

**Annual Registration Statement
For the Year Ended 31 December 2018**

(Form 56-1)



CIMB Thai Bank Public Company Limited

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Part 1 Business Operation

1. Policy and Business Overview

Business Overview

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

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

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

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

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

The Bank's strength lies in its well-established and extensive network of domestic branches. As at 31 December 2018, the Bank operated 17 main offices with credit facilities and 85 branches, with foreign exchanges facilities, 9 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**”) ¹ was established through the amalgamation of the Union Bank of Bangkok Public Company Limited, the 12 state-intervened finance companies² and Krungthai Thanakit Finance Public Company Limited³ pursuant to the governmental order on 14 August 1998, a Cabinet resolution of 27 October 1998 and the notification of the Ministry of Finance, dated 22 December 1998. The consolidated entity subsequently changed its name to “BankThai Public Company Limited”, a new commercial bank established on 21 December 1998. The Financial Institutions Development Fund (the “**FIDF**”) acquired a major shareholding in the Bank and subsequently, the SET approved the trading of the Bank’s ordinary shares on 30 March 2001 with “BT” designated as its stock trading sign.

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

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

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

- transfer of all assets and liabilities of 12 finance companies to Krungthai Thanakit Finance Public Company Limited; and

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

² Comprises:

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

³ Previously named Krungthai Thanakit Finance and Securities Public Company Limited

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

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

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

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

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.

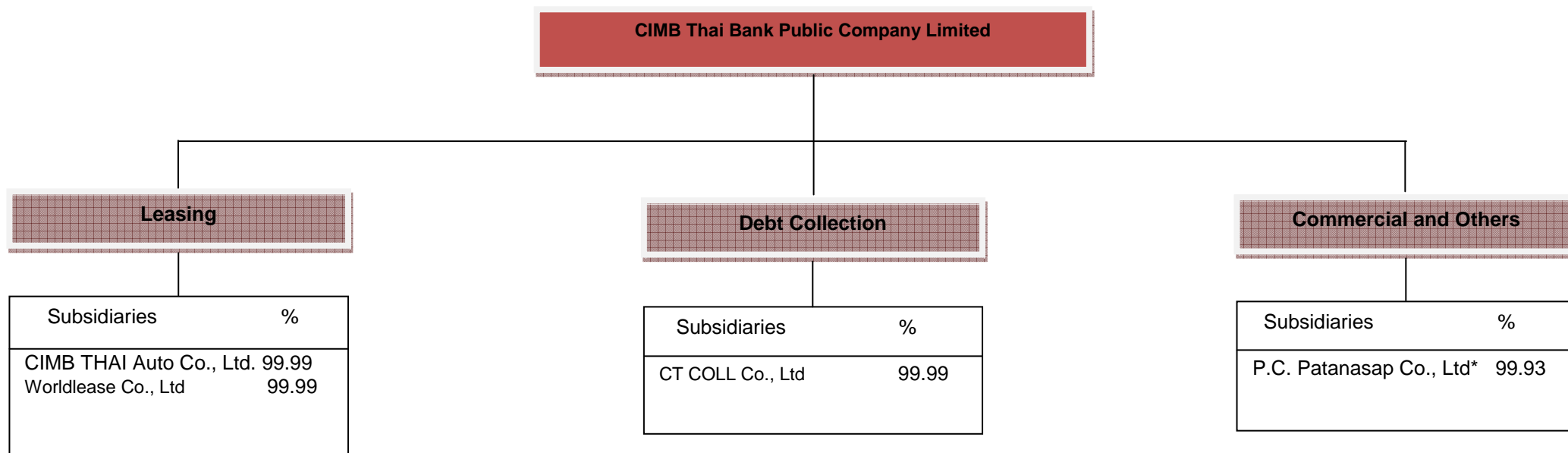
On 10 April 2015, the Annual General Meeting of Shareholders No. 21 approved an increase in the the Bank's registered capital by THB 3,162,731,703.50 from THB 10,542,439,012.50 to THB 13,705,170,716.00 by issuing 6,325,463,407 General Mandate Right Shares with a par value of THB 0.50 per share offered 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.

On 4 September 2018, the Extraordinary General Meeting of Shareholders No. 1/2018 ("EGM") approved the increase of the Bank's registered capital by THB 2,271,017,070.50, from THB 15,140,113,803.50 to THB 17,411,130,874.00, via the issuance of 4,542,034,141 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 3 new shares for every 20 existing CIMB Thai shares, at an offering price of THB 0.87 per share. After the completion of share offered on 12 October 2018 CIMB Bank holds 33,021.97 million shares, or equivalent to 94.83 percent of total issued and offered shares of the Bank

1.3 The Corporate Structure of the Bank and its Subsidiaries (as of 31 December 2018)



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.

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					
	2018	%	2017	%	2016	%
Interest income						
1. Interest on loans	10,435.6	110.0	10,558.0	104.9	11,320.1	109.1
2. Interest on interbank and money market items	127.4	1.3	165.0	1.6	68.7	0.7
3. Investments	1,664.3	17.5	1,144.4	11.4	1,313.4	12.7
4. Others	114.3	1.2	45.8	0.5	21.6	0.2
Total interest income	12,341.6	130.0	11,913.2	118.4	12,723.8	122.7
Interest expenses						
1. Deposits	2,342.4	24.6	2,387.7	23.7	2,611.6	25.2
2. Interest on interbank and money market items	351.3	3.7	218.7	2.2	281.8	2.7
3. Contribution fee to Deposit Protection Agency and FIDF	1,007.8	10.6	962.2	9.6	991.1	9.6
4. Debt securities issued and borrowings	712.4	7.5	711.6	7.1	871.0	8.4
5. Others	101.4	1.1	45.0	0.4	51.5	0.5
Total interest expenses	4,515.3	47.5	4,325.2	43.0	4,807.0	46.4
Net interest income	7,826.3	82.5	7,588.0	75.4	7,916.8	76.3
Operating income	1,662.4	17.5	2,475.9	24.6	2,454.9	23.7
Total income	9,488.7	100.0	10,063.9	100.0	10,371.7	100.0

1.2 Non-interest income and expenses

Unit: THB million

	For the years ended 31 December					
	2018	%	2017	%	2016	%
Fee and service income	1,376.6	82.8	1,471.4	59.4	1,289.7	52.5
Fee and service expenses	289.5	17.4	223.8	9.0	238.7	9.7
Net fee and service income	1,087.1	65.4	1,247.6	50.4	1,051.0	42.8
Gains on trading and foreign exchange transactions, net	1,054.2	63.4	2,238.2	90.4	1,402.5	57.1
Losses on financial liabilities at fair value through profit or loss, net	(759.7)	(45.7)	(1,733.9)	(70.0)	(810.4)	(33.0)
Gains on investments, net	19.5	1.2	490.7	19.8	482.6	19.7
Other operating income	261.3	15.7	233.3	9.4	329.2	13.4
Non-interest income	1,662.4	100.0	2,475.9	100.0	2,454.9	100.0

2.2 Nature of Products and Services

Wholesale Banking

Wholesale Banking – Corporate Banking and Investment Banking

In 2018, Wholesale Banking – Corporate Banking and Investment Banking (WCI), was composed of three main function lines, comprising Corporate Banking, Financial Institutions Thailand & CLMV, and Investment Banking. We provide a comprehensive range of financial services to big corporate clients by focusing on teamwork and joint sale-and-relationship plan with key clients to leverage our capacity and service quality to effectively serve our clients' needs and also to best generate income and benefits to the Bank.

Thai economy in 2018 expanded slightly compared with 2017 on the back of growing private consumption with spending expansion in all categories, including production for exports, real estate and construction, and tourism (despite negative effect from the Chinese tourists accident incident on Thai tourism image).

The favorable economic factors enabled WCI's growth in total revenue and profit before tax (PBT) of 7% and 5% respectively, stemming mainly from substantial loan growth of 17% and other cross-selling income which pushed up WCI's fee income to grow by 16%.

WCI did exceptionally well in its asset quality management of both existing loan portfolio and new high-quality loan approvals by close and regular monitoring of clients through Early Warning Triggers (EWI) to prevent problem loans, and efficient specialised teams in debt collection and resolutions. Therefore, WCI's non-performing loan (NPL) provision dropped by 77% from the previous year and the NPL balance stood at only 0.6% of total loan portfolio. Moreover, operating expenses were effectively controlled to the level 15% below the budget.

Most of our revenues came from significant client groups who entrust 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."

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

Corporate Banking and Financial Institutions Thailand & CLMV

CIMB Thai's Corporate Banking (CPB) offers a comprehensive range of financial services, such as working capital loans for general business, term loans, project financing, and trade finance as well as other various financial services like cash management and foreign exchange to large corporate clients in a diverse range of business sectors, for example, commercial, manufacturing, property development, and transportation, while FI provides 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 towards a strong and sustainable business growth. We also offer them business and investment opportunities throughout and within the CIMB Group's regional network.

CPB and FI have 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 have also targeted large clients with strong financial position and investment plans into ASEAN and those with cross-selling opportunities. These include big projects which generate 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 to serve all the clients' financial needs.

As of 31 December 2018, CPB and FI loan balance stood at THB 68,990 million, increasing 17% year-on-year, of which CPB recorded a 20% growth which was a record high. Furthermore, with our consistent portfolio rationalisation by focusing on assets with better quality, our NPL has dropped to only 0.6% of total loan portfolio.

In view of the business plan from 2019 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 along with cross-selling opportunities. Our strategy is to reach out to selected major client groups as well as acquisition of new clients with strong potential to continuously improve our asset quality. Furthermore, we will keep expanding our business and service across ASEAN and foster business and relationships with foreign clients to promote foreign direct investment in Thailand with cooperation from other CIMB Group members.

Investment Banking

CIMB Thai's Investment Banking (IB) comprises highly experienced, competent and efficient financial advisors offering the best financial solutions and providing capital/fund raising capabilities to our clients.

In 2018, IB income slowed down from the previous year due to the unfavorable market sentiment resulting in delays in the process of fund raising and listing on the Stock Exchange of Thailand (SET). However, we successfully completed four merger and acquisition (M&A) transactions and generated debt underwriting fee income in collaboration with Treasury with a year-on-year growth of 19%. In addition, IB has closely worked with CPB in certain corporate loan and project financing with a view to best serve the clients' needs.

We have continued to reinforce our teams through collaboration with CIMB Group by having sector specialists from CIMB Group 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' businesses while enhancing their competitiveness through innovation of financial products that best suit them.

The collaboration and synergy among the Bank's Corporate Banking, Financial Institutions Thailand & CLMV, Investment Banking, and CIMB Group 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 goals.

Key successful deals in 2018 included:

Debt Markets	Role	Issue Size (THB mil)
Government Housing Bank	Sole Lead Underwriter	9,200.00
TPI Polene Public Company Limited	Sole Lead Underwriter	8,000.00
True Move H Universal Communication Company Limited	Joint Lead Underwriter	4,628.32
TPI Polene Power Public Company Limited	Sole Lead Underwriter	4,000.00
Toyota Leasing (Thailand) Company Limited	Joint Lead Underwriter	3,500.00
Mitr Phol Sugar Corporation Company Limited	Joint Lead Underwriter	3,065.00
Provincial Electricity Authority	Sole Lead Underwriter	3,000.00
Small and Medium Enterprise Development Bank of Thailand	Sole Lead Underwriter	3,000.00
SC Asset Corporation Public Company Limited	Sole Lead Underwriter/ Joint Lead Underwriter	2,400.00
Ananda Development Public Company Limited	Sole Lead Underwriter/ Joint Lead Underwriter	2,000.00
Origin Property Public Company Limited	Joint Lead Underwriter	1,715.00
Ticon Industrial Connection Public Company Limited	Joint Lead Underwriter	1,666.67
Srisawad Corporation Public Company Limited	Joint Lead Underwriter	1,666.66
Central Pattana Public Company Limited	Joint Lead Underwriter	1,450.00
AEON Thana Sinsap (Thailand) Public Company	Joint Lead Underwriter	1,400.00

Debt Markets	Role	Issue Size (THB mil)
Limited		
True Corporation Public Company Limited	Joint Lead Underwriter	1,265.00
Sena Development Public Company Limited	Joint Lead Underwriter	1,100.00
State Railway of Thailand	Sole Lead Underwriter	1,000.00
Muangthai Capital Public Company Limited	Joint Lead Underwriter	882.40
Krungthai Car Rent and Lease Public Company Limited	Sole Lead Underwriter	600.00
Univentures Public Company Limited	Joint Lead Underwriter	500.00
Ratchthani Leasing Public Company Limited	Sole Lead Underwriter	450.00
Thai Airasia Company Limited	Joint Lead Underwriter	250.00

Commercial Banking

Commercial Banking serves small and medium-sized enterprises (SMEs) through our business centres situated in strategic locations nationwide. We provide comprehensive financial products and services tailored to suit each customer's needs. With CIMB Group's strong and well-established network throughout ASEAN, we also work with our customers to enable their full potential in their trade and investment across the region.

In 2018, the Bank has instituted "Fast Forward" transformation program to enhance business processes and has modified the strategic plan by shifting focus to SMEs, especially small-sized ones, by implementing a Credit Centre which has streamlined credit evaluation and approval turnaround time. In addition, we recruited and trained a cohort of Relationship Managers (RM) to partner closely with our customers to achieve the aspirational business growth forecast for next year. In terms of asset quality management, we met our loan loss provision target as a result of strong business foundations and the new organisation structure implemented for the past two years.

Looking forward to 2019, we will continuously strive to achieve targeted business growth and capture SME market share in promising businesses. This will be achieved by agile response to customers' needs to meet customers' satisfaction and ensure sustainable business growth

Consumer Banking

2018 was another year that witnessed Consumer Banking's continued development of our product quality and enhancement of the level of service customers would expect rather than merely selling products by providing long-term financial planning via a new form of branch called "Wealth Centre" located at Central Rama 9 and Central City Bangna. The year also marked our full implementation of the digital banking platform. We have launched three mobile applications comprising "myCIMB," a new mobile banking application, "myPreferred," an application for Preferred customers to redeem benefits, and "Mobile Lending" for more convenient loan application via mobile phone. In addition, Consumer Banking has adopted new technology to streamline the work process, such as QueQ which facilitates branch queue booking on mobile phone and Smart Chat Bot on official Facebook Fanpage.

In view of operational performance in 2018, the highlight of the year was our consumer loan products with risk scoring segmentation adopted. Particularly for secured loans, we grew a total approval amount by 56% compared to the previous year. Meanwhile, the Bank's subsidiaries recorded car and motorcycle loan approvals amounting to more than THB 16,000 million, a 24% year-on-year growth. This has been supported by our digital innovation development, comprising SAMM (Self-Applied Mobile Machine), MAC (Mobile Application for Collection) for collection staff, and SOM (e-Statement on Mobile) application for customers. Our credit cost was accordingly pulled down by 6.8% compared with 2017.

To cater to the affluent segment or Preferred customers, we have provided them with differentiated experience by not only delivering quality products like GMV (Global Managed Volatility) which achieved a sales volume of THB 1,300 million or VNEQ (Vietnam Equity) bond, but also offering benefits that match customers' lifestyle, the most attractive one of which was Triathlon activity held for the second time with growing positive response. These efforts resulted in the number of customers increasing by more than 8,000 or about 13% from the previous year.

In 2019, Consumer Banking will continue to initiate new digital platform to extend service provision for all target segments. We will put in place Wealth Management System to support customer analysis based on customer profiles to enable service tailoring to customer needs. We will also deliver end-to-end digital loan application and approval process on mobile for loan customers, including those of the subsidiaries, which will be plugged-in with the Alternative Credit Underwriting (ACU), the new customer data analytics tool using customer behavior data to identify risk.

Consumer Banking's performance in 2018 was as shown below:

- Consumer Banking's total approval amount of secured and unsecured loans was THB 28,600 million or a 31% growth compared with 2017.
- Subsidiaries' total car and motorcycle loan approvals amounted to THB 16,349 million, a 24% growth year-on-year.
- Fee income from sales of mutual fund and bancassurance products amounted to THB 887 million or an approximate 10% increase from 2017.
- Profit before tax was THB 2,809 million or a 12% growth year-on-year.

Transaction Banking

CIMB Thai's Transaction Banking provides corporate clients and financial institutions with an array of products and services, covering cash management, trade finance, and trade services. We also offer financial solutions to our customers to help them save financial cost, manage operating expenses, and minimise risks.

In addition, we are committed to leveraging digital technologies both through our own regional internet banking platform, i.e. BizChannel@CIMB, and partnership with FinTech operators to launch customised solutions.

In 2018, we jointly with our accounting software partners rolled out "CIMB Biz Gateway," a new digital customer service using API interface. Our customers can retrieve transaction history and account summary via partner applications. We are working diligently with our accounting software partners to launch phase 2 in 2019 through which our customers will be able to shorten process and reduce time of payment initiation and bank reconciliation.

With CIMB Group's strong ASEAN platform and network, we are well positioned to support and deliver transactional flow across ASEAN and beyond to meet the needs of aspiring and expanding enterprises and customers. We will continue to innovate and roll out new digital customer servicing tools and products, such as payment via QR gateway, mobile banking, and supply chain management to "Forward Customers' Aspirations."

Treasury & Markets

Treasury & Markets 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 2018, Treasury & Markets contributed outstanding financial results to CIMB Thai with strong product capabilities in structured products, interest rate derivatives, and debt securities trading, which earned the Bank altogether five awards as follows:

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

- 1) Best Structured Products House: Highly Commended (five consecutive years since 2014)
- 2) Best Credit Derivatives House: Winner (three consecutive years since 2016)
- 3) Best Equity Derivatives House: Winner
- 4) Best Structured Investment Products Awards – Credit, Equity, FX, Rates

The Asset Research

5) Top Arrangers – Investors' Choice for Government Primary Issues, Thailand, Rank 5: Asian Local Currency Bond Benchmark Review 2018

Furthermore, CIMB Thai is one of the key players in the debt capital market, ranking no. 6 with a 6.18% market share in THB corporate bond underwriting league table published by Bloomberg, and ranking among the top 3 in state-owned enterprise bond underwriting with a 24.34% market share announced by Thai Bond Market Association. Regarding secondary market, CIMB Thai has ranked no. 3 with a 13.28% 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, 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
SIAM COMMERCIAL BANK	3,187,340	18.3%	2,159,631	17.0%	2,140,561	17.2%
KASIKORNBANK	3,155,091	18.2%	1,995,001	15.7%	1,914,073	15.4%
BANGKOK BANK	3,116,750	17.9%	2,326,470	18.3%	2,083,160	16.7%
KRUNG THAI BANK	2,739,203	15.8%	2,039,602	16.1%	2,023,938	16.3%
BANK OF AYUDHYA	2,173,622	12.5%	1,426,348	11.2%	1,672,018	13.4%
THANACHART CAPITAL	1,046,612	6.0%	752,160	5.9%	753,498	6.1%
TMB BANK	891,713	5.1%	649,568	5.1%	685,707	5.5%
CIMB THAI BANK	355,849	2.0%	185,101	1.5%	226,300	1.8%
KIATNAKIN BANK	306,329	1.8%	181,694	1.4%	227,896	1.8%
TISCO FINANCIAL GROUP	302,562	1.7%	193,108	1.5%	240,654	1.9%
Others*	96,868	0.6%	783,411	6.2%	477,166	3.8%
Total	17,371,939		12,692,093		12,444,971	

Source: 1) Commercial bank's consolidated financial statement as of December 2018 (Unaudited)

2) Commercial banks' assets and liabilities base on report of Bank of Thailand (FI_CB_002_S4)

Note: Others*:

UNITED OVERSEAS BANK (THAI) PUBLIC COMPANY LIMITED
 LAND AND HOUSES BANK PUBLIC COMPANY LIMITED
 STANDARD CHARTERED BANK (THAI) PUBLIC COMPANY LIMITED
 BANK OF CHINA (THAI) PUBLIC COMPANY LIMITED
 INDUSTRIAL AND COMMERCIAL BANK OF CHINA (THAI) PUBLIC COMPANY LIMITED
 MEGA INTERNATIONAL COMMERCIAL BANK PUBLIC COMPANY LTD
 THAI CREDIT RETAIL BANK

2.4 Provision of Products and services

Source of Funding

As at 31 December 2018, deposits managed by the Bank stood at THB 195.3 billion (including interbank and money market deposits), whilst borrowings (including interbank and money market borrowings) amounted to THB 84.2 billion. Of the total, 78.5% was used for gross loans including accrued interest, and 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 56.5 billion and loans with maturity of more than one year amounted to THB 164.8 billion. Meanwhile, deposits with maturity of not more than one year stood at THB 185.1 billion and those with maturity of over one year amounted to THB 10.2 billion.

Capital Adequacy Ratio

As at 31 December 2018, CIMB Thai group's capital adequacy ratio (CAR), common equity tier 1 (CET1) capital and tier 1 capital were 19.3%, 14.1% and 14.1%, respectively, while those of the Bank were 18.7%, 13.3% and 13.3%, 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.

Unit:
THB billion

Capital funds	Minimum requirements	Consolidated			Separate		
		31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-18	31-Dec-17	31-Dec-16
Tier 1 capital		34.9	30.9	25.3	32.8	29.9	24.1
CET1 capital		34.9	30.9	25.3	32.8	29.9	24.1
Tier 2 capital		13.0	9.8	12.7	13.2	9.9	12.9
Total capital funds		47.9	40.7	38.0	46.0	39.8	37.0
Tier 1 capital to risk-weight assets	7.875%	14.1%	12.9%	10.7%	13.3%	12.5%	10.2%
CET1 capital to risk-weight assets	6.375%	14.1%	12.9%	10.7%	13.3%	12.5%	10.2%
Tier 2 capital to risk-weight assets	-	5.2%	4.1%	5.4%	5.4%	4.1%	5.4%
Capital adequacy ratio	10.375%	19.3%	17.0%	16.1%	18.7%	16.6%	15.6%
Total risk-weight assets		247.6	239.1	235.9	246.2	239.6	237.4

Liquidity Risk Management Policy

Liquidity risk is defined as the risk of the Bank's inability to meet the required payments or obligations when they are due, which may be a result of the inability to convert assets into cash or the failure to obtain adequate funding on time. It may adversely affect the daily operations and incur unacceptable losses.

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 both currently and in the future. To this end, the liquidity risk management policy is to maintain high quality liquid assets and well diversified portfolios as well as sources of funds under both business-as-usual and stress conditions. Due to the Bank's

direction to have the larger delivery network and market focus, the Bank is to maintain a more diversified core deposit base comprising savings, current, and term deposits, thus providing a stable large funding base. The Bank maintains some liquidity buffers throughout the year to ensure safe and sound operations from a strategic, structural and tactical perspective.

The 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 a work unit responsible for 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 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 for them as per respective credit lines approved by the Board of Directors.

The Bank will continue to emphasise and improve its retail customer acquisition to match its asset 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

The Bank has two approval processes for non-retail credits, i.e. Credit Committee and Joint Delegation Authority (JDA) of Risk Management and Business Unit.

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's 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 and early warning indicators have 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 a monthly basis.

AQC has been 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 including 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 minimising 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.

Policy for Intra-Group Transaction of the Financial Group

To ensure good governance, the Bank has established Intra-Group Transaction Policy as a guideline for efficient risk management of intra-group transactions in that risks that may arise from intra-group transactions can be identified, measured, controlled and monitored.

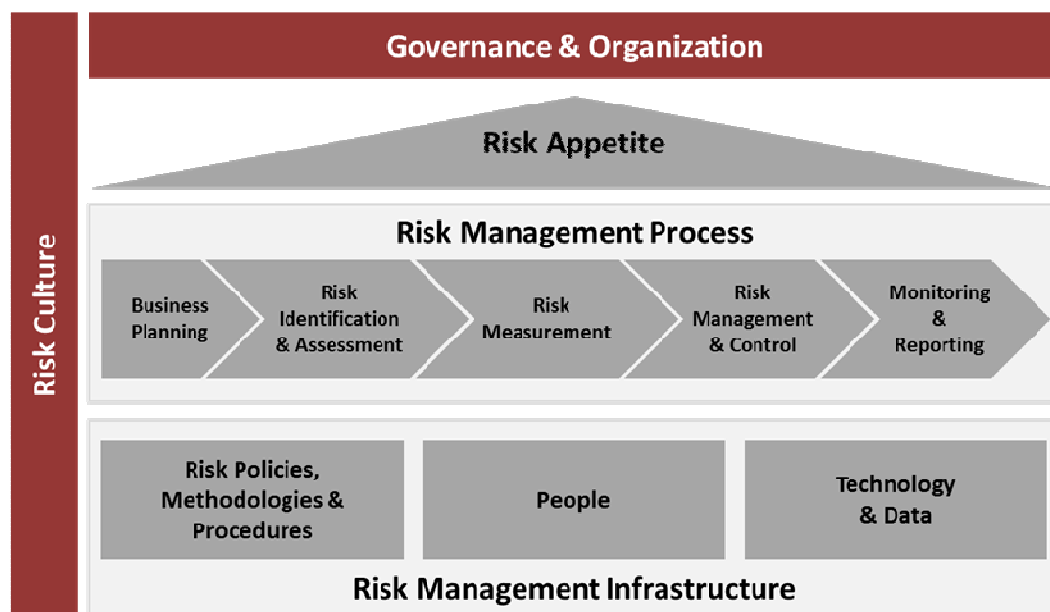
The policy is also to ensure that intra-group transactions of the Bank's financial business group are in compliance with the Bank of Thailand's regulations, e.g. the same procedures for normal customer transactions also apply to intra-group transactions, legally enforceable documents executed and terms and conditions imposed are the same as those applicable to normal customers with the same risk level, etc.

3. Risk Factors

Risk Management Overview

CIMB Thai employs the Enterprise-Wide Risk Management (EWRM) framework as the standardised approach to effectively manage its risks and opportunities. The framework provides the Board of Directors and management with a tool to anticipate and manage both the existing and potential risks, taking into consideration the changing risk profiles as dictated by changes in business strategies, external environments and/or regulatory requirements.

Key components of the EWRM framework are presented below:



Risk Culture: The Bank embraces risk management as an integral part of its culture and decision-making processes. The Bank's risk management philosophy is embodied in the Three Lines of Defense approach, whereby risks are managed at the point of risk-taking activity. There is clear accountability of risk ownership across the Bank.

Governance & Organisation: A strong governance structure is important to ensure an effective and consistent implementation of the Bank's EWRM framework. The Board is ultimately responsible for the Bank's strategic direction, which is supported by the risk appetite and relevant risk management frameworks, policies and procedures. The Board is assisted by various risk committees and control functions in ensuring that the Bank's risk management framework is effectively maintained.

Risk Appetite: It is defined as the amount and type of risks that the Bank is able and willing to accept in pursuit of its strategic and business objectives. Risk appetite is set in conjunction with the annual strategy and business planning process to ensure appropriate alignment between strategy, growth aspirations, operating plans, capital and risks.

Risk Management Process

- **Business Planning:** Risk management is central to the business planning process, including setting frameworks for risk appetite, risk posture and new product/new business activities.
- **Risk Identification & Assessment:** Risks are systematically identified and assessed through the robust application of the Bank's risk policies, methodologies/standards, work procedures/process guidelines.
- **Risk Measurement:** Risks are measured and aggregated using Bank-wide methodologies across each of the risk types, including stress testing.
- **Risk Management and Control:** Risk management limits and controls are used to manage risk exposures within the risk appetite approved by the Board of Directors. Risk management limits and controls are regularly monitored and reviewed in the face of evolving business needs, market conditions and regulatory changes. Corrective actions are taken to mitigate risks.
- **Risk Monitoring and Reporting:** Risks on an individual and portfolio basis are regularly monitored and reported to ensure they remain within the Bank's risk appetite.

Risk Management Infrastructure

- **Risk Policies, Methodologies/Standards and Procedures/Process Guidelines:** Well-defined risk policies by risk type provide the principles by which the Bank manages its risks. Methodologies/Standards provide specific directions that help support and enforce policies. Procedures/Process Guidelines provide more detailed guidance to assist with the implementation of policies.
- **People:** Attracting the right talents and skills are key in ensuring a well-functioning EWRM framework. The organisation continuously evolves and proactively responds to the increasing complexity of the Bank's operations, as well as the economic and regulatory environment.
- **Technology and Data:** Appropriate technology and sound data management support risk management activities.

CIMB Thai focuses on sound and effective risk management principles to ensure not only the financial soundness and integrity but also sustainability of the organisation and that the returns must be commensurate with the risks taken. 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.

With regard to the risk management governance and oversight, the Board Risk Committee (BRC) has been 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 BOD. BRC is composed of three members who are BOD members. Risk Management Committee (RMC) has been appointed by BOD, reporting to BRC, to oversee various risk areas and any related matters, such as credit risk, operational risk, reputation risk, capital risk (to comply 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 BOD risk management policies and frameworks as well as to establish a corresponding governance structure which would ensure that not only risks are managed efficiently and effectively but also decisions are made in a transparent manner. Asset Quality Committee (AQC) has been appointed by BRC with responsibilities to review and/or recommend for approval to BOD/relevant Committee (where necessary) and to approve and concur proposals of provisioning and provision review plans for non-retail accounts with problems or potential problems.

Risk Management has been established to act as a catalyst for the development and maintenance of sound risk management policies, strategies and procedures within the Bank. It provides functional support to BRC, RMC, Credit Committee, Risk Management sub-committees and assists the Management in managing risks inherent to the Bank and its businesses. Risk Management is independent from other business units involved in risk taking transactions or activities. Special Assets Management has also been 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, or 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 the 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 BOD. 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 BOD are closely involved and engaged throughout the formulation process. Subsequent to the implementation stage, the BOD 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 has continuously reviewed and improved risk assessment tools for different types of clients and in line with the growth of portfolios. The tools include corporate rating model that has been developed and implemented for corporate clients, SME rating model for SME clients, life insurance model and general insurance model for life & non-life bancassurance customers, specialised lending rating models such as project finance (PF) model, income producing real estate (IPRE) for specialised customer groups, new credit underwriting tools for small SME clients to be implemented in 2019, 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 work 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 unfavourable economic and financial conditions, in both 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 BOD.

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 capital and commodity markets, and may negatively affect both the revenue and capital position of the Bank. The Bank employs the 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 to buffer against market risk, which is compliant with the Bank of Thailand's regulations.

Market risks include the following:

1. Interest rate risk

Interest rate risks of transactions in the trading book are under the supervision of RMC within the framework prescribed by the BOD. 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. Daily risk status reports are also independently produced by Risk Management work 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 certain property funds which have high potential return and sound management. For 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 commodities has never been materialised.

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 those other than interest rate risk or foreign exchange risk, the Bank will fully hedge against such market risk underlyings. Therefore, no market risk exposure from other market risk underlyings has been materialised.

LIQUIDITY RISK

Liquidity risk is defined as the risk of the Bank's inability to meet the required payments or obligations when they are due, which may be a result of the inability to convert assets into cash or the failure to

obtain adequate funding on time. It may adversely affect the daily operations and incur unacceptable losses.

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 both currently and in the future. To this end, the liquidity risk management policy is to maintain high quality liquid assets and well diversified portfolios as well as sources of funds under both business-as-usual and stress conditions. Due to the Bank's direction to have the larger delivery network and market focus, the Bank is to maintain a more diversified core deposit base comprising savings, current, and term deposits, thus providing a stable large funding base. The Bank maintains some liquidity buffers 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 mobilisation 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 and net stable funding ratio (NSFR), focusing on the liquidity adequacy over the time horizon of one year. Additionally, the monetary policies adopted by the Bank of Thailand and central banks of major countries may directly affect the movement of international capital flows and lead to money market fluctuations, which may subsequently affect liquidity and increase funding costs.

The 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 BOD. ALCO is also in charge of approving liquidity risk tolerance. Asset and Liability Management (ALM), which is a work unit responsible for 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 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 for them as per respective credit lines approved by the BOD.

Liquidity risk undertaken by the Bank is governed by a set of established liquidity risk 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 to comply with internal risk thresholds and regulatory requirements for liquidity risk.

The Bank's contingency funding plan is in 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 BOD. 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 Bank of Thailand 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 income (NII).

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 BOD. ALCO is the BOD's delegated committee which reports to the BRC. With the support from ALM under Risk Management and Capital and Balance Sheet Management (CBSM) work units 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 EVE (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 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 NII effect as well as EVE sensitivity. The analytical results of NII and EVE are reported to ALCO, BRC and BOD 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, RMC has been given the authority to establish policies and guidelines which correspond with international best practice and to make recommendations to the BOD or 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 responsibilities include 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 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 has developed the CIM guideline which provides an approach to systematically capture control issues and puts in place 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. It has set up Customer Experience Management (CX) who will work closely with CIMB Thai Care Centre and other customers' contact points to efficiently handle client complaints and queries made via the Bank's contact channels e.g. online channel (via Facebook), branches, etc. CX will act as an independent centralised complaint management unit to ensure that all customer complaints are handled objectively by relevant subject matter experts in a timely and fair manner.

CX is also responsible for collating customer complaints data and trends including their respective solutions to Customer Experience Work Group for acknowledgement and consideration of proper remedial actions. This process aims to improve customer satisfaction and enhance customer experience with the Bank, as well as to seek preventive actions against recurrence of such incidents. Customer complaints trend and solutions will regularly be reported to Management Committee and Audit Committee (AC) 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 the AC in auditing and monitoring, and directly report to the AC. 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 current exposure of foreign equity investment as a result of the amalgamation is in an insignificant amount. In addition, the Bank has a policy not to increase any exposure in foreign equity investment.

4. Business Assets

4.1 Fixed Assets for Business Operation

(1) Premises and equipment

As at 31 December 2018, CIMB Thai group had land valued at THB 2,086 million, buildings THB 2,965 million, equipment THB 2,605 million and assets under construction THB 8 million. Net of accumulated depreciation and provisions for impairment of THB 4,128 million, the net book value of the premises and equipment was THB 3,536 million. Such land, buildings and condominiums accommodate the Bank's headquarters, business centres, branches and sub-branches, as well as subsidiaries' offices.

(2) Commitments under long-term leases

As at 31 December 2018 and 2017, CIMB Thai group had entered into a number of agreements to rent land, buildings and vehicles for contractual 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	
	2018 THB million	2017 THB million	2018 THB million	2017 THB million
Not over than 3 years	261	326	197	231
3 - 5 years	25	10	4	5
5 - 10 years	3	4	3	4
Total	289	340	204	240

(3) Other commitments

As at 31 December 2018 and 2017, CIMB Thai group recorded other commitments in the form of various agreements relating to computer system and software development. The group is obligated to pay by currencies as follows:

Currency	Consolidated and Separate	
	2018 THB million	2017 THB million
THB	146	120
MYR	128	22
USD	153	2
SGD	-	11
Total	427	155

4.2 Policy Governing Subsidiaries and Associate Companies

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

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

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

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

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

Bank of Thailand has granted approval to the Bank to establish a Financial Group on March 10, 2008. As at December 31, 2016, the Bank Financial Group consisted of

1.1 Financial Service Businesses

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

1.2 Supporting Businesses

- (1) CT Coll Company Limited

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

2.1 Main business of the company is to provide financial service business but the Bank has no management control over the company provided that such investment was prior received approval from Bank of Thailand.

2.2 Main business of the company is to provide supporting businesses beneficial to the Bank's business and the overall financial system, such as National Credit Bureau Co., Ltd, National ITMX Co., Ltd, S.W.I.F.T. Co., Ltd and Thai Rating and Information Services Co., Ltd.(TRIS), etc.

2.3 Shares of companies in which the Bank received as a result of Trouble Debt Restructuring, debt to equity conversion, debt enforcement or foreclosure of collateral as allowed by Bank of Thailand.

2.4 Companies which were prior received approval from Bank of Thailand, and companies that now are in liquidation process.

2.5 Companies engaging in financial businesses or supporting businesses for which the Bank does not have management control. For companies engaging in other businesses will only be allowed when the invest is made through company that engaging in financial businesses which is under supervision of specific authority, provided that approval criterion of Bank of Thailand for such investment will be in accordance with rules and guidelines of as specified by the relevant authority.

5. Legal Disputes

As of 31 December 2018, there is no legal dispute which may materially adverse or affect the bank's asset in an amount over 5 % of shareholder equity.

	Company name / Address	Type of business	Type of share	Paid-up capital (No. of shares)	Number of shares held	%
2.	CT COLL Co., Ltd. 128/229-234 Phayathai Plaza Building, 21 st Floor, Phayathai Road, Thung Phayathai, Ratchathevi, Bangkok 10400 Tel. +66-2626-7070	Debt collection service	Ordinary	385,000	384,993	99.99
3.	WorldLease Co., Ltd. 43 Thai CC Tower, 34 th Floor, South Sathon Road, Yannawa, Sathon, Bangkok Tel. +66-2675-6300	Leasing	Ordinary	60,000,000	59,999,998	99.99
4.	Srithepthai Plaschem 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 st Floor, Charoennakorn Road., Banglumphu, Klongsan, Bangkok 10600	SPV	Ordinary	10,000	1,282	12.82
6.	Tawana Hotel Co., Ltd. 80 Surawongse Road, Siphraja, Bangrak, Bangkok Tel. +66-2236-0361	Hotel	Ordinary	33,909	3,390	10.00
7.	Sanwa Interfood Co., Ltd. 2219-2223 New Petchburi Road, Bangkok, Huaykwang, Bangkok	Instant foods	Ordinary	10,000,000	1,000,000	10.00
8.	Samchai Plc. 522 Ratchada Complex, Ratchadaphisek Road, SamsenNok, Huaykuang, 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, Bangkoklaem, Bangkok Tel. +66-2689-2626	Office equipment and furniture rental	Ordinary	2,000	340	17.00
11.	Global Leasing Co., Ltd. (under official receivership) 518/5 Maneeya Center, 8 th Floor, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330 Tel. +66-2652-0730	Leasing	Ordinary	2,000,000	200,000	10.00
12.	TPF Leasing Co., Ltd. (bankrupt) 82 Sangthongthani Tower, 25 th Floor, North Sathon Road, Silom, Bangrak, Bangkok	Leasing	Ordinary	6,000,000	600,000	10.00
13.	UTM Advisory & Capital Management Co., Ltd. (abandoned) 44 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
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 th Floor, Sukhumvit 12-14 Road, Khongteoy, Bangkok	Leasing	Ordinary	20,000,000	2,000,000	10.00

	Company name / Address	Type of business	Type of share	Paid-up capital (No. of shares)	Number of shares held	%
17.	Tun Ruamkarn Co., Ltd. (bankrupt) 133/2 Sukhumvit 21 Road, Klongtoey, Klongtoey, Bangkok	Finance	Ordinary	240,000	40,000	16.67
18.	Modern Appraisal Co., Ltd. (abandoned) 3726/162-163, 3 rd Floor, Rama III Road, Bangkhlo, Bangkolaem, Bangkok	Appraiser	Ordinary	20,000	2,000	10.00

6.2 Other Important Information

6.2.1 Thai Economy in 2018 and Outlook for 2019

It has been another challenging year for economists to forecast economic growth. We have faced not only intensifying internal and external risks, but also lacked a real powerful economic engine -- a so-called hero we can rely on to accelerate economic activity. Considering each economic engine in place, i.e. C I G and X-M, we have found certain risks that may put pressure on further growth.

The first engine is private consumption (C) which had a notable growth of around 5% in 2018. It is not normal, though possible, for private consumption to grow at a more rapid pace than GDP. However, taking components of private consumption into account, its growth should have come from such temporary factor as purchase of cars. Car consumption was in an about 5% proportion and enjoyed a healthy YoY growth of almost 20%. This might be because it was the time for consumers to replace their cars after the first car scheme ended five years ago, or purchasing powers of middle to high income consumers remained in good shape. Nonetheless, consumers do not change cars every year. Car sales would eventually slow down, with sales peak expected in 1Q2019. It would also be difficult to rely on other components to compensate for car sales which would grow at a decelerating rate, as the sectors related to way of living of middle to low income consumers have grown only slightly or even declined. These include foods, beverages and garments. Sectors of hope are tourism-related businesses, such as restaurants, hotels and transportation. However, the number of tourists, despite expected recovery in early 2019, may not grow so significantly as in 1H2018 before the Phuket tourist boat capsizing which discouraged Chinese tourist inflows.

The second engine is private investment (I) some bright prospects of which can be expected. We have seen clearer investment signs, for example, import of such capital goods as machinery to substitute for labor which is in shortage or to improve production efficiency. Meanwhile, public sector investment is still uncertain, particularly delay in construction, which may erode private sector's confidence in 2019 if major projects are put off.

The third engine is government spending (G), though staying at a low growth of around 2%, has started to aim at promoting the welfare of the elderly and the poor and transfer of state funds to these people has grown substantially. However, distribution of money can merely help relieve low income people's economic problems to some extent. For the past several years, farm income has contracted, and despite an expected turnaround to positive in 2019, income in the agricultural sector is still not well distributed, while prices of most agricultural products remain on a decline. Government spending may thus be unable to fuel the economy unless the government seeks to concurrently improve long-term income generating capability of people in this sector, such as provision of occupational training or seeking new markets for farm produce to increase their income, reduction of expenses, or eradication of middlemen, etc.

The last engine is net export (X-M), a hero in 1H2018, which ran out of steam in 3Q2018 following export shrinkage in September and slowing tourism income. Looking forward to 2019, we expect export to grow around 3-4% in line with continued growth of global economy. Despite some slowdown due to the trade war and Chinese economic decline, there have been clearer signs of resolution which will further help drive global trade. Another risk factor is high stockpiling in the

previous year ahead of the trade war may put pressure on trade partners' imports of goods in 2019, hence possible slow growth of Thai export. In view of tourism, we expect Chinese tourist inflows will rebound and grow in 2019 as Chinese tourists still have positive attitudes toward Thailand and the recent decline might only be caused by their safety concerns. However, Chinese tourist inflow growth in 2019 may not be as strong as in the past.

Outlook for 2019

All in all, Thai economic growth reached 4.0% in 2018 and is predicted to slow to 3.7% in 2019, which is still higher than that in the previous years though lower than the country's long-term growth potential. In view of currencies, Thai baht is expected to slightly strengthen against US dollar, mainly attributable to the prevailing high current account surplus and greater confidence of investors in emerging markets following clarity on the US's interest rate hikes. We think the increase in the Fed funds rate will be less than market expectation on the back of moderate inflation. The baht should stay at 32.00 against the dollar by the end of this year from 32.34 baht per US dollar at the end of 2018.

As regards interest rate, there is high possibility for the Monetary Policy Committee (MPC) to raise the policy rate once this year, which will culminate in a policy rate of 2.00% by year-end. The question as to when the rate hike will take place is insignificant as it depends on what is the main focus of the majority MPC members. They may be concerned about the slow economic growth and potential risks at present or may otherwise put emphasis on the stability of the money market which is currently at risk amid the persisting low interest rates that have prompted investors to underestimate risks and hold a large volume of risk assets. Building policy space through interest rate hikes may also be considered for potential reduction in future to stimulate the economy. The difference between the two cases is merely the timing of interest rate increase. In whichever case, there should be no impact on Thai economic recovery as the policy rate will only be raised gradually, not swiftly as in the past.

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 2018 are as follows:

Registered Capital	THB 17,411,130,874.00 (Seventeen billion four hundred eleven million one hundred thirty thousand eight hundred and seventy four baht), which comprises: : 34,822,261,748 (thirty four billion eight hundred twenty two million two hundred sixty one thousand seven hundred and forty eight) ordinary shares, with a par value of THB 0.50 (fifty satang) : No preference shares
Issued and Paid-up Share Capital	THB 17,411,130,874.00 (Seventeen billion four hundred eleven million one hundred thirty thousand eight hundred and seventy four baht), comprising 34,822,261,748 (thirty four billion eight hundred twenty two million two hundred sixty one thousand seven hundred and forty eight) 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 26 October 2018:

No.	Names of Shareholders	Number of Shares Held	% of Total
1	CIMB BANK BERHARD	33,021,971,285	94.83
2	BANK JULIUS BAER & CO. LTD, SINGAPORE	760,756,147	2.18
3	Thai NVDR Co., Ltd.	143,490,491	0.41
4	Mr. Pisit Prukpaiboon	43,026,382	0.12
5	SCB SET BANKING SECTOR INDEX	36,483,008	0.10
6	Mr. Prawit Phansaichue	13,997,591	0.04
7	Mr. Somchart Namsricharoensuk	13,684,881	0.04
8	Mr. Pracha Chaisuwan	12,162,933	0.03
9	Mrs. Jaroonluk Panichsheewa	11,761,750	0.03
10	EAST FOURTEEN LIMITED-EMERGING	7,604,900	0.02
	Other shareholders	757,322,380	2.17
	Total 8,093 shareholders holding	34,822,261,748	100.00
	8,025 Thai shareholders	1,011,232,732	2.90
	68 Foreign shareholders	33,811,029,016	97.10
	Total number of shares	34,822,261,748	100.00

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

Major shareholder with significant influence over planning and directing the Bank's operations is CIMB Bank Berhad. It holds 33,021,971,285 of the total issued and paid-up shares of the Bank, which is equivalent to 94.83%.

(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 2018)

Classified by type	Interest rate	Maturity	Collateral	Restrictions and Requirements	Value of debt securities in issue as at 31 Dec 2018 (THB)	Credit ratings (Moody's / Fitch Ratings)	Bond holder representative
1. Tier 2 subordinated debt ¹	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 30 days prior to the call date, redeem and cancel the subordinated debt in whole but not in part on the call date in the principal amount together with all deferred and accrued but unpaid interest (if any), under the subordinated debt. The optional redemption by the issuer of the subordinated debt of one tranche does not trigger the redemption of the subordinated debt of other tranches. This is provided that, if required by the Bank of Thailand, 1) the redemption and	3,371,180,000 (MYR 400,000,000)	Issue rating AA3 by RAM Rating Services Berhad	None

Classified by type	Interest rate	Maturity	Collateral	Restrictions and Requirements	Value of debt securities in issue as at 31 Dec 2018 (THB)	Credit ratings (Moody's / Fitch Ratings)	Bond holder representative
				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.			
2. Tier 2 subordinated debt ¹	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 30 days prior to the call date, redeem and cancel the subordinated debt in whole but not in part on the call date in the principal amount together with all deferred and accrued but unpaid interest (if any), under the subordinated debt. The optional redemption by the issuer of the subordinated debt of one tranche does not trigger the redemption of the subordinated debt of other tranches. This is provided that, if required by the Bank of Thailand, 1) the redemption and substitution plans will include the issuance, either immediately or before the	(MYR 570,000,000)	Issue rating AA3 by RAM Rating Services Berhad	None

Classified by type	Interest rate	Maturity	Collateral	Restrictions and Requirements	Value of debt securities in issue as at 31 Dec 2018 (THB)	Credit ratings (Moody's / Fitch Ratings)	Bond holder representative
				redemption, of financial instruments of equivalent or superior quality in substitution for the subordinated debt to be redeemed; and 2) the issuance of these substitute instruments will not affect the issuer's ability to perform its business operation.			
3. Tier 2 subordinated debt ¹	5.20% per annum	29 March 2028	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 30 days prior to the call date, redeem and cancel the subordinated debt in whole but not in part on the call date in the principal amount together with all deferred and accrued but unpaid interest (if any), under the subordinated debt. The optional redemption by the issuer of the subordinated debt of one tranche does not trigger the redemption of the subordinated debt of other tranches. This is provided that, if required by the Bank of Thailand, 1) the redemption and substitution plans will include the issuance, either immediately or before the redemption, of financial instruments of equivalent or superior quality in	(MYR 390,000,000)	Issue rating AA3 by RAM Rating Services Berhad	None

Classified by type	Interest rate	Maturity	Collateral	Restrictions and Requirements	Value of debt securities in issue as at 31 Dec 2018 (THB)	Credit ratings (Moody's / Fitch Ratings)	Bond holder representative
				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 with cash flow hedge in the amount of MYR 400 million, MYR 570 million and MYR 390 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 December 2018, the Board of Directors was composed of the following 11 directors:

Name	Positions
1. Mr. Chakramon Phasukavanich	Independent Director / Chairman
2. Dato' Robert Cheim Dau Meng	Vice Chairman / Member and Alternate Chairperson of Nomination, Remuneration and Corporate Governance Committee
3. Mr. Maris Samaram	Independent Director / Chairman of Audit Committee
4. Mrs. Watanan Petersik	Independent Director / Chairperson of Nomination, Remuneration and Corporate Governance Committee
5. Datuk Josep Dominic Silva ¹ (resigned effective on 16 January 2019) Dato' Shaarani Bin Ibrahim (resigned effective on 20 April 2018)	Director / Member of Nomination, Remuneration and Corporate Governance Committee Independent Director/Member of Audit Committee / Member of Nomination, Remuneration and Corporate Governance Committee
6. Mr. Chitrapongse Kwangsukstith	Director / Member and Alternate Chairman of Board Risk Committee
7. Dato' Lee Kok Kwan (resigned effective on 15 January 2019)	Director / Chairman of Board Risk Committee
8. Ms. Serena Tan Mei Shwen	Director / Member of Board Risk Committee
9. Mr. Chanmanu Sumawong ²	Independent Director / Member of Audit Committee
10. Mr. Rom Hiranpruk ³	Independent Director / Member of Audit Committee
Mr. Pravej Ongartsittigul (resigned effective on 18 May 2018)	Independent Director / Member of Audit Committee
11. Mr. Kittiphun Anutarasoti	President and Chief Executive Officer

Note

¹ The 24th Annual General Meeting of Shareholders, held on 20 April 2018, resolved to appoint Datuk Joseph Dominic Silva as Director in place of Dato' Shaarani Bin Ibrahim.

² The 24th Annual General Meeting of Shareholders, held on 20 April 2018, resolved to appoint Mr. Chanmanu Sumawong as Director.

³ The Board of Directors meeting, held on 29 October 2018, resolved to appoint Mr. Rom Hiranpruk as Director / Independent director in place of Mr. Pravej Ongartsittigul, effective on 13 December 2018 and the Board of Directors meeting, held on 14 December 2018, resolved to appoint Mr. Rom Hiranpruk as member of Audit Committee in place of Mr. Chakramon Phasukavanich who had resigned, effective on 14 December 2018 onwards.

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. Ensure that all directors and executives perform duty of care and duty of loyalty, and as prescribed by law in accordance with the objectives and Articles of Association of the Bank as well as the resolutions of the shareholders' meeting.
2. Ensure that the Bank has put in place its policies and procedures as well as approval processes for important operations (e.g. investment, transactions with material impact on business, connected transactions, acquisition/disposal of assets, dividend payment, etc.) as prescribed by law.
3. Determine the Bank's business operation policies, strategies and objectives, consider and approve its business policies and framework, and control and monitor the management's discharge of functions in accordance with the policies set forth and in an efficient and effective manner in order to enhance financial value to the Bank, customers, stakeholders, and the society as a whole, with sustainability in business operation into account.
4. Select and nominate individuals qualified for the shareholders' consideration and election as directors, and support the shareholders' exercise of rights with channels available for them to nominate candidates to stand for election as directors.
5. Select and nominate qualified individuals from diverse professional expertise and experience for appointment as top executives.
6. Approve business budgets based on joint consideration with the management.
7. Delegate authority to executives to carry out tasks in accordance with the targets, except in case of significant issues with drastic impacts and those not in normal course of business of the Bank, such as investment in other businesses, making sizable transactions, etc., or the issues with conflict of interests of the executives, thereby the Board shall handle in order to relieve managerial risks, or make recommendation to the shareholders' meeting if shareholders' approval is required pursuant to the regulatory criteria.
8. Determine the issues to be brought by the management to the attention of the Board.

9. Establish measures for the management to take in order to meet the targets and plans set out, and ensure that the management communicates the policies, targets and plans to staff at all levels across the organization.
10. Supervise and monitor the management's business administration to ensure the Bank's operations comply with the laws and provisions in the relevant agreements.
11. Supervise to ensure that the Bank and its subsidiaries in the financial business group have in place risk factors determination, risk assessment, risk management measures, risk monitoring and examination, and review of risk management system on a regular basis, including the building of risk culture within the organization as well as having the remuneration structure that is effective and promotes risk culture.

Duties of Board of Directors relating to the risk governance framework:

12. Formulate or approve the overall risk management policies and strategies, transaction making or new product launch policy, and risk appetite that is in line with risk profile and business model of the Bank and its subsidiaries in financial business group.
13. Oversee that the Bank and its subsidiaries have in place risk taking policies and processes, including internal pricing process (if any), that are in accordance with the overall risk management policies and strategies and risk appetite.
14. Assign and oversee that senior executives set the risk limit in accordance with the risk appetite, and communicate with related persons to ensure their acknowledgment and understanding on a regular basis.
15. Assign and oversee that senior executives formulate detailed policies, processes, and systems for managing overall risks and each type of risk, as well as frameworks or procedures for identifying, assessing, monitoring, controlling and reporting risks.
16. Approve an organizational structure that facilitates the monitoring, oversight, control and examination to ensure that the Bank's operations comply with policies, strategies, processes and procedures on risk management.
17. Oversee that there is the building of risk culture.
18. Review and verify the adequacy and effectiveness of the policies and strategies on overall risk management and risk appetite at least once a year or promptly upon any significant change.
19. Monitor the overall risk exposure and the exposure of each type of risk.
20. Oversee that the Bank and its subsidiaries hold stable and sufficient capital and liquidity to support both current and future business operations.
21. Ensure the Bank has in place and maintains adequate, appropriate and effective internal control and audit system for the benefits of the Bank, determine clear guidelines to prevent and eliminate conflict of interests, formulate policy and procedure to control and prevent abuse of the Bank's inside information for own benefits, and assess as well as review adequacy of internal control system at every year-end.
22. Oversee that the Bank discloses important good governance data at the shareholders' meeting and to the public to promote and demonstrate that the Bank is committed to good governance.
23. Coordinate and maintain good balance among diverse groups of stakeholders and the Bank through fair treatment of all parties.
24. Be accountable for the Bank's financial statements and disclosure thereof, and ensure monitoring by the Board of the management's operations and that of the Bank in overall by the shareholders.
25. Ensure there is operational reporting system to track whether the actual operations are on track compared with the targets and identify problems and obstacles so that the Board can monitor and improve or modify the action plans and strategies as deemed appropriate.

26. Prepare report of the responsibility of the Board of Directors in the annual report alongside the auditor's report, covering important points as per Board member's code of conduct to ensure that the Bank's financial report is accurate, complete, and reliable.
27. Oversee that senior executives implement the specified targets, policies and strategies throughout the Bank and its subsidiaries, as well as set out processes and operating systems, and make the relevant arrangements so that the Bank and its subsidiaries reach the targets according to the policies and strategies as specified or approved by its Board of Directors.
28. Oversee that the Bank and its subsidiaries prepare the complete minutes of Board of Director's meeting, where the comments on important agenda/issues of each individual director must be recorded.
29. Oversee to ensure that senior executives have skills needed for performing functions of the Bank and its subsidiaries, including the appointment of qualified persons with managing power, and that there is a succession plan for senior executive to ensure that the Bank and its subsidiaries can operate their business on an ongoing basis.
30. Set guidelines for evaluation of executives' performance to support annual consideration and adjustment of salaries and bonuses taking into account duties and responsibilities and associated risks, as well as enhancement of shareholder value in the long run.
31. Consider structure and criteria of bonus and compensation payments to employees, contract employees or any person doing business for the Bank, whether full-time or part-time, as proposed by the management.
32. Appoint any person as advisor to the Board or request any professional opinion from external advisor to assist and advise on the Bank's operations at the Bank's own expense, and determine remuneration and bonuses as deemed appropriate.
33. Appoint a number of Board members to sit on other committees or subcommittees to take charge of any one or several activities, determine remuneration and bonuses for them as deemed appropriate, and render support to them with delegation of authority so that they can fully function and engage consultants/advisors with specialized expertise to give additional opinions at the Bank's own expense, as well as make available full-time staff to follow up, seek information and coordinate in support of the operations of the committees/subcommittees.
34. Oversee that there is the appropriate balance of power between the Bank's Board of Directors members by placing importance on the component or number of independent directors and the effective duty performance by that Bank's Board of Directors members for balance of power.
35. Ensure the Bank's complete, adequate, reliable and timely disclosure of information.
36. Revise the segregation of duties among Board of Directors, President and CEO, and management on a regular basis to be consistent with the organization's direction.
37. Take into consideration the business operation impact on the society and the environment besides financial profits.
38. Put in place policies as written operation guidelines for directors, executives and staff members, i.e. Corporate Governance Policy and Code of Ethics and Conduct, which define roles and responsibilities of the Board of Directors so that they can use as reference, ensure that there is enough communication for directors, executives and employees' understanding, with enough mechanism that enables their compliance with such policies, and monitor compliance results as well as review the policies and actual operation on a regular basis.
39. Supervise and monitor objective, target and strategy of each business function to be in line with main targets and objectives of the business, with adoption of new innovations and technologies to enhance the Bank's competitiveness and respond to the needs of stakeholders in a safe and appropriate manner and with social and environmental responsibility.

40. Ensure that there is data security system, and put in place policies and procedures regarding confidentiality, integrity and availability of information, and management of market sensitive information.
41. Ensure that management has efficiently and effectively managed and allocated resources, taking into consideration impacts and development of resources to enable the Bank to achieve its main targets and objectives.
42. Establish an IT governance and management framework at organizational level that is aligned with the business needs and priorities, and ensure use of IT to maximize business opportunities, develop operational performance, and strengthen risk management in support of the business objectives.
43. Oversee that the Bank and its subsidiaries in financial business group have fair market conduct according to the Bank of Thailand's Notification Re: Market Conduct Guidelines.
44. Oversee that the Bank and its subsidiaries have the efficient whistleblowing Policy and Procedure.
45. Oversee that there is an annual assessment of the performance of the Bank's Board of Directors and each individual director in the forms of (i) self-evaluation and (ii) cross evaluation or third party evaluation and there is an assessment of the performance of the top executive of the Bank, and that the directors must continuously obtain the skill training needed for their duties.

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 2018, 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/ ¹	12/12	5/12	-	-
2.	Dato' Robert Cheim Dau Meng	12/12	-	12/12	-
3.	Mr. Maris Samaram	11/12	12/12	-	-
4.	Mrs. Watanan Petersik	9/12	-	8/12	-
5.	Datuk Joseph Dominic Silva/ ² (resigned effective on 16 January 2019)	7/12	-	7/12	-
	Dato' Shaarani Bin Ibrahim (resigned effective on 20 April 2018)	4/12	4/12	4/12	-
6.	Mr. Chitrapongse Kwangsukstith	11/12	-	-	11/12
7.	Ms. Serena Tan Mei Shwen	10/12	-	-	11/12
8.	Dato'Lee Kok Kwan	9/12	-	-	11/12
9.	Mr. Rom Hiranpruk/ ³	1/12	-	-	-
	Mr. Pravej Ongartsittigul (resigned effective on 18 May 2018)	4/12	5/12	-	-
10.	Mr. Chanmanu Sumawong	8/12	8/12	-	-
11.	Mr. Kittiphun Anutarasoti/ ¹	12/12	-	-	10/12

Note

¹ The Board of Directors meeting, held on 20 July 2018, resolved to appoint Mr. Chakramon Phasukavanich, as member of Audit Committee.

^{/2} The 24th Annual General Meeting of Shareholders, held on 20 April 2018, resolved to appoint Datuk Joseph Dominic Silva as Director in place of Dato' Shaarani Bin Ibrahim.

^{/3} The Board of Directors meeting, held on 29 October 2018, resolved to appoint Mr. Rom Hiranpruk as Director / Independent director in place of Mr. Pravej Ongartsittigul, effective on 13 December 2018 and the Board of Directors meeting, held on 14 December 2018, resolved to appoint Mr. Rom Hiranpruk as member of Audit Committee in place of Mr. Chakramon Phasukavanich who had resigned, effective on 14 December 2018 onwards.

8.2 Executive Management

As of 31 December 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 |
| 16. | Ms. Uthaiwan Sukphanpim | Head of Customer Experience Management |
| 17. | Ms. Pajaree Thongvanit | Head of Legal |

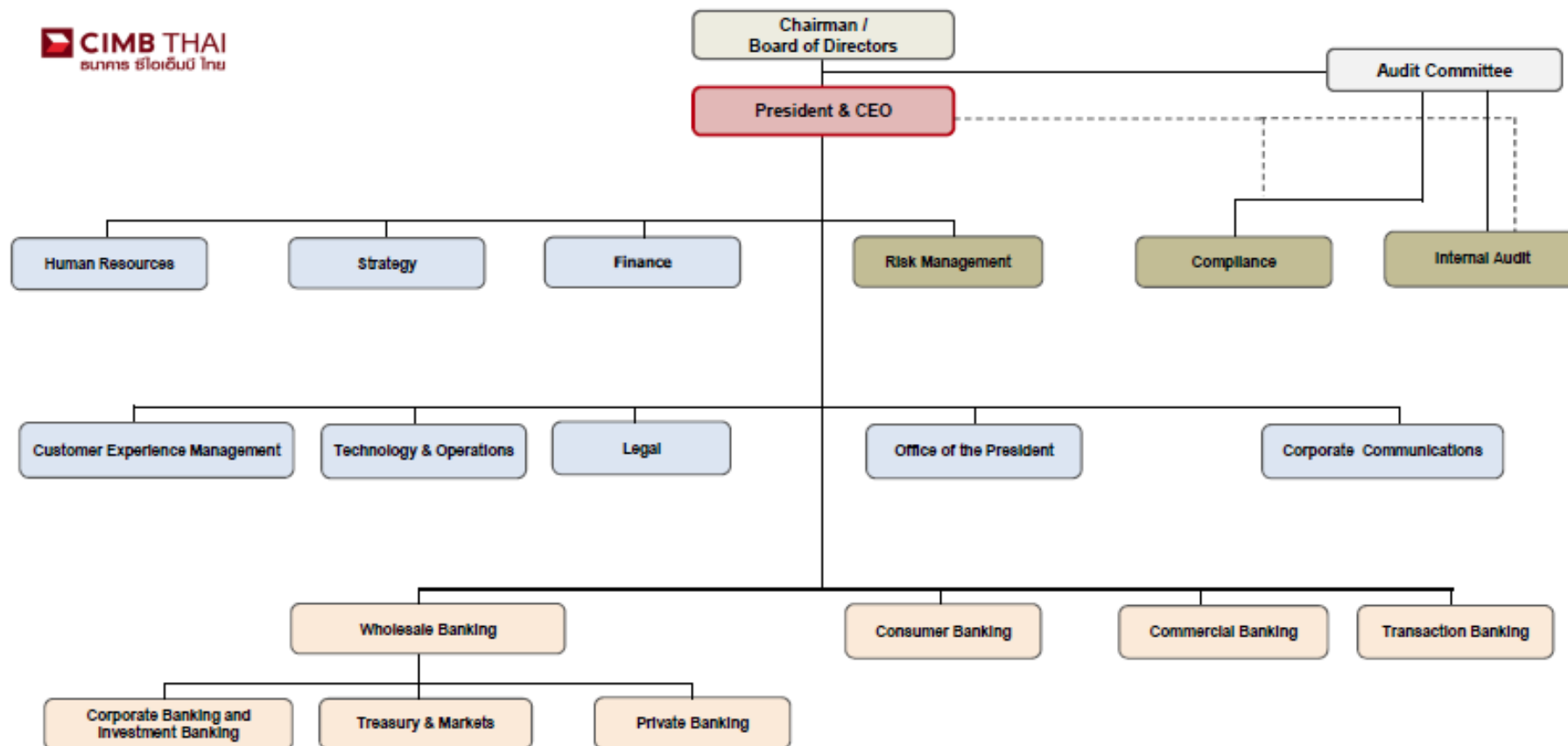
As of 31 December 2018, CIMB Thai has 16 executives from Senior Executive Vice President upward and executives in Accounting and Finance in accordance with the SEC definition of the term 'executives' as below:

- | | | |
|-----|-----------------------------|---|
| 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 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 |
| 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. Zethjak Leeyakars | Head of Compliance and Acting Head of Office of the President |
| 15. | Mr. Pao Chatakanonta | Deputy Head of Treasury |
| 16. | Ms. Waewalai Wattana | Head Financial Control |

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 1 January 2019)



Effective from 1 January 2019

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:

- Give preliminary advice and suggestions to Board members on legal issues, and rules, regulations and practices of the Bank to ensure performance under good corporate governance principles.
- Make arrangements for holding of Board meeting and shareholders' meeting in line with the law and Articles of Association of the Bank, and take minutes of such meetings, as well as follow up the execution in accordance with the resolutions passed at such meetings.
- Prepare and maintain directors' register, invitation notices and minutes of Board meetings, invitation notices and minutes of shareholders' meetings, and annual reports.
- Prepare documents and information that will benefit performance of duties of new directors, and brief them about the Bank's nature of business and business framework.
- Make available training courses and seminars to enhance directors' knowledge and develop their skills and experience that will benefit the directors' performance of duties.
- Ensure the disclosure of information and information memorandum on the part under responsibility to the supervisory bodies under the relevant rules and regulations.
- Contact and communicate with shareholders in general to ensure they are aware of their rights and have access to the news and information of the Bank.
- Undertake other tasks as announced/prescribed by the Capital Market Supervisory Board.
- Company Secretary undergoes ongoing knowledge and skills training and development in the areas of law, accounting, or performance of duties of company secretary.

Profile of the Company Secretary is shown in attachment 1

8.4 Director and Management Remuneration as of 31 December 2018

(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 2018. The aggregate remuneration for directors comprising meeting and entertainment allowances for Board members and remuneration for Board committee members amounted to THB 12,891,200 in 2018 (compared with THB 12,216,000 in 2017), as described below:

1. Board of Directors	THB	8,012,200 (2017: THB 7,400,400)
2. Audit Committee	THB	1,884,800 (2017: THB 2,014,800)
3. Nomination, Remuneration and Corporate Governance Committee	THB	1,494,400 (2017: THB 1,431,000)
4. Board Risk Committee	THB	1,499,800 (2017: THB 1,369,800)

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	2,517,000	200,000	-	-
2	Dato' Robert Cheim Dau Meng	Vice chairman	1,135,200	-	480,000	-
3	Mr. Maris Samaram	Independent Director	548,000	928,800	-	-
4	Mrs. Watanan Petersik	Independent Director	488,000	-	530,400	-
5	Datuk Joseph Dominic Silva	Director	376,000	-	324,000	40,000
	Dato' Shaarani Bin Ibrahim	Independent Director	196,000	160,000	160,000	-
6	Mr. Chitrapongse Kwangsukstith	Director	548,000	-	-	462,000
7	Ms. Serena Tan Mei Shwen	Director	528,000	-	-	444,000
8	Dato' Lee Kok Kwan	Director	488,000	-	-	553,800
9	Mr. Rom Hiranpruk	Independent Director	44,000	-	-	-
	Mr. Pravej Ongartsittigul	Independent Director	180,000	218,000	-	-
10	Mr. Chanmanu Sumawong	Director / Independent Director	396,000	378,000	-	-
11	Mr. Kittiphun Anutarasoti ¹	President and CEO	568,000	-	-	-
Total			8,012,200	1,884,800	1,494,400	1,499,800

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 2018, the aggregate remuneration for 16 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 135.19 million. In addition, the aggregate remuneration for 52 Executive Vice Presidents and above (in accordance with the BOT definition of the term 'executives') was THB 317.25 million.

(2) Other benefits

In 2018, the Bank's contribution towards the provident fund for 16 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 5.51 million. Meanwhile, its contribution towards the provident fund for 52 Executive Vice Presidents and above (in accordance with the BOT definition of the term 'executives') was THB 13.98 million.

8.5 Organisation and Personnel

As of 31 December 2018, the total manpower of the Bank was 3,024 employees, of whom 827 work at Bank branches and 2,197 at the head office, as below:

	No. of employees
1. President and Chief Executive Officer	1
2. Wholesale Banking, Corporate Banking and Investment Banking	
2.1 Corporate Banking and Investment Banking	108
2.2 Treasury & Markets	76
2.3 Private Banking	30
3. Consumer Banking	1,55
4. Commercial Banking	184
5. Transaction Banking	40
6. Risk Management	96
7. Finance	140
8. Technology and Operations	574
9. Legal	16
10. Strategy	13
11. Human Resources	52
12. Office of the President	10
13. Corporate Communications	23
14. Internal Audit	56
15. Compliance	41
16. Customer Experience Management	9
<u>Total</u>	<u>3,024</u>

Staff Development Programme and Human Resource Management Plan

The Bank is committed to consistently developing people capability at all levels with focus on intensive career development and succession planning to enhance knowledge, skills and competencies of staff. The training roadmap is designed and developed through identifying required skill set for each job role to support career advancement. The Bank realize the rapid change in digital disruption environment, therefore, the 3D Academy was launched to equip our staff with new skills. This will enable the Bank to align people development with future business strategies and goals. In addition, the Bank continues to develop integrated learning approaches through various programs would include but not limit to mentoring and coaching, peer to peer learning and learning on mobile (e-learning modules) etc. to promote learning outside the classroom.

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 2,381.63 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

The Bank is committed to consistently developing people capability at all levels with focus on intensive career development and succession planning to enhance knowledge, skills and competencies of staff. In 2018, the Bank provided 308 training courses comprising of 187 in-house and 121 external programme leading to the average training hour was 5 days per staff per year. Total training expenses was THB 33.7 million.

In 2018, there were several new people development initiatives to support future business strategies and goals. In view of the rapid change in digital disruption environment, therefore the 3D Academy was introduced to equip our staff with new skillsets in areas of Digital, Data and Disruption. In addition, the training roadmap is designed and developed through identifying required skillset of each job role to support career advancement. The bank continue to develop integrated learning approaches through various programs i.e. mentoring and coaching, peer to peer learning and learning on mobile (e-learning modules) etc. to promote learning outside the classroom.

Moreover, the Bank strongly support in developing internal talent pool through several leadership training programs both locally and regionally i.e. CIMB-INSEAD Leadership Programme (CLP), Accelerated Universal Bankers (AUB), Regional Middle Management Development Programme which allowed high potential staff to network with their peers across the region.

Staff Health and Safety Information

Proportion of average leave days of staff classified by type	2018 %	2017 %
Sick leave	18.50	19.26
Work related injury and sickness	0.0	0.0
Others	81.50	80.74
No. of average sick leave days (days/person)	2.93	3.39
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.”**

Fine details of the Bank and the subsidiaries.

As of December 31, 2018

Regulators	Fine from Regulators					
	Year 2018				The first three frequency fine in recent five years	
	Total amount (Baht)	The first three maximum amount			Section	Relevant laws
		Amount (Baht)	Section	Relevant laws		
1. Bank of Thailand	1,200,000	1,200,000	Section 66 and 71	Financial Institution Act B.E.2551 as amended	Section 5, 6 and 10	Emergency Decree on Financial Support to Flood Damage B.E. 2555
					Section 66 and 71	Financial Institution Act B.E.2551 as amended
2. Office of the Securities and Exchange Commission	-	-	-	-	Section 113	Securities and Exchange Act as amended
3. Office of Insurance Commission	-	-	-	-	-	-
Conclusion	In year 2018, the Bank was fined only once.				In recent 5 years, the Bank was fined at 3 times.	

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 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. 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 has been updated to comply with the good governance principles and relevant regulatory requirements. Details of the Bank's corporate governance policy are available on its website: www.cimbthai.com.

Corporate Governance

1. Rights of Shareholders

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

The Bank is required to hold its annual general meeting of shareholders (AGM) within four months from the fiscal year end. Meetings of shareholders other than general meetings are called extraordinary meetings, which can be convened by the Board at any time it deems fit. The 2018 AGM was held on 20 April 2018.

Before the AGM, from 1 October 2017 to 31 December 2017, 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 2018 AGM, a group of shareholders nominated a candidate to for election as the Bank's director at the 2018 AGM. However, the nomination of the person to be elected as the director by the shareholders was not in compliance with the Bank's criteria for granting shareholders the right to nominate a candidate for election as a director of the Bank. NRCC thus did not propose the nominated candidate to the Board for further proposal to the shareholders' meeting for consideration.

To convene the 2018 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 2017 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 AGM date, various measures were taken to facilitate participation by the shareholders or proxy holders, including assigning staff to verify their related credentials to preserve their rights and ensure equitable treatment is offered to all shareholders. Registration of attendees was conducted through a bar code system with separate voting slips provided for each agenda item. The shareholders and proxy holders had the opportunity to register at least two hours before the meeting began. Also, during the meeting, the shareholders could register their attendance to exercise their voting rights for any agenda item for which resolutions had not yet been passed. The Bank prepared proxy forms and details on proxy granting for shareholders who had 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 2018 AGM, six shareholders appointed a member of the Audit Committee who is an independent director to attend the AGM and vote on the shareholders' behalf.

At the 2018 AGM, 90% of the Board members and 319 shareholders and proxies attended the meeting, with total shares held of 29,334,795,657 shares representing 96.8777% 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 as simultaneous English translation would be provided for foreign shareholders. In addition, the Bank gave multimedia presentation of the proposed information for the meeting. 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, for shareholders' reference.

2. Equitable Treatment of Shareholders

The Bank recognises the importance of fair treatment of all shareholders including its duty on protection of shareholders' interests. Measures are in place to prevent the use of internal information for personal gains by the Board members, executives and employees. The Board has set a policy and procedure to prohibit unauthorised disclosure of material, non-public information which may affect the Bank's securities. Such policy and procedure require members of the Board, executives and employees, including spouses and underage children thereof, to refrain from using information that has become privately known to them for purchase, sale, transfer or receipt of transfer of securities of the Bank during a one-month period before such information goes to public. Moreover, members of the Board and executives from levels of Senior Executive Vice President or the equivalents upward, and those holding executive positions or 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 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 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, the Bank has set up Customer Experience Management (CX) as a work unit to work closely with CIMB Thai Care Centre and other customers' contact points to efficiently handle client complaints and queries. The Customer Complaint Handling Policy has been established to set out the standard framework and mechanism when dealing with customers' complaints in accordance with local regulatory requirements and CIMB Group standards. The Policy enables CX to act as an independent centralised complaint management unit to ensure that all customer complaints are handled objectively by relevant subject matter experts in a fair and timely manner. This is to ensure prompt and constructive responses are given to customers, which will in turn build customers' loyalty and trust in CIMB Thai. In addition, customers' confidentiality is strictly observed at all times unless the disclosure is required by law or authorised in writing by the customers.

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 2018, the Bank organised IR activities to provide information both directly and indirectly as follows:

1. Welcome of altogether six investors and analysts to meet with the management team for inquiry on operating results, altogether 12 meetings.
 2. Press release issued whenever the Bank had significant investment or business activities.
 3. Availability of channels for inquiries via email at ir@cimbthai.com, phone at +66-2626-7738, or website at http://www.cimbthai.com/CIMB/investor_relations/.
- Dissemination of information to the general public via the media when financial results and business directions are to be announced to interested parties. This allows local and foreign investors and analysts to keep abreast of the Bank's performance and growth.

5. Responsibilities of the Board

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 11 Board members. Election of Board members follows the resolution of the shareholders' meetings and as set out in the Bank's Articles of Association whereby 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
- 5 independent directors (accounting for 45.45% of the entire Board)

Three 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 segregation 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, persons with managing power, and advisors of the Bank may assume either chairmanship or executive directorship or both in other companies of no more than three business sectors, excluding directorship in financial institutions..
- Directors, managers, persons with managing power, and advisors of the Bank may hold directorship in no more than five listed companies, both at home and overseas (with directorship at the Bank counted as one of five), excluding listed companies the Bank has acquired from debt restructuring.

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:

- Give preliminary advice and suggestions to Board members on legal issues, and rules, regulations and practices of the Bank to ensure performance under good corporate governance principles.
- Make arrangements for holding of Board meeting and shareholders' meeting in line with the law and Articles of Association of the Bank, and take minutes of such meetings, as well as follow up the execution in accordance with the resolutions passed at such meetings.
- Prepare and maintain directors' register, invitation notices and minutes of Board meetings, invitation notices and minutes of shareholders' meetings, and annual reports.
- Prepare documents and information that will benefit performance of duties of new directors, and brief them about the Bank's nature of business and business framework.
- Make available training courses and seminars to enhance directors' knowledge and develop their skills and experience that will benefit the directors' performance of duties.
- Ensure the disclosure of information and information memorandum on the part under responsibility to the supervisory bodies under the relevant rules and regulations.
- Contact and communicate with shareholders in general to ensure they are aware of their rights and have access to the news and information of the Bank.
- Undertake other tasks as announced/prescribed by the Capital Market Supervisory Board.
- Company Secretary undergoes ongoing knowledge and skills training and development in the areas of law, accounting, or performance of duties of company secretary.

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. The Bank has communicated to all staff guidelines for compliance with the 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, and inappropriate 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 at least 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 and preparing the minutes of each meeting, which is adopted by the Board and filed for possible examination by the Board and relevant agencies. In 2018, 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.

If necessary, the Board may appoint an external consultant to assist in determining guidelines and recommending issues for evaluation of work performance of the Board at least once every three years and disclose such proceeding in the annual report.

Moreover, the Bank will conduct annual evaluation of President and CEO'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 2018 annual general meeting of shareholders no. 24 held on 20 April 2018 passed a resolution approving the remuneration for the Board and Board Committee members for 2018, as detailed below:

1. Meeting and entertainment allowances for Board members

Remuneration (Position)	Year 2018	
	Allowance (Monthly)	Allowance (Per attendance)
1. Meeting allowance		
• Chairman	71,500 THB/person	58,500 THB/person
• Vice Chairman	48,400 THB/person	39,600 THB/person
• Director	24,000 THB/person	20,000 THB/person
2. Entertainment allowance		
• Chairman	70,000 THB/person	-

Directors are responsible for paying their own income tax.

2. Remuneration for Board Committee members

Directors appointed by the Board to serve on Board Committees are entitled to receive additional monthly allowance and meeting allowance per attendance as below:

Remuneration (Position)	Year 2018	
	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 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 programmes 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 2018, there were three new directors appointed by the shareholders' meeting and Board meeting. The new directors have 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 various laws and regulations each director needs to know.

The Bank is committed to consistently developing people capability at executive level and other levels with focus on intensive career development and succession planning to enhance knowledge, skills and competencies of staff. The training roadmap is designed and developed through identifying required skill set for each job role to support career advancement. With realisation of the rapid change in digital disruption environment, 3D Academy has been launched to equip staff with new skills. This will enable the Bank to align people development with future business strategies and goals. In addition, the Bank has continued to develop integrated learning approaches through various programs which include but not limit to mentoring and coaching, peer to peer learning and learning on mobile (e-learning modules), etc. to promote learning anytime and anywhere outside the classroom.

H. Succession Plan

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

9.2 Board Committees

Board Committees 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. | Mr. Chanmanu Sumawong | Independent Director | as Member |
| 3. | Mr. Rom Hiranpruk | Independent Director | as Member |
| 4. | Ms. Siriporn Sanunpairaue | Head of Internal Audit | as Secretary for Internal Audit funct |

- | | | | |
|----|-----------------------|--------------------|--------------------------------------|
| 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 listing requirements of the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).
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 the AC or appointment of management to perform duty on behalf of the AC, if any.
11. Approve, revise and conduct 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 in compliance with the requirements of regulatory bodies.
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 the AC by the Board.

Coverage: CIMB Thai financial 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 Chairman |
| 3. | Datuk Joseph Dominic Silva | 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 (Executive Vice President – 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 (BOT) 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 BOT upon its request. (Policies on remunerations, benefits and welfares shall cover every aspect of remunerations, including director fees, salaries, allowances, bonuses, and relevant options and benefits.)
 - To ensure that remunerations of directors and persons with management power (EVP upwards) 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 the 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 bonus 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 Code 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 the Bank's good corporate governance.
4. The Committee may consider other matters as 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. Datuk Joseph Dominic Silva | Director | as Member |
| 5. 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. Asset and Liability 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 MATs (e.g. market risk, credit risk, operational risk, strategic risk, etc.) of CIMB Thai and its financial business group as follows:
 - Frameworks/policies/limits and MATs of CIMB Thai
 - 2.1. To approve new or changes in risk frameworks/policies which may result in material increase in risk levels, as permitted by regulator(s) for such matter to be approved by delegated committee of the Board of Directors (BOD); 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 MATs of CIMB Thai 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 as follows:
 - 3.1. To ensure capital management frameworks, policies and strategies as well as other relevant frameworks, policies and strategies are complied with and implemented efficiently.
 - 3.2. To review and approve the stress testing scenario and risk posture.
 4. To review and concur or approve proposals recommended by risk committees including but not limited to the following:
 - New 3rd party of CIMB Thai and its financial group
 - Approve the new 3rd party(ies) of CIMB Thai (excluding CIMB Principal and companies in the financial group) before selling their products or concur on the new 3rd party(ies) of financial group prior to submission for approval of the respective Board of Directors of the companies within the financial group.
 5. To provide strategic guidance and review decisions made by the various risk committees.
 6. To ensure that infrastructures, 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 to review and advise BRC on risk management matters as necessary.
 8. To approve and ensure the followings are in line with regulatory requirements:
 - 8.1. Risk-related disclosures; and
 - 8.2. Internal control on risk-related disclosure process.
- Coverage: Companies in 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 relevant committees.

9.3 Management Committee

The Management Committee is composed of:

- | | |
|---|-----------------------|
| 1. President and Chief Executive Officer | as Chairman |
| 2. Co-Head 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 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. Head of Legal	as Member
16. Head of Customer Experience Management	as Member
17. 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 business units;
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-functional and cross-border synergies;
6. Deliberate key regulatory issues;
7. Approve delegated authority on internal operations of non-risk related business units;
8. Approve, revise and conduct 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 review of member composition, 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 Consumer Banking only in case of 3rd party products which are not related party transactions 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 ones 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 financial group

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 annual 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 2018, fees paid to the external auditor were as follows:

(1) Audit fee

CIMB Thai group paid the auditor audit fee of THB 11.3 million. Other incidental expenses included transport and photocopying expenses.

(2) Non-audit fee

There was no non-audit service fee paid to the auditor in the fiscal year 2018.

9.7 The Board of Directors is well aware of roles, responsibilities, and principles of Corporate Governance Code for Listed Company 2017 (CG Code 2017) issued by the Office of the Securities and Exchange Commission (Office of the SEC) which provide sustainable values to the Bank's business. Therefore, the Board of Directors' meeting no. 2/2019 held on 22 February 2019 has approved the Bank to revise its Corporate Governance Policy to be in line with the Office of the SEC's CG Code, and to apply the principles of the CG Code into the Bank's business context. The revision shall be made on a yearly basis to maintain the policy's coverage and relevancy to the fast-changing development of corporate governance principles

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 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.

The Bank is committed to consistently developing people capability at all levels with focus on intensive career development and succession planning to enhance knowledge, skills and competencies of staff. In 2018, the Bank provided 308 training courses comprising of 187 in-house

and 121 external programme leading to the average training hour was 5 days per staff per year. Total training expenses was THB 33.7 million.

In 2018, there were several new people development initiatives to support future business strategies and goals. In view of the rapid change in digital disruption environment, therefore the 3D Academy was introduced to equip our staff with new skillsets in areas of Digital, Data and Disruption. In addition, the training roadmap is designed and developed through identifying required skillset of each job role to support career advancement. The bank continue to develop integrated learning approaches through various programs i.e. mentoring and coaching, peer to peer learning and learning on mobile (e-learning modules) etc. to promote learning outside the classroom.

Moreover, the Bank strongly support in developing internal talent pool through several leadership training programs both locally and regionally i.e. CIMB-INSEAD Leadership Programme (CLP), Accelerated Universal Bankers (AUB), Regional Middle Management Development Programme which allowed high potential staff to network with their peers across the region.

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

2018 was another year that saw CIMB Thai continue our commitment to corporate social responsibility under the concept "COMMUNITY LINK: Let Children Colour Their Dreams" to promote education for the youth in remote areas who were still in need of learning tools while also developing local wisdom so that both the communities and the schools could grow sustainably together. The main area of support was information and communication technology (ICT) with provision of computers to give school children equal access to sources of knowledge. Besides, with awareness of the importance of learning outside the classroom, we gave support to several projects, such as demonstration plots for local plants with processing room, mushroom greenhouse, poultry house, pigsty, clay doll factory, and bakery classroom, etc., to promote vocational education and local wisdom learning among children. Certain projects have subsequently been carried on by the locals together with the students, leading to further development toward advanced technology.

As regards social projects, the Bank collaborated with government agencies, such as Queen Sirikit Sericulture Center Nakhon Ratchasima under The Queen Sirikit Department of Sericulture Region 4 - Nakhon Ratchasima to arrange a workshop for students and local people of Baan Nong Muang Waan to learn every step of silk weaving from experts, from growing mulberry and raising silkworms to dyeing silk from natural materials. The project has come out very successful so far as silk fabrics weaven by three students have attained Classic Thai Silk standard of Queen Sirikit Sericulture Center Nakhon Ratchasima, [making Baan Nong Muang Waan School the first school to receive the certification together with another two locals](#). This has reflected the success of cooperation between the school and the community. The Bank also pursued its commitment to developing projects coordinated with schools in previous years to carry on the success of those projects, such as "Let Children Colour Their Dreams... Pig Bank Project" and so forth aimed at strengthening the communities toward a sustainable development in respect of both technical and life skills.

Moreover, the Bank has focused on ensuring employees are aware of social responsibility and promoting good relationship among work units through volunteering and social contribution activities. Various projects have consistently been opened for volunteering staff to participate. Staffs in provincial areas have also been encouraged to explore and propose names of remote area schools

in need of support. They will directly contact the schools and communities with the Bank only giving advice and assistance. This will help foster good relationships between the Bank and local communities.

The main philosophy of the above CSR projects and activities is development of local communities alongside educational development for school children as both schools and communities are intertwined with and reliant on each other in order to sustainably grow together.

In implementing various social projects, we have closely collaborated with our allies, namely Thai Television Channel 3 News Family, Srinakharinwirot University, Media Associated Co., Ltd., Kingsman C.M.T.I. Co., Ltd., World Vision Foundation of Thailand, and Young Creative School, etc.

In 2018, over 6,450 school students, parents, and local people benefited from CIMB Thai's CSR projects.

Educational projects

1. Baan Sop Sa School, Mae Hong Son Province
2. Baan Mueang Rae School, Mae Hong Son Province
3. Baan Nong Khaem School, Suphan Buri Province
4. Wat Rattana Wararam School, Songkhla Province
5. Baan Song Yang Song Ploi School, Kalasin Province
6. Baan Nong Bua Jod Dong Ling School, Kalasin Province
7. Baan Pong Daeng Nam Cha Samakkhi School, Nakhon Ratcahsima Province
8. Wat Samran School, Lop Buri Province
9. Baan Thin School, Udon Thani Province
10. Baan Pa Taan School, Chiang Mai Province
11. Baan Nong Muang Waan School, Nakhon Ratchasima Province
12. Sawasdee Wittaya School, Si Saket Province

Social and environmental projects

1. Every 3 months' blood donation project in collaboration with National Blood Centre, Thai Red Cross Society, held consecutively every year
2. "Thai Aid for Laos Flood Victims"
3. "Thai Aid for Indonesia Tsunami Victims"
4. "Good Deeds for Good Sight" donation for Ban Paew Eye Hospital, Samut Sakhon Province
5. 3rd "Let Children Colour Their Dreams" project
6. "Let Children Colour Their Dreams... Mulberry and Silkworm Learning," Baan Nong Muang Waan Community, Nakhon Ratchasima Province

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 CX Employee Engagement: Honorary Mention from Customer Experience Asia Excellence Awards 2017 under CIMB Thai Customer Experience, The Best CX Personality: CX Rockstar Award from Customer Experience Asia Excellence Awards 2017 to Dr. Piyawat Jirapongsuwan, Senior Vice President of Business Engineering, ICT Excellence Award in Core Process Improvement 2017 from TMA ICT 2017 under Collection and Recovery Platform. ICT Excellence Award in Core Process Improvement 2018 from TMA ICT 2018 under Digital Unsecured Loan Process Improvement, ICT Excellence Award in Business Enabler 2018 from TMA ICT 2018 under Customer Experiences (CX) Management by

Digital Business Intelligence System, IDC Digital Transformation Award 2018: The Best Omni Experience Innovator of the Year 2018 from IDC under Digital Transformation for Unsecured Loan Process. 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 mechanisms 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 organisation taking into account proper segregation of duties that will contribute to effective risk management and internal control as well as monitoring and auditing systems (three lines of defense). 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 governance framework in place. Board Risk Committee and Risk Management unit are in charge of formulating comprehensive risk management policy and procedures of the Bank as well as setting up the risk control and monitoring mechanisms, and continuously fostering the risk culture of the Bank.

- **Oversight of executive management**

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

Executive Management is required to bring to the attention and consideration of the Board any transactions to provide loans or make investment in businesses in which the Bank's major shareholders, directors or senior executives as well as parties related to them have beneficial interests. In addition, any sales, giving, lease, purchase or rent of assets concerning the Bank's major shareholders, directors or senior executives as well as parties related to them have to comply with the policies and procedures in place.

In addition, the Bank has established Compliance unit to provide oversight and support to ensure that the Bank conducts its businesses in compliance with all applicable laws and regulatory requirements. 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 good risk management and internal control principles.

- **Information and communication infrastructure**

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

- **Follow-up and monitoring system**

The Bank has put in place processes for monitoring and reviewing the implementation of activities against its strategic objectives, policies, procedures, relevant laws, regulations, and internal control systems. An annual business plan is prepared and 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.

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

12. Related Party Transactions

As of 31 December 2018, 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 43 of Financial Statements for the year ended 31 December 2018.

- Connected transactions with persons who may have conflicts of interest

Name and Relationship	Transaction Characteristics and Value	Necessity and Reasonableness with Audit Committee's Opinion																			
CIMB Group, the indirect major shareholder of the Bank	<p>CIMB Group has changed the 1P chargeback per actual new account opened from MYR 39.72 to MYR 60.50 (excluding VAT) effective from 25 January 2018.</p> <p>This transaction is considered the Bank's normal business support.</p>	The Board of Directors' meeting no. 1/2018 held on 18 January 2018 (excluding CIMB Bank's representative directors with conflict of interest who abstained 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.																			
Sathorn Asset Management Co., Ltd. (STAMC), a subsidiary of CIMB Group which is the indirect major shareholder of the Bank	<p>The Bank has revised the legal fee payable to STAMC for purpose of filing civil lawsuit in case of consumer secured loans to be in line with the rates on which the Bank agrees with other outsourced lawyers as follows:</p> <table><tr><th rowspan="2">Type of case / loan</th><th colspan="2">Existing</th><th colspan="2">Proposed</th></tr><tr><th>Professional fee</th><th>Conditions of payment</th><th>Professional fee</th><th>Conditions of payment</th></tr><tr><td>Civil – Retail secured loan (loan lent by Consumer Banking) by borrower basis</td><td>THB 7,500</td><td>1) THB 4,500 when complaint filed. 2) THB 3,000 when court issued writ of execution or settlement agreement executed, as the case may be</td><td>THB 15,000</td><td>1) THB 9,000 when complaint filed. 2) THB 6,000 when court issued writ of execution or settlement agreement executed, as the case may be</td></tr><tr><td>Civil – Retail secured loan (loan lent by Consumer Banking) one account</td><td>THB 7,500 per account</td><td>1) 30% at complaint filing stage 2) 30% upon completion of first's party witnesses production 3) 40% when court issued writ of execution or settlement agreement executed, as the case may be</td><td>Cancelled</td><td>Cancelled</td></tr></table> <p>This transaction is considered the Bank's normal business support.</p>	Type of case / loan	Existing		Proposed		Professional fee	Conditions of payment	Professional fee	Conditions of payment	Civil – Retail secured loan (loan lent by Consumer Banking) by borrower basis	THB 7,500	1) THB 4,500 when complaint filed. 2) THB 3,000 when court issued writ of execution or settlement agreement executed, as the case may be	THB 15,000	1) THB 9,000 when complaint filed. 2) THB 6,000 when court issued writ of execution or settlement agreement executed, as the case may be	Civil – Retail secured loan (loan lent by Consumer Banking) one account	THB 7,500 per account	1) 30% at complaint filing stage 2) 30% upon completion of first's party witnesses production 3) 40% when court issued writ of execution or settlement agreement executed, as the case may be	Cancelled	Cancelled	The Board of Directors' meeting no. 1/2018 held on 18 January 2018 (excluding CIMB Bank's representative directors with conflict of interest who abstained 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.
Type of case / loan	Existing		Proposed																		
	Professional fee	Conditions of payment	Professional fee	Conditions of payment																	
Civil – Retail secured loan (loan lent by Consumer Banking) by borrower basis	THB 7,500	1) THB 4,500 when complaint filed. 2) THB 3,000 when court issued writ of execution or settlement agreement executed, as the case may be	THB 15,000	1) THB 9,000 when complaint filed. 2) THB 6,000 when court issued writ of execution or settlement agreement executed, as the case may be																	
Civil – Retail secured loan (loan lent by Consumer Banking) one account	THB 7,500 per account	1) 30% at complaint filing stage 2) 30% upon completion of first's party witnesses production 3) 40% when court issued writ of execution or settlement agreement executed, as the case may be	Cancelled	Cancelled																	
CGS-CIMB Securities (Thailand) (CGSCT), an affiliated	The Bank has continued carrying on its equity derivatives business (EDB) under the new service agreement with CGSCT, with scope of collaboration between CIMB Thai's Treasury and CGSCT clearly defined.	The Board of Directors' meeting no. 2/2018 held on 23 February 2018 (excluding CIMB Bank's representative directors with conflict of interest who abstained																			

Name and Relationship	Transaction Characteristics and Value	Necessity and Reasonableness with Audit Committee's Opinion									
company having CIMB Group as the major shareholder	<p>This transaction is subject to service fee model as follows:</p> <ul style="list-style-type: none"> - Base fee: 0.25% of product notional sold - Advisory fee: 50% of cumulative income of EDB less personnel cost and DW marketing cost - Maintaining the spirit of 50:50 sharing <p>This transaction is considered the Bank's normal business support.</p>	<p>from participating in the consideration and voting on this matter) deemed it proper to approve the transaction since it was the Bank's normal business support and brought benefits to the Bank.</p>									
CIMB-Principal Asset Management Co., Ltd. (CPAM), a subsidiary of CIMB Group which is the indirect major shareholder of the Bank	<p>The Bank has approved a renewal of insourcing service agreement regarding human resources and technology functions for CPAM for another three years, from 15 April 2018 to 14 April 2021, with service fees to be at the same rates chargeable in 2016 as below.</p> <table border="1" data-bbox="427 779 1042 902"> <thead> <tr> <th>Service to CPAM</th><th>Monthly Charge Rate (Baht)</th><th>Remark</th></tr> </thead> <tbody> <tr> <td>- HR Service</td><td>267.50</td><td>Charge per user per month</td></tr> <tr> <td>- ESS Service</td><td>408.75</td><td>Charge per user per month</td></tr> </tbody> </table> <p>This transaction is considered the Bank's normal business support.</p>	Service to CPAM	Monthly Charge Rate (Baht)	Remark	- HR Service	267.50	Charge per user per month	- ESS Service	408.75	Charge per user per month	<p>The Board of Directors' meeting no. 3/2018 held on 29 March 2018 (excluding CIMB Bank's representative directors with conflict of interest who abstained 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>
Service to CPAM	Monthly Charge Rate (Baht)	Remark									
- HR Service	267.50	Charge per user per month									
- ESS Service	408.75	Charge per user per month									
CGS-CIMB Securities (Thailand) (CGSCT), an affiliated company having CIMB Group as the major shareholder	<p>The Bank has increased the DSR facility for CGSCT by THB 1,000 million, from THB 500 million to THB 1,500 million, with the pricing in line with the market rate.</p> <p>This transaction is considered the Bank's normal business support.</p>	<p>The Board of Directors' meeting no. 4/2018 held on 20 April 2018 (excluding CIMB Bank's representative directors with conflict of interest who abstained 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.</p>									
CIMB Bank Berhad (CIMB Bank), CIMB Investment Bank Berhad (CIMBIB), PT Bank CIMB Niaga Tbk (CIMB Niaga), CIMB Bank (L) Ltd. (CIMB Labuan), CIMB Bank Plc. (CIMB Cambodia) and CIMB Vietnam, subsidiaries having CIMB Group as the major shareholder	<p>The Bank has performed an annual credit review for CIMB Group members, consisting of CIMB Bank, CIMBIB, CIMB Niaga, CIMB Labuan, CIMB Cambodia, and CIMB Vietnam in the proposed total amount of THB 37,740 million, with the pricing in line with the market rate.</p> <p>This transaction is considered the Bank's normal course of business.</p>	<p>The Board of Directors' meeting no. 6/2018 held on 26 June 2018 (excluding CIMB Bank's representative directors with conflict of interest who abstained 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.</p>									

Name and Relationship	Transaction Characteristics and Value	Necessity and Reasonableness with Audit Committee's Opinion																					
ICIMB (MSC) Sdn Bhd, a subsidiary having CIMB Group as the major shareholder	<p>ICIMB (MSC) Sdn Bhd has operated the GEPS system for the Bank, with the hubbing operational cost (as allocated) in the range between THB 117,357.78 and THB 456,566.06 per year. The total amount for a period of five years from 2018 to 2022 is THB 2,282,830.28.</p> <p>This transaction is considered the Bank's normal business support.</p>	The Board of Directors' meeting no. 7/2018 held on 20 July 2018 (excluding CIMB Bank's representative directors with conflict of interest who abstained from participating in the consideration and voting on this matter) deemed it proper to approve the transaction since it was the normal business support and brought benefits to the Bank.																					
ICIMB (MSC) Sdn Bhd, a subsidiary having CIMB Group as the major shareholder	<p>ICIMB (MSC) Sdn Bhd has provided hardware and operated the Auto Asset Discovery tools system for the Bank for a period of five years, with the hubbing operational cost (as allocated) of THB 474,865.</p> <p>This transaction is considered the Bank's normal business support.</p>	The Board of Directors' meeting no. 8/2018 held on 29 August 2018 (excluding CIMB Bank's representative directors with conflict of interest who abstained 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.																					
CIMB Group, a indirect major shareholder of the Bank	<p>The Bank has taken services of the Regional Wealth Management System Project from CIMB Group, with the approved budget of MYR 106,257.74 (equivalent to THB 892,172.44 based on the exchange rate of MYR 1 = THB 0.1191).</p> <p>This transaction is considered the Bank's normal business support.</p>	The Board of Directors' meeting no. 8/2018 held on 29 August 2018 (excluding CIMB Bank's representative directors with conflict of interest who abstained 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 Group Sdn Bhd, the indirect major shareholder of the Bank	<p>The Bank has outsourced HRIS service to CIMB Group Sdn Bhd, with an annual service fee (excluding tax) as follows:</p> <table><tr><td>RM</td><td>RM</td><td>RM</td><td>RM</td><td>RM</td><td>RM</td><td>RM</td></tr><tr><td>Total CAPEX</td><td>Year 1</td><td>Year 2</td><td>Year 3</td><td>Year 4</td><td>Year 5</td><td>Total OPEX</td></tr><tr><td>2,791,994.31</td><td>542,111.87</td><td>1,141,604.59</td><td>1,131,367.36</td><td>1,169,204.20</td><td>1,221,359.29</td><td>5,205,647.31</td></tr></table> <p>This transaction is considered the Bank's normal business support.</p>	RM	RM	RM	RM	RM	RM	RM	Total CAPEX	Year 1	Year 2	Year 3	Year 4	Year 5	Total OPEX	2,791,994.31	542,111.87	1,141,604.59	1,131,367.36	1,169,204.20	1,221,359.29	5,205,647.31	The Board of Directors' meeting no. 8/2018 held on 29 August 2018 (excluding CIMB Bank's representative directors with conflict of interest who abstained 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.
RM	RM	RM	RM	RM	RM	RM																	
Total CAPEX	Year 1	Year 2	Year 3	Year 4	Year 5	Total OPEX																	
2,791,994.31	542,111.87	1,141,604.59	1,131,367.36	1,169,204.20	1,221,359.29	5,205,647.31																	
CGS-CIMB Securities (Thailand) Co., Ltd (CGSCT), an affiliated company having CIMB Group as the	<p>The Bank has conducted an annual review and increased the DSR limit for CGSCT, from THB 1,500 million to THB 2,200 million to support higher FX settlement transaction, with pricing in line with the market rate.</p> <p>This transaction is considered the Bank's normal course of business.</p>	The Board of Directors' meeting no. 8/2018 held on 29 August 2018 (excluding CIMB Bank's representative directors with conflict of interest who abstained from participating in the consideration and voting on this matter) deemed it proper to																					

Name and Relationship	Transaction Characteristics and Value	Necessity and Reasonableness with Audit Committee's Opinion																														
major shareholder		approve the transaction since it was the Bank's normal course of business under general trading terms.																														
CIMB-Principal Asset Management Co., Ltd. (CPAM), an affiliated company having CIMB Group as the major shareholder	<p>The Bank has conducted an annual review of L/G (performance) limit, totaling THB 4 million until 31 August 2019, with pricing in line with the market rate.</p> <p>This transaction is considered the Bank's normal course of business.</p>	The Board of Directors' meeting no. 8/2018 held on 29 August 2018 (excluding CIMB Bank's representative directors with conflict of interest who abstained 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 under general trading terms.																														
ICIMB (Malaysia) Sdn Bhd, an affiliated company having CIMB Group as the major shareholder	<p>The Bank has entered into the Group Finance Management System (GFMS) service agreement with iCIMB (Malaysia) Sdn Bhd, with service fee (excluding taxes) as described below:</p> <table><tr><th></th><th>Y2020</th><th>Y2021</th><th>Y2022</th><th>Y2023</th><th>Y2024</th></tr><tr><td>CAPEX</td><td>8,152</td><td>6,390</td><td>6,390</td><td>6,390</td><td>6,390</td></tr><tr><td>OPEX</td><td>712</td><td>738</td><td>766</td><td>782</td><td>782</td></tr><tr><td>ITO</td><td>2,963</td><td>5,927</td><td>4,906</td><td>4,906</td><td>4,906</td></tr><tr><td>Total</td><td>11,828</td><td>13,055</td><td>12,062</td><td>12,078</td><td>12,078</td></tr></table> <p>This transaction is considered the Bank's normal business support.</p>		Y2020	Y2021	Y2022	Y2023	Y2024	CAPEX	8,152	6,390	6,390	6,390	6,390	OPEX	712	738	766	782	782	ITO	2,963	5,927	4,906	4,906	4,906	Total	11,828	13,055	12,062	12,078	12,078	The Board of Directors' meeting no. 12/2018 held on 14 December 2018 (excluding CIMB Bank's representative directors with conflict of interest who abstained 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.
	Y2020	Y2021	Y2022	Y2023	Y2024																											
CAPEX	8,152	6,390	6,390	6,390	6,390																											
OPEX	712	738	766	782	782																											
ITO	2,963	5,927	4,906	4,906	4,906																											
Total	11,828	13,055	12,062	12,078	12,078																											

- 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 or the equivalence, hold 10% or more of their paid-up capital were as follows:

(Unit: THB million)

Company name	31 December 2018								Share holding (%)	Common management
	Obligations	Outstanding loans	Interbank and money market items (assets)	Other assets	Deposits	Interbank and money market items (liabilities)	Borrowings	Other liabilities		
Parent Company										
CIMB Bank Berhad	-	-	370	1,298	-	217	6,185	-	94.83	
Interest rate swap contracts										
- Fixed rate received	46,998	-	-	-	-	-	-	-		
- Floating rate received	53,145	-	-	-	-	-	-	-		
Forward and spot contracts										
- Bought	8,111	-	-	-	-	-	-	-		
- Sold	55	-	-	-	-	-	-	-		

Company name	31 December 2018								Share holding (%)	Common management
	Obligations	Outstanding loans	Interbank and money market items (assets)	Other assets	Deposits	Interbank and money market items (liabilities)	Borrowings	Other liabilities		
Cross currency and interest rate swap contracts	11,301	-	-	-	-	-	-	-		
- Bought	306	-	-	-	-	-	-	-		
- Sold										
Commodity	20	-	-	-	-	-	-	-		
- Sold										
Foreign exchange option	111	-	-	-	-	-	-	-		
- Put option sales contracts										
Swaption	7,000	-	-	-	-	-	-	-		
- Sold										
Credit derivatives	5,337	-	-	-	-	-	-	-		
- Sold										
Subsidiary companies	2,150	22,893	-	1	40	-	-	8	99.99	Mr. Adisorn Sermchaiwong Ms. Sasima Thongsamak Ms. Onanong Udomkantong Mr. Goh Therd Siang
CIMB Thai Auto Co., Ltd.										
CT COLL Co., Ltd.	-	-	-	-	62	-	-	-	99.99	Ms. Sasima Thongsamak Mr. Adisorn Sermchaiwong Ms. Onanong Udomkantong Mr. Goh Therd Siang
WorldLease Co., Ltd.	-	2,923	-	1	12	-	-	-	99.99	Ms. Piyawan Thianphranon Ms. Sasima Thongsamak Mr. Adisorn Sermchaiwong Ms. Onanong Udomkantong Mr. Goh Therd Siang

Companies under common control	52	-	-	-	-	16	-	-	
CIMB Bank Plc., Cambodia	-	-	-	-	-	95	-	-	
CIMB Islamic Bank Berhad	-	-	-	1	-	6	-	-	
PT Bank CIMB Niaga TBK	-	-	-	-	4	-	-	-	
CIMB Securities (Singapore)	-	-	-	-	559	-	-	-	Mr. Sutee Losoponkul
CGS-CIMB Securities (Thailand) Co., Ltd.									
Foreign exchange forward and spot contracts	7	-	-	-	-	-	-	-	
- Bought	3	-	-	-	-	-	-	-	
- Sold	3	-	-	-	-	-	-	-	
ICIMB (MSC) Sdn Bhd - Computer system and software development agreement	-	-	-	-	429	-	-	-	Mr. Adisorn Sermchaiwong
CIMB-Principal Asset Management Co., Ltd.	-	-	-	3	621	-	-	11	Mr. Tan Keat Jin Mr. Goh Therd Siang
Sathorn Asset Management Co., Ltd.									
Related persons	-	8	-	-	133	-	-	-	

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 financial position of CIMB Thai Bank Public Company Limited as at 31 December 2018, 2017 and 2016, and its operating results as well as financial ratios for the years ended 31 December 2018, 2017 and 2016.

(Unit: THB)

Statements of Financial Position

	Separate		
	31 December 2018	31 December 2017	31 December 2016
Assets			
Cash	1,745,984,495	1,588,987,409	1,936,147,365
Interbank and money market items, net	6,684,224,569	18,099,695,389	8,463,665,047
Derivative assets	23,395,513,202	21,278,460,920	21,235,341,272
Investments, net	92,172,323,107	44,059,846,768	55,061,910,795
Investments in subsidiaries, net	2,208,315,115	1,708,315,115	1,324,920,707
Loans and accrued interest receivables			
Loans	218,848,912,358	205,242,484,739	202,939,467,801
Accrued interest receivables	502,263,091	522,709,406	593,582,295
Total loans and accrued interest receivables	219,351,175,449	205,765,194,145	203,533,050,096
<u>Less</u> Deferred revenue	(486,300)	(8,651,407)	(38,988,676)
<u>Less</u> Allowance for doubtful debts	(9,702,022,606)	(9,256,336,052)	(9,666,516,204)
<u>Less</u> Revaluation allowance for debt restructuring	(52,332,096)	(105,673,656)	(45,259,015)
Loans and accrued interest receivables, net	209,596,334,447	196,394,533,030	193,782,286,201
Customers' liability under acceptance	77,698,965	581,413,868	45,230,520
Properties for sale, net	831,149,160	888,480,141	1,195,702,862
Premises and equipment, net	3,471,101,060	3,529,189,193	3,609,493,321
Intangible assets, net	480,958,226	364,943,160	363,158,838
Deferred tax assets	938,209,202	1,023,345,737	1,075,692,045
Other assets, net	8,775,677,084	6,789,804,499	7,529,507,359
Total assets	350,377,488,632	296,307,015,229	295,623,056,332

		(Unit: THB)		
Statements of Financial Position (Cont'd)		Separate		
	31 December 2018	31 December 2017	31 December 2016	
Liabilities and shareholders' equity				
Liabilities				
Deposits	185,215,037,339	177,702,506,611	183,877,466,049	
Interbank and money market items, net	44,533,942,327	15,648,105,797	11,595,328,411	
Liability payable on demand	378,991,448	254,663,261	250,092,171	
Financial liabilities designated at fair value				
through profit or loss	35,512,717,532	23,103,810,514	18,873,674,513	
Derivative liabilities	24,318,002,735	19,965,010,587	21,381,015,668	
Debt issued and borrowings	16,968,347,710	17,933,103,726	25,582,513,107	
Bank's liability under acceptance	77,698,965	581,413,868	45,230,520	
Provisions	1,892,940,783	1,855,519,989	1,919,842,460	
Other liabilities	7,099,432,111	7,938,994,106	6,809,617,409	
Total liabilities	315,997,110,950	264,983,128,459	270,334,780,308	
Shareholders' equity				
Share capital				
Registered				
34,822,261,748 ordinary shares of Baht 0.50 each	17,411,130,874			
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	
Issued and paid-up share capital				
34,822,261,748 ordinary shares of Baht 0.50 each	17,411,130,874			
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	
Premium on share capital	10,145,965,854	8,465,413,222	5,712,665,258	
Other reserves	1,422,487,528	1,558,840,917	1,115,382,330	
Retained earnings				
Appropriated - statutory reserve	403,600,000	398,680,000	397,800,000	
Unappropriated	4,997,193,426	5,760,838,827	5,675,062,596	
Total shareholders' equity	34,380,377,682	31,323,886,770	25,288,276,024	
Total liabilities and shareholders' equity	350,377,488,632	296,307,015,229	295,623,056,332	

Statements of Comprehensive Income	Separate		
	For the years ended 31 December		
	2018	2017	2016
Interest income	12,341,600,425	11,913,199,518	12,723,807,296
Interest expenses	(4,515,325,072)	(4,325,189,459)	(4,806,998,270)
Net interest income	7,826,275,353	7,588,010,059	7,916,809,026
Fee and service income	1,376,649,113	1,471,420,808	1,289,666,205
Fee and service expenses	(289,520,012)	(223,841,719)	(238,708,889)
Net fee and service income	1,087,129,101	1,247,579,089	1,050,957,316
Gains on trading and foreign exchange transactions, net	1,054,168,202	2,238,222,821	1,402,493,444
Losses on financial instrument designated at fair value through profit or loss, net	(759,750,530)	(1,733,886,254)	(810,387,742)
Gains on investments, net	19,508,137	490,748,334	482,570,051
Gains on sale of non-performing loans, net	-	-	-
Other operating income	261,325,479	233,222,081	329,240,877
Total operating income	9,488,655,742	10,063,896,130	10,371,682,972
Other operating expenses			
Employee expenses	3,892,655,897	3,444,686,567	3,302,361,160
Directors' remuneration	13,131,200	12,456,000	12,262,400
Premises and equipment expenses	1,017,873,890	929,630,735	1,150,024,878
Taxes and duties	386,886,044	397,448,867	441,485,090
Others	1,229,294,759	1,334,179,030	1,259,456,059
Total other operating expenses	6,539,841,790	6,118,401,199	6,165,589,587
Bad and doubtful debts and impairment losses	3,686,327,220	3,944,113,706	5,785,126,100
(Loss) profit before income tax expenses	(737,513,268)	1,381,225	(1,579,032,715)
Income tax expenses	(66,769,073)	70,008,975	318,811,256
Net (loss) profit for the year	(804,282,341)	71,390,200	(1,260,221,459)

(Unit: THB)			
Statements of Comprehensive Income (Cont'd)	Separate		
	For the years ended 31 December		
	2018	2017	2016
Other comprehensive (expenses) income			
Items that will be reclassified subsequently to profit or loss			
(Losses) gains on remeasuring available-for-sale investments	(274,248,938)	467,099,324	(644,156,155)
Losses arising from translating the financial statement of a foreign operation	(4,697,307)	(30,696,516)	(1,206,592)
Gains on cash flow hedges	136,503,546	62,042,015	58,446,328
Income tax relating to items that will be reclassified subsequently to profit or loss	(4,364,720)	(105,828,268)	117,141,965
Total items that will be reclassified subsequently to profit or loss	(146,807,419)	392,616,555	(469,774,454)
Items that will not be reclassified subsequently to profit or loss			
Changes in revaluation surplus	-	-	1,078,204,826
Remeasurements of post-employment benefit obligations	70,013,711	82,635,079	(18,093,944)
Income tax relating to items that will not be reclassified subsequently to profit or loss	(14,002,741)	(16,527,016)	(212,022,177)
Total items that will not be reclassified subsequently to profit or loss	56,010,970	66,108,063	848,088,705
Total other comprehensive (expenses) income	(90,796,449)	458,724,618	378,314,251
Total comprehensive (expenses) income for the year	(895,078,790)	530,114,818	(881,907,208)

(Unit: THB)			
Statements of Comprehensive Income (Cont'd)	Separate		
	For the years ended 31 December		
	2018	2017	2016
Net (loss) profit attributable to:			
Equity holders of the Bank	(804,282,341)	71,390,200	(1,260,221,459)
Non-controlling interests	-	-	-
	(804,282,341)	71,390,200	(1,260,221,459)
Total comprehensive (expenses) income attributable to:			
Equity holders of the Bank	(895,078,790)	530,114,818	(881,907,208)
Non-controlling interests	-	-	-
	(895,078,790)	530,114,818	(881,907,208)
(Loss) earnings per share for (loss) profit attributable to the equity holders of the Bank			
Basic (loss) earnings per share (Baht per share)	(0.03)	0.00	(0.05)
Weighted average number of ordinary shares (shares)	31,188,634,435	28,233,684,776	25,333,286,323

	(Unit: THB)		
	Separate		
	For the years ended 31 December		
Statements of Cash Flows	2018	2017	2016
Cash flows from operating activities			
(Loss) profit before corporate income tax	(737,513,268)	1,381,225	(1,579,032,715)
Adjustments to reconcile net income before income tax			
to cash in (out) flows from operating activities:			
Depreciation and amortisation	352,142,154	344,091,704	414,246,806
Bad debts and doubtful accounts	3,686,327,220	3,944,113,706	5,785,126,100
Provision (reversal) for off-balance sheet items	72,742,078	(42,701,555)	302,644,995
Share-based payment	38,448,440	35,251,070	30,526,962
Provision for liabilities	79,376,548	197,903,657	142,650,148
Losses on impairment of properties for sale	1,487,569	20,391,212	1,388,641
Losses on impairment of other assets	-	-	11,684,173
Losses on impairment of investments	1,067,203	3,476,616	-
Reversal of losses on impairment			
of investment in subsidiaries	-	(383,394,408)	-
Unrealised losses (gains) on exchange and derivatives	1,075,237,437	(3,015,423,032)	(425,352,139)
(Gains) losses on properties for sale	(139,608,478)	(72,996,501)	(108,592,164)
Unrealised (gains) losses on revaluation of investments	(315,036,490)	(135,317,715)	96,264,552
Losses (gains) on sale of investments	113,050,652	(366,098,877)	(470,349,197)
Gains on disposal of premises and equipment	(10,877,744)	(34,334,525)	(26,932,026)
Gains on surplus from revaluation of assets	-	-	(2,392,301)
Gains on impairment of premises and equipment	-	-	(10,064,738)
Losses from write off premises and equipment	1,169,021	12,487,613	48,312,019
Losses from write off leasehold rights	8,845,503	41,454,421	10,658,464
Losses (gains) on sale of non-performing loans	4,731,329	162,476,024	(771,810)
Losses on financial liabilities designated at fair value through profit or loss, net	759,750,530	1,733,886,254	810,387,742
Interest income	(12,341,600,425)	(11,913,199,518)	(12,723,807,296)
Dividend income	(10,508,869)	(13,869,440)	(61,944,159)
Interest expenses	4,515,325,072	4,325,189,459	4,806,998,270
Losses from operations before changes in operating assets and liabilities	(2,845,444,518)	(5,155,232,610)	(2,948,349,673)

(Unit: THB)

	Separate		
	For the years ended 31 December		
	2018	2017	2016
Statements of Cash Flows (Cont'd)			
(Increase) decrease in operating assets			
Interbank and money market items	11,426,897,185	(9,634,584,045)	5,763,323,834
Investments held for trading	(13,414,065,599)	(2,196,019,258)	(1,342,468,824)
Loans	(15,914,378,341)	(5,314,731,312)	(9,260,456,248)
Properties for sale	222,507,346	409,785,779	454,003,598
Other assets	(1,869,281,141)	662,550,529	1,915,526,015
Increase (decrease) in operating liabilities			
Deposits	7,512,530,728	(6,174,959,438)	13,375,379,100
Interbank and money market items	28,885,836,529	4,052,777,386	(8,399,088,537)
Liability payable on demand	124,328,187	4,571,090	(70,676,277)
Short-term borrowings	(4,202,663,803)	(6,046,902,521)	(14,314,372,766)
Provisions	(68,700,452)	(136,889,494)	(122,504,066)
Other liabilities	(966,619,308)	1,094,180,591	(1,917,475,214)
Cash flows provided by (used in) operating activities	8,890,946,813	(28,435,453,303)	(16,867,159,058)
Cash received from interest income	10,688,917,455	10,804,211,696	11,288,812,167
Cash paid for interest expenses	(5,146,131,186)	(4,830,582,525)	(5,502,103,709)
Cash paid for income tax	(71,039,791)	(62,402,645)	(175,078,844)
Net cash flows provided by (used in) operating activities	14,362,693,291	(22,524,226,777)	(11,255,529,444)
Cash flows from investing activities			
Cash paid for purchases of available-for-sale securities	(32,583,604,603)	(14,520,484,708)	(37,905,998,597)
Proceeds from disposals of available-for-sale securities	4,208,825,541	24,559,533,593	32,003,101,453
Proceeds from maturity of available-for-sale securities	51,200,000	60,000,000	1,607,800,000
Cash paid for purchases of held to maturity securities	(12,462,512,179)	(503,847,389)	(5,074,765,297)
Proceeds from disposals of held to maturity securities	-	480,340	480,340
Proceeds from maturity of held to maturity securities	5,905,850,000	4,305,000,000	9,830,560,000
Proceeds from repayment of investment in receivable	795,015	2,482,988	2,974,664
Cash paid for purchases of investment in subsidiary	(500,000,000)	-	-
Cash paid for purchases of general investments	(726,500)	(792,307)	-
Proceeds from disposals of general investments	6,752,752	-	942,262
Proceeds from decrease in capital of general investments	14,990,000	22,710,000	31,750,000

(Unit: THB)

Statements of Cash Flows (Cont'd)	Separate		
	For the years ended 31 December		
	2018	2017	2016
Cash paid for purchases of premises and equipment	(134,988,728)	(158,616,076)	(218,862,488)
Proceeds from disposals of premises and equipment	6,268,162	36,697,603	36,746,101
Cash paid for purchases of intangible assets	(276,548,473)	(171,322,945)	(107,327,530)
Dividend received	10,508,869	13,869,440	61,944,159
Interest received	1,693,447,001	1,487,963,769	1,800,073,714
Net cash flows(used in) provided by investing activities	(34,059,743,143)	15,133,674,308	2,069,418,781
Cash flows from financing activities			
Dividend paid	-	-	(185,810,488)
Cash paid for interest expenses	-	-	-
Cash received from capital increase	3,951,569,703	5,505,495,928	-
Proceeds from issuing debentures	-	-	-
Proceeds from issuing subordinated debentures	3,150,852,900	-	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	9,910,595,732	9,467,646,107	1,778,000,000
Cash paid for redemption of structured debentures	(10,000,000)	(9,028,000,000)	(3,610,000,000)
Proceeds from issuance of structured bills of exchange	3,212,022,495	4,184,682,754	8,738,592,516
Cash paid for redemption of structured bills of exchange	(356,500,000)	(57,000,000)	-
Net cash flows provided by financing activities	19,858,540,830	7,072,824,789	8,728,511,328
Gains on foreign currency translation differences	(4,493,892)	(29,432,276)	(1,364,705)
Net increase (decrease) in cash and cash equivalents	156,997,086	(347,159,956)	(458,964,040)
Cash and cash equivalents at beginning of the year	1,588,987,409	1,936,147,365	2,395,111,405
Cash and cash equivalents at the end of the year	1,745,984,495	1,588,987,409	1,936,147,365

Supplemental disclosure of cash flows information

Non-cash transaction:

Payable from purchase of premises and equipment	294,250	22,735,861	7,885,214
Properties for sale received from premises and equipment	22,455,456	38,817,769	116,468,697
Change in revaluation of available-for-sale investment	(274,248,938)	(467,099,324)	644,156,155
Interest amortisation from premium or discount	111,472,079	236,842,411	404,473,541

The Bank's Financial Ratios	31-Dec-18	31-Dec-17	31-Dec-16
Profitability Ratios			
Gross profit margin (%)	65.0	66.0	64.0
Net profit margin (%)	(8.5)	0.7	(12.2)
Return on equity (%)	(2.5)	0.3	(4.8)
Yield ⁽¹⁾ (%)	5.8	5.7	6.2
Cost of funds ⁽²⁾ (%)	2.0	2.1	2.2
Spread ⁽³⁾ (%)	3.8	3.6	4.0
Return on investment (%)	2.4	3.2	3.3
Efficiency Ratios			
Cost to income ratio (%)	68.9	60.8	59.4
Net interest margin (%)	2.8	2.9	3.1
Return on assets (%)	(0.30)	0.02	(0.4)
Assets turnover ratio (time)	0.03	0.03	0.03
Financial Policy Ratios			
Debt to equity ratio (time)	9.2	8.5	10.7
Loan to borrowing ratio ⁽⁴⁾ (%)	108.0	104.8	96.8
Modified loan to deposit ratio (Modified LDR) ⁽⁵⁾ (%)	94.0	93.9	90.9
Deposit to debt ratio (%)	58.6	67.1	68.0
Capital adequacy ratio (%)	18.7	16.6	15.6
Tier 1 capital funds to risk-weight assets (%)	13.3	12.5	10.2
Asset Quality Ratios			
Allowance for doubtful debts to loans and accrued interest receivables (%)	4.4	4.5	4.8
Bad debt and doubtful accounts to loans and accrued interest receivables (%)	0.6	0.8	1.4
NPL ratio ⁽⁶⁾ (%)	4.3	4.7	6.0
Accrued interest receivables to loans and accrued interest receivables (%)	0.2	0.3	0.3

Notes:

(1) Yield = Interest income / (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 financial position of CIMB Thai Bank Public Company Limited and its subsidiaries as at 31 December 2018, 2017 and 2016, and their operating results as well as financial ratios for the years ended 31 December 2018, 2017 and 2016.

Statements of Financial Position	(Unit: THB)		
	Consolidated		
	31 December 2018	31 December 2017	31 December 2016
Assets			
Cash	1,749,088,327	1,591,188,651	1,938,616,493
Interbank and money market items, net	6,790,160,122	18,167,812,758	8,527,657,244
Derivative assets	23,395,513,202	21,278,460,920	21,235,341,272
Investments, net	92,172,323,107	44,059,846,768	55,061,910,795
Investments in subsidiaries, net	-	-	-
Loans and accrued interest receivables			
Loans	234,554,591,139	218,058,207,223	211,437,378,135
Accrued interest receivables	492,689,784	516,911,663	589,798,750
Total loans and accrued interest receivables	235,047,280,923	218,575,118,886	212,027,176,885
<u>Less</u> Deferred revenue	(8,254,467,999)	(7,036,133,482)	(5,848,448,651)
<u>Less</u> Allowance for doubtful debts	(10,539,026,105)	(9,869,265,119)	(9,793,289,246)
<u>Less</u> Revaluation allowance for debt restructuring	(52,332,096)	(105,673,656)	(45,259,015)
Loans and accrued interest receivables, net	216,201,454,723	201,564,046,629	196,340,179,973
Customers' liability under acceptance	77,698,965	581,413,868	45,230,520
Properties for sale, net	1,016,509,206	1,033,943,008	1,285,079,244
Premises and equipment, net	3,536,093,184	3,588,378,733	3,670,638,674
Intangible assets, net	488,639,652	370,043,208	368,387,320
Deferred tax assets	1,392,797,611	1,372,672,738	1,289,224,887
Other assets, net	9,028,246,822	6,995,795,275	7,708,041,398
Total assets	355,848,524,921	300,603,602,556	297,470,307,820

		(Unit: THB)		
Statements of Financial Position (Cont'd)	Consolidated			
	31 December 2018	31 December 2017	31 December 2016	
Liabilities and shareholders' equity				
Liabilities				
Deposits	185,100,505,109	177,400,677,986	183,663,324,706	
Interbank and money market items, net	44,533,942,327	15,648,105,797	11,595,328,411	
Liability payable on demand	378,991,448	254,663,261	250,092,171	
Financial liabilities designated at fair value				
through profit or loss	35,512,717,532	23,103,810,514	18,873,674,513	
Derivative liabilities	24,318,002,735	19,965,010,587	21,381,015,668	
Debt issued and borrowings	18,968,347,710	19,933,103,726	25,582,513,107	
Bank's liability under acceptance	77,698,965	581,413,868	45,230,520	
Provisions	1,987,605,895	1,946,444,925	1,997,419,699	
Other liabilities	8,048,887,299	8,718,523,191	7,376,288,614	
Total liabilities	318,926,699,020	267,551,753,855	270,764,887,409	
Shareholders' equity				
Share capital				
Registered				
34,822,261,748 ordinary shares of Baht 0.50 each	17,411,130,874			
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	
Issued and paid-up share capital				
34,822,261,748 ordinary shares of Baht 0.50 each	17,411,130,874			
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	
Premium on share capital	10,145,965,854	8,465,413,222	5,712,665,258	
Other reserves	1,400,797,437	1,534,848,299	1,094,080,196	
Accretion of equity interests in subsidiary	(42,753,751)	(42,753,751)	(42,753,751)	
Retained earnings				
Appropriated - statutory reserve	403,600,000	398,680,000	397,800,000	
Unappropriated	7,603,085,487	7,555,547,127	7,156,262,868	
Total shareholders' equity	36,921,825,901	33,051,848,701	26,705,420,411	
Total liabilities and shareholders' equity	355,848,524,921	300,603,602,556	297,470,307,820	

(Unit: THB)

Statements of Comprehensive Income	Consolidated		
	For the years ended 31 December		
	2018	2017	2016
Interest income	15,309,544,755	14,557,766,606	14,671,929,135
Interest expenses	(4,562,807,958)	(4,355,322,725)	(4,806,163,382)
Net interest income	10,746,736,797	10,202,443,881	9,865,765,753
Fee and service income	2,109,980,514	2,140,296,232	1,837,426,211
Fee and service expenses	(302,056,447)	(195,842,620)	(201,845,300)
Net fee and service income	1,807,924,067	1,944,453,612	1,635,580,911
Gains on trading and foreign exchange transactions, net	1,054,168,202	2,238,222,821	1,402,493,444
Losses on financial instrument designated at fair value through profit or loss, net	(759,750,530)	(1,733,886,254)	(810,387,742)
Gains on investments, net	19,508,137	107,353,927	482,570,051
Gains on sale of non-performing loans, net	226,351,923	-	-
Other operating income	441,558,380	396,161,195	352,086,453
Total operating income	13,536,496,976	13,154,749,182	12,928,108,870
Other operating expenses			
Employee expenses	4,533,126,703	4,068,397,712	3,857,722,186
Directors' remuneration	13,467,200	12,792,000	12,598,400
Premises and equipment expenses	1,155,447,852	1,060,266,367	1,279,866,016
Taxes and duties	413,013,666	420,692,273	461,092,983
Others	2,230,852,622	2,050,806,859	1,812,232,818
Total other operating expenses	8,345,908,043	7,612,955,211	7,423,512,403
Bad and doubtful debts and impairment losses	4,919,382,923	5,053,034,607	6,279,268,383
Profit (loss) before income tax expenses	271,206,010	488,759,364	(774,671,916)
Income tax expenses	(264,304,590)	(103,861,136)	145,146,699
Net profit (loss) for the year	6,901,420	384,898,228	(629,525,217)

Statements of Comprehensive Income (Cont'd)	(Unit: THB)		
	Consolidated		
	For the years ended 31 December		
	2018	2017	2016
Other comprehensive (expenses) income			
Items that will be reclassified subsequently to profit or loss			
(Losses) gains on remeasuring available-for-sale investments	(274,248,938)	467,099,324	(644,156,155)
Losses arising from translating the financial statement of a foreign operation	(4,697,307)	(30,696,516)	(1,206,592)
Gains on cash flow hedges	136,503,546	62,042,015	58,446,328
Income tax relating to items that will be reclassified subsequently to profit or loss	(4,364,720)	(105,828,268)	117,141,965
Total items that will be reclassified subsequently to profit or loss	(146,807,419)	392,616,555	(469,774,454)
Items that will not be reclassified subsequently to profit or loss			
Changes in revaluation surplus	-	-	1,078,204,826
Remeasurements of post-employment benefit obligations	72,891,871	79,271,973	(24,267,343)
Income tax relating to items that will not be reclassified subsequently to profit or loss	(14,578,374)	(15,854,394)	(210,787,497)
Total items that will not be reclassified subsequently to profit or loss	58,313,497	63,417,579	843,149,986
Total other comprehensive (expenses) income	(88,493,922)	456,034,134	373,375,532
Total comprehensive (expenses) income for the year	(81,592,502)	840,932,362	(256,149,685)

Statements of Comprehensive Income (Cont'd)	(Unit: THB)		
	Consolidated		
	For the years ended 31 December		
	2018	2017	2016
Net profit (loss) attributable to:			
Equity holders of the Bank	6,901,420	384,898,228	(629,525,217)
Non-controlling interests	-	-	-
	6,901,420	384,898,228	(629,525,217)
Total comprehensive (expenses) income attributable to:			
Equity holders of the Bank	(81,592,502)	840,932,362	(256,149,685)
Non-controlling interests	-	-	-
	(81,592,502)	840,932,362	(256,149,685)
Earnings (loss) per share for profit attributable to the equity holders of the Bank			
Basic earnings (loss) per share (Baht per share)	0.00	0.01	(0.02)
Weighted average number of ordinary shares (shares)	31,188,634,435	28,233,684,776	25,333,286,323

(Unit: THB)			
	Consolidated		
	For the years ended 31 December		
	2018	2017	2016
Statements of Cash Flows			
Cash flows from operating activities			
Profit (loss) before corporate income tax	271,206,010	488,759,364	(774,671,916)
Adjustments to reconcile net income before income tax to cash in (out) flows from operating activities:			
Depreciation and amortisation	373,493,966	367,291,254	440,170,964
Bad debts and doubtful accounts	4,919,382,923	5,053,034,607	6,279,268,383
Provision (reversal) for off-balance sheet items	72,742,078	(42,701,555)	302,644,995
Share-based payment	38,448,440	35,251,070	30,526,962
Provision for liabilities	85,994,884	207,888,248	151,748,809
Losses on impairment of properties for sale	47,039,986	47,970,983	5,250,682
Losses on impairment of other assets	-	-	11,684,173
Losses on impairment of investments	1,067,203	3,476,616	-
Reversal of losses on impairment of investment in subsidiaries	-	-	-
Unrealised losses (gains) on exchange and derivatives	1,075,237,437	(3,015,423,032)	(425,352,139)
Losses on properties for sale	518,951,662	380,078,551	322,090,738
Unrealised (gains) losses on revaluation of investments	(315,036,490)	(135,317,715)	96,264,552
Losses (gains) on sale of investments	113,050,652	(366,098,877)	(470,349,197)
Gains on disposal of premises and equipment	(20,391,900)	(36,746,849)	(29,016,065)
Gains on surplus from revaluation of assets	-	-	(2,392,301)
Gains on impairment of premises and equipment	-	-	(10,064,738)
Losses from write off premises and equipment	1,318,506	13,044,307	48,312,019
Losses from write off leasehold rights	8,845,503	41,603,154	10,658,464
Losses (gains) on sale of non-performing loans	4,731,329	162,476,024	(771,810)
Losses on financial liabilities designated at fair value through profit or loss, net	759,750,530	1,733,886,254	810,387,742
Interest income	(15,309,544,755)	(14,557,766,606)	(14,671,929,135)
Dividend income	(10,508,869)	(13,869,440)	(19,594,929)
Interest expenses	4,562,807,958	4,355,322,725	4,806,163,382
Losses from operations before changes in operating assets and liabilities	(2,801,412,947)	(5,277,840,917)	(3,088,970,365)

(Unit: THB)			
	Consolidated		
	For the years ended 31 December		
	2018	2017	2016
Statements of Cash Flows (Cont'd)			
(Increase) decrease in operating assets			
Interbank and money market items	11,389,079,000	(9,638,709,217)	5,762,463,266
Investments held for trading	(13,414,065,599)	(2,196,019,258)	(1,342,468,824)
Loans	(20,557,198,292)	(10,508,908,673)	(12,207,579,871)
Properties for sale	1,448,879,618	1,344,666,908	1,709,786,609
Other assets	(1,953,057,331)	659,376,394	1,899,646,123
Increase (decrease) in operating liabilities			
Deposits	7,699,827,123	(6,262,646,720)	13,446,187,779
Interbank and money market items	28,885,836,529	4,052,777,386	(8,423,088,537)
Liability payable on demand	124,328,187	4,571,090	(70,676,277)
Short-term borrowings	(4,202,663,803)	(6,046,902,521)	(14,314,372,766)
Provisions	(68,700,452)	(136,889,495)	(122,504,066)
Other liabilities	(709,161,767)	1,237,412,652	(1,907,679,420)
Cash flows provided by (used in) operating activities	5,841,690,266	(32,769,112,371)	(18,659,256,349)
Cash received from interest income	13,660,637,349	13,450,792,981	13,236,817,311
Cash paid for interest expenses	(5,144,814,563)	(4,821,676,381)	(5,501,235,191)
Cash paid for income tax	(424,746,068)	(333,270,211)	(260,166,103)
Net cash flows provided by (used in) operating activities	13,932,766,984	(24,473,265,982)	(11,183,840,332)
Cash flows from investing activities			
Cash paid for purchases of available-for-sale securities	(32,583,604,603)	(14,520,484,708)	(37,905,998,597)
Proceeds from disposals of available-for-sale securities	4,208,825,541	24,559,533,593	32,003,101,453
Proceeds from maturity of available-for-sale securities	51,200,000	60,000,000	1,607,800,000
Cash paid for purchases of held to maturity securities	(12,462,512,179)	(503,847,389)	(5,074,765,297)
Proceeds from disposals of held to maturity securities	-	480,340	480,340
Proceeds from maturity of held to maturity securities	5,905,850,000	4,305,000,000	9,830,560,000
Proceeds from repayment of investment in receivable	795,015	2,482,988	2,974,664
Cash paid for purchases of investment in subsidiary	-	-	-
Cash paid for purchases of general investments	(726,500)	(792,307)	-
Proceeds from disposals of general investments	6,752,752	-	942,262
Proceeds from decrease in capital of general investments	14,990,000	22,710,000	31,750,000

(Unit: THB)

Statements of Cash Flows (Cont'd)	Consolidated		
	For the years ended 31 December		
	2018	2017	2016
Cash paid for purchases of premises and equipment	(161,435,893)	(178,507,407)	(248,780,868)
Proceeds from disposals of premises and equipment	16,085,199	39,159,489	39,224,327
Cash paid for purchases of intangible assets	(280,289,448)	(173,301,907)	(108,847,701)
Dividend received	10,508,869	13,869,440	19,594,927
Interest received	1,693,447,001	1,487,963,769	1,800,077,764
Net cash flows(used in) provided by investing activities	(33,580,114,246)	15,114,265,901	1,998,113,274
Cash flows from financing activities			
Dividend paid	-	-	(185,810,488)
Cash paid for interest expenses	(48,800,000)	(31,820,274)	-
Cash received from capital increase	3,951,569,703	5,505,495,928	-
Proceeds from issuing debentures	-	2,000,000,000	-
Proceeds from issuing subordinated debentures	3,150,852,900	-	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	9,910,595,732	9,467,646,107	1,778,000,000
Cash paid for redemption of structured debentures	(10,000,000)	(9,028,000,000)	(3,610,000,000)
Proceeds from issuance of structured bills of exchange	3,212,022,495	4,184,682,754	8,738,592,516
Cash paid for redemption of structured bills of exchange	(356,500,000)	(57,000,000)	-
Net cash flows provided by financing activities	19,809,740,830	9,041,004,515	8,728,511,328
Gains on foreign currency translation differences	(4,493,892)	(29,432,276)	(1,364,705)
Net increase (decrease) in cash and cash equivalents	157,899,676	(347,427,842)	(458,580,435)
Cash and cash equivalents at beginning of the year	1,591,188,651	1,938,616,493	2,397,196,928
Cash and cash equivalents at the end of the year	1,749,088,327	1,591,188,651	1,938,616,493

Supplemental disclosure of cash flows information

Non-cash transaction:

Payable from purchase of premises and equipment	294,250	22,735,861	7,885,214
Properties for sale received from premises and equipment	22,455,456	38,817,769	116,468,697
Change in revaluation of available-for-sale investment	(274,248,938)	(467,099,324)	644,156,155
Interest amortisation from premium or discount	111,472,079	236,842,411	404,473,541

The Bank and Its Subsidiaries' Financial Ratios	31-Dec-18	31-Dec-17	31-Dec-16
Net interest margin (%)	3.7	3.9	3.7
Return on equity (%)	0.0	1.3	(2.3)
Return on assets (%)	0.0	0.1	(0.2)
Cost to income ratio (%)	61.7	57.9	57.4
Modified loan to deposit ratio (Modified LDR) (%)	97.2	96.8	92.4
NPL ratio (%)	4.3	4.8	6.1
Capital adequacy ratio (%)	19.3	17.0	16.1
Tier 1 capital funds to risk-weight assets (%)	14.1	12.9	10.7

14. Analysis of Financial Standing and Operating Performance

14.1 Consolidated operating results

For the year ended 31 December 2018, CIMB Thai group recorded a consolidated net profit of THB 6.9 million, a year-on-year (YoY) drop of THB 378 million or 98.2%. Profit before tax (PBT) decreased by THB 217.6 million or 44.5% YoY to THB 271.2 million. This came mainly from a 9.6% increase in operating expenses and decreases in net fee and service income and other income of 7.0% and 2.6% respectively, and offset by a 5.3% growth in net interest income and a 2.6% decline in provisions.

Net interest margin (NIM) over earning assets stood at 3.71% in 2018, compared to 3.89% in 2017 as a result of lower yields on earning assets.

As at 31 December 2018, CIMB Thai group's total gross loans (inclusive of loans guaranteed by other banks and loans to financial institutions) amounted to THB 227.8 billion, a YoY growth of 6.9%. Deposits (inclusive of bills of exchange, debentures and selected structured deposit products) totaled THB 234.3 billion, a YoY increase of 6.5% from THB 220.1 billion. The group's modified loan to deposit ratio moved up to 97.2% from 96.8% as at 31 December 2017.

(a) Summary of CIMB Thai group's income

On a YoY basis, CIMB Thai group's consolidated operating income grew by THB 381.7 million or 2.9% to THB 13,536.5 million attributable to an increase in net interest income of THB 544.3 million or 5.3% YoY on the back of loan expansion and higher interest income on investments. Net fee and service income decreased by THB 136.5 million or 7.0% against the increase in fee and service expenses. Other operating income declined by THB 26.0 million or 2.6% following a decrease in gains on trading and foreign exchange transactions, which was partially offset by lower losses on financial instruments designated at fair value through profit or loss and higher gains on sale of NPLs.

(b) Cost of funds and operating expenses

CIMB Thai group's interest expenses in 2018 amounted to THB 4.6 billion, a YoY increase of THB 207.5 million or 4.8%, largely from an increase in interest expenses on interbank and money market items.

For the year ended 31 December 2018, operating expenses went up by THB 733.0 million or 9.6% YoY, mainly from higher personnel cost in line with the Bank's business expansion strategy under the Fast Forward program and loss on sale of properties for sale. This resulted in an increase in cost to income ratio to 61.7% in 2018 from 57.9% in 2017.

(c) Net profit

For the year ended 31 December 2018, CIMB Thai group recorded a consolidated net profit of THB 6.9 million, a YoY decrease of THB 378 million or 98.2%. Profit before tax went down by THB 217.6 million or 44.5% YoY to THB 271.2 million. This was mainly caused by a 9.6% increase in operating expenses and lower net fee and service income and other income by 7.0% and 2.6% respectively, offset by a 5.3% growth of net interest income and a 2.6% decline in provisions.

(d) Return on equity

For the year 2018, CIMB Thai group's return on equity was 0.0% compared with 1.3% in 2017 and the Bank's return on equity was (2.5)% compared with 0.3% in 2017, mainly due to a decrease in net profit during the year.

14.2 Consolidated financial standing

Assets

As at 31 December 2018, CIMB Thai group's total assets amounted to THB 355.8 billion, a THB 55.2 billion or 18.4% growth from a year earlier, as detailed below:

Interbank and money market items (assets) were THB 6.8 billion, a THB 11.4 billion or 62.6% decrease, mainly attributable to the Bank's liquidity management.

Derivative assets moved up by THB 2.1 billion or 10.0% to THB 23.4 billion, coming mainly from foreign exchange and interest rate contracts.

Net investments stood at THB 92.2 billion, surging by THB 48.1 billion or 109.2%, mainly due to an increase in government and state enterprise securities.

Net loans and accrued interest receivables were THB 216.2 billion, a 7.3% growth largely in retail segment.

Other assets amounted to THB 9.0 billion, up by THB 2.0 billion or 29.1%, mainly as a result of the increase in marginal deposit derivatives.

Asset quality

(a) Loans and loan concentration

As at 31 December 2018, CIMB Thai group's total loans net of deferred revenue were THB 226.3 billion, a growth of THB 15.3 billion or 7.2% from THB 211.0 billion as at 31 December 2017. Loans principally comprised loans extended to housing, manufacturing and commerce sectors, as well as hire purchase receivables and financial leases, making up 66.5% of total loans. Housing loans represented the largest proportion, i.e. THB 71.9 billion or 31.8% of total loans, which was in line with the Bank's strategy, followed by loans to manufacturing and commerce sectors amounting to THB 45.2 billion or 20.0%, and hire purchase receivables THB 33.2 billion or 14.7% of total loans. Sectors with growth of loans were mainly housing and hire purchase, recording a YoY growth of 18.0% and 16.6% respectively.

Loans classified by type of business	31 December 2018		31 December 2017		Change	
	THB million	%	THB million	%	THB million	%
Agriculture and mining	6,956	3.1	5,606	2.7	1,350	24.1
Manufacturing and commerce	45,157	20.0	48,810	23.1	(3,653)	(7.5)
Real estate and construction	13,836	6.1	12,116	5.7	1,720	14.2
Public utilities and services	29,799	13.1	28,229	13.4	1,550	5.5
Personal loans	11,961	5.3	13,505	6.4	(1,544)	(11.4)
Housing loans	71,916	31.8	60,971	28.9	10,945	18.0
Hire purchase receivables	33,244	14.7	28,504	13.5	4,740	16.6
Others	13,451	5.9	13,281	6.3	170	1.3
Total loans net of deferred revenue	226,300	100.0	211,022	100.0	15,278	7.2

To prevent concentration risk in any particular industry, the Bank has a policy in place to diversify 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 2018, CIMB Thai group's net loans and accrued interest receivables (excluding loans to financial institutions) amounted to THB 226.8 billion, an increase of 7.2% compared with those as at 31 December 2017. Classification of loans is in compliance with the Bank of Thailand's notification. Pass loans stood at THB 204.3 billion, special-mention loans THB 12.6 billion, and non-performing loans classified as sub-standard, doubtful and doubtful of loss were reported at THB 2.7 billion, THB 2.3 billion, and THB 4.9 billion respectively.

CIMB Thai group's loan loss coverage ratio moved up to 107.0% as at 31 December 2018 from 93.2% at the end of December 2017. As at 31 December 2018, our total provisions were THB 10.5 billion showing an excess of THB 5.0 billion over Bank of Thailand's reserve requirements.

(c) Non-performing loans (NPLs)

The gross NPLs amounted to THB 9.9 billion with a gross NPL ratio of 4.3%, lower than that of 4.8% as at 31 December 2017. This was attributable to more efficient risk management policies, improved asset quality management and loan collection processes, and sales of certain NPLs in 2018.

(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 the 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 2018, CIMB Thai group's total liabilities amounted to THB 318.9 billion, up by THB 51.4 billion or 19.2% YoY as follows:

Deposits were THB 185.1 billion, up by THB 7.7 billion or 4.3% YoY, mainly from a increase in fixed deposits.

Interbank and money market items (liabilities) were THB 44.5 billion, up by THB 28.9 billion or 184.6% YoY, as a result of the Bank's liquidity management.

Financial liabilities designated at fair value through profit or loss increased by THB 12.4 billion or 53.7% to THB 35.5 billion, coming mainly from structured debentures and structured bills of exchange.

Derivative liabilities went up by THB 4.4 billion or 21.8% to THB 24.3 billion, mainly due to foreign exchange rate contracts and interest rate contracts.

Debt issued and borrowings amounted to THB 19.0 billion, declining by THB 1.0 billion or 4.8%, largely caused by the redemption of short term debentures and bills of exchange during the year.

Equity

As at 31 December 2018, CIMB Thai group's equity was recorded at THB 36.9 billion, representing a growth of THB 3.9 billion or 11.7% from a year earlier, principally due to the increase in the issued and paid-up share capital.

Off balance sheets: Commitments

As at 31 December 2018, the Bank and its subsidiaries had combined commitments of THB 4,047.9 billion, up by THB 1,545.1 billion (61.7%) from THB 2,502.8 billion YoY, mostly from an increase in derivatives as indicated in the table below:

(THB million)

Off balance sheets: commitments	31 December 2018	31 December 2017	Variance %
Avals to bills and guarantees of loans	280	90	211.1
Liability under unmatured import bills	239	299	(20.1)
Letters of credit	1,185	1,683	(29.6)
Other commitments:	4,046,169	2,500,700	61.8
Derivatives	3,998,256	2,446,966	63.4
Undrawn bank overdrafts	14,004	17,674	(20.8)
Undrawn credit lines	21,139	25,073	(15.7)
Investments	1,567	1,170	33.9
Others	11,203	9,817	14.1
Total	4,047,873	2,502,772	61.7

Liquidity

Cash and cash equivalent items, as indicated in the cash flow statement of CIMB Thai group as at 31 December 2018, amounted to THB 1.7 billion, a net increase of THB 157.9 million YoY. Details of the changes are as follows:

Net cash flows provided by operating activities in 2018 were THB 13.9 billion. Losses from operations before changes in operating assets and liabilities were THB 2.8 billion, including THB 271.2 million in pre-tax net profit for the year, and adjustments of non-cash items to net profit, stemming largely from interest and bad debts and doubtful accounts. Operating assets for the year went up by THB 23.1 billion mainly from an increase in loans and securities held for trading. In addition, operating liabilities moved up by THB 31.7 billion, resulting from interbank and money market items and deposits.

Net cash flows used in investing activities were THB 33.6 billion, mostly coming from net cash paid for available for sale securities.

Net cash flows provided by financing activities were THB 19.8 billion, comprising proceeds from net cash received from structured debentures 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 2018, the Bank had deposits, borrowings and loans classified by maturity as follows:

(Unit: THB billion)

Maturities	Loans*	%	Deposits*	%	Borrowings*	%
Payable on demand	16.3	7.4	61.9	31.7	0.4	0.4
Up to one year	40.2	18.1	123.2	63.1	34.0	40.4
Over one year	164.8	74.5	10.2	5.2	49.8	59.2
Total	221.3	100.0	195.3	100.0	84.2	100.0

*Including interbank and money market items.

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

(Unit: THB billion)

Categories of Deposit	2018*		2017*		2016*	
	Amount	%	Amount	%	Amount	%
Current deposits	2.9	1.5	3.4	1.8	3.1	1.7
Savings deposits	59.0	30.2	67.6	35.6	88.0	45.7
Fixed deposits	133.4	68.3	118.8	62.6	101.2	52.6
Total	195.3	100.0	189.8	100.0	192.3	100.0

*Including interbank and money market items.

Credit Rating

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

August 2018

Fitch Ratings

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)

June 2018

Moody's Investors Service

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

August 2018

RAM Ratings

Financial institution ratings	AA2/Stable/P1
Tier-2 subordinated debt	AA3/Stable

Financial Ratios

Capital funds and capital adequacy ratio

As at 31 December 2018, the Bank's assets were THB 36.9 billion higher than its liabilities, hence positive shareholders' equity. Its total capital funds amounted to THB 46.0 billion with capital adequacy ratio (BIS ratio) of 18.7%, exceeding the Bank of Thailand (BOT) regulatory requirement. Meanwhile, CIMB Thai group's consolidated capital funds amounted to THB 47.9 billion with BIS ratio of 19.3%.

Liquidity and loan to deposit ratio

The Bank has maintained the average cash reserve ratio at 1% of the total deposits and borrowings in accordance with the BOT regulations. As at 31 December 2018, the Bank's cash in hand, cash at cash center and cash at BOT totaled THB 3.4 billion. Its modified loan to deposit ratio was 94.0%, compared with 93.9% 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 annual 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 2018, fees paid to the external auditor were as follows:

(1) Audit fee

CIMB Thai group paid the auditor audit fee of THB 11.3 million. Other incidental expenses included transport and photocopying expenses.

(2) Non-audit fee

There was no non-audit service fee paid to the auditor in the fiscal year 2018.

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 2018 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. Encik Shahnaz Farouque Bin Jammal Ahmad	Director	- Shahnaz Farouque Bin Jammal Ahmad -
2. Encik Omar Siddiq Bin Amin Noer Rashid	Acting President and Chief Executive Officer	- Omar Siddiq Bin Amin Noer Rashid -

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 December 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 Director / Age / Position / Date of Appointment	Education	Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years		
1. Mr.Chakramon Phasukavanich Age 71 years Indenpent Director / Chairman of Board of Directors Date of appointment: 19 April 2016	Education - Master of Arts (Economics), California State University, Northridge, U.S.A. - Bachelor of Arts (Economics), Chulalongkorn University - Certificate of Senior Executive Development Program (Class 12) - The National Defence Course, National Defence College (Class of 39)	Listed companies		
		Period	Position	Company/Organisation
		2015 - Present 2015 - Present	Independent Director Chairman	Indorama Ventures PCL P.C.S. Machine Group Holding PCL
		Non-listed companies and other companies and organisations		
		Period	Position	Company/Organisation
		16 Dec 2016 - Present	President	Investor Club Association
Total shareholding in Bank	Training Courses provided by Thai Institute of Directors: - 2011: Financial Institutions Governance Program (FGP) - 2010: Advanced Audit Committee Program (AAP) - 2010: Control and Risk Management (MIR) - 2008: Current Issue Seminar (CIS) - 2008: Role of the Chairman Program (RCP) - 2006: Director Certification Program (DCP) - 2006: Audit Committee Program (ACP) - 2004: Financial for Non-Financial Director (FND) - 2004: Director Accreditation Program (DAP)	Work experience within last 5 years		
No. of shares held as of year-end 2018 - By himself: <i>1 share</i> - By his spouse or minor children: <i>None</i>		Period	Position	Company/Organisation
		2014 - 2015 2013 - 2014 2013 - 2014	Minister of industry Chairman Independent Director and Member of the Audit Committee	The Prime Minister's Office P.C.S. Machine Group Holding PCL Akara Resources PCL
		2011 - Aug 2014 2011 - 2015 2011 - 2014 2009 - 2014	Chairman Member Member Independent Director and Audit Committee Member	CIMB Thai Bank PCL Office the Public Sector Department Commission CIMB Southeast Asia Research Indorama Ventures PCL
		2009 - 2012 2006 - 2008 2004 - 2008	Member Member Permanent secretary, Office of Permanent Secretary	Burapha University Council The National Legislative Assembly Ministry of Industry
	2003 - 2004 2004 - 2006	Secretary General Secretary General	Board of Investment of Thailand Office of the National Economic and Social Development Board Office of the Council of State	
		2004 - 2017	Member	

Name of Director / Age / Position / Date of Appointment	Education	Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years		
2. Dato' Robert Cheim Dau Meng Age 67 years Vice Chairman Member and Alternate Chairman of Nomination, Remuneration and Corporate Governance Committee Date of appointment: 5 November 2008	Education - Fellow of the Institute of Chartered Accountants in England and Wales - Member of the Malaysian Institute of Accountants Training - Bank Negara Malaysia Annual Report 2017 /Financial Stability and Payments Systems Report 2017 Briefing Session by Bank Negara Malaysia (28 March 2018) - Technology Risk Briefing by Oliver Wyman (27 June 2018) - Sustainable Finance Training for Board of Directors by CIMB (1 August 2018) - Khazanah Megatrends Forum 2018 (8-9 October 2018) - Asean Roundtable Series by CIMB Asean Research Institute (CARI) & LSE IDEAS (30 October 2018) - CIMB Annual Management Summit (23-24 November 2018) - BNM-FIDE Board Conversations (Banks and DFIs) (27 November 2018)	Listed companies		
		Period	Position	Company/Organisation
		-	-	-
		Non-listed companies and other companies and organisations		
		Period	Position	Company/Organisation
Total shareholding in Bank		2012 - Present Jul 2015 - Present	Trustee Chairman	Yu Cai Foundation CIMB Investment Bank Bhd
		Work experience within last 5 years		
		Period	Position	Company/Organisation
No. of shares held as of year-end 2018 - By himself: <i>None</i> - By his spouse or minor children: <i>None</i>		Aug 2015 - Dec 2018 Nov 2015 - May 2018	Trustee	CIMB Foundation
		2006 - Feb 2015 2006 - Feb 2015 2005 - 2016 2005 - 2014 1999 - 2006 1993 - 1999	Chairman Non-executive Director Adviser Chairman Director Executive Director Chief Executive Officer	CIMB - Principal Asset Management Bhd CIMB Group Holdings Bhd CIMB Investment Bank Bhd Tanjong PCL CIMB Securities International Pte Ltd. CIMB Investment Bank Bhd CIMB Investment Bank Bhd
3. Mr. Maris Samaram Age 76 years Independent Director Chairman of Audit Committee Date of appointment: 8 May 2017	Education - Program for Management Development, Harvard Business School, U.S.A. - B.S.B.A., Accounting, University of The East, Philippines Training	Listed companies		
		Period	Position	Company/Organisation
		2010 - Present	Independent Director, Member of Audit Committee and Member of the Sustainability and Risk Management Committee	Indorama Ventures PCL

Name of Director / Age / Position / Date of Appointment	Education	Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years		
	<ul style="list-style-type: none"> - 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 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 - Risk Management Program for Corporate Leaders (RCL) Class No.13/2018 - IT Governance and Cyber Resilience Program (ITG) Class No.8/2018 	Non-listed companies and other companies and organisations		
		Period	Position	Company/Organisation
Total shareholding in Bank	No. of shares held as of year-end 2018 - By himself: <i>None</i> - By his spouse or minor children: <i>None</i>	2005 - Present	Director	PAC (Siam) Co., Ltd.
		2004 - Present	Director	Marsh PB Co., Ltd.
		Work experience within last 5 years		
		Period	Position	Company/Organisation
		2003 - August 2017	Independent Director, Chairman of Audit Committee and Member of Corporate Governance and Nomination Committee	Tata Steel (Thailand) PCL
		2013 - 2015	Independent Director and Chairman of Audit Committee	Akara Resources PCL
		2003 - 2015	Independent Director and Chairman of Audit Committee	Siam Commercial Bank PCL
		2008 - 2011	Independent Director and Chairman of Audit Committee	Indorama Polymers PCL
		2004 - 2010	Independent Director and Member of Audit Committee	Sub Sri Thai Warehouse PCL
4. Mrs. Watanan Petersik	Education AB Bryn Mawr College, PA, U.S.A. Training	Listed companies		
		Period	Position	Company/Organisation
		2014 - Present	Independent Director	PTT Global Chemical PCL

Name of Director / Age / Position / Date of Appointment	Education	Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years		
Remuneration and Corporate Governance Committee Date of appointment: 25 April 2007 Total shareholding in Bank No. of shares held as of year-end 2018 - By herself: <i>None</i> - By her spouse or minor children: <i>None</i>	<ul style="list-style-type: none"> - Bursatra Sdn Bhd. Mandatory Accreditation Program (MAP) for Directors of Public Listed Companies (17-18 March 2010) - Director Accreditation Program (DAP), Class 83/2010 English Programme, Thai Institute of Directors (27 April 2010) - Certificate, Singapore Institute of Directors Course: Role of Directors 	Non-listed companies and other companies and organisations		
		Period	Position	Company/Organisation
		Present 2011 - Present	Non-executive Director Director	Jetanin Institute for Assisted Reproduction Lien Centre for Social Innovation, Singapore Management University
		2010 - Present	Independent Director Non-executive Director	CIMB Group Holdings Bhd
		2010 - Present	Independent Director Non-executive Director	CIMB Group Sdn Bhd
		2008 - Present	Non-executive Director Director	Asia Capital Advisory Pte Ltd.
		Work experience within last 5 years		
		Period	Position	Company/Organisation
		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. Mr. Rom Hiranpruk Age 64 years Independent Director Member of Audit Committee Date of appointment: 13 December 2018	Education <ul style="list-style-type: none"> - Ph.D. (Computer Science), University of Kansas, U.S.A. - M.S. (Computer Science), University of Kansas, U.S.A. - B.A. (Statistics), Macquarie University, Australia (Colombo Plan Scholarship) 	Listed companies		
		Period	Position	Company/Organisation
		2009 - Present	Independent Director	TSFC Securities PCL
		Non-listed companies and other companies and organisations		
		Period	Position	Company/Organisation

Name of Director / Age / Position / Date of Appointment	Education	Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years		
	Training - IT Governance (ITG) Invited as observer for ITG 1/2016, Thai Institute of Direcotors - Corp. Governance for Capital Market Intermediaries (CGCMI 1/2015), Thai Institute of Direcotors - Advanced Audit Committee Program (AACP 14/2014), Thai Institute of Direcotors - Financial Institutions Governance Program (FIGP 6/2013), Thai Institute of Direcotors - Director Certification Program (DCP 172/2013) (BOT Sponsored), Thai Institute of Direcotors - Executive Grid Seminar (invitation only) - The Four Roles of Leadership Program (sponsored by National Science and Technology Development Agency - NSTDA) - Capital Market Course, Class I, Capital Market Academy (funded by SET) - Visiting Scholar to Computing Laboratories of the University of North Carolina, Microelectronics Corporation of North Carolina (MCNC), and North Carolina Supercomputer Center (NCSC)	2017 - Present 2016 - Present	Director (Qualified) Independent Director Audit Committee Member Advisor to Foundation Chairman Co-Manager	The Electronic Transactions Commission Chic Republic Co., Ltd. Mae Fah Luang Fundation Under Royal Patronage Wor Tor Tor for Sangkom Co., Ltd.
Total shareholding in Bank				
No. of shares held as of year-end 2018 - By himself: <i>None</i> - By his spouse or minor children: <i>None</i>				
		Work Experience within Last 5 Years		
		Period	Position	Company / Organization
		2015 - 2018	Director (Qualified)	Office of Knowledge Mangement and Development (Public Organisation)
		2012 - 2018 2015 - 2017	Director (IT expert) Director (Qualified)	Payment Systems Committee, Bank of Thailand Software Industry Promotion Agency (Public Organisation)
		2014 - 2017	Director (Qualified)	Broadcasting and Telecommunications Research and Development Fund for the Public Interest
		2010 - 2012	Director (Qualified)	Board of Special Case, Department of Special Investigation, Ministry of Justice
6. Mr. Chitrapongse Kwangsukstith	Education - Doctor of Engineering (Industrial Engineering), Lamar University, U.S.A.	Listed Companies		
Age 69 years Director (Authorised Signatory) Member and Alternate Chairman of Board		Period	Position	Company / Organization
		Present	Director	Thoresen Thai Agencies PCL
		Non-Listed Companies and Other Companies/Organisations		

Name of Director / Age / Position / Date of Appointment	Education	Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years		
Risk Committee Date of appointment: 11 April 2014	<ul style="list-style-type: none">- Master of Engineering (Industrial Engineering), Lamar University, U.S.A.- Bachelor of Engineering (Mechanical Engineering), Chulalongkorn University, Thailand Training <ul style="list-style-type: none">- Stanford Executive Program, Stanford University, U.S.A.- The National Defence Course, National Defence College (Class of 4212), Thailand- Director Certification Program (DCP) Class 42/2004, Finance for Non-Finance Directors (FND) Class 9/2004, Role of Compensation Committee (RCC) Class 10/2010 and National Corporate Governance Committee (NCGC), Thai Institute of Directors			
Total shareholding in Bank		Period	Position	Company / Organization
No. of shares held as of year-end 2018 - By himself: <i>None</i> - By his spouse or minor children: <i>None</i>		Present	Director	Earth Green Co., Ltd.
		Present	Director	Baan Mee Green Co., Ltd.
		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.
		Present	Director	Premier Tank Corporation Co., Ltd.
	Work Experience within Last 5 Years			
Period	Position	Company / Organization		
7. Dato' Lee Kok Kwan Age 53 years Director Chairman of Board Risk Committee Date of Appointment: 24 December 2015	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	
	Listed Companies			
	Period	Position	Company / Organization	
	Present	Director	CIMB Group Holdings Bhd	
	Non-Listed Companies and Other Companies/Organisations			
	Period	Position	Company / Organization	
Total shareholding in Bank No. of shares held as of year-end 2018 - By himself: <i>None</i> - By his spouse or minor children: <i>None</i>	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 / Organization	

Name of Director / Age / Position / Date of Appointment	Education	Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years		
		2012 - 2015 2008 - 2012 2006 - 2008 1997 - 2006 1996 - 1997	Group Deputy CEO & Head of Treasury, Corporate Banking & Transaction Banking Group Deputy CEO & Treasurer Group Treasurer General Manager of Treasury & Debt Capital Markets Head of Risk Management	CIMB Group Holding Bhd CIMB Group Holding Bhd CIMB Group Holding Bhd CIMB Investment Bank CIMB Investment Bank
8. Ms. Serena Tan Mei Shwen Age 40 years Director Member of Board Risk Committee Date of Appointment: 6 May 2014	<ul style="list-style-type: none">- Master of Business Administration, Massachusetts Institute of Technology, U.S.A.- Bachelor of Commerce, Accounting & Finance, Macquarie University, Sydney, Australia- 7th Form Bursary Certificate - (Economics, Statistics, English, History), Aranui High School, Christchurch, New Zealand	Listed companies		
		Period	Position	Company/Organisation
		-	-	-
		Non-listed companies and other companies/organisations		
		Period	Position	Company/Organisation
		1 Dec 2017 - Present	Director	CIMB Bank Bhd
		2005 - Present	Executive Director	Investments, Khazanah Nasional Berhad, Kuala Lumpur, Malaysia
		Jan 2019 - Present	Alternate Director to John Kelly Thompson	ACR Capital Holdings Pte Ltd.
		Work experience within last 5 years		
		Period	Position	Company/Organisation
Total shareholding in Bank				
No. of shares held as of year-end 2018		6 Apr 2018 - 13 Jun 2018		
- By herself: <i>None</i>		Director		
- By her spouse or minor children: <i>None</i>		13 Nov 2013 – 11 Sep 2017		
		Director		
		Apr 2008 - Oct 2009		
		Principal		
		Mar 2006 - April 2008		
		Olivant Advisors (Seconded from Khazanah), Singapore		
		Oct 2005 - Mar 2006		
		Senior Vice President, Office of the Chairman/CEO		
		Dec 2003 - Feb 2005		
		Vice President		
		Apr 2001 - Dec 2003		
		Associate		
		Credit Cards Group Head		
		Boston Consulting Group, Kuala Lumpur, Malaysia		

Name of Director / Age / Position / Date of Appointment	Education	Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years		
			Senior Analyst	FIG Specialist, McKinsey & Company, Kuala Lumpur, Malaysia
9. Datuk Joseph Dominic Silva Age 55 years Director Member of Nomination, Remuneration and Corporate Governance Committee Member of Board Risk Committee Date of appointment: 20 April 2018	Education - Masters in Research (Business), 2017, University of Liverpool, United Kingdom - Senior Management Program, 1996, Henley Management College (University of Reading), United Kingdom - Master of Arts, Banking & Finance, 1990, University of Wales, United Kingdom	Listed Companies		
		Period	Position	Company / Organization
		-	-	-
		Non-Listed Companies and Other Companies/Organisations		
		Period	Position	Company / Organization
		2018 - Present 2017 - Present 2015 - Present	Director Director (Authorised Signatory) Director	SCICOM (MSC) Bhd DMY Capital Sdn Bhd (Malaysia) Avicennia Capital Sdn Bhd (Malaysia)
Total shareholding in Bank	Training - 2014: Financial Institutions Directors Education (Bank) and Financial Institutions Directors Education (Insurance) - 2014: Mandatory Accrediation Program (MAP) for Directors	Work Experience within Last 5 Years		
No. of shares held as of 2018		Period	Position	Company / Organization
- By director himself: <i>None</i>		2014 - Present 2008 - 2017 1996 - 2007	Co-Founder and Director Head of Investments Head of Commercial, Asia	DMY Capital (Malaysia) Khazanah Nasional Berhad (Malaysia) Royal Bank of Scotland / ABN AMRO Bank N.V. (Singapore, Malaysia, Netherlands, London, Hong Kong)
- By his spouse and minor children: <i>None</i>		1994 - 1995	Senior Relationship Manager	Mitsubishi UFJ Financial Group (Malaysia and Singapore)
		1992 - 1993 1990 - 1992	Originator-Fixed Income Corporate Lending Officer	KAF Seagroatt & Campbell (Malaysia) Malayan Banking Bhd
10. Mr. Chanmanu Sumawong	Education - Bachelor of Laws (second-class honor), Thammasart University - Thai Barrister of Law - Master of Comparative Law (A.P.), George Washington University (U.S.A.) - Master of Law, George Washington University (U.S.A.)	Listed Companies		
Age 63 years		Period	Position	Company / Organization
Independent Director		Mar 2017 - Present	Chief Legal Officer	Thonburi Healthcare Group PCL
Member of Audit Committee		May 2017 - Present	Independent Director and Member of Audit Committee	Finansa PCL
		Non-Listed Companies and Other Companies/Organisations		
		Period	Position	Company / Organization
Date of appointment: 20 April 2018	Training	May 2017 - Present	Independent Director and	Finansa Securities Ltd.

Name of Director / Age / Position / Date of Appointment	Education	Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years		
Total shareholding in Bank No. of shares held as of year-end 2018 - By himself: <i>None</i> - By his spouse or minor children: <i>None</i>	- 2013: Director Accreditation Program (DAP) Class 104/2013		Member of Audit Committee	
		Work Experience within Last 5 Years		
		Period	Position	Company / Organization
		Nov 2011 - Dec 2016	Executive Vice President	Siam Commercial Bank PCL
		Nov 2011 - Dec 2016	Director of Subsidiary	Siam Commercial Bank PCL
		Apr 1996 - Nov 2011		Hunton & Williams (Thailand) Ltd.
		Apr 1996 - Nov 2011	Counsellor	Hunton & Williams (Thailand) Ltd.
		Apr 1989 - Apr 1996	Partner	International Legal Counsellors Thailand Ltd.
		Apr 1989 - Apr 1996	Senior Associate	International Legal Counsellors Thailand Ltd.
		Oct 1982 - Oct 1984	Partner	International Legal Counsellors Thailand Ltd.
Name of Director / Age / Position / Date of Appointment 11. Mr. Kittiphun Anutarasoti Age 49 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	Education - Master of Business Administration (Finance), Saint Louis University, U.S.A. - Bachelor of Economics (1st Class Honour & Gold Medal), Chulalongkorn University Training - Advanced Management Program – I NSEAD Business School - Financial Institution Risk Analysis –	Oct 1984 - Oct 1985	Partner	Surin District Court
		Oct 1985 - Oct 1986	Judge Trainee	Surin District Court
		Oct 1986 - June 1987	Judge	Nakonrachsrma Juvenile Court
		Jun 1987 - Apr 1989	Judge	Nakornrachsrma Provincial Court
			Secretary	The Central Labor Court
		Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years		
		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
			First Executive Vice	Siam Commercial Bank PCL

Name of Director / Age / Position / Date of Appointment	Education	Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years		
Chairman of Thailand Underwriting Committee Chairman of Thailand Private Banking Management Committee Date of appointment : 19 October 2016	Fitch Training, Singapore - Structured Derivatives Instruments – JP Morgan, Singapore - Advanced Credit Training – Bank of America, San Francisco - Basic Credit Training – Bank of America, San Francisco	2009 - 2013 2000 - 2009	President Executive Director	JP Morgan Chase Bank, N.A., Bangkok Branch
Total shareholding in Bank				
No. of shares held as of year-end 2018 - By himself: None - By his spouse or minor children: None				
Name of Director / Age / Position / Date of Appointment	Education	Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years		
12. Assoc.Prof. Dr. Ismaae Alee Age 68 years Shariah Advisor Date of appointment: 1 August 2011	- Higher Certificate in Promotion of Peaceful Society, King Prajadhipok’s Institute - Ph.D., Al-Fiqh (First Class Hons), Islamic University of Madinah, Saudi Arabia - Master of Arts, Al-Fiqh (Excellence), Islamic University of Madinah, Saudi Arabia - Bachelor of Arts, Sharia (Hons), Islamic University of Madinah, Saudi Arabia - Bachelor of Arts, Dawah and Usul al- din, Islamic University of Madinah, Saudi Arabia	Listed companies		
		Period	Position	Company/Organisation
		-	-	-
		Non-listed companies and other companies and organisations		
		Period	Position	Company/Organisation
		2014 - Present 2007 - Present	Chairman Member, Chairman of Halal Affairs	Orphans Foundation Central Islamic Council of Thailand (CICOT)
		Work experience within last 5 years		
		Period	Position	Company/Organisation
		2010 - 2011 2008 - 2010	Head of Delegation Member	Thai Haj Delegation Shariah Advisory Council, Securities Commission, Malaysia
		2007 - 2010 2006 - 2010 2002 - 2010	Associate Professor of Islamic Law Head Director	Advisory Council for Peace Building in Southern Border Provinces of Thailand College of Islamic Studies (CIS), Prince of Songkla University (PSU) Doctoral Degree in Islamic Studies of CISPSU College of Islamic Studies (CIS-PSU)
13. Prof. Dr. Maroning Salaming	- Ph.D., Principles of Islamic	Listed companies		

Name of Director / Age / Position / Date of Appointment	Education	Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years		
Age 53 years Shariah Advisor Date of appointment: 1 August 2011	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	Period	Position	Company/Organisation
		-	-	-
		Non-listed companies and other companies and organisations		
Period		Position	Company/Organisation	
2016 - Present		Haj Affairs Committee B.E. 2559	Central Islamic Council of Thailand	
2016 - Present		President, Shariah transactions	Dhipaya Takaful	
2016 - Present		President, Office AmirunHajj	Sheikhul Islam	
2015 - Present		Adviser of Director College of Islamic Studies	College of Islamic Studies, Prince of Songkla University, Pattani Campus	
2013 - Present		Expert Sheikhul Islam	Sheikhul Islam	
2011 - Present		Member of Shariah Advisory Council	Provinces Administration Center	
Total shareholding in Bank				
No. of shares held as of year-end 2018 - By himself: <i>None</i> - By his spouse or minor children: <i>None</i>		2010 - Present	Consultant and Working Committee Member	Sheikhul Islam
		2008 - Present	Advisor on Ph.D. Thesis	College of Islamic Studies, Prince of Songkla University, Pattani Campus
		2006 - Present	Advisor on Master's Degree Thesis	College of Islamic Studies, Prince of Songkla University, Pattani Campus
		2006 - Present	Professor of Islamic Law	College of Islamic Studies, Prince of Songkla University, Pattani Campus
		2005 - Present	Department	College of Islamic Studies, Prince of Songkla University, Pattani Campus
		Work experience within last 5 years		
		Period	Position	Company/Organisation

Name of Director / Age / Position / Date of Appointment	Education	Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years		
		2013 - 2014	Deputy Secretary General	Southern Border Provinces Administration Center
		2012 - 2014	Specialised Committee Member	Hajj Promotion Committee of Southern Border Provinces of Thailand, pursuant to the appointment order of Southern Border Council for Yala Primary Educational Service Area 1
		2011 - 2013	Specialised Council Member	College of Islamic Studies, Prince of Songkla University, Pattani Campus
		2009 - 2015	Member of Management Committee of Ph.D Programme	Pursuant to the order of Sub Committee on Policy and Coordination of Judicial Process in Southern Border Provinces
		2008 - 2010	Adoption of Islamic Laws in Southern Border Provinces	
14. Mr. Pornchai Padmindra Age 46 years Co-Head of Wholesale Banking Head of Corporate Banking and Investment Banking Date of appointment: 1 September 2013	Education - Bachelor of Accounting, Kasetsart University - AFS Scholarship Student Exchange Programme Training - 2008: Director Accreditation Program (DAP), Class 73/2008, Thai Institute of Directors - 2016: Capital Market Academy - Greater Mekong Sub-region 2 (CMA-GMS2), Stock Exchange of Thailand	Listed companies		
		Period	Position	Company/Organisation
		-	-	-
		Non-listed companies and other companies and organisations		
		Period	Position	Company/Organisation
		-	-	-
		Work experience within last 5 years		
		Period	Position	Company/Organisation
		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.
Total shareholding in Bank				
No. of shares held as of year-end 2018 - By himself: <i>None</i> - By his spouse or minor children: <i>None</i>				

Name of Director / Age / Position / Date of Appointment	Education	Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years		
15. Mr. Adisorn Sermchaiwong Age 53 years Head of Consumer Banking Date of appointment : 11 September 2012	Education <ul style="list-style-type: none">- Master of Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University- Bachelor of Engineering, Chulalongkorn University Training <ul style="list-style-type: none">- Director Certification Programme (DCP), Thai Institute of Directors- Advanced Management Programme, Oxford University- Capital Market Academy Leadership Programme, Capital Market Academy (CMA) Class 1- Corporate Governance for Capital Market Intermediaries (CGI), Class 17/2016, Thai Institute of Directors	Listed companies		
		Period	Position	Company/Organisation
		-	-	-
		Non-listed companies and other companies/organisations		
		Period	Position	Company/Organisation
		2012 - Present	Director	CIMB-Principal Asset Management Co., Ltd. Finansa Asset Management Ltd.
		2015 - Present	Director	CT COLL Co., Ltd.
		2015 - Present	Chairman	WorldLease Co., Ltd.
		2015 - Present	Chairman	CIMB Thai Auto Co., Ltd.
		2016 - Present	Chairman	
Total shareholding in Bank		Work experience within last 5 years		
No. of shares held as of year-end 2018 - By himself: <i>None</i> - By his spouse or minor children: <i>None</i>		Period	Position	Company/Organisation
		2010 - 2012	Executive Director, Country Head of Channels	UOB Bank PCL
		2008 - 2010	Executive Vice President, Saving & Investment Products	Siam Commercial Bank PCL
		2002 - 2007	President	SCB Asset Management Co., Ltd.
16. Mr. Sutee Losoponkul Age 58 years Co-Head of Wholesale Banking Head of Treasury Date of appointment: 1 April 2011	Education <ul style="list-style-type: none">- MBA, National Institute of Development Administration (NIDA)- B.Sc. (Industrial Engineering), Prince of Songkla University Training <ul style="list-style-type: none">- The National Defence College of Thailand- Market Risk for Treasury Products, New York Institute of Finance	Listed companies		
		Period	Position	Company/Organisation
		-	-	-
		Non-listed companies and other companies and organisations		
		Period	Position	Company/Organisation
		23 Apr 2013 - Present 4 Mar 2011 - Present	Director Director	The Thai Bond Market Association CIMB Securities (Thailand) Co., Ltd.
Total shareholding in Bank				
No. of shares held as of year-end 2018 - By himself: <i>None</i>				

Name of Director / Age / Position / Date of Appointment	Education	Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years		
- By his spouse or minor children: <i>None</i>	(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			
		Work experience within last 5 years		
		Period	Position	Company/Organisation
		-	-	-
17. Mrs. Wareemon Niyomthai Age 52 years Head of Commercial Banking Date of appointment: 8 February 2016	Education - Master of Business Administration (Finance), Saint Louis University, U.S.A. - Master of Science, (Mass Communications), Iowa State University, U.S.A. - Bachelor of Education, Srinakharinwirot University, Thailand Training - Columbia Senior Executive Programme, Columbia University, U.S.A.	Listed companies		
		Period	Position	Company/Organisation
		-	-	-
		Non-listed companies and other companies and organisations		
		Period	Position	Company/Organisation
		-	-	-
		Work experience within last 5 years		
		Period	Position	Company/Organisation
Total shareholding in Bank No. of shares held as of year-end 2018 - By herself: <i>None</i> - By her spouse or minor children: <i>None</i>		Oct 2013 - Jan 2016	First Executive Vice President,	Krungthai Bank PCL
		Dec 2008 - Sep 2013	Advisor to the President	Siam Commercial Bank PCL
		Nov 2003 - Dec 2008	Executive Vice President	Standard Chartered Bank (Thai)
			Executive Vice President	
18. Ms. Siriporn Sanunpairaue Age 54 years Head of Internal Audit Date of appointment: 1 July 2015	Education - Master of Business Administration, Thammasat University - Bachelor of Accounting, Thammasat University Training - CIMB-INSEAD Leadership Programme	Listed companies		
		Period	Position	Company/Organisation
		-	-	-
		Non-listed companies and other companies and organisations		
		Period	Position	Company/Organisation
		-	-	-
		Work experience within last 5 years		
		Period	Position	Company/Organisation
Total shareholding in Bank No. of shares held as of year-end 2018				

Name of Director / Age / Position / Date of Appointment	Education	Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years		
- By herself: <i>None</i> - By her spouse or minor children: <i>None</i>	- CIA Preparation, Institute of Internal Auditors of Thailand - Certified Professional Internal Auditor (CPIA), Institute of Internal Auditors of Thailand	2007 - 2008 2006 - 2007	Head of Internal Audit Department, Senior Vice President Senior Audit Manager, Group Internal Audit	Standard Chartered Bank (Thai) Standard Chartered Bank
19. Mr. Jason Leong Kok Yew Age 45 years Head of Finance Date of appointment: 30 December 2016 Total shareholding in Bank No. of shares held as of year-end 2018 - By himself: <i>None</i> - By his spouse or minor children: <i>None</i>	Bachelor of Economics, Macquarie University, Australia	Listed companies		
		Period	Position	Company/Organisation
		-	-	-
		Non-listed companies and other companies and organisations		
		Period	Position	Company/Organisation
		2008 - Present	Director, Group Finance	CIMB Bank
		Work experience within last 5 years		
		Period	Position	Company/Organisation
		2005 - 2008 2000 - 2005 1992 - 2000	Accounting Department Manager Manager	Bangkok Bank PCL PriceWaterhouseCoopers/IBM Deloitte
20. Mr. Arthit Masathirakul Age 52 years Head of Risk Management Date of appointment: 1 January 2017 Total shareholding in Bank No. of shares held as of year-end 2018	Education Master of Business Administration, University of Colorado at Boulder, U.S.A. Training - Senior Credit Officer Workshop, Standard Chartered Bank, Thailand - Assets Valuation,	Listed companies		
		Period	Position	Company/Organisation
		-	-	-
		Non-listed companies and other companies and organisations		
		Period	Position	Company/Organisation
		2005 - Present	Authorised Director	Advance Business Management Corporation Company Limited

Name of Director / Age / Position / Date of Appointment	Education	Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years		
- By himself: <i>None</i> - By his spouse or minor children: <i>None</i>	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 - Leading into the Future CIMB Thai Bank Public Company Limited - Onboarding Session for CIMB Leader CIMB Thai Bank Public Company Limited	Work experience within last 5 years		
		Period	Position	Company/Organisation
		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
21. Mrs. Bussakorn Puttinan Age 62 years Head of Information and Operations Date of appointment: 4 January 2017	Education Bachelor of Science (Agriculture Economics), Chiang Mai University Training - Core Operations, Managing people, Citibank, Singapore	Listed companies		
		Period	Position	Company/Organisation
		-	-	-
		Non-listed companies and other companies and organisations		
		Period	Position	Company/Organisation
		-	-	-

Name of Director / Age / Position / Date of Appointment	Education	Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years		
Total shareholding in Bank	<ul style="list-style-type: none"> - 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 			
No. of shares held as of year-end 2018		Work experience within last 5 years		
- By herself: <i>None</i>		Period	Position	Company/Organisation
- By her spouse or minor children: <i>None</i>		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
22. Mrs. Kanokpai Vongsatitporn Age 45 years Head of Human Resources Date of appointment: 30 December 2016	Education <ul style="list-style-type: none"> - Master of Business Administration, Kasetsart University - Bachelor of Business Administration (MIS Finance), Thammasat University 	Listed companies		
		Period	Position	Company/Organisation
		-	-	-
		Non-listed companies and other companies and organisations		
	Training <ul style="list-style-type: none"> - 2013: CPP/Potentia, MBTI Certification Programme - 2013: CPP/Potentia, MBTI Type and Coaching 	Period	Position	Company/Organisation
		-	-	-
Total shareholding in Bank		Work experience within last 5 years		
No. of shares held as of year-end 2018		Period	Position	Company/Organisation
- By herself: <i>None</i>		2012 - 2014	Chief Human Resources Officer	FWD Life Insurance PCL
- By her spouse or minor children: <i>None</i>		2011	Acting Head of Human Resources	Hongkong and Shanghai Banking Corporation
		2005 - 2011	Vice President, Human Resources	Hongkong and Shanghai Banking Corporation
23. Mr. Tan Keat Jin Age 44 years Head of Strategy Date of appointment: 30 December 2016	Education <ul style="list-style-type: none"> - Master of Business Administration (Merit), University of Bath, United Kingdom - Bachelor of Engineering (1st Class Honours), University College London, United Kingdom 	Listed companies		
		Period	Position	Company/Organisation
		-	-	-
		Non-listed companies and other companies and organisations		
	Training <ul style="list-style-type: none"> - CIMB-INSEAD Executive Development Programme, Cohort 4 	Period	Position	Company/Organisation
		-	-	-
Total shareholding in Bank		Work experience within last 5 years		
No. of shares held as of year-end 2018				

Name of Director / Age / Position / Date of Appointment	Education	Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years		
		Period	Position	Company/Organisation
- By himself: <i>None</i> - By his spouse or minor children: <i>None</i>		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)
		2005 - 2006	Specialist	Bank Negara Malaysia (Central Bank of Malaysia)
		1997 - 2005	Team Leader (various disciplines)	Accenture Malaysia
24. Mr. Prapas Thongsuk Age 55 years Head of Corporate Communications Date of appointment: 1 April 2010 Total shareholding in Bank No. of shares held as of year-end 2018 - By himself: <i>None</i> - By his spouse or minor children: <i>None</i>	Education - Master of Business Administration, National Institute of Development Administration (NIDA) - Bachelor of Education, Chulalongkorn University Training - A Business Creativity (ABC) Class 8 (2018) Sripatum University - National Defence College Class 59 (2016-2017) - “CIMB Leadership” Cohort 3, INSEAD University	Listed companies		
		Period	Position	Company/Organisation
		-	-	-
		Non-listed companies and other companies/organisations		
		Period	Position	Company/Organisation
		-	-	-
		Work experience within last 5 years		
		Period	Position	Company/Organisation
		2004 - 2010	Senior Vice President, Corporate Marketing	Krungthai Card PCL
		-	-	-
25. Mr. Akash Rathke Age 52 years Head of Transaction Banking	Education - Fellow of Institute of Chartered Accountants of India (1988)	Listed companies		
		Period	Position	Company/Organisation
		-	-	-

Name of Director / Age / Position / Date of Appointment	Education	Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years		
Date of appointment: 1 January 2018	- Bachelor of Commerce, Panjab University, India (1986) - Indian Certificate of Secondary Education, ST.Francis High School, India (1982)			
Total shareholding in Bank		Non-listed companies and other companies and organisations		
No. of shares held as of year-end 2018 - By himself: None - By his spouse or minor children: None		Period	Position	Company/Organisation
		Jan 2016 - Dec 2017	Non-Executive Director	Cromdx Solutions Pvt. Ltd.
		Work experience within last 5 years		
		Period	Position	Company/Organisation
		Jan 2015 - Jun 2016 Jan 2012 - Dec 2014 Oct 2009 - Dec 2011	Managing Director Managing Director Managing Director	Asia Data Governance Head, CITIBANK HK Asia Projects Head, CITIBANK HK Asia Head Bank Relationships, CITIBANK HK
26. Mr. Zethjak Leeyakars Age 49 years Head of Compliance Acting Head of Office of the President Date of appointment: 24 February 2017	Education - 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	Listed companies		
		Period	Position	Company/Organisation
		-	-	-
		Non-listed companies and other companies and organisations		
		Period	Position	Company/Organisation
		-	-	-
Total shareholding in Bank		Work experience within last 5 years		
No. of shares held as of year-end 2018 - By himself: None - By his spouse or minor children: None	Training - Central Bank Course - Bourse Game, Citibank - Commercial Banking Course - Risk Management in Financial Institutions	Period	Position	Company/Organisation
		Jul 2016 - Feb 2017	Executive Vice President, Compliance	Bangkok Bank PCL
		Mar 2015 - Jun 2016	Executive Vice President, Compliance & Procedure Sector	Krungthai Bank PCL
		Nov 2005 - Feb 2015	Executive Director, Head of Compliance	JP Morgan Chase Bank
		Oct 2003 - Oct 2005	Assistant Vice President, Compliance	Deutsche Bank

Name of Director / Age / Position / Date of Appointment	Education	Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years		
	<ul style="list-style-type: none"> - Macroeconomic Management, SEACEN, Malaysia - Anti-Corruption: The Practical Guide 25/2016 (ACPG, IOD) - Company Secretary Program Class 70/2016 (IOD) 			
27. Mr. Jittiwat Kantamala Age 57 years Head of Private Banking Date of appointment: 12 June 2017	Education <ul style="list-style-type: none"> - Finance & Marketing, University of Illinois At Urbana-Champaign, U.S.A. (1989) - Economics (Pure Theory), Graduate School, Chulalongkorn University (1987) - Economics, Chulalongkorn University (1982) 	Listed companies		
		Period	Position	Company/Organisation
		-	-	-
		Non-listed companies and other companies/organisations		
		Period	Position	Company/Organisation
		-	-	-
Total shareholding in Bank	Training <ul style="list-style-type: none"> - Annual Investment Suitability Training, Credit Suisse AG, Singapore - Advanced Alternative Investments, Credit Suisse AG, Singapore - Advanced Portfolio Management, Credit Suisse AG, Singapore - OTC Bond Options, Credit Suisse AG, Singapore - FA TCA Orientation (e-learning), Standard Chartered, Singapore - Reputational Risk (e-learning), Standard Chartered, Singapore - Anti-Money Laundering, Counter-terrorist Financing and Sanctions, Standard Chartered, Singapore 	Work experience within last 5 years		
No. of shares held as of year-end 2018 - By himself: <i>None</i> - By his spouse or minor children: <i>None</i>		Aug 2015 - Dec 2016 May 2014 - Aug 2015 Jun 2013 - Apr 2014 May 2012 - May 2013 Sep 2010 - Mar 2012	Director, Private Bank Director, Private Bank Director, Head of Private Wealth Department First Vice President, Private Bank Private Wealth Manager, Global Wealth Management	Credit Suisse AG, Singapore Standard Chartered Private Bank, Singapore UOB Asset Management (Thailand) Co., Ltd. United Overseas Bank (UOB) Bank of America Merrill Lynch (BofAML)

Name of Director / Age / Position / Date of Appointment	Education	Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years		
	- Operational Risk (e-learning), Standard Chartered, Singapore			
28. Ms. Uthaiwan Sukphanpim Age 50 years Head of Customer Experience Management Date of appointment: 1 August 2018	Education - Master of Business Administration, Finance & International Business, Saint Louis University, Missouri, USA - Bachelor of Business Administration, Accounting, Thammasat University	Listed companies		
		Period	Position	Company/Organisation
		-	-	-
		Non-listed companies and other companies/organisations		
		Period	Position	Company/Organisation
		-	-	-
Total shareholding in Bank	Training - Situational Leadership Programme - Coaching for Trusted Leader - Crisis Communication Framework - Kindness Service Recovery Programme - 9 Gears Business Performance - One-Minute Manager	Work experience within last 5 years		
No. of shares held as of year-end 2018 - By herself: <i>None</i> - By her spouse or minor children: <i>None</i>		2013 - 2018	Senior Vice President, Customer Advocacy & Service Quality	United Overseas Bank Thai PCL
		2002 - 2008	Deputy Director, Operations Support, Customer Management	True Corporation PCL
		2000 - 2002		HSBC Thailand
		1998 - 1999	Manager, Risk Management, Personal Financial Services	HSBC Thailand
		1993 - 1995	Manager, Personal Telephone Banking Assistant Manager, Credit	Siam Sanwa Credit PCL
29. Ms. Pajaree Thongvanit Age 38 years Head of Legal Date of appointment: 1 May 2018	Education - Master of Law (Merit), University of Warwick, United of Kingdom - Bachelor of Law (Honor), Chulalongkorn University	Listed companies		
		Period	Position	Company/Organisation
		-	-	-
		Non-listed companies and other companies/organisations		
		Period	Position	Company/Organisation

Name of Director / Age / Position / Date of Appointment	Education	Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years		
Total shareholding in Bank	Training	Work experience within last 5 years		
No. of shares held as of year-end 2018	- Women Leadership Course (Standard Chartered Bank (Jakarta), Indonesia)	2016 - 2018	Senior Vice President, Legal	CIMB Thai Bank PCL
- By herself: <i>None</i>	- Effective Coaching (Standard Chartered Bank)	2014 - 2016	Senior Vice President, Head Legal, Wholesale Banking Legal	Standard Chartered Bank (Thai)
- By her spouse or minor children: <i>None</i>	- Senior Lawyer Development Course (Clifford Chance)	2012 - 2014	Senior Vice President, Wholesale Banking Legal	Standard Chartered Bank (Thai)
		2009 - 2012	Vice President, Wholesale Banking Legal	Standard Chartered Bank (Thai)
		2007 - 2009	Senior Associate	Clifford Chance (Thailand) Limited

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 2018 compared with information as at 31 December 2017:

Name	Position	No. of shares held As at 31 Dec 18 (Shares)	No. of shares held As at 31 Dec 17 (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 2018 compared with information as at 31 December 2017:

Particulars	No. of shares held As at 31 Dec 18 (Shares)	No. of shares held As at 31 Dec 17 (Shares)	No. of shares changed
Mr. Adisorn Sermchaiwong			
Head of Consumer Banking			
- WorldLease Co., Ltd.	1	1	-
- CT Coll Co., Ltd.	6	-	6
- CIMB THAI AUTO Co., Ltd.	2	-	2
Mr. Zethjak Leeyakars			
Head of Compliance			
and Acting Head Office of the President			
- CIMB THAI AUTO 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			
- CIMB THAI AUTO Co., Ltd.	2	2	-

Attachment 2**Information on Directors of Subsidiaries**

Details of Directors and Executives in Subsidiaries and Related Companies (as of 31 December 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															
3. Mr. Maris Samaram	X,C,E									C,D,K	F	F												
4. Mrs. Watanan Petersik	C,G,E												C	E	F	C,E	C,E	F						
5. Mr. Chitrapongse Kwangsukstith	F,T																		F	F	F	C	F	F
6. Dato' Lee Kok Kwan	F,E,H																							
7. Datuk Joseph Dominic Silva	F,M,X																							
8. Ms. Serena Tan Mei Shwen	F,E																							
9. Mr.Chanmanu Sumawong	C,D																							
10. Mr.Rom Hiranpruk	C,D																							
11. Mr. Kittiphun Anutarasoti	F,O,T																							
12. Mr. Sutee Losoponkul	Q																							
13. Mr. Adisorn Sermchaiwong	Q	A	A	A																				
14. Mr. Arthit Masathirakul	Q																							
15. Mr. Pornchai Padmindra	Q																							
16. Mrs. Bussakorn Puttinan	Q																							
17. Ms. Siriporn Sanunpairaue	Q																							
18. Mrs. Wareemon Niyomthai	Q																							
19. Mrs.Kanokpai Vongsatitporn	Q																							
20. Mr. JasonLeong kok Yew	Q																							
21. Mr. Tan Keat Jin	Q																							
22. Mr. Prapas Thongsuk	Q																							
23. Mr. Akash Rathke	Q																							
24. Mr.Jittiwat Kantamala	Q																							
25. Mr.Zethjak Leeyakars	Q																							
26. Ms. Uthaiwan Sukphanpim	Q																							
27. Ms. Pajaree Thongvanit	Q																							

[illegible]

Name	Bank	Subsidiaries			Others / Affiliate Companies																							
		1	2	3	44	45	46	47	48	49	50	51	52	53	54	55	56											
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. Mr. Chitrapongse Kwangsukstith	F,T																											
6. Dato' Lee Kok Kwan	F,E,H																											
7. Datuk Joseph Dominic Silva	F,M,X																											
8. Ms. Serena Tan Mei Shwen	F,E																											
9. Mr.Chanmanu Sumawong	C,D																											
10. Mr.Rom Hiranpruk	C,D				C,D	AA	AB																					
11. Mr. Kittiphun Anutarasoti	F,O,T																											
12. Mr. Sutee Losoponkul	Q							F	F																			
13. Mr. Adisorn Sermchaiwong	Q	A	A	A						F	F	A	A	A														
14. Mr. Arthit Masathirakul	Q														T													
15. Mr. Pornchai Padmindra	Q																											
16. Mrs. Bussakorn Puttinan	Q																											
17. Ms. Siriporn Sanunpairaue	Q																											
18. Mrs. Wareemon Niyomthai	Q																											
19. Mrs.Kanokpai Vongsatitporn	Q																											
20. Mr. JasonLeong kok Yew	Q															E												
21. Mr. Tan Keat Jin	Q																											
22. Mr. Prapas Thongsuk	Q																											
23. Mr. Akash Rathke	Q																E											
24. Mr.Jittiwat Kantamala	Q																											
25. Mr.Zethjak Leeyakars	Q																											
26. Ms. Uthaiwan Sukphanpim	Q																											
27. Ms. Pajaree Thongvanit	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	X	Member of Board Risk Committee
Y	Chief Legal Officer	Z	Director (Qualified)	AA	Advisor to Foundation Chairman
AB	Co-Manager	AC	President	AD	Executive Director
AE	Alternate Director				

Subsidiaries

1. CIMB THAI Auto Co., Ltd.
2. World Lease Co., Ltd.
3. 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.	Indorama Ventures PCL
7.	PAC (siam) Co., Ltd.	8.	Marsh PB Co., Ltd.	9.	PTT Global Chemical PCL
10.	Jetanin Institute for Assisted Reproduction	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.	Earth Green Co., Ltd.
16.	Baan Mee Green Co., Ltd.	17.	Panom Green Co., Ltd.	18.	Thoresen Thai Agencies PCL
19.	Advances advertising Technology Co., Ltd.	20.	Green Energy Holding Co., Ltd.	21.	Green Energy Asia Group Co., Ltd.
22.	DRCM Holding Co., Ltd.	23.		24.	CIMB Bank Berhad
25.	CIMB Group Holdings Bhd	26.	Cagamas Holdings Berhad	27.	Securities Commission Malaysia
28.	Financial Markets Association of Malaysia	29.	Megmoni Sdn Bhd	30.	Sterns Knight Corp
31.	Ukaydey38 Sdn Bhd	32.	Dmy Capital Sdn Bhd	33.	Scicom (MSC) Berhad

34.	<i>Avicennia Capital Sdn Bhd</i>	35.	<i>CIMB Bank Bhd</i>	36.	<i>Investments, Khazanah Nasional Berhad, Kuala Lumpur, Malaysia</i>
37.	<i>ACR Capital Holdings Pte Ltd.</i>	38.	<i>Thonburi Healthcare Group PCL</i>	39.	<i>Finansa PCL</i>
40.	<i>Finansa Securities Ltd</i>	41.	<i>Thonburi Bamrungmuang Hospital Co., Ltd</i>	42.	<i>TSFC Securities PCL</i>
43.	<i>The Electronic Transactions Commission</i>	44.	<i>Chic Republic Co., Ltd.</i>	45.	<i>Mae Fah Luang Foundation Under Royal Patronage</i>
46.	<i>Wor Tor Tor for Sangkom Co., Ltd.</i>	47.	<i>The Thai Bond Market Association</i>	48.	<i>CIMB Securities (Thailand) Co., Ltd.</i>
49.	<i>CIMB-Principal Asset Management Co., Ltd.</i>	50.	<i>Finansa Asset Management Ltd.</i>	51.	<i>CT COLL Co., Ltd.</i>
52.	<i>WorldLease Co., Ltd.</i>	53.	<i>CIMB Thai Auto Co., Ltd.</i>	54.	<i>Advance Business Management Corporation Company Limited</i>
55.	<i>CIMB Bank</i>	56.	<i>Cromdx Solutions Pvt.Ltd.</i>		

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

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. 18 and 26).

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. The members of the Audit Committee are:

- | | |
|--------------------------|--|
| 1. Mr. Maris Samaram | Chairman |
| 2. Mr. Chanmanu Sumawong | Member |
| 3. Dr. Rom Hiranpruk | Member (Appointed on 14 December 2018 in place of Mr. Chakramon Phasukavanich) |

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 2018, the Audit Committee held a total of 12 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 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 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 2018, there were 12 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 2018, the Committee continued to ensure that the Bank considered and nominated qualified candidates for positions of directors and senior executives of the Bank, and with appropriate remuneration and benefits according to their duties and responsibilities. In addition, the Committee also reviewed the Bank's staff benefits in 2018.

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

1. To nominate qualified directors and senior executives and recommend remuneration and benefits appropriate for their duties and responsibilities to the Board for approval.
2. To consider the appointment of the Bank subsidiaries' directors and senior executives to the Board for concurrence.
3. To assess the performance of the Bank's senior executives against targets and performance criteria and submit the results of which to the Board with recommendations regarding the appropriate remuneration and benefits.
4. To review and consider the overall annual salary adjustment and bonuses for the Bank employees and propose the package to the Board for approval.
5. To review the Corporate Governance Policy and Codes of Conduct for directors and employees of the Bank in compliance with the corporate governance criteria of relevant regulatory authorities, and bring them forward to the Board for approval.
6. To review and present corporate governance guidelines for relevant units to the Board for approval so as to enhance good corporate governance of the Bank.
7. To review and improve benefits of the Bank's staffs.

The Committee is of the opinion that remuneration for directors and senior executives in 2018 was in line with their duties and responsibilities, the individuals' performance, the overall economic conditions, and the operational 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 2018.

- Omar Siddiq Bin Amin Noer Rashid -
(Encik Omar Siddiq Bin Amin Noer Rashid)
Acting President and Chief Executive Officer

- Shahnaz Farouque Bin Jammal Ahmad -
(Encik Shahnaz Farouque Bin Jammal Ahmad)
Director