranui High School, Christchurch, New Zealand</div>	Dec 2017-Present	Director	Lumpur, Malaysia  CIMB Bank Berhad
		Work Experience within Last 5 Years		
		Period	Position	Company / Organization
		Apr 2008 - Oct 2009	Principal	Olivant Advisors (Seconded from Khazanah), Singapore
		Mar 2006 - Apr 2008	Senior Vice President, Office of the Chairman/CEO	Lippo Bank Tbk (Seconded from Khazanah), Jakarta, Indonesia
		Oct 2005 - Mar 2006	Vice President	Credit Cards Group Head
		Dec 2003 - Feb 2005	Associate	Boston Consulting Group, Kuala Lumpur, Malaysia
	Apr 2001 - Dec 2003	Senior Analyst	FIG Specialist, McKinsey & Company, Kuala Lumpur, Malaysia	
Total shareholding in Bank				
No. of shares held as of year-end 2017				
- By herself: None				
- By her spouse or minor children: None				
9. Mr. Pravej Ongartsittigul	<div>Education</div> <div>- Master of Business Administration (Finance), New Hampshire College, U.S.A.</div> <div>- Master of Business Administration (Decision Support Systems), New Hampshire College, U.S.A.</div> <div>- Bachelor of Accounting, Faculty of Commerce and Accountancy, Chulalongkorn University</div> <div>Training</div> <div>- 2017: Ethical Leadership Program (ELP) Class 8/2017), Thai Institute of Directors</div> <div>- 2016: Corporate Governance for Capital Market Intermediaries (CGI), Class 17/2016, Thai Institute of Directors</div> <div>- 2009: Advanced Senior Executive Program, Northwestern University (Kellogg)</div> <div>- 2007: Director Certification Program, (DCP), Class 86/2007), Thai Institute of Directors</div> <div>- 2007: Strategic Leadership Program, Capital Market Academy Class 1/2007, Stock Exchange of Thailand</div> <div>- 2007: Public-Private Partnership Program, Class 1/2007, Royal Thai Police</div>	Listed companies		
Age 62 years		Period	Position	Company / Organization
Independent Director		Present	Director	Nok Airlines PCL
Member of Audit Committee		Non-listed companies and other companies and organisations		
		Period	Position	Company / Organization
Date of appointment: 19 April 2016		Jul 2016 – Present	Indepentdent Director	Advance Medical Center Co., Ltd.
		Apr 2016 – Present	Chairman and Indepenttent Director	AIRA Securities PCL
		2006 – Present	Director (Investment Advisory)	Thai Red Cross Society
Total shareholding in Bank		Work Experience within Last 5 Years		
No. of shares held as of year-end 2017		Period	Position	Company / Organization
- By himself: None		2011 - 2015	Secretary General	Office of Insurance Commission
- By his spouse or minor childern: None		2005 - 2011	Senior Assistant Secretary General	Office of 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	

Name of Executive/Position/Date of Appointment	Education/Training	Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years		
	<ul style="list-style-type: none"><li>- 1990: Chartered Bank EDP Auditor, Designation 898/1990, Bank Administration Institute, U.S.A.</li><li>- 1987: Chartered Bank Auditor, Designation 3167/1987, Bank Administration Institute, U.S.A.</li></ul>			
10. Mr. Kittiphun Anutarasoti  Age 48 years Director (Authorised Signatory) President and Chief Executive Officer Chairman of Management Committee Chairman of Risk Management Committee Alternate Chairman of Credit Committee Chairman of Retail Business Committee Chairman of Assets and Liabilities Management Committee Chairman of IT Strategic Planning Committee Chairman of Marketing and Communications Committee Chairman of Thailand Underwriting Committee Chairman of Thailand Private Banking Management Committee  Date of appointment : 19 October 2016	<b>Education</b> <ul style="list-style-type: none"><li>- Master of Business Administration (Finance), Saint Louis University, U.S.A.</li><li>- Bachelor of Economics (1st Class Honour &amp; Gold Medal), Chulalongkorn University</li></ul> <b>Training</b> <ul style="list-style-type: none"><li>- Advanced Management Program – INSEAD Business School</li><li>- Financial Institution Risk Analysis – Fitch Training, Singapore</li><li>- Structured Derivatives Instruments – JP Morgan, Singapore</li><li>- Advanced Credit Training – Bank of America, San Francisco</li><li>- Basic Credit Training – Bank of America, San Francisco</li></ul>	Listed companies		
		Period	Position	Company / Organization
		-	-	-
		Non-listed companies and other companies and organisations		
		Period	Position	Company / Organization
		-	-	-
		Work experience within last 5 years		
		2013 – 2016	Senior Executive Vice President	Krungthai Bank PCL
		2009 – 2013	First Executive Vice President	Siam Commercial Bank PCL
		2000 – 2009	Executive Director	JP Morgan Chase Bank, N.A., Bangkok Branch
Total shareholding in Bank				
No. of shares held as of year-end 2017				
- By himself: None				
- By his spouse or minor children: None				
11. Assoc.Prof. Dr. Ismaae Alea Age 67 years Shariah Advisor  Date of appointment: 1 August 2011	<ul style="list-style-type: none"><li>- Higher Certificate in Promotion of Peaceful Society, King Prajadhipok's Institute</li><li>- Ph.D., Al-Fiqh (First Class Hons), Islamic University of Madinah, Saudi Arabia</li><li>- Master of Arts, Al-Fiqh (Excellence), Islamic</li></ul>	Listed companies		
		Period	Position	Company / Organization
		-	-	-
		Non-listed companies and other companies and organisations		
		Period	Position	Company / Organization

Name of Executive/Position/Date of Appointment	Education/Training	Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years		
	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	2014 - Present	Chairman	Orphans Foundation
<b>Total shareholding in Bank</b>		2007 - Present	Member, Chairman of Halal Affairs	Central Islamic Council of Thailand (CICOT)
No. of shares held as of year-end 2017 - By himself: <i>None</i> - By his spouse or minor children: <i>None</i>		<b>Work Experience within Last 5 Years</b>		
		<b>Period</b>	<b>Position</b>	<b>Company / Organization</b>
		2010 - 2011 2008 - 2010	Head of Delegation Member	Thai Haj Delegation Shariah Advisory Council, Securities Commission, Malaysia Advisory Council for Peace Building in Southern Border Provinces of Thailand
		2007 - 2010 2006 - 2010	Associate Professor of Islamic Law Head	College of Islamic Studies (CIS), Prince of Songkla University (PSU)
		2002 - 2010	Director	Doctoral Degree in Islamic Studies of CISPSU College of Islamic Studies CIS-PSU
12. Prof. Dr. Maroning Salaming  Age 52 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	<b>Listed companies</b>		
		<b>Period</b>	<b>Position</b>	<b>Company / Organization</b>
		-	-	-
		<b>Non-listed companies and other companies and organisations</b>		
		<b>Period</b>	<b>Position</b>	<b>Company / Organization</b>
		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
<b>Total shareholding in Bank</b>			<b>Work Experience within Last 5 Years</b>	
		<b>Period</b>	<b>Position</b>	<b>Company / Organization</b>
No. of shares held as of year-end 2017 - By himself: <i>None</i> - By his spouse or minor children: <i>None</i>		2013 – 2014	Deputy Secretary General	Southern Border Provinces Administration Center
		2012 - 2014	Specialised Committee Member	Hajj Promotion Committee of Southern Border

Name of Executive/Position/Date of Appointment	Education/Training	Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years		
		2011 - 2013	Specialised Council Member	Provinces of Thailand, pursuant to the appointment order of Southern Border 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
13. Mr. Pornchai Padmindra Age 45 years Co-Head of Wholesale Banking and Head of Corporate Banking and Investment Banking Date of appointment: 1 September 2013	<b>Education</b> - Bachelor of Accounting, Kasetsart University - AFS Scholarship Student Exchange Programme <b>Training</b> - 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	<b>Listed companies</b>		
		<b>Period</b>	<b>Position</b>	<b>Company / Organization</b>
		-	-	-
		<b>Non-listed companies and other companies and organisations</b>		
		<b>Period</b>	<b>Position</b>	<b>Company / Organization</b>
		-	-	-
		<b>Work Experience within Last 5 Years</b>		
<b>Total shareholding in Bank</b> No. of shares held as of year-end 2017 - By himself: <i>None</i> - By his spouse or minor children: <i>None</i>		<b>Period</b>	<b>Position</b>	<b>Company / Organization</b>
		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.
		<b>Listed companies</b>		
14. Mr. Adisorn Sermchaiwong Age 52 years Head of Consumer Banking Date of appointment : 11 September 2012	<b>Education</b> - Master of Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University - Bachelor of Engineering, Chulalongkorn University <b>Training</b> - Director Certification Programme (DCP), Thai Institute of Directors - Advanced Management Programme,	<b>Period</b>	<b>Position</b>	<b>Company / Organization</b>
		-	-	-
		<b>Non-listed companies and other companies and organisations</b>		
		<b>Period</b>	<b>Position</b>	<b>Company / Organization</b>
		2012 - Present	Director	CIMB-Principal Asset Management Co., Ltd.
		2015 - Present	Director	Finansa Asset Management Ltd.
		2015 - Present	Chairman	CT COLL Co., Ltd.
		2015 - Present	Chairman	WorldLease Co., Ltd.
		2016 – Present	Chairman	Center Auto Lease Co., Ltd..
		<b>Listed companies</b>		

Name of Executive/Position/Date of Appointment	Education/Training	Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years		
Total shareholding in Bank	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	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
		2010 - 2012	Executive Director, Country Head of Channels	UOB Bank PCL
		2008 - 2009	Executive Vice President, Saving & Investment Products	Siam Commercial Bank PCL
		2002 - 2007	President	SCB Asset Management Co., Ltd.
15. Mr. Sutee Losoponkul  Age 57 years Co-Head of Wholesale Banking and Head Treasury  Date of appointment: 1 April 2011	Education - MBA, National Institute of Development 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 • Offshore Deposit Market • Foreign Exchange Arithmetic • Financial Future • Options • Citibank Bourse Game	Listed companies		
		Period	Position	Company / Organization
		-	-	-
		Non-listed companies and other companies and organisations		
		Period	Position	Company / Organization
		23 Apr 2013 - Present	Director	The Thai Bond Market Association
		4 Mar 2011 - Present	Director	CIMB Securities (Thailand) Co., Ltd.
		Work Experience within Last 5 Years		
		Period	Position	Company / Organization
		-	-	-
Total shareholding in Bank  No. of shares held as of year-end 2017 - By himself: <i>None</i> - By his spouse or minor children: <i>None</i>	16. Mrs.Wareemon Niyomthai  Age 51 years  Head of Commercial Banking  Date of appointment: 8 February 2016	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 Executive/Position/Date of Appointment	Education/Training	Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years		
No. of shares held as of year-end 2017 - By herself: <i>None</i> - By her spouse or minor children: <i>None</i>	<b>Training</b> - Columbia Senior Executive Programme, Columbia University, U.S.A.	Oct 2013 – Jan 2016  Dec 2008 – Sep 2013 Nov 2003 – Dec 2008	First Executive Vice President, Advisor to the President  Executive Vice President Executive Vice President	Krungthai Bank PCL  Siam Commercial Bank PCL Standard Chartered Bank (Thai)
17. Ms. Siriporn Sanunpairaue  Age 53 years  Head of Internal Audit   Date of appointment: 1 July 2015  <b>Total shareholding in Bank</b>  No. of shares held as of year-end 2017 - By herself: <i>None</i> - By her spouse or minor children: <i>None</i>	<b>Education</b> - Master of Business Administration, Thammasat University - Bachelor of Accounting, Thammasat University  <b>Training</b> - CIMB-INSEAD Leadership Programme - CIA Preparation, Institute of Internal Auditors of Thailand - Certified Professional Internal Auditor (CPIA), Institute of Internal Auditors of Thailand	<b>Listed companies</b>		
		<b>Period</b>	<b>Position</b>	<b>Company / Organization</b>
		-	-	-
		<b>Non-listed companies and other companies and organisations</b>		
		<b>Period</b>	<b>Position</b>	<b>Company / Organization</b>
18. Mr. Jason Leong Kok Yew  Age 45 years Head of Finance  Date of appointment: 30 December 2016  <b>Total shareholding in Bank</b>  No. of shares held as of year-end 2017 - By himself: <i>None</i> - By his spouse or minor children: <i>None</i>	Bachelor of Economics, Macquarie University, Australia	<b>Listed companies</b>		
		<b>Period</b>	<b>Position</b>	<b>Company / Organization</b>
		-	-	-
		<b>Non-listed companies and other companies and organisations</b>		
		<b>Period</b>	<b>Position</b>	<b>Company / Organization</b>
19. Mr. Arthit Masathirakul  Age 51 years  Head of Risk Management	<b>Education</b>  Master of Business Administration, University of Colorado at Boulder, U.S.A.	<b>Listed companies</b>		
		<b>Period</b>	<b>Position</b>	<b>Company / Organization</b>
		-	-	-
		<b>Non-listed companies and other companies and organisations</b>		
		<b>Period</b>	<b>Position</b>	<b>Company / Organization</b>

Name of Executive/Position/Date of Appointment	Education/Training	Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years		
Date of appointment: 1 January 2017	<b>Training</b>  - Senior Credit Officer Workshop, Standard Chartered Bank, Thailand - Assets Valuation, Standard Chartered Bank, Hong Kong - Executive Program, 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 - Senior Credit Workshop (OMEGA), CIMB Thai Bank Public Company Limited - Data Governance, CIMB Thai Bank Public Company Limited	2005 - Present	Authorised Director	Advance Business Management Corporation Co., Ltd.
<b>Total shareholding in Bank</b>		<b>Work Experience within Last 5 Years</b>		
No. of shares held as of year-end 2017 - By himself: <i>None</i> - By his spouse or minor children: <i>None</i>		<b>Period</b>	<b>Position</b>	<b>Company / Organization</b>
		Feb. 2014 - Jul. 2016	Head of Risk	Deutsche Bank AG, Bangkok Branch
		Apr. 2010 - Jan. 2014	Head of Loan Management	The Hongkong and Shanghai Banking Corporation Ltd., Bangkok, Thailand
	2005 – 2008	Advisor, Alternate Investment Group	Standard Chartered Bank Hong Kong	
		Jul. 1994 - May 2005	Executive Vice President, Group Special Assets Management	Standard Chartered Bank - Bangkok Branch
20. Mrs. Bussakorn Puttinan  Age 61 years  Head of Information and Operations  Date of appointment: 4 January 2017	<b>Education</b>  Bachelor of Science (Agriculture Economics), Chiang Mai University	<b>Listed companies</b>		
<b>Total shareholding in Bank</b>	<b>Training</b>  - Core Operations, Managing people, Citibank, Singapore - Custody Services, E-Business, Citibank, Singapore and Hong Kong - Process Management, Quality ISO, Citibank, Singapore - Risk in Financial Market, Citibank, The Philippines - Executive Program, Columbia Business School, Columbia University	<b>Period</b>	<b>Position</b>	<b>Company / Organization</b>
No. of shares held as of year-end 2017 - By herself: <i>None</i> - By her spouse or minor children: <i>None</i>		-	-	-
		<b>Non-listed companies and other companies and organisations</b>		
		<b>Period</b>	<b>Position</b>	<b>Company / Organization</b>
		-	-	-
		<b>Work Experience within Last 5 Years</b>		
			<b>Period</b>	<b>Position</b>
		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 45 years Head of Human Resources	<b>Education</b>  - Master of Business Administration, Kasetsart University	<b>Listed companies</b>		
		<b>Period</b>	<b>Position</b>	<b>Company / Organization</b>
		-	-	-
		<b>Non-listed companies and other companies and organisations</b>		
		<b>Period</b>	<b>Position</b>	<b>Company / Organization</b>

Name of Executive/Position/Date of Appointment	Education/Training	Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years		
Date of appointment: 30 December 2016	- Bachelor of Business Administration (MIS/Finance), Thammasat University  <b>Training</b> - 2013: CPP/Potentia, MBTI Certification Programme - 2013: CPP/Potentia, MBTI Type and Coaching	-     <b>Work Experience within Last 5 Years</b> <b>Period</b> 2012 - 2014  2011  2005 - 2011	-     <b>Position</b> Chief Human Resources Officer  Acting Head of Human Resources  Vice President, Human Resources	-     <b>Company / Organization</b> FWD Life Insurance PCL  Hongkong and Shanghai Banking Corporation  Hongkong and Shanghai Banking Corporation
<b>Total shareholding in Bank</b>				
No. of shares held as of year-end 2017 - By herself: <i>None</i> - By her spouse or minor children: <i>None</i>				
22. Mr. Tan Keat Jin				
Age 43 years Head of Strategy  Date of appointment: 30 December 2016	<b>Education</b> - Master of Business Administration (Merit), University of Bath, United Kingdom - Bachelor of Engineering (1st Class Honours), University College London, United Kingdom	<b>Listed companies</b>		
<b>Total shareholding in Bank</b>	<b>Training</b> CIMB-INSEAD Executive Development Programme, Cohort 4	<b>Period</b>	<b>Position</b>	<b>Company / Organization</b>
No. of shares held as of year-end 2017 - By himself: <i>None</i> - By his spouse or minor children: <i>None</i>		-	-	-
		<b>Non-listed companies and other companies and organisations</b>		
		<b>Period</b>	<b>Position</b>	<b>Company / Organization</b>
		-	-	-
		<b>Work Experience within Last 5 Years</b>		
		<b>Period</b>	<b>Position</b>	<b>Company / Organization</b>
		2013 - 2015	General Manager	CIMB Bank, London Branch
		2011 - 2013	Portfolio Management Lead	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)
				Bank Negara Malaysia (Central Bank of Malaysia)
		2005 - 2006	Specialist	
		1997 - 2005	Team Leader (various disciplines)	Accenture Malaysia

Name of Executive/Position/Date of Appointment	Education/Training	Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years		
23. Mr. Prapas Thongsuk Age 54 years Head of Corporate Communications  Date of appointment: 1 April 2010	<b>Education</b> - Master of Business Administration, National Institute of Development Administration (NIDA) - Bachelor of Education, Chulalongkorn University  <b>Training</b> - National Defence College Class 59 (2016-2017)  - “CIMB Leadership” Cohort 3 INSEAD University	<b>Listed companies</b>		
		Period	Position	Company / Organization
		-	-	-
		<b>Non-listed companies and other companies and organisations</b>		
		Period	Position	Company / Organization
		-	-	-
<b>Total shareholding in Bank</b>		<b>Work Experience within Last 5 Years</b>		
No. of shares held as of year-end 2017 - 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. Akash Rathke Age 51 years Head of Transaction Banking  Date of appointment: 1 January 2018	<b>Education</b> - Fellow of Institute of Chartered Accountants of India - 1988 - Bachelor of Commerce, Panjab University, India – 1986 - Indian Certificate of Secondary Education, ST.Francis High School, India - 1982	<b>Listed companies</b>		
		Period	Position	Company / Organization
		-	-	-
		<b>Non-listed companies and other companies and organisations</b>		
		Period	Position	Company / Organization
		Jan 2016 – Dec 2017	Non - Executive Director	Cromdx Solutions Pvt. Ltd.
		<b>Work experience within last 5 years</b>		
Jan 2015 - Jun 2016	Managing Director	Asia Data Governance Head, CITIBANK HK		
Jan 2012 - Dec 2014	Managing Director	Asia Projects Head, CITIBANK HK		
Oct 2009 – Dec 2011	Managing Director	Asia Head Bank Relationships, CITIBANK HK		
<b>Total shareholding in Bank</b>				
No. of shares held as of year-end 2017 - By himself: <i>None</i> - By his spouse or minor children: <i>None</i>				
25. Mr. Zethjak Leeyakars Age 48 years Head of Compliance Acting Head of Office of the President  Date of appointment: 24 February 2017	<b>Education</b> - Master of Arts in Economic Development and Policy Analysis. University of Nottingham, U.K. - Master of Business Administration in Finance, University of Texas at San Antonio, U.S.A. - Bachelor of Business Administration in General Management, Chulalongkorn University  <b>Training</b>	<b>Listed companies</b>		
		Period	Position	Company / Organization
		-	-	-
		<b>Non-listed companies and other companies and organisations</b>		
		Period	Position	Company / Organization
		-	-	-

Name of Executive/Position/Date of Appointment	Education/Training	Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years		
Total Share Held in Bank		Work Experience within Last 5 Years		
		Period	Position	Company / Organization
No. of shares held as of year-end 2017 - By himself: <i>None</i> - By his spouse or minor children: <i>None</i>	<ul style="list-style-type: none"> <li>- Central Bank Course</li> <li>- Bourse Game , Citibank</li> <li>- Commercial Banking Course</li> <li>- Risk Management in Financial Institutions</li> <li>- Macroeconomic Management , SEACEN , Malaysia</li> <li>- Anti-Corruption: The Practical Guide 25/2016 (ACPG) (IOD)</li> <li>- Company Secretary Program Class 70/2016 (IOD)</li> </ul>	Jul 2016 – Feb 2017	EVP, Compliance	Bangkok Bank PCL
		Mar 2015 – Jun 2016	EVP, Compliance & Procedure Sector	Krungthai Bank PCL
		Nov 2005 – Feb 2015	Executive Director Head of Compliance	JP Morgan Chase Bank
		Oct 2003 – Oct 2005	AVP, Compliance	Deutsche Bank
26. Mr. Jittiwat Kantamala	Education	Listed companies		
		Period	Position	Company / Organization
Age 56 years Head of Private Banking	<ul style="list-style-type: none"> <li>- Finance &amp; Marketing at University of Illinois At Urbana-Champaign, USA – 1989</li> <li>- Economics (Pure Theory) at Graduate School Chulalongkorn University, – 1987</li> <li>- Economics at Chulalongkorn University – 1982</li> </ul>	-	-	-
Total shareholding in Bank		Non-listed companies and other companies and organisations		
		Period	Position	Company / Organization
No. of shares held as of year-end 2017 - By himself: <i>None</i> - By his spouse or minor children: <i>None</i>		-	-	-
	Training	Work Experience within Last 5 Years		
		Period	Position	Company / Organization
	<ul style="list-style-type: none"> <li>- Annual Investment Suitability Training, Credit Suisse AG Singapore</li> <li>- Advanced Alternative Investments, Credit Suisse AG Singapore</li> <li>- Advanced Portfolio Management, Credit Suisse AG Singapore</li> <li>- OTC Bond Options, Credit Suisse AG Singapore</li> <li>- FA TCA Orientation ( e-learning), Standard Chartered Singapore</li> <li>- Reputational Risk (e-learning) , Standard Chartered Singapore</li> <li>- Anti-Money Laundering, Counter-terrorist Financing and Sanctions, Standard Chartered Singapore</li> <li>- Operational Risk (e-learning) , Standard Chartered Singapore</li> </ul>	Aug 2015 – Dec 2016	Director, Private Bank	Credit Suisse AG, Singapore
		May 2014 – Aug 2015	Director, Private Bank	Standard Chartered Private Bank, Singapore
		Jun 2013 – Apr 2014	Director, Head of Private Wealth Department	UOB Asset Management (Thailand) Co.,Ltd.
		May 2012 – May 2013	First Vice President, Private Bank	United Overseas Bank (UOB)
		Sep 2010 – Mar 2012	Private Wealth Manager, Global Wealth Management	Bank of America Merrill Lynch (BofAML)

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

## 1.2 Change in Shareholding of Directors and Senior Executives of the Bank

Information as at 31 December 2017 compared with information as at 31 December 2016:

Name	Position	No. share holding As at 31 Dec 17 (Shares)	No. share holding As at 31 Dec 16 (Shares)	No. of shares changed
Mr.Chakramon Phasukavanich	Chairman	1	1	-

## 1.3 Directors' and Senior Executives' Share Ownership in Subsidiary Companies

Information as at 31 December 2017 compared with information as at 31 December 2016:

Particulars	No. share holding As at 31 Dec 17 (Shares)	No. share holding As at 31 Dec 16 (Shares)	No. of shares changed
Mr. Adisorn Sermchaiwong			
Head of Consumer Banking			
- Worldlease Co., Ltd.	1	1	-
- CT Coll Co.,Ltd.	6	-	6
- Center Auto Lease Co., Ltd.	2	-	2
Ms. Onanong Udomkantong			
Head of Consumer Loan Products &Credit Cards			
- CT Coll Co.,Ltd.	1	1	-
Mr. Tanit Onnuch			
Head of Procurement Admin and Property Management			
- Center Auto Lease Co.,Ltd.	2	2	-

**Attachment 2****Information on Directors of Subsidiaries**

**Details of Directors and Executives in Subsidiaries and Related Companies (as of 31 January 2018)**

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,E				C	A	R																	
2. Dato' Robert Cheim Dau Meng	B,E							J	A,F	J	A,F													
3. Mr. Maris Samaram	X,C,E				C,V,W							F	F											
4. Mrs. Watanan Petersik	C,G,E													C	F	C,E	C,E	F						
5. Dato' Shaarani Bin Ibrahim	C,D,M,E																		F,N,L	A,D				
6. Mr. Chitrapongse Kwangsukstith	F,T																				F	F	F	F
7. Dato' Lee Kok Kwan	F,E,H																							
8. Ms. Serena Tan Mei Shwen	F,E																							
9. Mr. Pravej Ongartsittigul	C,D,E																							
10. Mr. Kittiphun Anutarasoti	F,O,T																							
11. Mr. Sutee Losoponkul	Q																							
12. Mr. Adisorn Sermchaiwong	Q																							
13. Mr. Arthit Masathirakul	Q																							
14. Mr. Pornchai Padmindra	Q																							
15. Mrs. Bussakorn Puttinan	Q																							
16. Ms. Siriporn Sanunpairaue	Q																							
17. Mrs. Wareemon Niyomthai	Q																							
18. Mrs.Kanokpai Vongsatitporn	Q																							
19. Mr. JasonLeong kok Yew	Q																							
20. Mr. Tan Keat Jin	Q																							
21. Mr. Prapas Thongsuk	Q																							
22. Mr. Akash Rathke	Q																							
23. Mr.Jittiwat Kantamala	Q																							
24. Mr.Zethjak Leeyakars	Q																							

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	39	40	41	42	43			
1. Mr. Chakramon Phasukavanich	A,E																													
2. Dato' Robert Cheim Dau Meng	B,E																													
3. Mr. Maris Samaram	X,C,E																													
4. Mrs. Watanan Petersik	C,G,E																													
5. Dato' Shaarani Bin Ibrahim	C,D,M, E																													
6. Mr. Chitrapongse Kwangsukstith	F,T				F	F	F	F																						
7. Dato' Lee Kok Kwan	F,E,H							F	F	F	I	R	F	F	F															
8. Ms. Serena Tan Mei Shwen	F,E								F							F														
9. Mr. Pravej Ongartsittigul	C,D,E																F	C	A,C	S										
10. Mr. Kittiphun Anutarasoti	F,O,T																													
11. Mr. Sutee Losoponkul	Q																				F	F								
12. Mr. Adisorn Sermchaiwong	Q	A	A	A																			F	F						
13. Mr. Arthit Masathirakul	Q																										T			
14. Mr. Pornchai Padmindra	Q																													
15. Mrs. Bussakorn Puttinan	Q																													
16. Ms. Siriporn Sanunpairaue	Q																													
17. Mrs. Wareemon Niyomthai	Q																													
18. Mrs.Kanokpai Vongsatitporn	Q																													
19. Mr. JasonLeong kok Yew	Q								U																					
20. Mr. Tan Keat Jin	Q																													
21. Mr. Prapas Thongsuk	Q																													
22. Mr. Akash Rathke	Q																												E	
23. Mr.Jittiwat Kantamala	Q																													
24. Mr.Zethjak Leeyakars	Q																													

A	Chairman	B	Vice Chairman	C	Independent Director
D	Member of Audit Committee	E	Non-Executive Director	F	Director
G	Chairman of Nomination, Remuneration and Corporate Governance Committee	H	Chairman of Board Risk Committee	I	Adviser
J	Trustee	K	Member of the Sustainability and Risk Management Committee	L	Chairman of Risk Settlement Committee
M	Member of Nomination, Remuneration and Corporate Governance Committee	N	Chairman of Risk Management Committee	O	President and Chief Executive Officer
P	Senior Executive Vice President	Q	Head	R	President
S	Director (Investment Advisory)	T	Authorized Director	U	Director, Group Finance
V	Chairman of Audit Committee	W	Member of Corporate Governance and Nomination Committee		

### **Subsidiaries**

- Center Auto Lease Co., Ltd.
- World Lease Co., Ltd.
- CT COLL Co., Ltd.

### **Others / Affiliate Companies**

1.	Indorama Ventures PCL	2.	P.C.S. Machine Group Holding PCL	3.	Investor Club Association
4.	Yu Cai Foundation	5.	CIMB Investment Bank Berhad	6.	CIMB Foundation
7.	CIMB - Principal Asset Management Bhd.	8.	PAC (siam) Co., Ltd.	9.	Marsh PB Co., Ltd.
10.	PTT Global Chemical PCL.	11.	Lien Center for Social Innovation Singapore Management University	12.	CIMB Group Holdings Bhd
13.	CIMB Group Sdn Bhd	14.	Asia Capital Advisory Pte Ltd	15.	CIMB Bank PCL, Vietnam
16.	CIMB Bank PCL, Cambodia	17.	Thoresen Thai Agencies PCL.	18.	Earth Green Co., Ltd.
19.	Baan Mee Green Co., Ltd.	20.	Panom Green Co., Ltd.	21.	Advances advertising Technology Co., Ltd.
22.	Green Energy Holding Co., Ltd.	23.	Green Energy Asia Group Co., Ltd.	24.	DRCM Holding Co., Ltd.
25.	CIMB Group Holdings Bhd	26.	CIMB Bank Berhad	27.	Cagamas Holdings Berhad
28.	Securities Commission Malaysia	29.	Financial Markets Association of Malaysia	30.	Megmoni Sdn Bhd
31.	Sterns Knight Corp	32.	Ukaydey38 Sdn Bhd	33.	Investment, Khazanah Nasional Berhad
34.	Nok Airlines PCL	35.	Advance Medical Co., Ltd.	36.	AIRA Securities PCL
37.	Thai Red Cross Society	38.	The Thai Bond Market Association	39.	CIMB Securities(Thailand) Co., Ltd.

40.	CIMB-Principal Asset Management Co.,Ltd.	41.	Finansa Asset Management Ltd.	42.	Advance Business Management Corporation Company Limited
43.	Cromdx Solutions Pvt.Ltd.				

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

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**Details of Internal Audit Head and Compliance Head**

Details of education backgrounds and work experiences of Head of Internal Audit and Head of Compliance are as in Attachment 1 (items no. 17 and 25).

**Roles and responsibilities of Compliance Head**

Compliance 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

The Audit Committee of CIMB Thai Bank Public Company Limited (the Bank) is composed of three independent directors. On 25th April 2017, the Board of Directors approved to appoint Mr. Maris Samaram as Audit Committee Chairman in replacement of Mr. Sukont Kanjana-Huttakit who resigned. The members of the Audit Committee are as below:

- |                               |          |
|-------------------------------|----------|
| 1. Mr. Maris Samaram          | Chairman |
| 2. Dato' Shaarani Bin Ibrahim | Member   |
| 3. Mr. Pravej Ongartsittigul  | Member   |

The Audit Committee has performed its tasks in accordance with the scope of responsibilities defined in the Audit Committee Charter and specific responsibilities delegated by the Board of Directors. In 2017, the Audit Committee held a total of 16 meetings with senior management, heads of concerned business units, internal auditors and the external auditor. The result of each meeting has been reported to the Board of Directors. Significant actions taken by the Audit Committee can be summarised as follows:

- Reviewed quarterly, semi-annual and annual financial statements of the Bank as well as consolidated financial statements of the Bank and its subsidiaries by holding meetings with the external auditor and Head of Finance to consider the completeness and accuracy of the financial statements and disclosure of information in the notes to financial statements in compliance with financial reporting standards and generally accepted accounting principles as well as the requirements of laws and regulations relevant to Bank and its subsidiaries.
- Reviewed the adequacy of the internal control system based on the audit result report of Internal Audit and the result of examination of the regulators who oversee the Bank and its subsidiaries to ensure the internal control system and financial reporting are effective. In addition, the Audit Committee reviewed and monitored the Bank's rectification of the audit issues to ensure appropriate corrective actions had been taken in a timely manner.
- Reviewed the effectiveness of the risk management system in collaboration with Head of Risk Management based on risk management reports and guidelines for managing respective types of risks and incidents to ensure the appropriateness of the risk management system.
- Reviewed the effectiveness of Compliance unit function and compliance with applicable laws and regulations, as well as monitored to ensure the necessary remedial actions of audit issues had timely been taken by senior management.
- Considered the selection of the external auditor and determination of the audit fee for further proposal to the Board of Directors and the shareholders.
- Reviewed and opined about related party transactions or transactions that may cause conflict of interest and reported to the Board of Directors for appropriate action or improvement.

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

\* In 2017, there were 16 meetings of Audit Committee.

- Maris Samaram -  
(Mr. Maris Samaram)  
Audit Committee Chairman

**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 2017, the Committee continued to ensure that the Bank considered and nominated qualified candidates for appointment as directors and senior executives of the Bank, with appropriate remuneration and benefits commensurate with their duties and responsibilities. In addition, the Committee also reviewed the Bank's staff benefits in 2017.

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

1. To identify and nominate suitable candidates for key positions and recommend remuneration and benefits commensurate with the respective duties and responsibilities for the Board's approval.
2. To consider and submit for the Board's concurrence the appointment of Bank subsidiaries' directors and senior executives.
3. To evaluate the performance of the Bank's senior executives against business targets and performance requirements and refer the results to the Board with recommendations for consideration of appropriate remuneration and benefits.
4. To review, consider and recommend for the Board's approval annual salary adjustment and bonus payment for the Bank employees.
5. To review and submit for the Board's approval the corporate governance policy and code of conduct for directors and employees of the Bank to ensure compliance with corporate governance criteria of relevant regulatory authorities.
6. To approve and present to the Board annually for acknowledgement corporate governance guidelines for relevant units to follow so as to enhance the Bank's corporate governance standards.
7. To review the Bank's staff benefits.

The Committee is also of the opinion that remuneration for directors and senior executives for the year 2017 was in line with their duties and responsibilities, their individual performance, the overall economic conditions, and the performance of the Bank.

*-Watanan Petersik -*

(Mrs. Watanan Petersik)

Chairwoman 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 2017.

- *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, 2017

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

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

- (1) This financial statement presents the complete and correct information that material the financial position and cash flow of the Bank and its subsidiaries.
- (2) We are responsible to put in place of good disclosure system to ensure that the Bank have disclosed the material information of the Bank and its subsidiaries correctly and completely including supervision of control for the compliance such system.
- (3) We are responsible for the effectiveness of internal control and the supervision of compliance with such system and we have already reported the Internal Control Evaluation as at **31 December 2017** 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 -