

**Annual Registration Statement  
For the Year Ended 31 December 2019**

**(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 2019, the Bank operated 10 main offices with credit facilities and 70 branches, with foreign exchanges facilities, 2 stand-alone

#### 1.1 Vision, Objectives and Corporate Value

##### VISION

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

##### MISSION

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

##### CORPORATE VALUE

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

##### CTHAI:

- Customer

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

- **Teamwork**  
We strive to deliver results by maximising our potential. We believe that true potential can only be unleashed from collaboration and teamwork.
- **Honesty**  
We place a high value on integrity as professionals in a business where trust is essential. We are accountable for both our shortcomings and successes. This mindset allows our customers to entrust their business with us.
- **ASEAN**  
As a member of CIMB Group, we aspire to be the leading ASEAN bank in Thailand. It is through integration of our people, products and processes that we can bring the best ASEAN opportunities to our stakeholders.
- **Innovation**  
We are always looking to improve ourselves through innovation. By constantly encouraging creativity, improving capability and identifying opportunities we are able to collectively ensure that we deliver market-leading solutions to our stakeholders.

## 1.2 Background and key developments

CIMB Thai Public Company Limited (the “**Bank**”) <sup>1</sup> was established through the amalgamation of the Union Bank of Bangkok Public Company Limited, the 12 state-intervened finance companies<sup>2</sup> and Krungthai Thanakit Finance Public Company Limited<sup>3</sup> pursuant to the governmental order on 14 August 1998, a Cabinet resolution of 27 October 1998 and the notification of the Ministry of Finance, dated 22 December 1998. The consolidated entity subsequently changed its name to “BankThai Public Company Limited”, a new commercial bank established on 21 December 1998. The Financial Institutions Development Fund (the “**FIDF**”) acquired a major shareholding in the Bank and subsequently, the SET approved the trading of the Bank’s ordinary shares on 30 March 2001 with “BT” designated as its stock trading sign.

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

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

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

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

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

<sup>2</sup> Comprises:

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

<sup>3</sup> Previously named Krungthai Thanakit Finance and Securities Public Company Limited

- 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.

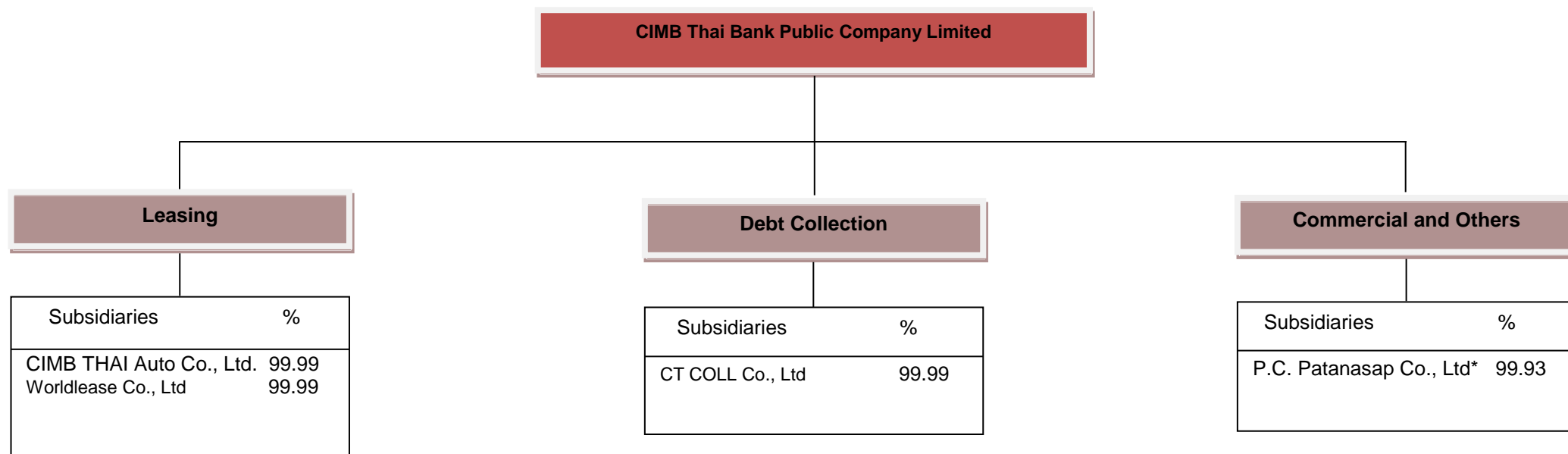
On 10 April 2015, the Annual General Meeting of Shareholders No. 21 approved an increase in the the Bank's registered capital by THB 3,162,731,703.50 from THB 10,542,439,012.50 to THB 13,705,170,716.00 by issuing 6,325,463,407 General Mandate Right Shares with a par value of THB 0.50 per share offered 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 2019)



Remark \* Under liquidation

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#### 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					
	2019	%	2018	%	2017	%
<b>Interest income</b>						
1. Interest on loans	10,617.8	117.2	10,435.6	110.0	10,558.0	104.9
2. Interest on interbank and money market items	87.4	1.0	127.4	1.3	165.0	1.6
3. Investments	2,070.2	22.8	1,664.3	17.5	1,144.4	11.4
4. Others	203.1	2.2	114.3	1.2	45.8	0.5
<b>Total interest income</b>	<b>12,978.5</b>	<b>143.2</b>	<b>12,341.6</b>	<b>130.0</b>	<b>11,913.2</b>	<b>118.4</b>
<b>Interest expenses</b>						
1. Deposits	2,851.4	31.5	2,342.4	24.6	2,387.7	23.7
2. Interest on interbank and money market items	719.1	7.9	351.3	3.7	218.7	2.2
3. Contribution fee to The Deposit Protection Agency and FIDF	1,062.6	11.7	1,007.8	10.6	962.2	9.6
4. Debt securities issued and borrowings	669.6	7.4	712.4	7.5	711.6	7.1
5. Others	162.8	1.8	101.4	1.1	45.0	0.4
<b>Total interest expenses</b>	<b>5,465.5</b>	<b>60.3</b>	<b>4,515.3</b>	<b>47.5</b>	<b>4,325.2</b>	<b>43.0</b>
<b>Net interest income</b>	<b>7,513.0</b>	<b>82.9</b>	<b>7,826.3</b>	<b>82.5</b>	<b>7,588.0</b>	<b>75.4</b>
<b>Operating income</b>	<b>1,550.1</b>	<b>17.1</b>	<b>1,662.4</b>	<b>17.5</b>	<b>2,475.9</b>	<b>24.6</b>
<b>Total income</b>	<b>9,063.1</b>	<b>100.0</b>	<b>9,488.7</b>	<b>100.0</b>	<b>10,063.9</b>	<b>100.0</b>

##### 2.1.1.2 Non-interest income and expenses

Unit: THB million

	For the years ended 31 December					
	2019	%	2018	%	2017	%
Fee and service income	1,615.8	104.2	1,376.6	82.8	1,471.4	59.4
Fee and service expenses	370.3	23.9	289.5	17.4	223.8	9.0
<b>Net fee and service income</b>	<b>1,245.5</b>	<b>80.3</b>	<b>1,087.1</b>	<b>65.4</b>	<b>1,247.6</b>	<b>50.4</b>
Gains on trading and foreign exchange transactions, net	2,625.9	169.4	1,054.2	63.4	2,238.2	90.4
Losses on financial liabilities at fair value through profit or loss, net	(2,802.9)	(180.8)	(759.7)	(45.7)	(1,733.9)	(70.0)
Gains on investments, net	344.0	22.2	19.5	1.2	490.7	19.8
Other operating income	137.6	8.9	261.3	15.7	233.3	9.4
<b>Non-interest income</b>	<b>1,550.1</b>	<b>100.0</b>	<b>1,662.4</b>	<b>100.0</b>	<b>2,475.9</b>	<b>100.0</b>

## 2.1.2 CIMB Thai's Subsidiaries

Unit: THB million

	For the years ended 31 December					
	2019	%	2018	%	2017	%
<b>1. CIMB Thai Auto Co., Ltd.</b>						
Interest income	3,106.1	88.5	2,519.3	94.4	2,289.0	95.4
Interest expense	956.7	27.3	698.5	26.2	617.7	25.8
<b>Net interest income</b>	<b>2,149.4</b>	<b>61.2</b>	<b>1,820.8</b>	<b>68.2</b>	<b>1,671.3</b>	<b>69.6</b>
Operating income	1,360.7	38.8	848.4	31.8	727.5	30.4
<b>Total income</b>	<b>3,510.1</b>	<b>100.0</b>	<b>2,669.2</b>	<b>100.0</b>	<b>2,398.8</b>	<b>100.0</b>
<b>2. WorldLease Co., Ltd.</b>						
Interest income	1,332.6	83.2	1,182.2	73.7	1,038.6	88.9
Interest expense	109.4	6.8	104.4	6.5	109.9	9.4
<b>Net interest income</b>	<b>1,223.2</b>	<b>76.4</b>	<b>1,077.8</b>	<b>67.2</b>	<b>928.7</b>	<b>79.5</b>
Operating income	379.2	23.6	525.2	32.8	240.2	20.5
<b>Total income</b>	<b>1,602.4</b>	<b>100.0</b>	<b>1,603.0</b>	<b>100.0</b>	<b>1,168.9</b>	<b>100.0</b>
<b>3. CT COLL Co., Ltd.</b>						
Interest income	0.4	444.2	0.4	10.1	0.6	1.6
Interest expense	0.0	0.0	0.0	0.0	0.2	0.5
<b>Net interest income</b>	<b>0.4</b>	<b>444.2</b>	<b>0.4</b>	<b>10.1</b>	<b>0.4</b>	<b>1.1</b>
Operating income	(0.3)	(344.2)	3.5	89.9	37.3	98.9
<b>Total income</b>	<b>0.1</b>	<b>100.0</b>	<b>3.9</b>	<b>100.0</b>	<b>37.7</b>	<b>100.0</b>

## 2.2 Nature of Products and Services

### WHOLESALE BANKING – CORPORATE BANKING and INVESTMENT BANKING

The Bank's Wholesale Banking – Corporate Banking and Investment Banking is composed of three main function lines, i.e. 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 efficiently serve our clients' needs and best generate income and benefits to the Bank.

Despite the volatile economy and softening growth in 2019, Wholesale Banking generated total revenues and profit before tax (PBT) close to those in the previous year, and expanded high-quality large corporate loans by 4%, which was a record high for Wholesale Banking. Total new credit lines approved in the year amounted to THB 30 billion, which pushed up our interest income and fee income to grow by 9% and 38% respectively.

Wholesale Banking did exceptionally well in asset quality management of both existing loan portfolio and new high-quality loan approvals by close and regular monitoring of clients through the early warning and watchlist process to prevent problem loans, and efficient specialised teams in debt collection and resolutions. Moreover, operating expenses were effectively controlled to the level 8% 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 and Accelerate Our ASEAN Initiatives."

Wholesale Banking was successful in expanding the business to other ASEAN countries, particularly CLMV ( Cambodia, Lao PDR, Myanmar, Vietnam ) , through CIMB Group which has strengths 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. We 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**

The Bank's Corporate Banking offers a comprehensive range of financial services, such as working capital loans for general business, term loans for investment in fixed assets, project financing, and trade finance, as well as other financial services like cash management and foreign exchange transaction for large corporate clients in a diverse range of business sectors, for example, commercial, manufacturing, property development, and transportation. Meanwhile, Financial Institutions Thailand & CLMV provides financial services to financial institutional customers, both banks and non-bank entities such as leasing, securities, asset management, and insurance companies, etc. 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.

Corporate Banking and Financial Institutions Thailand & CLMV 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 the clients' financial needs in all perspectives.

As of 31 December 2019, Corporate Banking and Financial Institutions Thailand & CLMV's outstanding loan balance increased by 4% year-on-year and stood at a record high of THB 72 billion.

In view of the business plan from 2020 onwards, Corporate Banking and Financial Institutions Thailand & CLMV 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**

The Bank's Investment Banking comprises highly experienced, competent and efficient financial advisors offering the best financial solutions and providing capital/fund raising capabilities to our clients.

In 2019, Investment Banking's income increased by 12% year-on-year. We successfully completed two large transactions in collaboration with CIMB Group in equity market, performing as the financial advisor, lead underwriter/co-underwriter and initial purchaser jointly with CIMB Group (and generated debt underwriting fee income in conjunction with Treasury & Markets with a year-on-year growth of 62%. In addition, Investment Banking has closely worked with Corporate Banking in certain corporate loan and project financing transactions with a view to best serving our 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 industrial 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 2019 comprised:

Debt Markets	Role	Issue Size )THB million(
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Debt Markets	Role	Issue Size )THB million(
Government Housing Bank	Sole Lead Underwriter	30,600.00
TPI Polene Public Company Limited	Sole Lead Underwriter	9,630.00
True Corporation Public Company Limited	Joint Lead Underwriter	8,768.41
State Railway of Thailand	Joint Lead Underwriter	5,700.00
Toyota Leasing )Thailand( Company Limited	Joint Lead Underwriter	5,461.25
TPI Polene Power Public Company Limited	Sole Lead Underwriter	4,000.00
Ngern Tid Lor Company Limited	Joint Lead Underwriter	3,950.00
Muangthai Capital Public Company Limited	Sole Lead Underwriter/ Joint Lead Underwriter	2,670.00
National Housing Authority	Sole Lead Underwriter	2,500.00
Ananda Development Public Company Limited	Joint Lead Underwriter	2,128.00
True Move H Universal Communication Company Limited	Joint Lead Underwriter	1,992.60
Thai Beverage Public Company Limited	Joint Lead Underwriter	1,464.70
Origin Property Public Company Limited	Joint Lead Underwriter	1,359.34
Central Pattana Public Company Limited	Joint Lead Underwriter	1,250.00
Sansiri Public Company Limited	Joint Lead Underwriter	1,203.50
Provincial Waterworks Authority	Sole Lead Underwriter	1,050.00
Neighbouring Countries Economic Development Cooperation Agency )Public Organisation(	Sole Lead Underwriter	1,000.00
Siamgas and Petrochemicals Public Company Limited	Joint Lead Underwriter	750.00
Srisawad Corporation Public Company Limited	Joint Lead Underwriter	711.25
Krungthai Car Rent and Lease Public Company Limited	Sole Lead Underwriter	700.00
Asia Sermkij Leasing Public Company Limited	Sole Lead Underwriter	270.00
SC Asset Corporation Public Company Limited	Sole Lead Underwriter	145.00

Equity Markets	Role	Total Deal Size )THB million(
Dusit Thani Freehold and Leasehold Real Estate Investment Trust	Financial Advisor / Lead Underwriter	1,782.39
S Hotels & Resorts Public Company Limited	Financial Advisor / Lead Underwriter / Initial Purchaser )Jointly with CIMB Group(	7,474.77
Asset World Corp Public Company Limited	Co-Underwriter )Jointly with CIMB Group(	41,742.00

## 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 2019, Commercial Banking continued to grow SMEs from 2018. We have continuously enhanced and streamlined our credit evaluation and approval process to reduce redundancies as well as to shorten the approval turnaround time. As for asset quality management, with our reorganisation structure and strong credit underwriting foundation, we have well managed our asset quality with loan loss provision set aside as targeted.

Looking forward to 2020, we will continuously strive for growth in SME segment as well as increase in our market share in promising SME businesses. Our asset quality management will also be carried on prudently and vigilantly to ensure sustainable business growth.

## CONSUMER BANKING

2019 was another year of success, as Consumer Banking has delivered valuable products and services via fast and convenient digital channels, branches, and wealth centres. Two new branches were opened at Central East Ville and Central Festival Phuket, together with the introduction of “digital cashless branch” at Major Cineplex – Siam Paragon.

Consumer Banking has continued to develop digital banking services through our mobile application called “CIMB Thai Digital Banking” with more than 75,000 users registered during the year. Besides general banking transactions, new services have been offered on the application, such as digital savings account with a maximum 2% interest rate, QR fund transfer, 24-hour mutual fund service, mutual fund portfolio consolidation, and introduction of primary bond booking. So far, more than 90% of our banking transactions have been made on the mobile application. This will accordingly contribute to the country’s development of a “Cashless Society.”

With strong positioning in digital banking endeavors, CIMB Thai is the first bank in CIMB Group that has rolled out the Regional Wealth Management System (RWMS) for financial investment planning for customers via sales tablet devices. Moreover, our subsidiaries, i.e. CIMB Thai Auto Co., Ltd. (CT Auto) and WorldLease Co., Ltd. (WL), have developed digital loan booking channels, i.e. Mobile Application for Marketing (MAM) through which 100% of car loan applications with CT Auto have been made, and Self-Apply Machine for Motorcycle (SAMM) which recorded half of the new motorcycle loan bookings with WL in 2019.

Partnership is also the key to lending and wealth business expansion. In 2019, CIMB Thai together with 9F, a FinTech firm from China, launched a new mobile lending application using the Alternative Credit Underwriting (ACU) as the customer data analytics tool. We have also partnered with a local FinTech firm, namely NEO Money, in pioneering and co-launch of Digital Partners APIs on the concept of debt consolidation. In addition, we have initiated the “Open Architecture (OA)” project with seven asset managers to facilitate and expand services to customers via FundConnex system developed by the Stock Exchange of Thailand (SET). Currently, we have eight asset management companies, including Principal Asset Management Co., Ltd., as partners with approximately 80 funds on shelf ready to serve our customers.

The year 2019 saw us start to deploy Advanced Analytics as a technique for us to better understand our customers and offer products and services of their interest. We have successfully offered existing customers better rates for both loan products and fixed deposit products based on their behaviors and profiles, to which responses received from them have more than doubled, and the number of recurring customers has increased by 56%.

For wealth products, we have selected and offered a variety of investment product choices, focusing only on primary and secondary bonds of investment grade or above. Particularly, we have offered quality secondary bonds during low interest rate situation, resulting in an increase in transaction volume by more than 90% as compared to the previous year.

Despite experiencing one of the toughest years in banking industry, our consumer loan outstanding grew substantially by 12% with risk-based pricing and through digital marketing, digital lending, and CIMB Thai Digital Banking application. New loan bookings amounted to THB 48,000 million or a 6% growth. Home loans and personal loans did not shrink to the extent experienced by the market in overall. CT Auto’s new loan bookings grew by 38%, ranking No. 2 in the market. WL’s new loan bookings also grew by 31% as compared to the previous year. The company will move forward to drive electric motorcycle loans under the “Pollution Free Leasing” campaign in alignment with the Bank’s mission of sustainable banking.

For 2020, Consumer Banking will remain steadfast in forging digital banking platform with 24-hour services for digital saving and digital lending supported by the e-KYC system which will increasingly play a significant role. In view of Advanced Analytics, hyper-personalisation will be a key factor in bringing customer engagement in 2020. We will combine Advanced Analytics using Machine Learning and Intelligent Campaign Management System (iCAMS) to automatically customise and personalise communication and offering of financial products and services to the customers so that they would get products and services of their preferences in conjunction with quality financial advisory service from us. In addition, we plan to seek and collaborate with new asset management partners to offer a broader diversity of mutual fund products on the FundConnex platform with a view to growing both the Bank and our customers on a sustainable basis.

## TRANSACTION BANKING

Transaction Banking provides both cash management and trade finance services to corporate and commercial customers to enable them to manage their domestic and international cash transactions conveniently, effectively, economically and timely. We also offer financial solutions which suit customers' requirements for various types of businesses.

In 2019, Transaction Banking focused on delivering convenience and cost saving as value proposition to customers, with the launch of "CIMB Biz Account." CIMB Biz Account is a type of current deposit account offering a high interest rate and allowing online fund transfer, payment and receipt of fund free of service charge. This can help shorten cash management process for customers. This facility has also been extended to other related services to maximise customers' benefits, such as CIMB Biz Export designed to exclusively serve customers who are exporters. Furthermore, we have uplifted our Biz Digital to emphasise our ASEAN footprint by adding another channel for doing cash transactions, i.e. BizChannel@CIMB Mobile Application, where customers can manage their businesses anytime and anywhere around the world. Blockchain has also been used for issuance of electronic letter of guarantee (e-LG).

For 2020, Transaction Banking will continue to give priority to customer base expansion through CIMB Biz Account to which more benefits will be brought to respond to diverse demand of customers of all segments/business types, as well as to develop Biz Digital further on. We will also deepen collaboration with business partners which provide financial platforms to jointly develop financial solutions on Biz Gateway including use of Blockchain for offering of other services.

## TREASURY & MARKETS

Treasury & Markets (T&M) is responsible for developing and providing financial solutions that help our clients manage their risks and capture the right investment opportunities across different asset classes as well as facilitating fundraising through the debt capital market. We also manage the Bank's funding and liquidity in accordance with regulatory requirements and optimise the Bank's assets within our framework.

In 2019, T&M contributed a good financial result to CIMB Thai with strong product capabilities in structured products, derivatives (equity/rates/credit), debt securities trading, and foreign exchange, which earned the Bank altogether eleven awards as follows:

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

- 1) Best Structured Products House: Highly Commended
- 2) Derivatives House of The Year
- 3) Best Equity Derivatives House of The Year
- 4) Best Rates Derivatives House of The Year
- 5) Best Credit Derivatives House of The Year
- 6) Best Structured Investment Products – Credit, Equity, Rates

### ASIAMONEY

- 7) Best FX Counterparty (ranking no. 2 in Thailand)

### Alpha

- 8) Best Refinancing Deal in Southeast Asia

### ThaiBMA

- 9) Most Active Bank in Corporate Bond Secondary Market
- 10) Best Bond Dealer
- 11) Sales Staff of The Year

Furthermore, CIMB Thai is one of the key players in the debt capital market, ranking no. 6 with 8.7% market share in THB corporate bond underwriting league table published by Bloomberg. Regarding secondary market, CIMB Thai has ranked no. 1 with 8.8% market share for all bonds trading value (time-to-maturity > 1 year) according to a league table reported by Thai Bond Market Association.

Looking forward into 2023, we aspire to become Thailand's top corporate solution and investment house for consumer and private banking clients, while secure market leadership positions in credit markets and structured products. To achieve this aspiration, we have clearly defined three strategic priorities to be implemented going forward as follows:

- 1) Increase cross selling: Deepen our client engagement in different segments by working together with respective client coverage teams to identify clients' needs and providing solutions that match their requirements.
- 2) Develop new innovative solutions: Broaden our suite of solutions in wealth management business, e.g. expand a diversity of in-house structured investment products, extend a breadth of onshore and offshore bonds, enhance custodian related systems and capabilities, and embark on an open architecture of foreign structured notes.
- 3) Develop digital distribution platforms: Continue to develop online distribution and execution platforms for the Bank's staff (web-based application) and external clients (mobile application) to scale up businesses digitally and improve efficiency.

## 2.3 Market Shares and Competitions

Competitive Environment - Market Shares					Unit (THB'Million)	
BANK	Assets	Marketshare (%)	Deposits	Marketshare (%)	Net Loans	Marketshare (%)
BANGKOK BANK	3,123,361	17.0%	2,316,035	17.6%	1,832,828	15.8%
SIAM COMMERCIAL BANK	2,952,447	16.1%	2,156,489	16.3%	1,995,248	17.3%
KRUNG THAI BANK	2,908,358	15.8%	2,158,460	16.4%	1,879,541	16.3%
KASIKORNBANK	2,724,055	14.8%	2,065,669	15.7%	1,826,520	15.8%
BANK OF AYUDHYA	2,234,725	12.2%	1,558,780	11.8%	1,610,374	13.9%
TMB BANK	1,045,343	5.7%	663,559	5.0%	168,062	1.5%
THANACHART BANK	999,575	5.4%	734,561	5.6%	693,929	6.0%
UNITED OVERSEAS BANK	556,212	3.0%	456,411	3.5%	404,342	3.5%
CIMB THAI BANK	385,149	2.1%	199,132	1.5%	221,952	1.9%
KIATNAKIN BANK	299,216	1.6%	172,661	1.3%	230,062	2.0%
TISCO BANK	285,305	1.6%	218,433	1.7%	228,608	2.0%
LAND AND HOUSES BANK	230,548	1.3%	165,018	1.3%	151,569	1.3%
ICBC (THAI)	215,797	1.2%	129,823	1.0%	110,246	1.0%
STANDARD CHARTERED BANK (THAI)	142,378	0.8%	61,908	0.5%	27,653	0.2%
SUMITOMO MITSUI TRUST BANK (THAI)	81,785	0.4%	19,133	0.1%	52,014	0.4%
BANK OF CHINA (THAI)	69,996	0.4%	47,088	0.4%	46,462	0.4%
THAI CREDIT RETAIL BANK	56,635	0.3%	47,325	0.4%	48,204	0.4%
ANZ BANK (THAI)	32,175	0.2%	7,372	0.1%	17,889	0.2%
MEGA INTERNATIONAL COMMERCIAL BANK	25,555	0.1%	13,237	0.1%	19,917	0.2%
Total	18,368,615	100.0%	13,191,092	100.0%	11,565,420	100.0%

Source: Summary of Assets and Liabilities Statement (C.B. 1.1) Bank of Thailand

## 2.4 Provision of Products and services

### Source of Funding

As at 31 December 2019, deposits managed by the Bank stood at THB 209.2 billion (including interbank and money market deposits), whilst borrowings (including interbank and money market borrowings) amounted to THB 76.7 billion. Of the total, 81.1% 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 63.3 billion and loans with maturity of more than one year amounted to THB 171.0 billion. Meanwhile, deposits with maturity of not more than one year stood at THB 199.5 billion and those with maturity of over one year amounted to THB 9.7 billion.

### Capital Adequacy Ratio

As at 31 December 2019, CIMB Thai Group's capital adequacy ratio (CAR), common equity tier 1 (CET1) capital and tier 1 capital were 18.0%, 13.1% and 13.1%, respectively, while those of the Bank were 17.4%, 12.4% and 12.4%, respectively. The Bank has maintained a robust capital position with CAR, CET1 and tier 1 capital well above the Bank of Thailand's minimum requirements.

Unit:  
THB billion

Capital funds	Minimum requirements	Full consolidate supervision				Separate	
		31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-19	31-Dec-18	31-Dec-17
Tier 1 capital		34.6	34.9	30.9	32.6	32.8	29.9
CET1 capital		34.6	34.9	30.9	32.6	32.8	29.9
Tier 2 capital		13.0	13.0	9.8	13.3	13.2	9.9
<b>Total capital funds</b>		<b>47.6</b>	<b>47.9</b>	<b>40.7</b>	<b>45.9</b>	<b>46.0</b>	<b>39.8</b>
Tier 1 capital to risk-weight assets	8.500%	13.1%	14.1%	12.9%	12.4%	13.3%	12.5%
CET1 capital to risk-weight assets	7.000%	13.1%	14.1%	12.9%	12.4%	13.3%	12.5%
Tier 2 capital to risk-weight assets	-	4.9%	5.2%	4.1%	5.0%	5.4%	4.1%
<b>Capital adequacy ratio</b>	<b>11.000%</b>	<b>18.0%</b>	<b>19.3%</b>	<b>17.0%</b>	<b>17.4%</b>	<b>18.7%</b>	<b>16.6%</b>
<b>Total risk-weight assets</b>		<b>265.4</b>	<b>247.6</b>	<b>239.1</b>	<b>263.6</b>	<b>246.2</b>	<b>239.6</b>

### 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 obtain adequate funding in 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 at present and in future. To this end, its liquidity risk management 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 business framework to strive for a broader delivery network and markets, the Bank has maintained a diversified core deposit base comprising savings, current and term deposits, thus providing a large, stable

funding base. The Bank has also maintained certain liquidity buffers throughout the year to ensure its stable business operation in strategic, structural and tactical perspectives.

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 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 relationship with their respective depositors and key funding sources. In addition, the Bank has set up the Funding Committee composed of representatives from business units, Finance and Risk Management to oversee the Bank's funding strategy. Besides, Treasury performs global funds dealing on a necessity or contingency basis. The Bank has to prudently manage the liquidity position to meet daily operation needs. It regularly 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. As regards companies in the Bank's financial business group, liquidity risk management will be centralised. To support their liquidity, the Bank may consider and approve liquidity lines to them within the 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 they are stable and economical 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 for sustainable 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 under 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 the Bank of Thailand's guidelines. Once the collateral is taken, it is important to follow the Bank's policy regarding collateral price appraisal and price appraisal frequency.

### **Debt Monitoring Guidelines and Follow-up Procedures**

The Bank has set up 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 was set up to closely monitor development of those watch list accounts, NPL accounts and any other accounts requiring close attention, provide guidance, approve or recommend recovery actions to be taken for those watch list and NPL accounts so that the Bank can effectively manage both potential problem loans and problem loans, comprising 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 and openness to examination while also minimizing loss for the Bank.

### **Debt Restructuring Policy**

The Bank has established 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 opportunity to maximise recovery or minimise potential loss, while the borrowers are able to continue their business operation with incurrence of some loss on their part. The Bank will restructure debts in accordance with the Bank of Thailand's regulations and the task will be carried out prudently and in a way that 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 covering 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 units of the Bank. However, a certified and experienced third party specialised in this area may be engaged 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**

For good governance, the Bank has established Intra-Group Transaction Policy to provide guidelines for efficient risk management of intra-group transactions to identify, measure, control and monitor risks that may arise from intra-group transactions.

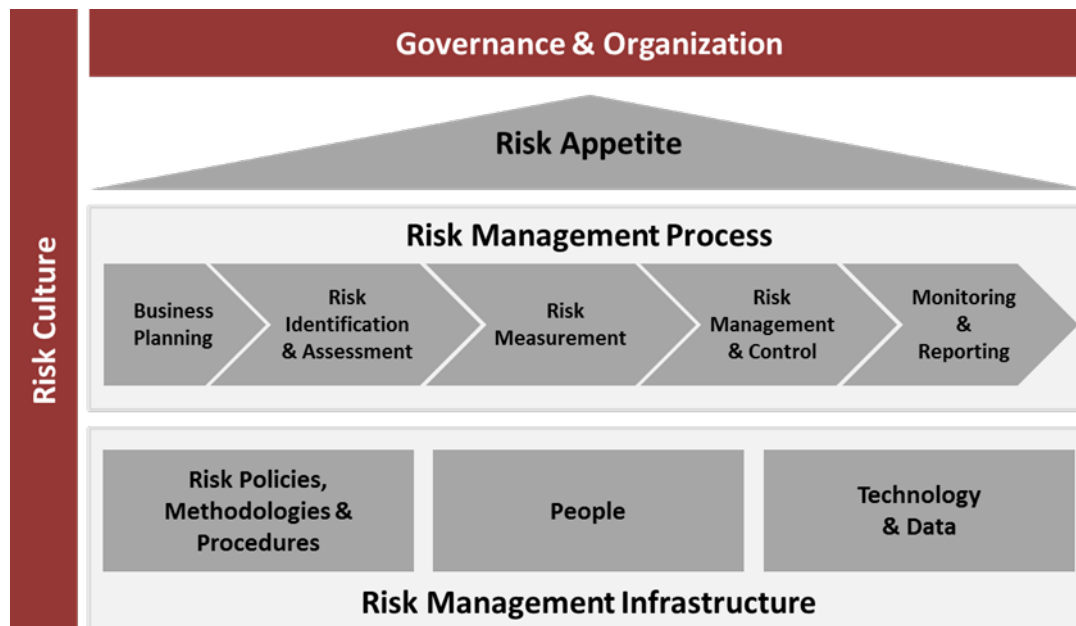
The Policy is also to ensure that intra-group transactions of the financial group are in compliance with the Bank of Thailand's regulations, i.e. the same procedures for normal customer transactions also apply to inter-group transactions, legally enforceable documents are executed and terms and conditions are the same as those agreed upon with normal customers of 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 (BOD) and the 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 criteria.

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 BOD 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 BOD 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 business associated 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, 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 BOD. 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 as well as a 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 the implementation of policies.
- **People:** Attracting the right talents and skills are key to 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 environments.
- **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 returns must be commensurate with 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) was appointed by the BOD in 2014 to ensure independent and greater risk governance and accountability for all types of risks. Due to the close interrelation between Compliance and Risk Management, the BOD decided to expand roles and responsibilities of BRC to also have oversight on the Compliance function (in place of Audit Committee(AC)) and changed the name of the committee to Board Risk and Compliance Committee (BRCC) reporting directly to the BOD taking effect from September 2019. BRCC is comprised of five members who are all BOD members.

In addition, the BOD has appointed the Risk Management Committee (RMC), reporting to BRCC, 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 BRCC 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 BRCC with responsibilities to review and/or recommend for approval to the BOD/relevant committee (where necessary) and to approve and concur proposals, account plan and provision of accounts with problems or potential problems from non-retail business units within the Bank.

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 BRCC, 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. In addition, Special Assets Management has been established under Risk Management to take charge of managing credit quality concerned assets as well as providing advice to early manage clients with signs of credit quality deterioration.

## 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, i.e. 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 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 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, a new credit underwriting tool for small SME clients implemented in the year, 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 unfavorable 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, BRCC, and the 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 under 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 risk 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 the results of which 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 not interest rate risk or foreign exchange risk, the Bank will fully hedge against such market risk underlyings. Therefore, the market risk exposure from other market risk underlying has never been materialised.

## LIQUIDITY RISK

Liquidity risk is defined as the 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 in 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 at present and in future. To this end, its liquidity risk management 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 business framework to strive for a broader delivery network and markets, the Bank has maintained a diversified core deposit base comprising savings, current, and term deposits, thus providing a large, stable funding base. The

Bank has also maintained certain liquidity buffers throughout the year to ensure its stable business operation in strategic, structural and tactical perspectives.

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), which focus 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 result in money market fluctuations, which may subsequently affect liquidity and increase funding costs.

The responsibility for liquidity risk management and control is delegated to the 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 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 relationship with their respective depositors and key funding sources. Treasury performs global fund dealing on a necessity or contingency basis. The Bank has to prudently manage the liquidity position to meet daily operation needs. It regularly 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. As regards companies in the Bank's financial business group, liquidity risk management will be centralised. To support their liquidity, the Bank may consider and approve liquidity lines to them within the 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 set to alert the 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 the 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 and 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 BRCC. With the support from ALM under Risk Management and Capital and Balance Sheet Management (CBSM) 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 on the economic value of equity (e.g. present value of potential future earnings and capital) as asset portfolio and liability portfolio values would rise and fall with changes in interest rates. This measure helps the Bank to quantify the risk and impact on capital with the focus on current banking book positions. The Bank's EVE sensitivity is computed using the re-pricing gap analysis method to analyse the interest rate movement of assets and liabilities in different time periods.

The 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, RMC, BRCC 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 good 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 instituted appropriate policies and guidelines that not only bring the Bank in line with international standards, but also contribute to enhancing transparency and good governance. In this respect, Risk Management Committee (RMC) has been given the authority to establish policies and guidelines which correspond with international best practice and to make recommendations to the BOD or the BRCC as delegated for approval and deployment of the Bank's policies and guidelines. To increase effectiveness, the Bank has also appointed the Operational Risk Committee (ORC) to discuss, deliberate, assess and give advice on all issues relating to operational risks including fraud and covering key cause factors, such as human resource, process, system and external factors.

CIMB Thai's fundamental principle on operational risk is that the responsibility to manage operational risks associated with business ventures, products, services, and systems lines with line management and all staff performing the operations. Their responsibility includes compliance with all internal and external laws, regulations, policies and standards. In so doing, Risk and Control Officer (RCO)/Designated

Compliance & Operational Risk Officer (DCORO) are appointed within each business 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.

Business units in the Bank and its subsidiaries are required to manage their operational risks along the following tools:

### **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 assessment and analysis of 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 conduct a review regularly to ensure that their work processes are structured and managed properly, 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 calculation of operational risk capital requirements.

### **3. Key Risk Indicators (KRI)**

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 operational losses are incurred. 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 provides rules around the robust management or mitigation. The purpose of the guideline is to ensure that control issues are captured and classified consistently, and there is robust governance over their closure or acceptance to enable senior management to understand and assess the risk the Bank faces.

### **5. New Product Approval Process**

The Bank has emphasised on developing new products or improving the operation process. For such purpose, it enforces a stricter approval process with the identification, assessment and control of all relevant risks, i.e. credit risks, market risks 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 and

further submission for approval, and subsequent market launch, as well as the annual review of the approved products.

## **6. Complaint Management Process**

The Bank is aware of reputation risk and importance of customer satisfaction. It has set up Customer Experience Management (CX) to work closely with CIMB Thai Care Centre and other customers' contact points to efficiently govern handling of customers' complaints and queries. The Customer Complaint Handling Policy has been established to set out the standard framework and mechanism for dealing with customers' complaints in accordance with local regulatory requirements and CIMB Group standards. Under the policy, CX is also designated to act as an independent centralised complaint management unit to ensure that all complaints are handled objectively by relevant subject matter experts in a fair and timely manner.

Furthermore, CX will provide customer knowledge based on surveys and voices of customers gathered from various touchpoints. This is to drive for improvement in all angles of customer experience with an aim to uplift customer engagement. The knowledge and improvement initiatives are prepared and proposed by CX to Thailand Customer Experience Committee, and other respective committees.

## **7. Business Continuity Plan**

The Bank has developed and implemented business continuity management. All work units bank-wide and in subsidiaries are required to analyse business impact of critical business functions and document a business continuity plan based on the analysis result as well as exercises of the 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 a crisis, disaster or calamity disrupting the critical business functions. Having business continuity management in place will help protect the Bank's reputation and maintain customer confidence in the Bank's services.

## **8. Internal Audit and Compliance**

The Bank has established Corporate Assurance and Compliance as independent units to assist Audit Committee and Board Risk and Compliance Committee in auditing and monitoring the business operation. Corporate Assurance, which reports directly to Audit Committee, is in charge of examining and providing reasonable assurance that all the Bank activities are effectively and efficiently managed and operated in line with risk management and internal control principles. Compliance unit, which reports directly to Board Risk and Compliance Committee, is tasked with overseeing and monitoring the Bank's business operation to ensure compliance with all relevant laws and regulatory requirements.

## **RISK RELATED TO FOREIGN INVESTMENT**

In 2019, the Bank's exposure of foreign equity investment was still in an insignificant amount, and the Bank has no policy in place to increase any exposure in the foreign equity investment.

#### 4. Business Assets

##### 4.1 Fixed Assets for Business Operation

###### (1) Premises and equipment

As at 31 December 2019, CIMB Thai Group had land valued at THB 2,002 million, buildings THB 2,928 million, equipment THB 2,592 million, assets under construction THB 6 million and exchange differences THB -3 million. Net of accumulated depreciation of THB 4,096 million, the net book value of the premises and equipment was THB 3,429 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 2019 and 2018, 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	
	2019	2018	2019	2018
	THB million	THB million	THB million	THB million
Not over 3 years	275	261	166	197
3 - 5 years	3	25	2	4
5 - 10 years	2	3	2	3
Total	280	289	170	204

###### (3) Other commitments

As at 31 December 2019 and 2018, 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	
	2019	2018
	THB million	THB million
THB	112	146
MYR	9	128
USD	3	153
Total	124	427

##### 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) CIMB Thai Auto 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 2019, there is no legal dispute which may materially adverse or affect the bank's asset in an amount over 5 % of shareholder equity.

## 6.1 General Information

## References

**Auditor** : **PricewaterhouseCoopers ABAS Ltd.**  
**Address** : 15<sup>th</sup> Floor, Bangkok City Tower, 179/74-80 South Sathorn Road, Bangkok 10120, Thailand  
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**Facsimile Number** : +66-2286-5050  
**By** : - Mr. Boonlert Kamolchanokkul, Certified Public Accountant (Thailand) No. 5339  
- Ms. Sinsiri Thangsombat, Certified Public Accountant (Thailand) No. 7352  
- Mr. PaiboonTunkul, Certified Public Accountant (Thailand) No. 4298

**Entities in which CIMB Thai Bank invests 10% or more of total issued shares (As of 31 December 2019)**

	Company name / Address	Type of business	Type of share	Total shares sold	Number of shares held	%
1.	CIMB Thai Auto Co., Ltd. 43 Thai CC Tower, 25 <sup>th</sup> and 32 <sup>nd</sup> Floor, South Sathon Road, Yannawa, Sathon, Bangkok Tel. +66-2684-6500	Leasing	Ordinary	550,000,000	549,999,994	99.99
2.	CT COLL Co., Ltd. 128/229-234 Phayathai Plaza Building, 21 <sup>st</sup> Floor, Phayathai Road, Thung Phayathai, Ratchathevi, Bangkok	Debt collection service	Ordinary	385,000	384,993	99.99

	Company name / Address	Type of business	Type of share	Total shares sold	Number of shares held	%
	Tel. +66-2626-7070					
3.	WorldLease Co., Ltd. 43 Thai CC Tower, 34 <sup>th</sup> Floor, South Sathon Road, Yannawa, Sathon, Bangkok Tel. +66-2675-6300	Leasing	Ordinary	60,000,000	59,999,998	99.99
4.	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 <sup>st</sup> Floor, Charoennakorn Road, Banglumphu, Klongsan, Bangkok	SPV	Ordinary	10,000	1,282	12.82
6.	Tawana Hotel Co., Ltd. 80 Surawongse Road, Siphaya, Bangrak, Bangkok Tel. +66-2236-0361	Hotel	Ordinary	33,909	3,390	10.00
7.	Sanwa Interfood Co., Ltd. 2219-2223 New Petchburi Road, Bangkapi, Huaykhwang, Bangkok	Instant foods	Ordinary	10,000,000	1,000,000	10.00
8.	Samchai Plc. 522 Ratchada Complex, Ratchadaphisek Road, Samsen Nok, Huaykhwang, Bangkok	Electrical appliance	Ordinary	40,000,000	4,000,000	10.00
9.	P.C. Patanasub Co., Ltd. (dissolved) 1600 New Petchaburi Road, Makkasan, Ratchathevi, Bangkok	Commerce	Ordinary	10,000	9,993	99.93
10.	Executive Management Services Manpower Ltd. (bankrupt) 295 Rama III Road, Bangkholaem, Bangkok Tel. +66-2689-2626	Office equipment and furniture rental	Ordinary	2,000	340	17.00
11.	Global Leasing Co., Ltd. (under official receivership) 518/5 Maneeya Center, 8 <sup>th</sup> Floor, Ploenchit Road, Lumpini, Pathumwan, Bangkok Tel. +66-2652-0730	Leasing	Ordinary	2,000,000	200,000	10.00
12.	TPF Leasing Co., Ltd. (bankrupt) 82 Sangthongthani Tower, 25 <sup>th</sup> Floor, North Sathon Road, Silom, Bangrak, Bangkok	Leasing	Ordinary	6,000,000	600,000	10.00
13.	UTM Advisory & Capital Management Co., Ltd. (abandoned) 44 Langsuan Road, Lumpini, Pathumwan, Bangkok	Consultancy	Ordinary	100,000	10,000	10.00
14.	SPL Development Co., Ltd. (abandoned) 149 Modern Home Tower, Nonsi Road, Chong Nonsi, Yannawa, Bangkok	Real estate development	Ordinary	500,000	499,999	99.99
15.	Thai-Ultra Auto Part Co., Ltd. (bankrupt) 59 Moo 4, Highway Road, Nikompattana, Bankai, Rayong	Auto parts distribution	Ordinary	6,500,000	650,000	10.00
16.	Advance Manufacturing Leasing Co., Ltd. (bankrupt) 246 Time Square Building, 11 <sup>th</sup> Floor, Sukhumvit 12-14 Road, Khongteoy, Bangkok	Leasing	Ordinary	20,000,000	2,000,000	10.00
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 <sup>rd</sup> Floor, Rama III Road, Bangkhlo, Bangkolaem, Bangkok	Appraiser	Ordinary	20,000	2,000	10.00

## 6.2 Other Important Information

### 6.2.1 Thailand's Economic Outlook 2020

#### **Economic growth forecast to be cut**

**Never can plans keep up with changes:** The situation in January 2020 could reflect the message of this statement. CIMB Thai's Research Office earlier predicted Thai economic growth of 2.7% in 2020 supported by three factors, i.e. relocation of investment bases, active fiscal stimulus measures and tourism. However, under the current circumstances, these supportive factors might instead turn into risk factors for the economy. Foreign investment could be put off, and budget disbursement delayed pending the fiscal budget approval, which might cause public investment to turn negative. The novel coronavirus outbreak in China with infected patients reported in several countries including Thailand could hit tourism severely with the number of tourists to slide considerably in H1/2020. To sum up, the economy in H1/2020 could likely expand below 2% dampened by the above negative factors. However, we believe such bleak outlook will be temporary lasting only until the end of Q2/2020, and brighter prospects should be seen afterward with Thai economic growth driven to above 3% in H2/2020. **We thus cut our economic growth forecast in 2020 from 2.7% to 2.3%.** Moreover, as the fiscal policy cannot be enacted to spur the economy at the moment, the Monetary Policy Committee (MPC) decided to slash the policy rate by 25 basis points to stand at 1.00% per annum at its meeting on 5 February 2020. Meanwhile, the baht could weaken to 32.00 against the US dollar in Q2/2020 before strengthening to 30.50 against the US dollar at year-end.

#### **Time for Thai economy to take rest and regain energy**

Thai economy today is like a patient having caught coronavirus effect with three respiratory symptoms, i.e. high fever, shortness of breath and coughing. **The high fever symptom came from the likelihood of a sharp drop in tourism revenue by more than THB 100 billion** in the aftermath of the contraction in the arrivals of Chinese and other foreign tourists in H1/2020. Compared to the SARS and H1N1 swine flu epidemics when Thailand's tourist inflow shrank by 20%, the coronavirus outbreak, if regarded as the recurrence of such past incidents, may deal a larger blow to the economy as Chinese tourists at present account for more than 30% of total number of tourists, compared with 7% at that time. During January and February, more than 1 million Chinese tourists have been recorded per month. If Chinese travellers cancel their travel plans abroad, including Thailand which is among their top destinations, tourism revenue could shrink, thus narrowing the current account surplus. A softer pace of economic growth is anticipated as the impacts could also be felt by such tourism-related businesses as hotels, restaurants, transport, retail, food and beverage, and so on. It is noted that tourism contributes more than 10% of GDP. In the absence of this portion, Thai economy might risk shivering. **Another symptom is shortness of breath as the fiscal budget bill was delayed by the Parliament process.** We earlier expected the annual fiscal budget would help fuel the economy and build investor confidence on the back of accelerated budget disbursement. Under the current circumstances; however, we are like a patient with breathing difficulties having only a small remaining amount of budget from the previous fiscal year, which is not enough to fund the projects in pipeline and boost confidence. **The last symptom is coughing. It is a dry cough in the backdrop of Thailand's droughts which have hard hit the agricultural sector.** The water levels at several dams, especially those in the Central and Eastern regions, have fallen significantly, affecting the output of rice and other cash crop harvests. We only hope that the limited water supplies would not hurt industries in the Eastern region that require ample water supplies for their production. Moreover, with the shrinkage in farm income, the purchasing power of low-income households could be lessened. The economy could risk slowing down, particularly in rural and provincial areas, to a greater extent than in the previous years. Nonetheless, we should not lose hope. Research Office views that all these symptoms could disappear in H2/2020. We should be able to control the severity of this situation and come up with some solutions, which are not in a way of economic restructuring. If the spreading coronavirus can be stemmed in China and our budget bill is passed by the Parliament, the government should be able to roll out economic stimulus packages and speed up investments, which would bring back confidence to the private sector. The Thai economy should then be rejuvenated and grow by almost 3% in H2/2020, fuelled by the export sector, which is the main engine to drive the economy in parallel to private investment in expectation of brighter prospects from the first round of trade talks between the U. S. and China. In addition, we view that the spreading novel

coronavirus would pose less severe impact than the trade war on the economy in the respective years. It is because the trade war had direct impact on export, which represents more than 60% of GDP, as well as on labour employment and private consumption at large. It is also a persistent global problem. For coronavirus, impact on human life may be more drastic, but less or limited impact is expected on the economy. It should also be brought under control in a short period of time. However, Thai export in H1/2020 may still risk contracting given the sluggishness of Chinese economy and the economies of our major trade partners in ASEAN who also rely mainly on export to China and Chinese tourist inflows.

### **How to stimulate the economy**

Besides interest rate cut and the baht depreciation, do we have any other tools that can prop up the economy and prevent the economic growth from falling below 2% , the lowest in 21 quarters since Q4/2014? What to be put on the urgent agenda should be building confidence among Thais and tourists in Thai government's ability to contain the virus spread. We may lose some tourism revenue in a short term but confidence can subsequently be restored and the industry will soon recover. In addition, tour operators should be encouraged to seek new markets. There should also be promotion campaigns for Thais to travel in Thailand. Meanwhile, the weak agricultural sector and purchasing power of rural people is a long-term structural problem that needs to be addressed alongside the launch of welfare schemes for low-income earners. We view that employing local labour for construction of local public utilities such as roads, irrigation systems, water tanks or residences for the elderly may also create job opportunities, the budget allocated for which will lead to distribution of income. In a short term, we should drive development of private sector production efficiency in preparation for another round of export competition in H2/2020 amid the global economic recovery and easing of trade tensions. As export alone cannot drive growth, our goods need to be of good quality, so there should be investment in machinery. It is now a good timing for investors to accelerate their investment under the current uncertain circumstances when financial costs are low, and hopefully, rapid economic revival can be expected in H2/2020.

### **Moving Forward to Drive ASEAN towards Sustainability**

Throughout the period of Thailand's chairmanship of ASEAN in 2019, Thailand has pushed for the region's progress in three areas, involving 13 issues that are priority economic deliverables already negotiated at the level of ASEAN Senior Officials and ASEAN Economic Ministers as jointly committed by ASEAN member countries under the theme "Advancing Partnership for Sustainability." The theme reflects the direction of driving ASEAN towards sustainability, i.e. pushing for cooperation to strengthen ASEAN, working together to advance ASEAN, promoting linking mechanisms, and giving priority to sustainable development, with ultimate goal of the well-being and peace for the peoples of the region.

The 13 priority economic deliverables cover three areas as follows:

**Future Orientation:** ASEAN aims to get prepared for the changes coming with the 4<sup>th</sup> Industrial Revolution (4IR). Five of the 13 deliverables focus primarily on the 4IR, comprising 1) ASEAN digital integration framework action plan, 2) Guideline on skilled labour/professional services development, 3) Policy guideline on innovation of ASEAN, 4) ASEAN Declaration on industrial transformation to Industry 4.0, and 5) ASEAN's readiness to embrace innovation and digital technologies for small-scale ASEAN entrepreneurs.

**Enhanced Connectivity:** Regional connectivity is to be reinforced through five deliverables, comprising 6) Conclusion of the Regional Comprehensive Economic Partnership (RCEP) negotiations, 7) Operation of the linking electronic systems at ASEAN Single Window, 8) Guideline on ASEAN local currency settlement cooperation framework to support trade and investment, 9) Development of the launch of innovative financing facilities, and 10) Framework of ASEAN Gastronomy Tourism Master Plan.

**Sustainability in All Dimensions:** Sustainable development is to be promoted in all dimensions through the following deliverables: 11) Concept proposal for sustainable fisheries, 12) Roadmap for ASEAN sustainable capital markets, and 13) Establishment of ASEAN Centre for Energy and the National Science and Technology Development Agency on biofuels and bioenergy in the region.

It is instrumental to propel the negotiations of RCEP to ensure successful conclusion of the above-mentioned deliverables. RCEP is a regional framework of economic cooperation among the 10 ASEAN countries and six partners --- China, Japan, South Korea, India, Australia and New Zealand. It is an extension developed from the five existing trade agreements ASEAN have earlier inked with the

said six partner countries, comprising ASEAN-China, ASEAN-Japan, ASEAN-Korea, ASEAN-India, and ASEAN-Australia-New Zealand agreements linking the economies of the region with the global economy. However, for India, there are outstanding issues that still need further negotiations, the same as negotiations on the operation procedures relating to the agreements to be in line with internal procedures of the respective countries so that the RCEP framework agreement can be jointly executed by 2020.

The RCEP framework agreement covers the world's largest free trade area or FTA. If including India, the combined population would be more than 3.5 billion persons or almost 50 percent of world population. RCEP member states' total GDP would amount to USD 27.2 trillion or 32.3 percent of global GDP. Their combined trade volume would account for USD 11.5 trillion, roughly 29.3 percent of global trade volume. If India is not ready to participate in RCEP, the remaining 15 RCEP member states' combined population would be 2.2 billion persons, roughly 30 percent of world population, and total GDP would amount to USD 24.5 trillion or 28.9 percent of world GDP. Their trade volume would account for USD 10.7 trillion, roughly 27.2 percent of global trade volume, still making RCEP FTA a large free trade area.

The RCEP framework agreement will facilitate broader ranging trade and investment, help reduce duplication of rules and regulations, and awaken ASEAN member countries to focus more on regional supply chain which would lead to an increase in international trade value and attract investments from countries beyond RCEP. For Thailand, this agreement will create opportunities for Thai entrepreneurs in terms of expanding the supply chains, more open markets, and outward investment in various fields where Thai entrepreneurs have potential, such as healthcare, construction, retail, etc. However, RCEP is a large and highly competitive market and many member countries may expand their markets to Thailand as well. Thai entrepreneurs should thus adjust themselves by developing their product standards in order to cope with market penetration of partner countries that may come with higher technology and lower priced products.

In driving ASEAN towards sustainability, ASEAN member countries have to deal with many challenges such as the persisting global economic slowdown, trade tensions between superpowers, intensifying trade protectionism, global financial market fluctuations, and technological changes of the digital age that ASEAN have to embrace. If ASEAN could handle these challenges competently, they would be a resilient region well positioned to move forward and play a leading role in international economic forums.

## Looking Forward

Looking forward, CIMB Group believes that ASEAN will continue to be an open, resilient and dynamic region where cooperation is also required from regions elsewhere. CIMB Group with region-wide networks will remain steadfast in supports for corporate and SME customers with aspirations to expand investments across the region, leveraging on CIMB Group's strength, expertise and product diversity.

CIMB Thai, as a member of CIMB Group, has all along actively supported and explored fresh opportunities for Thai companies in their outward investments in or production expansion to the neighbouring countries like Cambodia, Lao PDR, Myanmar and Vietnam on account of their rapid economic development, and abundant resources and labour. Such outward investments are aimed at maintaining or building competitive advantage, as well as entitlement to the generalised systems of preferences from several developed countries.

## HIGHLIGHTS OF CORPORATE BRANDING ACTIVITIES IN 2019

CIMB Thai has pursued the execution of our "FORWARD" brand promise and positioning according to CIMB Group policy throughout 2019. This has reflected our determination giving a high priority to the way our customers think and what they need so that we can offer our financial support and solutions towards the targets, which is our key mission to build greater brand awareness among the general public. In 2019, we produced and launched a new commercial campaign "Hero In You" based on the true story of Bank staff aiming to inspire people to change their perspectives by looking

inside themselves and realising their inner strength so that they can move forward. A key message sent to staff members, customers and the public is “We sometimes underestimate ourselves and fail to realise our own capabilities. In fact, we all can be empowered by our inner strength. CIMB Thai believes in the Hero In You... which will drive you towards your goals.” This commercial was shown both online and through traditional media like TV, during the on-air time of Thai drama top-hits to reach out to viewers as much as possible, as well as disseminated through such out-of-home media as billboards and decorative stickers at our branches to optimise utilisation of branch office space, and so on.

As an extension of the concept of “Hero In You” underlining the importance of growing confidence in oneself with the power of positive thinking, we organised “CIMB THAI Triathlon for ASEAN Day” for the second straight year on 4 August 2019 to celebrate ASEAN Day. It was one of the highlights of the year and a convincing proof of “Hero In You.” It was also the first time for such a national triathlon tournament where people interested in this type of sports but having no past experience were invited to join. This corresponded with the concept of “Hero In You” which aims to encourage people to overcome self limitations, believe in their inner power, and rise to challenges, hence a good experience for the participants. The tournament drew more than 600 athletes from various countries, including CIMB Preferred customers who had undergone a preparation training in the “Virtual Triathlon Training by CIMB Preferred” programme. It brought an impressive experience to the participating athletes and built CIMB Thai brand awareness among the general public.

In addition, CIMB Thai continued to use both online and traditional media channels in proactive marketing promotion of our financial products to better meet target customers’ increasingly diverse demand. We launched “EC Mee Credit” personal loan programme and refinancing housing loan scheme with offering of special interest rates to cater to individual needs, as well as a diverse range of investment products with favourable returns under advice from our investment experts. Penetration of social media has also been enhanced through Facebook, LINE, Instagram, Twitter and YouTube, with dissemination of news and information on our products and services, financial tips, marketing activities and promotion campaigns, as well as other interesting everyday life topics with a view to building customers’ brand engagement with the Bank. In addition, we joined Money Expo events in five provinces, i.e. Bangkok, Nakhon Ratchasima, Udonthani, Chiang Mai and Songkhla (Hat Yai) under the theme “CIMB Thai Notes of Financial Rhythm” aimed at expanding customer base in each region with offering of an array of financial products. Each different type of products generates outcome to each stage of the business operations just like the different rhythms and sounds generated by each musical instrument of an orchestra.

Looking forward, we will still give importance to publicising and updating our business progress with a refocusing strategy to online channels in line with the shifting of consumer behaviors and preferences towards online media in order to better promote our image and professionalism in respect of business advancement, ASEAN investment opportunities, product innovations and diversity of service channels. Moreover, our Research Office’s domestic and global economic research and analysis articles have consistently drawn great attention from the media in further disseminating to the public.

## 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 2019 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 11 March 2019:

No.	Shareholder Name	Number of shares	In percentage (%)
1	CIMB Bank Berhad	33,021,971,285	94.83
2	Bank Julius Baer & Co., Ltd., Singapore	760,756,147	2.18
3	Thai NVDR Co., Ltd.	144,908,008	0.42
4	Mr. Pisit Prukpaiboon	43,026,382	0.12
5	SCB SET Banking Sector Index	40,258,608	0.12
6	Mr. Prawit Phansaichue	13,997,591	0.04
7	Mr. Somchart Namsricharoensuk	13,684,881	0.04
8	Mr. Pracha Chaisuwan	13,181,733	0.04
9	Mrs. Jaroonluk Panichsheewa	11,761,750	0.03
10	Mr. Anan Rungwittayakom	7,654,500	0.02
Other shareholders		751,060,863	2.16
<b>Total 8,057 shareholders holding</b>		<b>34,822,261,748</b>	<b>100.00</b>
Thai shareholders 7,989		1,011,221,732	2.90
Foreign shareholders 68		33,811,040,016	97.10
<b>Total 8,057 shareholders</b>		<b>34,822,261,748</b>	<b>100.00</b>

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

Major shareholder with significant influence over planning and directing the Bank's operations is CIMB Bank Berhad. It holds 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 2019)**

Classified by type	Interest rate	Maturity	Collateral	Restrictions and Requirements	Value of debt securities in issue as at 31 Dec 2019	Credit ratings (Moody's / Fitch Ratings)	Bond holder representative
1. Tier 2 subordinated debt <sup>1</sup>	5.35% per annum	11 July 2026	None	For early redemption for each tranche of the subordinated debt where call option is applicable, the issuer may redeem and cancel the subordinated debt in whole but not in the principal amount under the subordinated debt on the call date, subject to prior approval of the Bank of Thailand and submission to the Bank of Thailand the redemption and substitution plans at least 30 days prior to the call date (including all deferred interest and accrued interest payable but excluding accrued interest receivable). 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 1) the redemption and substitution plans include the issuance, either immediately or before the redemption, of other financial instruments of equivalent or superior	THB 5,016.20 million (MYR 570 million)	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 2019	Credit ratings (Moody's / Fitch Ratings)	Bond holder representative
				quality in substitution for the subordinated debt to be redeemed, and 2) the issuance of substitute instruments will not affect the issuer's ability to perform its business operation.			
2. Tier 2 subordinated debt <sup>1</sup>	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 redeem and cancel the subordinated debt in whole but not in the principal amount under the subordinated debt on the call date, subject to prior approval of the Bank of Thailand and submission to the Bank of Thailand the redemption and substitution plans at least 30 days prior to the call date (including all deferred interest and accrued interest payable but excluding accrued interest receivable). 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 1) the redemption and substitution plans include the issuance, either immediately or before the redemption, of other financial instruments of equivalent or superior quality in substitution for the subordinated debt to be redeemed, and 2) the issuance of substitute instruments will not affect the issuer's ability to perform its business operation.	THB 3,157.83 million (MYR 390 million)	Issue rating AA3 by RAM Rating Services Berhad	None
3. Tier 2	4.15% per	6 July	None	For early redemption	THB 4,088.26	Issue	None

Classified by type	Interest rate	Maturity	Collateral	Restrictions and Requirements	Value of debt securities in issue as at 31 Dec 2019	Credit ratings (Moody's / Fitch Ratings)	Bond holder representative
subordinated debt <sup>1</sup>	annum	2029		for each tranche of the subordinated debt where call option is applicable, the issuer may redeem and cancel the subordinated debt in whole but not in the principal amount under the subordinated debt on the call date, subject to prior approval of the Bank of Thailand and submission to the Bank of Thailand the redemption and substitution plans at least 30 days prior to the call date (including all deferred interest and accrued interest payable but excluding accrued interest receivable). 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 1) the redemption and substitution plans include the issuance, either immediately or before the redemption, of other financial instruments of equivalent or superior quality in substitution for the subordinated debt to be redeemed, and 2) the issuance of substitute instruments will not affect the issuer's ability to perform its business operation.	million (MYR 550 million)	rating AA3 by RAM Rating Services Berhad	

Notes: 1. Referring to a subordinated debt instrument with cash flow hedge in the amount of MYR 570 million, MYR 390 million and MYR 550 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

### A. Board of Directors

#### 1. Non-executive director

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

#### 2. Executive director

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

#### 3. Director who is authorised signatory

Means one or several director(s) authorised by the Board to sign binding the Bank with the third parties.

#### 4. Independent director

Each independent director of the Bank must have qualifications as follows:

- (a) Hold shares not exceeding 0.5% of the total number of shares with voting rights of the Bank, its parent company, subsidiary company, associated company, major shareholder or controlling person of the Bank, including shares held by related persons of such independent director;
- (b) Neither be nor have been an executive director, employee, staff, advisor who receives a salary, or controlling person of the Bank, its parent company, subsidiary company, associated company, same-level subsidiary company, major shareholder or controlling person, unless the foregoing status has ended not less than two years prior to the date of filing the application with the Office of the Securities and Exchange Commission (Office of the SEC). Such prohibited characteristic shall not include the case where the independent director used to be a government official or advisor of a government agency which is a major shareholder or controlling person of the Bank;
- (c) Not be a person related by blood or legal registration as father, mother, spouse, sibling, and child, including spouse of a child, of executive, major shareholder, controlling person, or a person nominated as an executive or controlling person of the Bank or its subsidiary company;
- (d) Neither have nor have had a business relationship with the Bank, its parent company, subsidiary company, associated company, major shareholder or controlling person of the Bank, in the manner which may interfere with his/her independent judgment, and neither be nor have been a significant shareholder or controlling person of any person having a business relationship with the Bank, its parent company, subsidiary company, associated company, major shareholder or controlling person of the Bank, unless the foregoing relationship has ended not less than two years prior to the date of filing the application with the Office of the SEC.

The term 'business relationship' shall include any normal business transaction for business operation, rent or lease of immovable property, transaction relating to assets or services, or granting or receipt of financial assistance through receiving or extending loans, guarantees, providing assets as collateral, and any other similar actions, which result in the Bank or the counterparty being subject to indebtedness to the other party in the amount of 3% or more of the net tangible assets of the Bank or THB 20 million or more, whichever is lower. The amount of such indebtedness shall be calculated by the valuation method applicable to related party transactions pursuant to the Capital Market Supervisory Board Notification regarding criteria on related party transactions mutatis mutandis. The consideration of such indebtedness shall include indebtedness incurred during the period of one year prior to the date on which the business relationship with the related person commences;

- (e) Neither be nor have been an auditor of the Bank, its parent company, subsidiary company, associated company, major shareholder or controlling person of the Bank, and not be a significant shareholder, controlling person, or partner of an audit firm which employs the auditor of the Bank, its parent company, subsidiary company, associated company, major shareholder or controlling person of the Bank, unless the foregoing relationship has ended not less than two years prior to the date of filing the application with the Office of the SEC;
- (f) Neither be nor have been a provider of any professional services including those as legal advisor or financial advisor who receives service fee exceeding THB 2 million per year from the Bank, its

- parent company, subsidiary company, associated company, major shareholder or controlling person of the Bank, and not be a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relationship has ended not less than two years prior to the date of filing the application with the Office of the SEC;
- (g) Not be a director appointed as representative of directors of the Bank, major shareholder or shareholder who is related to the major shareholder;
  - (h) Not undertake any business in the same nature as and in material competition with the business of the Bank or its subsidiary company, or not be a significant partner in a partnership, or not be a director involved in management, employee, staff, advisor who receives regular salary or holds shares exceeding 1% of the total number of shares with voting rights of another company which undertakes business in the same nature as and in material competition with the business of the Bank or its subsidiary company;
  - (i) Have no other characteristics which disable expression of independent opinions on the Bank's business operations. Upon appointment as independent director with qualifications as stated from (a) to (i) in the first paragraph, the independent director may be assigned by the Board to take part in the business decisions of the Bank, its parent company, subsidiary company, associated company, same-level subsidiary company, major shareholder or controlling person of the Bank, on a collective decision basis;
  - (j) Have no business, participation in the business of, or benefit in relation to the Bank, or have any other features that cause inability to independently opine, decide, or vote on matters regarding business operation of the Bank;
  - (k) Neither be nor have been a non-independent director, manager, person with management power, advisor or employee of the Bank and any company in its financial business group, unless the foregoing position or status has ended not less than two years prior to the date of filing the application with the Bank of Thailand (BOT);
  - (l) Be eligible to hold the independent director position for more than nine consecutive years, in which case such period shall include the period during which he/she holds the independent director position of the companies in the financial business group of the Bank.

In case any independent director has already been in the independent director position for nine years and wishes to be re-appointed as an independent director, his/her status of director, manager, controlling person, advisor or employee of the Bank and companies in its financial business group must have ended not less than two years prior to the date of filing the application with the BOT.

For any independent director who has held the position for less than nine years, if such person's status of an independent director of the Bank and companies in its financial business group has ended less than two years, and during such period the person has not assumed any position of director, manager, controlling person, advisor or employee of the Bank and companies in its financial business group, the person may be re-appointed as an independent director, but the period during which he/she serves as an independent director must be all counted.

## 8.1 Board of Directors

As of 31 December 2019, the Board of Directors was composed of the following 11 directors:

Name	Positions
1. Dato' Robert Cheim Dau Meng	Chairman Member and Alternate Chairman of Nomination, Remuneration and Corporate Governance Committee
2. Mrs. Watanan Petersik	Independent Director Chairperson of Nomination, Remuneration and Corporate Governance Committee
3. Ms. Serena Tan Mei Shwen	Director Chairperson of Board Risk and Compliance Committee

4.	Mr. Chanmanu Sumawong	Independent Director Member of Audit Committee Member of Nomination, Remuneration and Corporate Governance Committee
5.	Dr. Rom Hiranpruk	Independent Director Member of Audit Committee Member and Alternate Chairman of Board Risk and Compliance Committee
6.	Encik Omar Siddiq Bin Amin Noer Rashid <sup>1/</sup>	Director Member of Board Risk and Compliance Committee
7.	Encik Shahnaz Farouque Bin Jammal Ahmad <sup>2/</sup>	Director Member of Board Risk and Compliance Committee
8.	Mr. Natasak Rodjanapiches <sup>3/</sup>	Independent Director Member of Board Risk and Compliance Committee
9.	Mr. Niti Jungnitnirundr <sup>4/</sup>	Independent Director Member of Audit Committee
10.	Mrs. Oranuch Apisaksirikul <sup>5/</sup>	Independent Director Chairperson of Audit Committee
11.	Mr. Adisorn Sermchaiwong <sup>6/</sup>	Director President and Chief Executive Officer

### Remarks

<sup>1/</sup> The Board of Directors' meeting (special) no. 2/2019, held on 16 January 2019, resolved to appoint Encik Omar Siddiq Bin Amin Noer Rashid as Director replacing Datuk Joseph Dominic Silva who resigned, and as Acting President and CEO, effective on 30 January 2019.

<sup>2/</sup> The Board of Directors' meeting no. 1/2019, held on 16 January 2019, resolved to appoint Encik Shahnaz Farouque Bin Jammal Ahmad as Director replacing Dato' Lee Kok Kwan who resigned, effective on 21 February 2019.

<sup>3/</sup> The Annual General Meeting of Shareholders no. 25, held on 18 April 2019, resolved to appoint Mr. Natasak Rodjanapiches as Independent Director replacing Mr. Maris Samaram who retired by rotation, effective on 18 April 2019.

<sup>4/</sup> The Annual General Meeting of Shareholders no. 25, held on 18 April 2019, resolved to appoint Mr. Niti Jungnitnirundr as Independent Director replacing Mr. Chitrapongse Kwangsukstith who resigned, effective on 18 April 2019.

<sup>5/</sup> The Board of Directors' meeting no. 5/2019, held on 23 May 2019, resolved to appoint Mrs. Oranuch Apisaksirikul as Independent Director replacing Mr. Chakramon Phasukavanich who resigned, effective on 26 June 2019.

<sup>6/</sup> The Board of Directors' meeting no. 4/2019, held on 18 April 2019, resolved to appoint Mr. Adisorn Sermchaiwong, Senior Executive Vice President and Head of Consumer Banking in charge of Fast Forward programme, as Acting President and CEO (excluding directorship) replacing Encik Omar Siddiq Bin Amin Noer Rashid, effective on 1 May 2019.

The Board of Directors' meeting no. 5/2019, held on 23 May 2019, resolved to extend the term of Mr. Adisorn Sermchaiwong as Acting President and CEO (excluding directorship), effective on 1 June 2019.

The Board of Directors' meeting no. 8/2019, held on 28 August 2019, resolved to appoint Mr. Adisorn Sermchaiwong, as President and CEO (excluding directorship) replacing Mr. Kittiphun Anutarasoti who resigned, effective on 19 October 2019.

The Board of Directors' meeting no. 10/2019, held on 10 October 2019, resolved to appoint Mr. Adisorn Sermchaiwong, as Director replacing Mr. Kittiphun Anutarasoti who resigned, effective on 4 December 2019.

### Directors Nominated by Major Shareholder

CIMB Bank Berhad (CIMB Bank) has appointed three representatives to the Board of the Bank, namely Ms. Serena Tan Mei Shwen, Encik Omar Siddiq Bin Amin Noer Rashid and Encik Shahnaz Farouque Bin Jammal Ammal Ahmad.

## Authorised Signatories

The directors who are authorised signatories of the Bank are Encik Omar Siddiq Bin Amin Noer Rashid, Encik Shahnaz Farouque Bin Jammal Ahmad and Mr. Adisorn Sermchaiwong, any two of whom are to jointly sign with the Bank seal affixed.

## Powers of the Board of Directors

1. Appoint and remove regular and temporary employees, determine bonus payment, gratuity and severance pay to regular or temporary employees or any person doing business for the Bank, and declare dividend payment to shareholders.
2. Establish Board committees as deemed necessary and appropriate to assist the Board in overseeing the Bank's business affairs, and determine remuneration for committee members as appropriate.
3. Appoint any person as an advisor to the Board to give advice and 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 is reasonably believed 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 their duties responsibly and cautiously (duty of care) with loyalty to the Bank (duty of loyalty), and oversee that the Bank's business is operated as prescribed by laws and 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, related party 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 direction, as well as controlling and monitoring the management's discharge of functions to ensure that it is in line 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 sustainable business operation taken into account.
4. Nominate qualified individuals 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. Nominate qualified individuals with professional expertise and experience for appointment as senior executives.
6. Approve business budgets based on joint consideration with the management.

7. Delegate authority to executives to carry out tasks to meet the targets, except for the 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, where 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 organisation.
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 organisation as well as having the remuneration structure that is effective and promotes risk culture.

Duties and responsibilities 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 models of the Bank and its subsidiaries in financial business group.
13. Oversee to ensure that the Bank and its subsidiaries have in place risk taking policies and processes, including internal pricing process (if any) that is in accordance with the overall risk management policies and strategies as well as risk appetite.
14. Assign and oversee to ensure that senior executives set the risk limits in accordance with the risk appetite, and communicate with persons concerned to ensure their acknowledgment and understanding on a regular basis.
15. Assign and oversee to ensure that senior executives formulate detailed policies, processes, and systems for managing overall risks and each type of risks, as well as frameworks or procedures for identifying, assessing, monitoring, controlling and reporting risks.
16. Approve an organisational structure that facilitates the monitoring, oversight, control and examination to ensure that the Bank's operations comply with the risk management policies, strategies, processes and procedures in place.
17. Oversee to ensure that there is development 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 changes.
19. Monitor the overall risk exposure and that of each type of risks.
20. Oversee to ensure 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 the Bank's commitment to good governance.
23. Coordinate and maintain good balance among the 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 there is monitoring of the management's operations by the Board 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 revise the action plans and strategies as deemed appropriate.
26. Prepare report of the responsibility of the Board of Directors for disclosure in the annual report alongside the auditor's report, covering important points as per the code of conduct for Board members to ensure that the Bank's financial report is accurate, complete, and reliable.
27. Oversee to ensure that senior executives of the Bank and the subsidiaries in its financial business group implement the targets, policies and strategies organisation-wide, as well as set out processes and operating systems, and make the relevant arrangements so that the Bank and the companies in its financial business group reach the targets according to the policies and strategies specified or approved by its Board of Directors.
28. Oversee to ensure that the Bank and the subsidiaries in its financial business group prepare the complete minutes of the respective Boards of Directors' meetings, where the contents are complete with recording of individual directors' comments on important agenda/issues for consideration.
29. Oversee to ensure that senior executives have skills needed for performing functions of the Bank and the subsidiaries in its financial business group, including the appointment of qualified persons as authorised managerial personnel, and that there is a succession plan for senior executives to ensure that the Bank and the subsidiaries in its financial business group can operate their business on an ongoing basis.
30. Set guidelines for evaluation of executives' performance to support annual consideration and adjustment of wages and annual 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, gratuity and severance pay to employees, contract employees or any person doing business for the Bank, whether regularly or temporarily, as proposed by the management.
32. Appoint any person as advisor to the Board or request any professional opinion from an external advisor to assist in 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 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 specialised 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 to ensure that there is the appropriate balance of power among the Bank's Board members by placing importance on the component or number of independent directors and the effective balance of power among the Board members.
35. Ensure the Bank's complete, adequate, reliable and timely disclosure of information.
36. Revise the segregation of duties among the Board of Directors, President and Chief Executive Officer, and the management on a regular basis to be consistent with the organisation'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 principles and 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 organisational level that is aligned with the business needs and priorities, and ensure use of IT to maximise business opportunities, develop operational performance, and strengthen risk management in support of the business objectives.
43. Oversee to ensure that the Bank and the subsidiaries in its financial business group have in place the market conduct practice according to the BOT's Notification Re: Market Conduct Guidelines.
44. Oversee to ensure that the Bank and the subsidiaries in its financial business group have in place the efficient Whistleblowing Policy and Procedure.

45. Oversee to ensure that there is annual assessment of the performance of the Bank's Board of Directors and individual directors in the forms of (1) self-evaluation and (2) cross-evaluation or third party evaluation and assessment of the performance of the Bank's senior executives, and that the directors have continuously undergone skill enhancement and training courses needed for their performance of duties.

The Board shall, under no undue influence, make independent decisions or objections in case of disagreement or conflict of interests, give approval of business matters, or put forward recommendations to the shareholders' meeting for approval 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. To make no 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 candidates who have no prohibited characteristics according to the law for appointment as directors by recommending them through the Board before submitting to the meeting of the shareholders for approval and appointment. This process shall comply with the rules and procedures on appointment and removal of directors as specified in the Bank's Articles of Association as follows:

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

4. Whenever any person vacates his/her seat as a Board member for any reason other than expiry of term of office, the remaining members shall at the next Board meeting appoint another qualified and suitable director to fill that position for the remainder of the term of office of his/her predecessor except in the event that the vacant position has fewer than two months left in the term. The motion shall require the majority consent of at least three-fourths of the remaining members of the Board.

In addition, pursuant to the Financial Institution Business Act B.E. 2551 (2008), the 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.

### Meeting Attendance of Directors

In 2019, 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 of Directors	(2) Audit Committee	(3) Nomination, Remuneration and Corporate Governance Committee	(4) Board Risk and Compliance Committee
1.	Dato' Robert Cheim Dau Meng	12/12	-	12/12	-
	Mr. Chakramon Phasukavanich (resignation effective on 23 May 2019)	4/4	-	-	-
2.	Mrs. Watanan Petersik	11/12	-	12/12	-
3.	Ms. Serena Tan Mei Shwen	12/12	-	-	10/12
4.	Dr. Rom Hiranpruk	11/12	12/12	-	9/10
5.	Mr. Niti Jungnitnirundr	8/8	9/9	-	-
	Mr. Chitrapongse Kwangsukstith (resignation effective on 22 February 2019)	1/1	-	-	1/1
6	Mr. Natasak Rodjanapiches	7/8	-	-	3/4
	Mr. Maris Samaram (resignation effective on 18 April 2019)	4/4	4/4	-	-
7.	Mr. Chanmanu Sumawong	10/12	11/12	12/12	-
8.	Encik Omar Siddiq Bin Amin Noer Rashid	11/12	-	-	8/10
	Datuk Joseph Dominic Silva (resignation effective on 16 January 2019)	1/1	-	1/1	-

No	Director Name (number of meetings attended/total meetings)	(1) Board of Directors	(2) Audit Committee	(3) Nomination, Remuneration and Corporate Governance Committee	(4) Board Risk and Compliance Committee
9.	Encik Shahnaz Farouque Bin Jammal Ahmad	9/12	-	-	8/10
	Dato' Lee Kok Kwan (resignation effective on 15 January 2019)	-	-	-	1/1
10.	Mrs. Oranuch Apisaksirikul	7/7	5/5	-	-
11.	Mr. Adisorn Sermchaiwong	1/1	-	-	7/8
	Mr. Kittiphun Anutarasoti (resigned, effective on 18 October 2019)	1/1	-	-	1/1

## 8.2 Executive Management

As of 31 December 2019, the Bank's executive management is composed of:

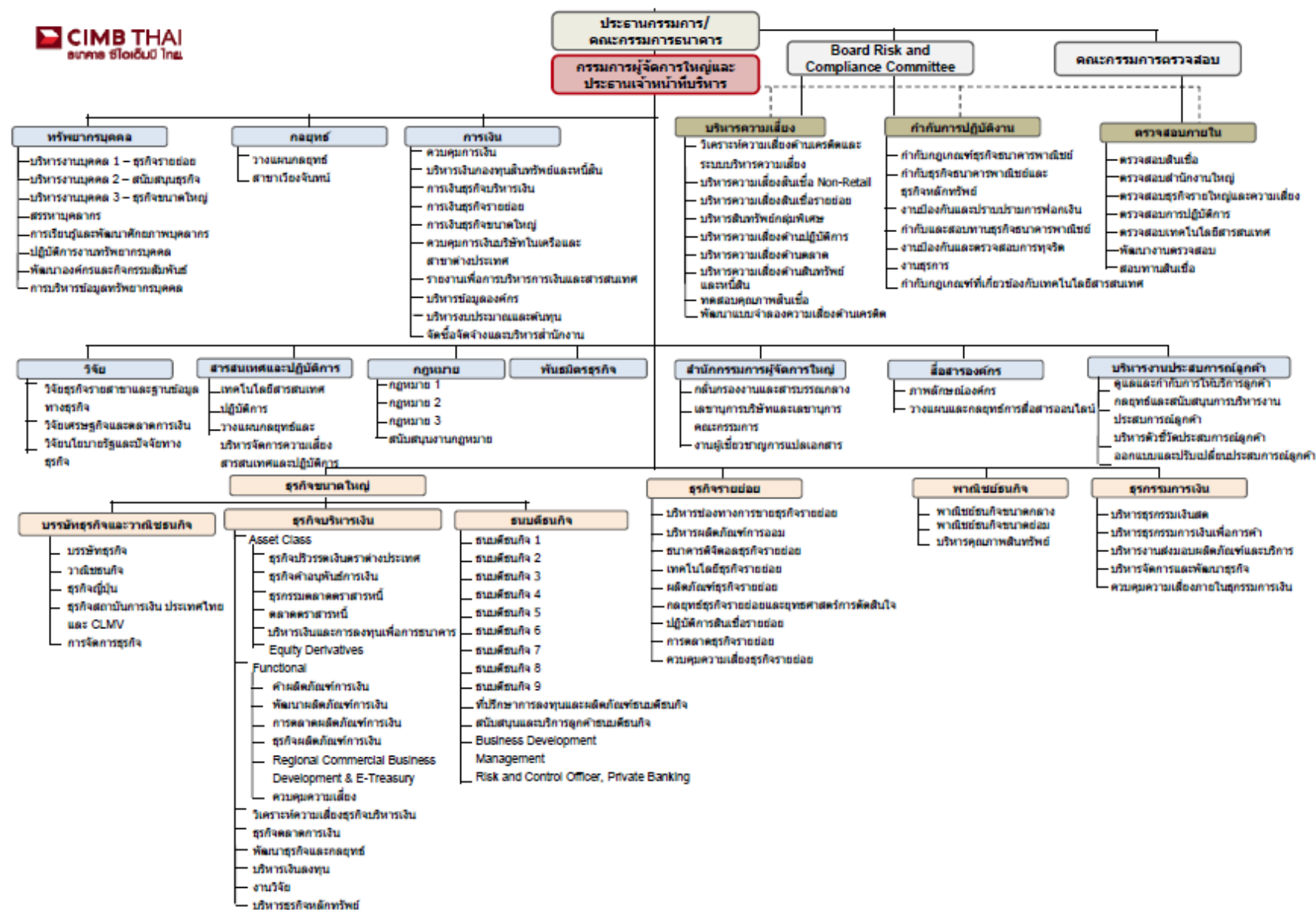
- |     |                             |  |
|-----|-----------------------------|--|
| 1.  | Mr. Adisorn Sermchaiwong    | President and Chief Executive Officer  |
| 2.  | Mr. Sutee Losoponkul        | Co-Head Wholesale Banking and Head of Treasury                                 |
| 3.  | Mr. Arthit Masathirakul     | Head of Risk Management  |
| 4.  | Mr. Pornchai Padmindra      | Co-Head Wholesale Banking and Head of Corporate Banking and Investment Banking |
| 5.  | Mrs. Bussakorn Puttinan     | Head of Information and Operations   |
| 6.  | Ms. Siriporn Sanunpairaue   | Head of Corporate Assurance  |
| 7.  | Mrs. Kanokpai Vongsatitporn | Head of Human Resources  |
| 8.  | Mr. Jason Leong Kok Yew     | Head of Finance  |
| 9.  | Mr. Prapas Thongsuk         | Head of Corporate Communications   |
| 10. | Mr. Zethjak Leeyakars       | Head of Compliance   |
| 11. | Mr. Tan Keat Jin            | Deputy Head of Consumer Banking  |
| 12. | Mr. Yeong Thian Lim         | Head of Strategy   |
| 13. | Mr. Paisan Thumponthong     | Head of Transaction Banking  |
| 14. | Mr. Jittiwat Kantamala      | Head of Private Banking  |
| 15. | Ms. Uthaiwan Sukphanpim     | Head of Customer Experience Management   |
| 16. | Ms. Pajaree Thongvanit      | Head of Corporate Legal  |

As of 31 December 2019, CIMB Thai had 14 executives from Senior Executive Vice President upward and executives in Accounting and Finance in accordance with the definition of the term 'executives' of the Office of the SEC as below:

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

- 
- |     |                             |                                    |
|-----|-----------------------------|------------------------------------|
| 5.  | Mrs. Bussakorn Puttinan     | Head of Information and Operations |
| 6.  | Ms. Siriporn Sanunpairaue   | Head of Corporate Assurance        |
| 7.  | Mrs. Kanokpai Vongsatitporn | Head of Human Resources            |
| 8.  | Mr. Jason Leong Kok Yew     | Head of Finance                    |
| 9.  | Mr. Prapas Thongsuk         | Head of Corporate Communications   |
| 10. | Mr. Zethjak Leeyakars       | Head of Compliance                 |
| 11. | Mr. Tan Keat Jin            | Deputy Head of Consumer Banking    |
| 12. | Mr. Pao Chatakanonta        | Deputy Head of Treasurer           |
| 13. | Mr. Lim Yeong Thian         | Head of Strategy                   |
| 14. | Ms. Waewalai Wattana        | Head of Financial Control          |

Management Structure (as at 31 December 2019)



### 8.3 Company Secretary

The Bank has appointed Mrs. Patima Jumpasut as Company Secretary and Secretary to the Board of Directors to assist the Board in fulfilling its tasks. Her 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 letters and minutes of Board meetings, invitation letters 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.
- Undergo 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

##### Remuneration for Board members

This report describes the current components of the Bank's remuneration policy and details of the remuneration for each director and executive. In 2019, the aggregate remuneration comprising meeting and entertainment allowances for Board members and remuneration for Board committee members amounted to THB 11,267,000 (compared with THB 12,891,200 in 2018), as described below:

1. Board of Directors	THB	6,364,000	(2018: THB 8,012,200)
2. Audit Committee	THB	2,104,400	(2018: THB 1,884,800)
3. Nomination, Remuneration and Corporate Governance Committee	THB	1,602,000	(2018: THB 1,494,400)
4. Board Risk and Compliance Committee	THB	1,196,600	(2018: THB 1,499,800)

Unit: THB

Name		Positions	Monetary Remuneration			
			Board and Board Committee Members			
			Board of Directors	Audit Committee	Nomination, Remuneration and Corporate Governance Committee	Board Risk and Compliance Committee
1.	Dato' Robert Cheim Dau Meng	Chairman	1,952,000	-	480,000	-
2.	Mr. Chakramon Phasukavanich (resigned, effective on 23 May 2019)	-	800,000	-	-	-
3.	Mrs. Watanan Petersik	Independent Director	508,000	-	624,000	-
4.	Ms. Serena Tan Mei Shwen	Director	508,000	-	-	558,600
5.	Dr. Rom Hiranpruk	Independent Director	508,000	480,000	-	382,000
6.	Mr. Niti Jungnitnirundr	Independent Director	352,000	338,000	-	-
7.	Mr. Chitrapongse Kwangsukstith (resigned, effective on 22 February 2019)	Director	68,000	-	-	62,000
8.	Mr. Natasak Rodjanapiches	Independent Director	332,000	-	-	142,000
9.	Mr. Maris Samaram (declared intention not to be re-elected as the director, effective on 18 April 2019)	-	176,000	288,000	-	-
10.	Mr. Chanmanu Sumawong	Independent Director	528,000	462,000	458,000	-
11.	Encik Omar Siddiq Bin Amin Noer Rashid	Director	-	-	-	-
12.	Datuk Joseph Dominic Silva (resigned, effective on 16 January 2019)	-	44,000	-	40,000	-
13.	Encik Shahnaz Farouque Bin Jammal Ahmad	Director	-	-	-	-

Name		Positions	Monetary Remuneration			
			Board and Board Committee Members			
			Board of Directors	Audit Committee	Nomination, Remuneration and Corporate Governance Committee	Board Risk and Compliance Committee
14	Mr. Lee Kok Kwan (resigned, effective on 15 January 2019)	Director	44,000	-	-	52,000
15	Mrs. Oranuch Apisaksirikul	Independent Director	308,000	536,400	-	-
16.	Mr. Adisorn Sermchaiwong	Director	-	-	-	-
17.	Mr. Kittiphun Anutarasoti (resigned, effective on 18 October 2019)	-	236,000	-	-	-
<b>Total</b>			<b>6,364,000</b>	<b>2,104,400</b>	<b>1,602,000</b>	<b>1,196,600</b>

## b. Remuneration for senior executives

The Board is responsible for determining the procedures for evaluating the performance of senior executives for adjustment of salaries and bonuses based on their responsibilities and associated risks, and how their personal contributions help deliver sustainable shareholder value. The Board is also responsible for determining the appropriate remuneration packages for the Bank's staff and employee or any other person having done business for the Bank, in which case the management will consider an appropriate payment structure and criteria. The payments may be made to those who work either regularly or non-regularly, as recommended by the management. In 2019, the aggregate remuneration for 14 Senior Executive Vice Presidents and above and the executives in the Finance and Accounting function in accordance with the definition of the term 'executives' of the Office of the SEC was THB 111.37 million. In addition, the aggregate remuneration for 50 Executive Vice Presidents and above in accordance with the BOT's definition of the term 'executives' was THB 298.10 million.

## (2) Other benefits

In 2019, the Bank's contribution towards the provident fund for 14 Senior Executive Vice Presidents and above and the executives in the Finance and Accounting function in accordance with the definition of the term 'executives' of the Office of the SEC was THB 4.40 million. Meanwhile, its contribution towards the provident fund for 50 Executive Vice Presidents and above in accordance with the BOT's definition of the term 'executives' was THB 13.10 million.

## 8.5 Organisation and Personnel

As of 31 December 2019, the Bank had a total of 2,959 employees, of whom 704 work at branches and 2,255 at the head office, as below:

	No. of employees
1. President and Chief Executive Officer	1
2. Wholesale Banking	
2.1 Corporate Banking and Investment Banking	111
2.2 Treasury & Markets	87
2.3 Private Banking	34
3. Consumer Banking	1,44
4. Commercial Banking	182
5. Transaction Banking	44
6. Risk Management	88
7. Finance	143
8. Technology and Operations	581
9. Legal	15
10. Strategy	18
11. Human Resources	62
12. Office of the President (including Secretary to President and Chief Executive Officer)	12
13. Research	9
14. Corporate Communications	23
15. Corporate Assurance	53
16. Compliance	45
17. Customer Experience Management	10
<u>Total</u>	<u>2,959</u>

### Staff Development Policy and Human Resource Management Plan

The Bank is committed to consistently developing people capabilities at all levels with focus on intensive career development and succession planning to enhance staff's knowledge, skills and competencies. The training roadmap has consistently been designed and developed, identifying the required skill set for each job role to support staff's career advancement. With realisation of the rapid business changes in the digital disruption environment, 3D Academy (Digital, Data, Design) has been launched to equip staff with new skill sets. 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 programmes which include mentoring and coaching, peer to peer learning and learning on mobile (e-learning modules), etc. to promote learning anytime and anywhere 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 in the fiscal year was THB 2,643.77 million. To be an employer of choice, the Bank will continue to improve its employee benefits to attract and retain quality staff.

### Training Courses and Human Resources Development

In 2019, the Bank organised a total of 479 training courses for employees, consisting of 270 in-house training courses and 209 external training courses. These courses were participated by a total of 2,905 employees, or 98% of the total workforce, equivalent to an average training of 5 days per person per year. The total cost of employee development was THB 21.4 million (Data as of 31 December 2019). The Bank has focused on providing its staff with necessary digital knowledge and skill sets through the 3D Academy (Digital, Data, Design) with such courses as Future Data Scientist Programme, Design Thinking Experience Workshop, etc. In addition, an internal training course like CIMB BEATS has been developed to boost staff's capabilities in enhancing customer experience. The Bank has also encouraged staff to consistently develop professional skills and competencies by attending such courses as Professional Investment Planner, Life and Non-Life Insurance License, etc.

### Staff Health and Safety Information

Leave of staff classified by type	2019 %	2018 %
Sick leave	24.60	18.50
Work related injury and sickness	0.0	0.0
Others	75.40	81.50
No. of average sick leave days (days/person)	2.80	2.93
Work related accident death (persons)	0	0

### Work Environment

The Bank is concerned about the quality of life and health of its staff. It has accordingly instituted the Occupational Safety, Health, and Working Environment Policy and Procedure in compliance with the law, and an Occupational Safety, Health and Working Environment Committee has been established with the following objectives:

1. To carry out tasks relating to occupational safety, health and working environment of the Bank staff in an efficient and consistent manner and in accordance with the standards of the occupational safety, health and working environment management systems in place.
2. To comply with Labour Ministerial Regulation on Prescribing Standard for Administration and Management of Occupational Safety, Health and Environment in the Workplace (No. 2), B.E. 2553 (2010) published in the Royal Gazette dated 9 July 2010.
3. To serve as guidelines for preparation and maintenance of occupational safety, health and working environment management systems, as well as minimisation of potential risks of hazards and accidents to staff and parties concerned.

#### Maintaining occupational safety and hygiene in the workplace

The Bank has regularly and efficiently followed up, improved and taken care of work environment covering building premises and the surroundings to ensure workplace safety and hygiene for staff and parties concerned as follows:

- **Measure quality of air circulating in buildings:** At least once a year to ensure the work environment and the air circulating in the buildings is non-polluted and appropriate in line with the standards set by law.
- **Measure quality of drinking water in buildings:** At least four times a year so that staff and customers have confidence in the cleanliness and safety of the drinking water in line with the standards of the Department of Health.
- **Inspect fire prevention and extinguishing systems in buildings:** To ensure the Bank's fire prevention and extinguishing systems are ready-for-use at all times and meet the standards set by law, the Bank has had the fire prevention and extinguishing systems and devices inspected regularly and a rescue practice carried out on a monthly basis to get prepared for dealing with a fire outbreak in the buildings, as well as a fire evacuation drill conducted annually as prescribed by law.
- **Allocate space in head office building for parking of bicycles:** To promote staff's awareness of good health and energy saving with less use of fuel oil, the Bank has

arranged space for parking of bicycles to provide convenience for staff, customers and outside parties contacting the Bank.

- **Hold a training course on “Basic Fire Extinguishing Practice for Staff”**: To enable staff to learn how to put out fire, in both theory and practice, so that they get used to using the firefighting equipment and evacuation of people from buildings in the right way.
- **Hold a training course on “Basic First Aid”**: To enable staff to learn the basic first-aid skills.

### Environmental and Energy Management

The Bank has instituted and adopted the Energy Conservation Policy to be compliant with the Energy Ministerial Regulation on the Standards, Criteria and Procedures regarding Energy Management pursuant to the Energy Conservation Promotion Act. It has installed energy saving devices in parallel to application of energy management measures. All employees are also duty-bound to give cooperation in energy conservation on a consistent and sustainable basis. Initiatives and activities undertaken comprised:

- **Installation of solar cell panels** on the roof-deck of the head office building, electricity generated from which is used for lighting in the Bank’s office building and parking premises.
- **Replacement of T5 light tubes with LED tubes** in the office buildings to reduce energy consumption.
- **Installation of air-conditioning wind speed control equipment** to control the air speed to be fit for the temperature in each section of the office buildings with a view to enhancing functioning efficiency of the air-conditioning system and lowering energy consumption.
- **Replacement of the existing chiller system** which was old and high energy-consuming with the new one.
- **Management of electricity consumption by period** with avoidance of electricity use during the on-peak period of 09.00-22.00 hrs., and use of electricity during the off-peak period of 22.01-08.59 hrs., for the water pumps in the head office building.
- **Launch of CIMBTHAI GO GREEN programme** to reduce, reuse and recycle plastic bags, disposable plastic containers, and foam food containers, with an activity held to lend cloth bags and ceramic mugs for mutual use by employees and employees encouraged to buy foods and drinks using their own containers and getting special prices. This aims to raise their awareness of impacts from plastic wastes.
- **Change of type of fuel oil for company cars** from gasohol 91 to gasohol E20 and E85 as a way to promote use of domestic agricultural produce as an alternative energy resource and also help reduce air pollution.

### Policy on Remuneration for Directors, Executives and Staff

The Board has assigned the Nomination, Remuneration and Corporate Governance Committee to consider and determine the criteria for payment of remuneration and other benefits to the directors at appropriate rates commensurate with the scope of duties and responsibilities assigned and in line with or on a par with those paid by other banks of similar ranks. The remuneration shall also be in line with the Bank’s long-term strategy and target, experience, duties, accountability and responsibility and benefits the Bank expects to receive from each director. Any director with additional assignment of duties and responsibilities, i.e. having been appointed as a member of a Board committee, should receive an appropriate rate of increase in the remuneration. The shareholders are to approve remuneration structure and rate for Board and Board Committee members, in both monetary and non-monetary forms. The Nomination, Remuneration and Corporate Governance Committee is in charge of determining payment of remuneration of each form as deemed appropriate.

### Remuneration Policy for the Bank’s Executives and Staff

The Remuneration Policy is applicable to all employees. It is formulated to ensure the Bank will be able to attract talents as well as retain and motivate high-performers to work for the Bank for sustainable success of the organisation under transparent principles and based on scopes of responsibilities of the job positions and competitive edge of the Bank relative to other financial institutions and leading companies in Thailand.

**Composition of remuneration**

The Bank has defined remuneration for all employees, comprising monetary remuneration, such as monthly salary, living allowance, overtime pay and holiday pay, and other remuneration in terms of benefits regarding medical treatment, health check-up, life insurance and accident insurance, provident fund, and welfare loans that are applicable at present and to be amended and announced afterward.

**Remuneration for executives**

The Nomination, Remuneration and Corporate Governance Committee is responsible for establishing the Remuneration Policy regarding payment and amount of remuneration and other benefits for executives from the corporate title of Executive Vice President (U2) and above, including the President and Chief Executive Officer, before proposal for the Board of Directors' approval. The said payment will be linked to short- and long-term operational performance of the Bank and the work performance of the respective executives against financial, customer, work process improvement and personnel development indicators. The Bank's executives will receive remuneration in monetary form and otherwise as determined by the Bank.

**Remuneration for staff**

Human Resources work unit will determine the remuneration rates in monetary form and otherwise for employees from the corporate title of Senior Vice President (U3) and below as deemed appropriate in line with the nature of work, function, qualifications, professional experience and responsibilities before proposing to the executives with approval authority for consideration and approval.

**Annual merit increase**

The Bank's staff and their supervisors will evaluate staff's performance in the previous year and set the target for the following year. The annual merit increase will be considered based mainly on individual staff's performance and overall performance of the Bank, subject to the Nomination, Remuneration and Corporate Governance Committee's concurrence and the Board of Directors' approval. The Bank reserves the right to change the remuneration rates as deemed proper and necessary.

**Bonus payment**

The Bank will consider the bonus payment annually and announce its bonus payment criteria to all staff every year for staff with evaluated score not below the set criteria approved by the Board of Directors and no prohibited characteristics under the Bank's criteria. The bonus payment shall be concurred by the Nomination, Remuneration and Corporate Governance Committee and approved by the Board of Directors.

**Policy on Nomination and Appointment of Directors and Executives**

The Bank has put in place director nomination procedures that are transparent and open for inspection. The Board has accordingly established 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 for the Board's approval or through the Board before submitting to the meeting of the shareholders for approval (as the case may be). This process shall comply with the rules and procedures on appointment and removal of directors as specified in the Bank's Articles of Association and relevant laws and regulations.

The Nomination, Remuneration, and Corporate Governance Committee is responsible for reviewing and screening qualifications of candidates for executive positions before proposal to the Board of Directors for approval prior to submission for the Bank of Thailand's approval. The Bank has put in place the nomination process in order to ensure that all senior appointments are compliant with the regulations the BOT and other regulatory bodies.

## Human Rights Policy

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, associated with or support individuals or organisations having acted in breach of 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. As such, the Bank established a policy prohibiting the Bank's directors, executives and employees from violating intellectual property rights or copyright e.g. duplicating, modifying or disseminating creative works with copyrights, to the public without permission from the copyright owners.

## Policy for Reporting of Beneficial 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 beneficial interests of directors and executives (reports of beneficial interests). Directors and executives shall submit their reports and those of related persons within seven business days from the end of the semi-annual period as well as when there are changes (if any). The Company Secretary will 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.

## Anti-Corruption Policy and Procedures

The Bank has declared its intention to fight corruption by participating in the Private Sector Collective Action Coalition against Corruption (CAC) and prepared the Anti-Corruption Policy and Procedures to be strictly complied with by the directors, executives, employees and subsidiaries in order to ensure that the Bank has appropriate practice and regulation in place to prevent corruption.

Details of fine payment of the Bank and companies in its financial business group as of 31 December 2019:

Regulators	Details of fines imposed by Regulators					
	Year 2019				Three most frequent non-compliance cases in past five years	
	Total amount (THB)	First three highest fine amounts			Section	Relevant laws
		Amount (THB)	Section	Relevant laws		
1. Bank of Thailand	-	-	-	-	Sections 66 and 71	Financial Institution Act B.E. 2551 (2008) as amended
2. Office of the Securities and Exchange Commission	-	-	-	-	Section 113	Securities and Exchange Act B.E. 2535 (1992) as amended
3. Office of Insurance Commission	-	-	-	-	-	-
Conclusion	In 2019, the Bank recorded no fine payment case.				For past five years, the Bank recorded a total of two cases of fine payment.	

## **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 add 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 risks and uncertainties facing the Bank. Internal control processes are established to ensure that the business operations and controls in all areas including finance and operations, as well as compliance, comply with relevant laws and regulations. Corporate Assurance 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, executives 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, executives, 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 in the long run.

The Board of Directors understands the roles, duties, benefits, and principles of Corporate Governance Code for Listed Company 2017 (CG Code) issued by the Securities and Exchange Commission (SEC) which provide sustainable values to the Bank's business. Therefore, the Board of Directors' meeting no. 2/2019 held on 22 February 2019 approved the Bank to revise its Corporate Governance Policy to bring it in line with the Office of the SEC's CG Code for the Bank to apply the principles of the CG Code into its business context and enable the policy's coverage and relevance to the fast-changing development of corporate governance principles.

#### **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 the Bank information, ensure fair distribution of profit, attend meetings to exercise voting rights, express opinions and comments, and decide on important matters, such as appointment of director and auditor, allocation of profit, dividend payment, capital increase or decrease, and approval of any extra items, etc.

The Bank holds 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 2019 AGM was held on 18 April 2019.

Before the AGM, from 1 October 2018 to 31 December 2018, shareholders were invited to propose matters for inclusion in the meeting agenda and propose names of qualified candidates for consideration and election as directors of the Bank in accordance with the Bank's rules and criteria. For the 2019 AGM, no agenda items and no director nominations were proposed by the shareholders.

To convene the 2019 AGM, the Bank sent an invitation letter 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 2018 annual report in hard copy. The Bank assigned Thailand Securities Depository Co., Ltd., the Bank's share registrar, to send

the invitation letter to the shareholders for consideration 14 days before the meeting, and also published the invitation letter and other supporting documents on its website at least 14 days before the meeting. This allowed shareholders to have time to study information beforehand. Besides, the invitation letter was also made available to public via the disclosure channel of the Stock Exchange of Thailand (SET), and in accordance with regulatory requirements, the letter was published in newspapers for three consecutive days at least three days before the meeting. On the AGM date, the Bank has taken various measures to facilitate participation by the shareholders or proxy holders, including assigning staff to process the shareholders' or proxy holders' meeting attendance registration and 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. In addition, 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 would like to appoint proxies to attend the meeting on their behalf. The proxy form and details on proxy granting were submitted together with the invitation letter to all shareholders. The Bank also provided an additional option to shareholders by providing the names and profiles of independent directors whom shareholders could consider for their proxy appointment. At the 2019 AGM, seven shareholders appointed the Bank's independent directors to attend the AGM and vote on the shareholders' behalf.

At the 2019 AGM, 90% of the Board members and 400 shareholders and proxies attended the meeting, with total shares held of 33,090,829,117 shares representing 95.0278% of the total issued shares. Before the meeting began, the Chairman of the Board had assigned the Company Secretary to give an explanation regarding voting rights and procedures to the attendees. The Chairman of the Board who then acted as the Chairman of the Meeting assured the shareholders that they would have equal opportunity to ask questions, express opinions and make recommendations. Relevant information was made available through multimedia presentation and without language restriction as simultaneous English translation was also provided for foreign shareholders. At the meeting, members of the Board and relevant executives answered and clarified related issues clearly and comprehensively. Voting was conducted in an open and transparent manner whereby vote casting for each agenda item followed the order specified in the invitation letter, without modifications 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, such as a summary of questions, clarifications and views provided as well as detailed votes for each agenda item which showed the number of votes cast for and against the motion as well as abstention votes, etc. The draft minutes of the 2019 AGM were submitted to the relevant supervisory authorities within 14 days from the meeting date as prescribed by law, and posted on the Bank's website, [www.cimbthai.com](http://www.cimbthai.com), for shareholders' reference.

## 2. Equitable Treatment of Shareholders

The Bank recognises the importance of fair treatment of all shareholders including its duty on protection of shareholders' interests. Hence, measures are put in place to prevent the use of internal information for personal gains by the Board members, executives and employees. The Board has set criteria to prohibit its Board members, executives and employees, including spouses and underage children thereof, from using material internal information with impact on the Bank's securities which is 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 the 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, including persons having relationship with the foregoing, i.e. spouse or person cohabiting as husband and wife (without registration of marriage), underage children and any juristic person in which Board members or executives, or spouse or person cohabiting as husband and wife or underage children of Board members or executives, have a combined shareholding exceeding 30% of the total voting rights and representing the largest shareholding proportion in such juristic person, are duty-bound to report their securities and derivatives holding as well as any change in the securities and derivatives holding, to the Office of the Securities and Exchange Commission (Office of the SEC), and send copies of such report to the Office of the President within the above

specified timeframe. For the information of the Bank, a policy is laid down for the Bank's directors to report their sale and purchase as well as holding of the Bank's shares and/or securities to its Board. In addition, the Bank has formulated the Code of Ethics and Conduct for the Board, executives and employees, which cover topics on the use of internal information and operation guidelines with avoidance of conflicts of interest to ensure efficient, effective and transparent business management.

### **3. Role of Stakeholders**

The Bank places great importance to the rights of all its stakeholders whether they are directors, executives, employees, shareholders, clients, business partners, creditors or relevant government 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 units 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, as well as adherence to the code of conduct by all employees. 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 unless they have material interests in the matter considered at the shareholders' meeting, and in such case, the shareholders with interest are required to abstain from voting thereon. However, 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 uplifting the quality of its human capital. In this context, it has consistently provided them with training so that they have an opportunity to improve their performance with more career development options. Such efforts will enhance the Bank's sustainable growth and serve its business 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. Its business dealings with creditors and business partners are in a fair manner pursuant to the relevant laws and regulations.

##### **5. Competitors**

The Bank recognises the importance of a fair and competitive business environment. It has treated its competitors with fairness and without breaching the confidentiality of their information nor tarnishing their reputation. Legal and ethical best practices have been put in place as guidelines for the employees.

##### **6. Community and Society**

The Bank recognises its ability to make positive impacts on the community and the environment. It has actively been involved in a range of charitable activities, including Kathin 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 in Corporate Social Responsibility section.

#### 4. Disclosure and Transparency

The Bank places great importance to ensuring that accurate, timely and clear information, both in Thai and English, is disseminated to investors and parties concerned 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 the annual registration statement (Form 56-1) and the annual report (Form 56-2). Various projects have been launched and activities held to boost investor confidence in Thai capital market. Clear and accurate information on the Bank's activities has also been provided to regulatory bodies, investors, shareholders, analysts and the general public. These initiatives include:

- Investor Relations (IR) and Office of the President taking charge of disseminating the Bank's information and representing the Bank in communicating with investors, securities analysts, media and other interested persons, as well as reporting operating results and material transactions in accurate, fair, and transparent manner and in compliance with the applicable laws and regulatory requirements.

In 2019, the Bank organised IR activities to provide information both directly and indirectly as follows:

1. Welcome of four investors and analysts to meet with the management team for inquiry about the Bank's operating results, altogether five meetings.
  2. Press release issued when the Bank had significant investment or business activities.
  3. Availability of channels for provision of information and dealing with inquiries of investors and media via email: [ir@cimbthai.com](mailto:ir@cimbthai.com), or Tel. +66-2626-7820, or website: [http://www.cimbthai.com/CIMB/investor\\_relations/](http://www.cimbthai.com/CIMB/investor_relations/).
- Holding press conference to disseminate information to the general public via the media when on financial results and business directions of the Bank for the information of interested parties and allowing local and foreign investors and analysts to keep abreast of the Bank's performance and growth.

#### 5. Responsibilities of the Board of Directors

##### A. Board Structure

The Board of Directors is composed of eleven members who are professionals with diversified backgrounds in finance, banking, business administration, marketing, legal, auditing, accounting and experience in government affairs. This has enabled the Board of Directors to possess the competencies in accordance with the Board Skill Matrix of the Bank and director nomination fits the Bank's business direction. Election of Board members follows the resolution of the shareholders' meetings and as set out in the Bank's Articles of Association thereby the number of directors on the Board shall not be fewer than five and not more than twelve. The structure and composition 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 further amendments thereof. The Board composition is as follows:

- 3 executive directors
- 2 non-executive directors
- 6 independent directors (accounting for 54.54% of the entire Board)

Four of the independent directors concurrently serve on the Audit Committee and have the qualifications that 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 be independent in giving objective views on the business administration by the management.

Each director's term of office is prescribed in the Articles of Association of the Bank. 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, i.e. the BOT and the SET, details of which are as follows:

- Director, manager, person with managing power, and advisor of the Bank may assume either chairmanship or executive directorship or both in other companies of no more than three business groups, excluding directorship in the Bank.
- Director, manager, person with managing power, and advisor of the Bank may hold directorship in no more than five listed companies, both domestic and overseas (with directorship at the Bank counted as one of the five), excluding the listed companies the Bank has acquired from debt restructuring.

The Bank has appointed Mrs. Patima Jumpasut as Company Secretary and Secretary to the Board of Directors to assist the Board in fulfilling its tasks. Her 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 letters and minutes of Board meetings, invitation letters 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.
- Undergo 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, Management Committee, Board Risk and Compliance 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 is composed of individuals with vision and leadership abilities, business knowledge and ethics, and with awareness of impact on the society and the environment, as well as possessing diverse professional skills and specific competencies that will benefit the Bank's business operation. The Board has developed the Bank's vision and mission for the management to apply in mapping out the Bank's long-term strategies and targets. In addition, the Board will consider reviewing the vision and mission, and oversee to ensure the Bank's implementation and translation of the strategies into action. Policies and procedures for the Bank's business operation are put in place with review of which conducted on a regular basis to ensure that the Bank can carry on its business operation in line with the changing situations.

The roles and responsibilities of the Board, including the nomination, appointment and removal of directors, are set out in the Bank's corporate governance guidelines and Articles of Association. The Board has authority and is committed to performing duties under the corporate governance principles and has good understanding of the Bank's overall business. It is responsible for ensuring that the oversight of internal controls and risk management is effective and provides an objective assessment of the management's execution of the Bank's policies and strategies.

## 2. Ethics and Conflict of Interests

The Bank has formulated Code of Ethics and Conduct which the Board, executives, and all employees must comply with when dealing with the customers, shareholders, employees, business partners or creditors. Emphasis is also placed on responsibilities for the environment, society and competitors, protection of client confidentiality, honesty, fairness, professional integrity, business capacities, strict compliance with laws and regulations, and cooperation with regulatory agencies. All employees are required to keep uppermost in their mind, understand and act in compliance with the principles of good corporate governance. Any employee with alleged breach of the good corporate governance principles will be investigated in accordance with the procedures in place, and disciplinary penalty will be imposed if he/she is found guilty. (Details of the Bank's Code of Ethics and Conduct are available on [www.cimbthai.com](http://www.cimbthai.com).) The Bank has communicated to all staff the guidelines for their 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 and related persons thereof or businesses with beneficial interest to the Bank, or the directors or persons with managing authority of the Bank, which must adhere to the ratios 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. In addition, the Bank has in place the policy relating to prohibition of and criteria for granting of credits and undertaking contingent liabilities or other credit-like transactions with the Bank's directors or persons with managing authority of the Bank and/or companies in the financial business group of the Bank, including the related persons thereof. Such transactions and undertakings are monitored to ensure compliance with the relevant laws and regulatory requirements.
- Conflict Management, Chinese Wall and Personal Account Dealing Policies which set ethical principles, prohibitions, criteria and practice guidelines for employees to prevent access to or use of internal information on the customers that has not yet been disclosed publicly for personal benefits or benefits of any persons in relation to employees' performance of duties assigned by the Bank.
- Policy for undertaking major transactions as proved in the corporate governance principles, comprising entering into connected transactions and/or making transactions to acquire or dispose of the Bank's 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 a connected transaction, if the transaction is connected to a major shareholder, director, senior executive vice presidents or that holding the equivalent position thereto, and an executive in the Finance function line, and any other party concerned 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, and that the terms and conditions are not different from those of a similar transaction made with an unrelated party; 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. Approver must have no interests therein. Directors with material interests therein are also not allowed to attend the meeting or cast

vote thereon. The Bank may seek 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 and with clear agenda items submitted for information and consideration. In addition to the scheduled Board meetings, special Board meetings can also be held as and when they are required. The Board Secretary is responsible for providing all directors with the invitation letters including the agenda at least seven days before the meeting, sending supporting documents and relevant information for each meeting to the directors and the management in advance so that they can study the matters in the agenda before the meeting, and ensuring that time will be spent efficiently during the meeting. The Board Secretary is also responsible for taking the minutes of each meeting and have them well-documented. The minutes adopted by the Board will be filed and kept for examination by the Board and relevant agencies. In 2019, the Bank held 12 Board meetings, details of which are as disclosed in "Meeting Attendance of Directors" section.

To ensure the Board's efficient performance of duties with balance of power, the Board may arrange for the holding of meeting among non-executive directors to discuss the Bank's affairs without participation of the management. In 2019, a meeting among non-executive directors was held on 17 December 2019.

#### **E. Evaluation of the Board/Board Committees' Performance**

The Bank has conducted annual evaluation of the Board and Board committee performance to allow Board and Board committee members to jointly review their performance, raise problems and obstacles concerned, and give observations and recommendations for improvement of operational efficiency. The evaluation form of the Board is divided into evaluation as a whole in terms of both (1) self-evaluation and (2) cross-evaluation, comprising six sections: 1) structure and qualifications of the Board, 2) roles, duties and responsibilities of the Board, 3) Board meetings, 4) Board members' performance of duties, 5) relationship with the management, and 6) self-development of the Board members and executive officers; and evaluation on an individual basis, comprising three sections: 1) structure and qualifications of the Board members, 2) Board meetings, and 3) roles, duties and responsibilities of the Board members. The evaluation result with score ranging from 0 (strongly disagree or no action taken) to 4 (strongly agree or action taken satisfactorily) will be compiled and concluded by the Board Secretary before presenting to the Chairman of the Board.

The evaluation result of the Board's performance in 2019 was as follows: 1) self-evaluation of the Board as a whole, with the average score of 3.52 from all categories, 2) self-evaluation of the Board on an individual basis, with the average score of 3.47 from all categories, 3) cross-evaluation of the Board on an individual basis, with the average score of 3.71 from all categories.

As for Board committees, namely Audit Committee, Nomination, Remuneration and Corporate Governance Committee, and Board Risk and Compliance Committee, their performance is evaluated on a yearly basis so that each Board committee can review its performance in the past year relative to the duties and responsibilities assigned by the Board and use the evaluation result for improvement of its performance of duties. The evaluation is by way of self-assessment of the committee as a whole and on an individual basis. The Board Secretary will send the evaluation form to each committee member for conduct of self-assessment and later compile and conclude the result of which together with recommendations from each Board committee for submission to the Board for consideration and further use for performance improvement.

Moreover, the Bank will conduct annual evaluation of President and Chief Executive Officer's performance, taking into consideration the key performance indicators determined based on the Bank's strategies and targets each year. The evaluation result 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 Board has a policy to disclose 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. Such remuneration is on a par with that of peer financial institutions in accordance with the following guidelines:

### • Remuneration of Directors

The Bank's Articles of Association set out broad criteria to allow flexibility in determining and adjusting directors' remuneration to be in line with the Bank's operating results and suit circumstances. According to its Articles of Association, the Bank may consider providing remuneration to directors in forms of meeting allowance, pension, bonus and benefits of other forms, as approved by the meeting of shareholders. In this respect, the shareholders' meetings may have the remuneration determined either in a specific definite amount or as general guidelines, and either from time to time or to take effect until any change thereafter. However, there will be no impact on the rights of staff or employees who also serve on the Board to receipt of remuneration and benefits 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 for approval. Such remuneration packages shall be worked out taking into account various factors such as conformity with the remuneration in the same industry and others.

The 2019 annual general meeting of shareholders no. 25 held on 18 April 2019 passed a resolution approving the remuneration for the Board and Board Committee members for 2019, as detailed below:

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

Remuneration by position	Year 2019		
	Entertainment (Monthly)	Meeting allowance (Monthly)	Attendance allowance
• Chairman	THB 70,000	THB 71,500	THB 58,500
• Vice Chairman	-	THB 48,400	THB 39,600
• Director	-	THB 24,000	THB 20,000

#### Remarks:

1. Directors are responsible for paying their own income tax.
2. Attendance allowance will be paid once regardless of meeting frequency per month.

#### 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 2019	
	Meeting Allowance (Monthly)	Attendance allowance
1. Audit Committee		
• Chairman	THB 39,600	THB 32,400
• Committee member	THB 22,000	THB 18,000
2. Other Committees		
• Chairman	THB 28,600	THB 23,400
• Committee member	THB 22,000	THB 18,000

#### Remarks:

1. Directors are responsible for paying their own income tax.
  2. Attendance allowance will be paid on a per meeting basis.
- Directors who are required to serve on Board committees are entitled to receive additional remuneration based on the increase in responsibilities as the Board may deem fit.

- The Board may appoint an independent expert to serve as an advisor to assist in giving opinions relating to the Bank's business with remuneration to be determined as considered appropriate.
- The Board is duty-bound to disclose information on remuneration packages for directors and senior executives in compliance with the Public Limited Companies Act and relevant regulatory requirements.

## G. Director and Executive Development

The Bank encourages all directors to participate regularly in the training programmes, including relevant study tours, relating to their roles and responsibilities as Board members to provide them with, and assisting them in developing visionary thinking. So far, most of the directors have participated in the programmes organised by the Thai Institute of Directors (IOD), such as the Director Certification Programme (DCP) and Director Accreditation Programme (DAP), etc. Details on trainings of each director are presented in the Directors' Profiles section.

In 2019, the Bank's directors attended directorship -related training courses and seminars for performance enhancement as follows:

Director Name	Training Course/Seminar
1. Dato' Robert Cheim Dau Meng	<ul style="list-style-type: none"> <li>- Global Board Leadership Summit, Singapore</li> <li>- Audit 101 Session</li> <li>- Friends of Thailand Circle Talk Series: Navigating ASEAN in a Turbulent World</li> <li>- Bank Negara Malaysia Annual Report 2018 / Financial Stability and Payment Systems Report 2018 Briefing Session</li> <li>- Tech Risk Workshop</li> <li>- The Future of Fintech in ASEAN</li> <li>- Risk Posture Workshop</li> <li>- 3rd Regional Directors' Sharing Session</li> <li>- 2020 Budget Focus Group Meeting Improving Access to Financing (Through Financial Innovation)</li> <li>- Sustainable Finance Conference by CIMB</li> <li>- Khazanah Megatrend Forum 2019</li> <li>- SC Industry Dialogue 2019 (Corporate Finance)</li> <li>- FIDE Forum-Leadership In A Disruptive World – The Changing Role of Boards by Graham Poston</li> <li>- Enhancing Corporate Governance by Understanding Legal Liabilities "Act or Resign" by Malaysian Anti-Corruption Commission</li> <li>- The Challenge of Building Cyber Resilience by CIMB Thai</li> </ul>
2. Mrs. Watanan Petersik	- The Challenge of Building Cyber Resilience by CIMB Thai
3. Mrs. Oranuch Apisaksirikul	- The Challenge of Building Cyber Resilience by CIMB Thai
4. Mr. Chanmanu Sumawong	- The Challenge of Building Cyber Resilience by CIMB Thai
5. Mr. Rom Hiranpruk	- The Challenge of Building Cyber Resilience by CIMB Thai
6. Mr. Niti Jungnitnirundr	- The Challenge of Building Cyber Resilience by CIMB Thai
7. Mr. Natasak Rodjanapiches	- The Challenge of Building Cyber Resilience by CIMB Thai
8. Ms. Serena Tan Mei Shwen	- The Challenge of Building Cyber Resilience by CIMB Thai
9. Encik Omar Siddiq Bin Amin Noer Rashid	- The Challenge of Building Cyber Resilience by CIMB Thai
10. Encik Shahnaz Farouque Bin Jammal Ahmad	- The Challenge of Building Cyber Resilience by CIMB Thai

In 2019, five new directors were appointed by the shareholders' meeting and Board meeting. The new directors have undergone an in-house induction programme that gives them an overview of the Bank as well as its annual business and operational plans. A director's manual assembling applicable laws and regulations each director needs to know was also given to a new director for compliance with the good corporate governance practices.

## H. Succession Plan

The Bank is fully aware of the importance of operating business efficiently and continuously. Human Resources has thus been tasked with formulating a succession plan to ensure that the Bank has identified executives or talents as successors to various key positions. An appropriate training and development plan has been put in place to upskill each individual so that he/she is ready to be replacement 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 and Compliance Committee
4. Shariah Sub-Committee

#### 1. Audit Committee

The Audit Committee (AC) is composed of:

- |                               |                             |  |
|-------------------------------|-----------------------------|--|
| 1. Mrs. Oranuch Apisaksirikul | Independent Director        | Chairperson                                |
| 2. Mr. Chanmanu Sumawong      | Independent Director        | Member                                     |
| 3. Mr. Rom Hiranpruk          | Independent Director        | Member                                     |
| 4. Mr. Niti Jungnitnirundr    | Independent Director        | Member                                     |
| 5. Ms. Siriporn Sanunpairaue  | Head of Corporate Assurance | Secretary for Corporate Assurance function |

#### Powers, Duties and Responsibilities:

1. Assist the Board in discharging its statutory duties and responsibilities relating to accounting, reporting practices and good 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, the listing requirements of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), as well as other relevant guidelines issued by the regulators.
2. Review the effectiveness of Corporate Assurance 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 findings of major investigations, routine audit findings, internal controls and compliance issues identified by internal, external and regulators and to ensure that appropriate and prompt remedial actions are taken by management.
5. Review the correctness and adequacy of financial statements for submission to the Board of the relevant entities within the CIMB Thai Group and the SET.
6. Review all related party transactions submitted by management that may arise within the CIMB Thai Group and keep the Board informed of such transactions.
7. Report to the Board any corrective action or improvement required should the AC has concerns over conflict of interest activities, fraud, irregularities, significant internal control weakness, or violation to the relevant regulations. If the Board or management does not take appropriate action within the timeframe determined by the AC, any member of the AC has to report such activity to the SEC or SET.
8. Prepare a report on all activities of the AC for disclosure in the Bank's annual report, and have the report signed by the AC chairperson. The report must contain minimum information as stipulated in the SET regulations.
9. 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.
10. Endorse Corporate Assurance Policy prior to submission for the Board's approval.

11. Approve Corporate Assurance Charter.
  12. Perform any other duties as specified in Audit Committee Charter.
  13. Perform any other assignments delegated to it by the Board.
- Coverage: CIMB Thai Group

## 2. Nomination, Remuneration and Corporate Governance Committee

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

- |                                |                         |                       |
|--------------------------------|-------------------------|-----------------------|
| 1. Mrs. Watanan Petersik       | Independent Director    | Chairperson           |
| 2. Dato' Robert Cheim Dau Meng |                         | Chairman of the Board |
| Member and Alternate Chairman  |                         |                       |
| 3. Mr. Chanmanu Sumawong       | Independent Director    | Member                |
| 4. Mrs. Kanokpai Vongsatitporn | Head of Human Resources | Secretary             |

### Powers, Duties and Responsibilities:

#### 1. Nomination:

- Formulate policies, criteria and methods of nominating candidates as the Bank's directors or persons with management power (Executive Vice President upwards) for further proposal to the Board for consideration and approval, and submit such policies, criteria and methods to the BOT upon its request.
- 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) Executive Vice President upwards.
- 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.
- Disclose the nomination policy and process in the Bank's annual report.
- Consider the appointment and appropriate remuneration of the Bank subsidiaries' directors and recommend to the Boards of subsidiaries for approval.

#### 2. Remuneration:

- Develop the policies on remuneration and other benefits payment, as well as remunerations and benefits for directors and persons with management power (Executive Vice President upwards) under clear, transparent criteria for proposal to the Board of Directors for consideration and approval, and 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, as well as relevant options and benefits.)
- Ensure that directors and persons with management power (Executive Vice President upwards)'s remunerations are commensurate with their duties and responsibilities. Board members who take extra assignments should receive remunerations commensurate with their designated duties and responsibilities.
- Determine performance assessment criteria for Board members and persons with management power (Executive Vice President upwards) for use in annual remuneration review, taking into account their responsibilities and relevant risks, as well as giving importance to the increase of shareholders' equity in a long run in assessing the performance.
- Disclose the policy on remuneration determination and remunerations in various forms, and prepare a report on remuneration determination that at least covers the objectives, activities and opinions of the NRCC in the Bank's annual report.
- Review the remuneration and compensation schemes for CIMB Thai employees in line with the industry practices and remuneration framework of the CIMB Group.
- Recommend the annual salary adjustments and bonus framework for CIMB Thai Group to the Board of Directors for approval.

- Approve any matter relating to staff remuneration and benefits involving an amount up to THB 50 million.
- 3. Corporate governance:
  - 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 submit to the Board of Directors for approval.
  - Approve corporate governance guidelines for relevant work units to follow and report corporate governance operation to the Board of Directors for acknowledgement on a yearly basis so as to enhance good corporate governance of the Bank.
- 4. Consider such matters as assigned by the Board.

### 3. Board Risk and Compliance Committee

The Board Risk and Compliance Committee (BRCC) is composed of:

1. Ms. Serena Tan Mei Shwen	Director	Chairperson
2. Dr. Rom Hiranpruk	Director	Member and Alternate
		Chairman
3. Encik Omar Siddiq Bin Amin Noer Rashid	Director	Member
4. Encik Shahnaz Farouque Bin Jammal Ahmad	Director	
5. Mr. Natasak Rodjanapiches	Director	Member
6. Mr. Arthit Masathirakul		Member
		Head of Risk Management
		Secretary for Risk Management
		function
7. Mr. Zethjak Leeyakars	Head of Compliance	Secretary for Compliance
		function

### Powers, Duties and Responsibilities:

#### 1. Oversight on risk management

1.1 Approve the establishment of risk committees and the appointment of new members and changes of members as well as determination of powers, duties and responsibilities of the following risk committees:

- (1) Risk Management Committee (RMC)
- (2) Assets and Liabilities Management Committee (ALCO)
- (3) Thailand Underwriting Committee (TUC)
- (4) Credit Committee (CC)
- (5) Asset Quality Committee (AQC)
- (6) Any other risk committees appointed to report directly to BRCC

1.2 Concur or approve risk frameworks, policies, limits and Management Action Triggers (MATs), e.g. market risk, credit risk, operational risk, strategic risk, etc., of the Bank and the companies in its financial business group as follows:

#### Frameworks/Policies/Limits and MATs of the Bank

- (1) Approve new or changes that might result in material increase in risk to the existing risk frameworks/policies permitted by regulator(s) to be approved by the committees delegated by the Board of Directors; and
- (2) Approve all risk limits and MATs permitted by regulator(s) to be approved by the committees delegated by the Board of Directors.

#### Frameworks/Policies/Limits and MATs of the companies in financial business group

- (1) Concur on new (only required for the financial business group) or changes that might result in material increase in risk to the existing risk frameworks/policies prior to submission to the respective Boards of Directors of the companies in the financial business group for approval.

- (2) Concur on all risk limits and MATs prior to submission to the respective Boards of Directors of the companies in the financial business group for approval.

1.3 Oversee the entire risk and capital management functions of the Bank and the companies in its financial business group as follows:

- (1) Ensure that capital management frameworks, policies and strategies and other relevant frameworks, policies and strategies operate efficiently and in compliance with the requirements in place.

- (2) Review and approve the stress testing scenario and risk posture.

1.4 Review and concur or approve proposals recommended by risk committees, including:

- (1) New 3<sup>rd</sup> party of the Bank and the companies in its financial business group

Approving the new 3<sup>rd</sup> party(ies) of the Bank (excluding CIMB Principal and the companies in the financial business group) before selling their products, or concurring on the new 3<sup>rd</sup> party(ies) of the companies in the financial business group prior to submission to the respective Boards of the companies in the financial business group for approval.

- (2) Financial Reporting Standards regarding financial tools (TFRS9/IFRS9)

Approving TFRS9/IFRS9 expected credit loss models, validation results and related framework(s)/policy(ies)/methodology(ies).

1.5 Provide strategic guidance and review decisions made by the various risk committees.

1.6 Ensure that infrastructure, resources, systems including risk measurement tools and other capabilities of the Bank and the companies in its financial business group are in place for risk management in order to maintain an acceptable level of risk, as well as building risk awareness culture and risk management discipline across the organisation.

1.7 Appoint external consultant(s) to review and give advice to BRCC on risk management matters, as it deems necessary.

1.8 Approve and ensure the following are in line with regulatory requirements:

- (1) Risk-related disclosures; and

- (2) Internal control over process of risk-related disclosures.

2. Oversight on compliance risks:

2.1 Provide oversight and advice to the Board of Directors and the management in respect of the management of compliance risk.

2.2 Review and assess compliance and Anti-Money Laundering and Counter Financing Terrorism (AML/CFT) risk issues and ensure such issues are resolved effectively and expeditiously.

2.3 Review the major findings of investigations and routine audit findings as well as the internal control and compliance issues identified by internal and external auditors and regulators, and ensure that appropriate and prompt remedial actions are taken by the management.

2.4 Approve the following:

(1) Compliance and AML/CFT framework/policies/procedures manual/code of conduct, including the review of such compliance and AML/CFT framework/policies/procedures manual/code of conduct

- (2) Annual compliance report for submission to relevant regulators

- (3) Compliance Unit Charter;

- (4) Compliance Strategy Plan.

2.5 Evaluate the effectiveness of the Bank's overall management of compliance and AML/CFT risks, paying high attention to the enhancement of compliance roles, resources and structure.

2.6 Review compliance and AML/CFT strategy.

2.7 Consider AML/CFT risk level, including sanction measures, to define conditions and risk appetite. The AML/CFT risk appetite should be developed by considering the risks concerning customers, products, channels and geographies, as well as types of businesses.

3. Appraise Head of Risk Management and Head of Compliance who report directly to BRCC.

Coverage: Companies in the Bank's financial business group (where appropriate)

#### 4. Shariah Sub-Committee

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

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

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

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

### **9.3 Management Committee**

The Management Committee is composed of:

1. President and Chief Executive Officer	Chairman
2. Co-Head Wholesale Banking and Head of Treasury	Vice Chairman
3. Head of Risk Management	Member
4. Co-Head Wholesale Banking and Head of Corporate Banking and Investment Banking	Member
5. Head of Technology and Operations	Member
6. Head of Commercial Banking	Member
7. Head of Consumer Banking	Member
8. Head of Human Resources	Member
9. Head of Finance	Member
10. Deputy Head, Consumer Banking	Member
11. Head of Corporate Communications	Member
12. Head of Compliance	Member
13. Head of Strategy	Member
14. Head of Transaction Banking	Member
15. Head of Private Banking	Member
16. Head of Customer Experience Management	Member
17. Head of Corporate Legal	Member
18. Company Secretary	Secretary

#### **By invitation**

Head of Corporate Assurance

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

1. Advise the President and Chief Executive Officer.
2. Monitor and evaluate performance of each business division.
3. Review financial and other management reports of the Bank.
4. Devise strategy, business and capital management plans and budgets for the Bank.
5. Identify cross-divisional and cross-border synergies.
6. Deliberate key regulatory issues.
7. Approve delegated authorities on internal operations of non-risk related business unit.
8. Approve, revise and conduct annual reviews of the Bank's internal policies related to administration/operation/others, which are not required by regulatory bodies to obtain the Board of Directors' approval.
9. Approve the revision of delegation of authority and policies which are affected by the Bank's reorganisation.
10. Approve the appointment and revision of members, duties and responsibilities of Marketing and Communications Committee and Retail Business Committee.
11. Consider and decide on non-financial issues under 1Platform Project.
12. Review, give opinions, consider and approve the proposed legal provision set aside for the cases the Bank/executives are sued 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 transaction or do not have material change from the existing ones already approved by Risk Management Committee.
  14. Approve 3rd party products with non-material change to the existing 3rd party products which have already been approved by Risk Management Committee.
  15. Appoint insurance broker for the Bank.
  16. Other matters as directed by the Board/President and Chief Executive Officer.
- Coverage: CIMB Thai 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 the 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, including persons having relationship with the foregoing, i.e. spouse or person cohabiting as husband and wife (without registration of marriage), underage children and any juristic person in which Board members or executives, or spouse or person cohabiting as husband and wife or underage children of Board members or executives, have a combined shareholding exceeding 30% of the total voting rights and representing the largest shareholding proportion in such juristic person, are duty-bound to report their securities holding and entering into forward contracts as well as any change in the securities holding and entering into forward contracts, to the Office of the SEC, and send copies of such reports to the Office of the President as evidences within the above specified timeframe.

#### **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 Bank of Thailand.

### **Remuneration for external auditor**

For the year ended 31 December 2019, fees paid to the external auditor were as follows:

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

CIMB Thai Group paid the auditor audit fee of THB 11.9 million. Other incidental expenses included transport and photocopying expenses.

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

For non-audit fee in the previous fiscal year, CIMB Thai Group obtained other services from the audit firm for which the auditors were working amounting to THB 6.6 million

## 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:

- 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 and related persons thereof or businesses with beneficial interest to the Bank, or the directors or persons with managing authority of the Bank, which must adhere to the ratios 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. In addition, the Bank has in place the policy relating to prohibition of and criteria for granting of credits and undertaking contingent liabilities or other credit-like transactions with the Bank's directors or persons with managing authority of the Bank and/or companies in the financial business group of the Bank, including the related persons thereof. Such transactions and undertakings are monitored to ensure compliance with the relevant laws and regulatory requirements.
- Conflict Management, Chinese Wall and Personal Account Dealing Policies which set ethical principles, prohibitions, criteria and practice guidelines for employees to prevent access to or use of internal information on the customers that has not yet been disclosed publicly for personal benefits or benefits of any persons in relation to employees' performance of duties assigned by the Bank.
- Policy for undertaking major transactions as proved in the corporate governance principles, comprising entering into connected transactions and/or making transactions to acquire or dispose of the Bank's core assets and/or rights to acquire or dispose of the Bank's core assets. The Bank must comply with requirements of regulatory agencies.

## 2. Anti-corruption

CIMB Thai Bank Public Company Limited (CIMB Thai) has participated as a member of the Private Sector Collective Action Coalition Against Corruption (CAC) to underline our ongoing commitment to fight all forms of corruption. We have mapped out sound practice guidelines and procedures to counter corruption with the Anti-Corruption Policy and Procedures established to be strictly adopted by directors, executives and staff of the Bank and the companies in our financial business group. We have also reviewed the relevant practices, responsibility structure, risk management system, internal control and audit system to safeguard against any internal fraud.

Moreover, to support our anti-corruption operation in a more concrete manner, the No Gift Policy and Procedures has been put in place and communicated to staff at all levels to encourage them to take part in building a transparent organisation culture. All other stakeholders have also been requested to refrain from giving gifts to the Bank's executives and staff members. This aims to prevent and reduce circumstances where corruption risk may be incurred and to ensure that the Bank operates business in accordance with corporate governance principles, and with integrity, transparency and avoidance of conflicts of interests, which are the core principles of business operations of the Bank and companies in our financial business group.

To further enhance our staff's knowledge and understanding, we have prepared learning materials and implemented e-learning on good practice guidelines of the Anti-Corruption and No Gift Policies and Procedures with all staff members required to study and take the test on a yearly basis.

With awareness of the accountability for all stakeholders, the Bank has instituted the Whistleblowing Policy with channels put in place for any report of concern or complaint to be made and processed directly to Chairman of the Board of Directors, Chairman of the Audit Committee, or President and Chief Executive Officer, or via the Bank's website, regarding any wrongful acts in duty, internal fraud and non-compliance by the employees with the Bank's work rules. Under the Policy, the whistleblowers or the complainants will be protected and treated with fairness and the information and complaints will be kept in confidentiality.

### 3. Respect for human rights

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

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

### 4. Fair treatment for labour

The Bank has provided employee benefits such as provident fund, social security fund, life insurance, medical treatment, annual health check-up, staff clinic, housing loan, car/motorcycle loan, staff education loan and general purpose loan, that are competitive against other leading banks to attract and retain talented and competent staff.

In 2019, the Bank organised a total of 479 training courses for employees, consisting of 270 in-house training courses and 209 external training courses. These courses were participated by a total of 2,905 employees, or 98% of the total workforce, equivalent to an average training of 5 days per person per year. The total cost of employee development was THB 21.4 million (Data as of 31 December 2019). The Bank has focused on providing its staff with necessary digital knowledge and skill sets through the 3D Academy (Digital, Data, Design) with such courses as Future Data Scientist Programme, Design Thinking Experience Workshop, etc. In addition, an internal training course like CIMB BEATS has been developed to boost staff's capabilities in enhancing customer experience. The Bank has also encouraged staff to consistently develop professional skills and competencies by attending such courses as Professional Investment Planner, Life and Non-Life Insurance License, etc.

### 5. Responsibilities to consumers

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

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

### 6. Community and social development

Corporate social responsibility (CSR) has been one of CIMB Thai's key missions over the past nine years. We have carried out numerous projects under the concept "Let Children Colour Their Dreams" to promote education for the youth in remote areas who are still in need of learning tools alongside developing local wisdom so that both the communities and the schools could grow sustainably together. The main area of our support is information and communication technology (ICT). We have provided computers and Internet systems to give school children equal access to sources of knowledge. Besides, with awareness of the importance of learning outside the classroom, we have supported several career-building projects, such as demonstration plots for local plants, mushroom greenhouse, poultry house, clay doll factory, junior guide, etc., to promote vocational training and instil in children a sense of responsibility in line with the government's "Moderate Class, More Knowledge" policy.

To support the communities, we have encouraged community people to develop sidelines based on their respective local wisdom and with focus on cooperation between the communities and

the schools through such projects as Pig Bank at Baan Khao Saraphi Border Patrol Police School in Sa Kaeo and Sericulture Learning Centre at Baan Nong Muang Waan School in Nakhon Ratchasima. The latter project was initiated in 2016 in collaboration with Queen Sirikit Sericulture Center Nakhon Ratchasima under The Queen Sirikit Department of Sericulture Region 4 - Nakhon Ratchasima to extend the wisdom of local learned men for end-to-end development of silk weaving, from growing mulberry and raising silkworms to using weaving tools, dyeing silk from natural materials, and delivering a finished product that meets the Classic Thai Silk Silver Peacock standard. Coupled with the continued development of new designs and patterns in response to market demand, the silk fabrics produced under this project attained the Royal Thai Silk Goldren Peacock standard in 2019. Community people have also been provided with training on sale skills at the Bank's CSR market activity held at our head office where community people and school children were invited to sell their local products. This has reflected the fruitful cooperation of the Bank with government agencies, schools and communities.

Apart from the the projects run by the Bank, we have cultivated a sense of social responsibility among our staff by encouraging them to propose and own CSR projects under the Community Link scheme. Various projects have consistently been opened for volunteering staff to participate, such as "Let Children Colour Their Dreams... Lime and Leech Lime Orchard and Processing" project and Pig Bank project. Staff in provincial branches have also been persuaded to explore and propose list of remote area schools in need of support. They will directly contact the schools and communities while the Bank will only give advice and assistance. This will further foster good relationship between the Bank and local communities.

The CSR projects and activities implemented so far have demonstrated our commitment to development of local communities alongside educational development for school children, as both schools and communities are intertwined and reliant on each other in pursuing sustainable development and prosperity.

Our CSR projects up to 2019 have benefited more than 10,000 teachers, students, school networks, parents, alumnus and communities, covering more than 100 schools nationwide.

In 2019, we received very good cooperation from our allies, namely Thai Television Channel 3 News Family, Srinakharinwirot University, Media Associated Co., Ltd., and Kingsman C.M.T.I. Co., Ltd., for projects and activities as follows:

**Educational projects**, (carried out in conjunction with community projects) comprising eight projects of computer learning centre and library; science classroom, farmland for meal, clay doll learning centre and demonstration field at the following schools:

1. Wat Samran School, Lopburi
2. Baan Din Lan School, Songkhla
3. Baan Gud Kamin School, Nakhon Ratchasima
4. Baan Hnong Aor Noi School, Udon Thani
5. Wat Jed Yod School, Chiang Mai
6. Baan Huay Lan School, Phetchaboon
7. Wat Don Kee Lek School, Chachoengsao
8. Baan Khao Saraphi Border Patrol Police School, Sa Kaeo

**Social and environment projects**, consisting of five projects as follows:

1. Blood donation in association with The Thai Red Cross Society, every three months
2. "Power of Thais... Aiding Disaster Victims in Laos"
3. "Power of Thais... Aiding Tsunami Victims in Indonesia"
4. "Do Good and Let People See" to fund the construction of Banphaeo International Eye Hospital, Samut Sakhon
5. "Sericulture Learning Centre" at Community and Baan Nong Muang Waan School in Nakhon Ratchasima

For 2020, we will remain steadfast in our commitment to social responsibility with the main emphasis on education and special attention to environmental protection, especially as regards plastic waste which is currently a global concern with drastic impact on the environment. The Bank joined hands with Environment and Sanitation Section, Pathumwan District Office, in launching the

“CIMB THAI Go Green” project on 4 December 2019, which is Thai Environment Day, to campaign for all staff to reduce, reuse and recycle plastic bags. Cloth bags and eco-friendly cups have been handed out to staff and use of degradable or reusable containers promoted to minimise the volume of plastic wastes to the least or zero. Staff have also been urged to learn and maintain discipline in sorting wastes properly. We have made available waste bins that sort wastes by element, i.e. food leftovers, general wastes, and reusable materials for efficient waste management where even food scraps can be turned into compost for farmers.

The Bank and Pathumwan District Office have also planned to further extend our collaboration across the Langsuan community covering business entities, shops, street food vendors and street hawkers in the area. This will reiterate CIMB Thai and CIMB Group's ongoing commitment to operating our business with responsibility for the society and the environment toward sustainability.

## **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 to 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, it has mechanisms in place to consistently monitor, assess and audit its internal control system to ensure adequacy, appropriateness, and effectiveness..

- **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 Conduct 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 and Compliance 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 and Compliance Committee and Risk Management unit are in charge of formulating the Bank's comprehensive risk management policy and procedures and setting up the risk control and monitoring mechanisms, as well as continuously fostering its risk culture.

- **Oversight of executive management**

The Bank has clearly defined, 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. This has been incorporated in the standard operating procedures and reviewed regularly.

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. Corporate Assurance has also been established 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 2019, 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 2019.

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

Name and Relationship	Transaction Characteristics and Value	Necessity and Reasonableness with Audit Committee's Opinion																																							
CIMB Bank Berhad (CIMB Bank), the major shareholder of the Bank holding 94.83% of the Bank's total issued and paid-up shares	<p>The Bank has outsourced the validation of IFRS9 models to CIMB Bank. The charge-out rate is based mainly on average salary rate, time spent and indirect cost, together with 10% markup. The total cost per model is MYR 22,563, with details as tabulated below.</p> <table border="1"> <thead> <tr> <th>Description</th><th>Unit</th><th>Amount</th></tr> </thead> <tbody> <tr> <td>Average salary per pax (rough estimation)</td><td>MYR</td><td>9,000</td></tr> <tr> <td>Number of IFRS9 models expected during 2018-2019</td><td></td><td>20</td></tr> <tr> <td>Number of working days required per model</td><td>Days</td><td>45 (equivalent to 2 months)</td></tr> <tr> <td>Total direct cost per model</td><td>MYR</td><td>18,000</td></tr> <tr> <td>Total model direct costs (20 x 18,000 MYR)</td><td>MYR</td><td>360,000</td></tr> <tr> <td>Indirect cost (for 20 models)</td><td>MYR</td><td>50,250</td></tr> <tr> <td><b>Total direct and indirect cost</b></td><td><b>MYR</b></td><td><b>410,250</b></td></tr> <tr> <td>Markup (10%)</td><td>MYR</td><td>41,025</td></tr> <tr> <td><b>Total after markup per model</b></td><td><b>MYR</b></td><td><b>451,275</b></td></tr> <tr> <td>Total cost per model</td><td>MYR</td><td>22,563</td></tr> <tr> <td>Exchange rate</td><td></td><td>8</td></tr> <tr> <td><b>Equivalent to THB</b></td><td><b>THB</b></td><td><b>180,504</b></td></tr> </tbody> </table> <p>This transaction is considered the Bank's normal business support.</p>	Description	Unit	Amount	Average salary per pax (rough estimation)	MYR	9,000	Number of IFRS9 models expected during 2018-2019		20	Number of working days required per model	Days	45 (equivalent to 2 months)	Total direct cost per model	MYR	18,000	Total model direct costs (20 x 18,000 MYR)	MYR	360,000	Indirect cost (for 20 models)	MYR	50,250	<b>Total direct and indirect cost</b>	<b>MYR</b>	<b>410,250</b>	Markup (10%)	MYR	41,025	<b>Total after markup per model</b>	<b>MYR</b>	<b>451,275</b>	Total cost per model	MYR	22,563	Exchange rate		8	<b>Equivalent to THB</b>	<b>THB</b>	<b>180,504</b>	The Board of Directors' meeting no. 2/2019, held on 22 February 2019 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter), deemed it proper to approve the transaction since it was the Bank's normal business support.
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Sathorn Asset Management Co., Ltd. (STAMC), a subsidiary of CIMB Group which is the indirect major shareholder of the Bank	<p>The Bank has renewed the service agreement for its insourcing service to STAMC for another year, effective from 1 January 2019 to 31 December 2019. The service fee remains unchanged from 2018, with details as follows:</p> <table border="1"> <thead> <tr> <th>Service to STAMC</th><th>Monthly charge rate (THB)</th><th>Remark</th></tr> </thead> <tbody> <tr> <td>1. Email service</td><td>325.00</td><td>Charge per user per month</td></tr> <tr> <td>2. Internet service</td><td>192.00</td><td>Charge per user per month</td></tr> <tr> <td>3. CCDS + Doc image, CUS</td><td>648.00</td><td>Charge per user per month</td></tr> <tr> <td>4. 1Platform system</td><td></td><td></td></tr> <tr> <td>4.1 User fee</td><td>2,852.00</td><td>Charge per user per month</td></tr> <tr> <td>4.2 Account fee</td><td>1.58</td><td>Charge per account per month</td></tr> <tr> <td>4.3 New account opening charging by CIMB Group</td><td>Pay as actually incurred</td><td></td></tr> <tr> <td>5. Report on demand</td><td>.44600</td><td>Charge per account per month</td></tr> <tr> <td>6. GSAM system</td><td>9,255.00</td><td>Charge per month</td></tr> </tbody> </table> <p>This transaction is considered the Bank's normal business support.</p>	Service to STAMC	Monthly charge rate (THB)	Remark	1. Email service	325.00	Charge per user per month	2. Internet service	192.00	Charge per user per month	3. CCDS + Doc image, CUS	648.00	Charge per user per month	4. 1Platform system			4.1 User fee	2,852.00	Charge per user per month	4.2 Account fee	1.58	Charge per account per month	4.3 New account opening charging by CIMB Group	Pay as actually incurred		5. Report on demand	.44600	Charge per account per month	6. GSAM system	9,255.00	Charge per month	The Board of Directors' meeting no. 3/2019, held on 22 March 2019 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter), deemed it proper to approve the transaction since it was the Bank's normal business support.									
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Name and Relationship	Transaction Characteristics and Value	Necessity and Reasonableness with Audit Committee's Opinion																												
Sathorn Asset Management Co., Ltd. (STAMC), a subsidiary of CIMB Group which is the indirect major shareholder of the Bank	<p>The Bank has amended the 5th Addendum of the Master Servicing Agreement, under which the Bank engaged STAMC to provide legal services, with details as follows:</p> <ul style="list-style-type: none"><li>• Increase in the professional and lump sum service fees on six existing legal services. The new fees are in line with the market rates.</li><li>• Addition of 15 legal services.</li><li>• Having withholding tax absorbed by STAMC, effective from 1 January 2019 onwards.</li></ul> <p>This transaction is considered the Bank's normal business support.</p>	The Board of Directors' meeting no. 3/2019, held on 22 March 2019 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter), deemed it proper to approve the transaction since it was the Bank's normal business support and brought benefits to the Bank.																												
CIMB Group, the indirect major shareholder of the Bank	<p>The Bank has implemented the wealth management system for its Private Banking operation under the FF10830 ENABLER project.</p> <p>CIMB Group has entered into a contract with the vendors and will pay for software and annual fees to the vendors. The system will be implemented in CIMB Malaysia and the Bank will then be charged back by CIMB Group.</p> <p>The Bank's Private Banking has to enhance its system to support AVALOQ. Details of the service charge will further be discussed between the Bank's Private Banking and CIMB Group.</p> <p>This transaction is considered the Bank's normal business support.</p>	The Board of Directors' meeting no. 4/2019, held on 18 April 2019 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter), deemed it proper to approve the transaction since it was the Bank's normal business support and brought benefits to the Bank.																												
iCIMB (MSC) Sendirian Berhad, a subsidiary having CIMB Group as the major shareholder	<p>The Bank has outsourced the chats surveillance process to iCIMB (MSC) Sendirian Berhad. The estimated charge per year is as follows:</p> <table><tr><th></th><th colspan="4">Estimated charge out (MYR per year)</th></tr><tr><th>Staff level</th><th>Junior</th><th>Middle</th><th>Senior</th><th>Total</th></tr><tr><td>Number of staff</td><td>1</td><td>1</td><td>1</td><td rowspan="4"></td></tr><tr><td>Estimated time spent</td><td>25%</td><td>10%</td><td>10%</td></tr><tr><td>Cost per man-day (MYR) as provided by Group Finance</td><td>511</td><td>965</td><td>2,114</td></tr><tr><td>Cost per year (MYR) (22 man-days per month x 12 months)</td><td>33,726</td><td>25,476</td><td>55,810</td><td><b><u>115,012</u></b></td></tr></table> <p>This transaction is considered the Bank's normal business support.</p>		Estimated charge out (MYR per year)				Staff level	Junior	Middle	Senior	Total	Number of staff	1	1	1		Estimated time spent	25%	10%	10%	Cost per man-day (MYR) as provided by Group Finance	511	965	2,114	Cost per year (MYR) (22 man-days per month x 12 months)	33,726	25,476	55,810	<b><u>115,012</u></b>	The Board of Directors' meeting no. 5/2019, held on 23 May 2019 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter), deemed it proper to approve the transaction since it was the Bank's normal business support and brought benefits to the Bank.
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Name and Relationship	Transaction Characteristics and Value	Necessity and Reasonableness with Audit Committee's Opinion
<p>CGS-CIMB Securities (Thailand) Co., Ltd. (CGSCT), a subsidiary having CIMB Group as the major shareholder</p>	<p>The Bank has amended the service agreement between the Bank and CGSCT by changing the base fee calculation to be based on product type:  <u>from:</u> 0.25% of the notional amount of products (for all product types)  <u>to:</u> 0.05% of the notional amount of Bull ELN and Bull-P ELN  0.25% of the notional amount of other types of products, effective from 1 April 2019.</p> <p>There is no change in the calculation of advisory fee. As long as equity derivative business (EDB) has grown cumulative profit before tax (PBT), the Bank would receive the advisory fee of 50% of cumulative PBT. If loss is incurred, which would lead to lower cumulative PBT, the Bank would receive fee in a lower amount.</p> <p>This transaction is considered the Bank's normal business support.</p>	<p>The Board of Directors' meeting no. 6/2019, held on 28 June 2019 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter), deemed it proper to approve the transaction since it was the Bank's normal business support and brought benefits to the Bank.</p>
<p>CIMB Group, the indirect major shareholder of the Bank</p>	<p>The Bank has revised the payback for Murex system outsourcing to CIMB Group, by increasing the daily IT support and service maintenance (ITO) charges due to the increasing cost and headcount to support the system.</p> <p>As a result, the relevant fees have been changed as follows:</p> <ul style="list-style-type: none"> <li>- Increase in ITO charges by MYR 47,194, from MYR 406,020 to MYR 453,214.</li> <li>- CIMB Malaysia would charge MYR 125,660 for sharing the MUREX core license.</li> <li>- CIMB Malaysia would no longer charge MYR 100,598 for the Oracle database usage.</li> </ul> <p>This transaction is considered the Bank's normal business support</p>	<p>The Board of Directors' meeting no. 8/2019, held on 28 August 2019 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter), deemed it proper to approve the transaction since it was the Bank's normal business support and brought benefits to the Bank.</p>
<p>CGS-CIMB Securities (Thailand) Co., Ltd. (CGSCT), a subsidiary having CIMB Group as the major shareholder</p>	<p>The Bank has allowed CGSCT to appoint a third party distributor, namely Philips Securities (Thailand) Plc., to sell CGSCT's equity-linked notes (ELN) under the service agreement executed by the Bank and CGSCT on 7 June 2018.</p> <p>Under the agreement, the Bank will provide advice and support for CGSCT on matters relating to issuance, sales, marketing, trading and risk management of derivative warrants (DW), equity-linked notes (ELN) and equity swaps. Such product management advisory activities will cover product documentation and submission, issuance and distribution of subordinated debentures. Meanwhile, CGSCT will assist the Bank as regards the EDB from a business management perspective with necessary support for operation, legal, compliance, risk monitoring, IT and funding requirements.</p> <p>Such third-party appointment allowed by the Bank was believed to be beneficial to the Bank's business as a part of a strategy to grow revenue with higher fee to be received from CGSCT's EDB according to the service agreement.</p> <p>This transaction is considered the Bank's normal business support.</p>	<p>The Board of Directors' meeting no. 8/2019, held on 28 August 2019 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter), deemed it proper to approve the transaction since it was the Bank's normal business support and brought benefits to the Bank.</p>

Name and Relationship	Transaction Characteristics and Value	Necessity and Reasonableness with Audit Committee's Opinion																					
CIMB Bank Berhad (CIMB Bank), the major shareholder of the Bank holding 94.83% of the Bank's total issued and paid-up shares	<p>The Bank has outsourced the IFRS9 model development of the Bank and subsidiaries to CIMB Bank, covering new model development, remediation for models failing annual validation or change request on existing models configuration in model implementation platform, as well as ongoing support or fixing of existing models.</p> <p>The charge out rate is mainly based on average salary rate, time spent and indirect cost, together with 10% markup (on an arm's length basis). The 10% markup is calculated from a median rate of 5-year historical data of consultancy service industry surveyed by CIMB Group and discussed with PwC Malaysia. Total estimated cost of new model development is THB 340,000 per model.</p> <p>This transaction is considered the Bank's normal business support.</p>	The Board of Directors' meeting no. 8/2019, held on 28 August 2019 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter), deemed it proper to approve the transaction since it was the Bank's normal business support and brought benefits to the Bank.																					
Mr. Kittiphun Anutarasoti, former President and CEO, as the Bank's senior executive	The Bank has sold the position car (BMW730 LD M Sport, car plate no. 2 KorNor-9100) of Mr. Kittiphun Anutarasoti, the Bank's former President and CEO, as requested by him, at THB 3,000,000 (VAT included). This car's net book value as of 30 September 2019 was THB 2,447,166.59.	The Board of Directors' meeting no. 10/2019, held on 31 October 2019 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter), deemed it proper to approve the sale of Mr. Kittiphun's position car to him at THB 3,000,000 (VAT included), which is the average of prices quoted by five buyers in the range of THB 2,850,000 and THB 3,150,000 (VAT included). The price is deemed reasonable by the Bank's Procurement Administration and Property Management (PAM) as it exceeds the net book value of the car as of 30 September 2019 of THB 2,447,166.59.																					
CIMB Group, the indirect major shareholder of the Bank	<p>The Bank has used an IT outsourcing service from CIMB Group for intranet system, i.e. Sync-Up, with payment to CIMB Group as follows:</p> <table><tr><th>MYR</th><th>Year 1</th><th>Year 2</th><th>Year 3</th><th>Year 4</th><th>Year 5</th><th>Total</th></tr><tr><td>ITO fee</td><td>188,860.70</td><td>188,860.70</td><td>188,860.70</td><td>188,860.70</td><td>188,860.70</td><td>944,303.50</td></tr><tr><td>Utilisation fee</td><td>10,265.04</td><td>10,265.04</td><td>10,265.04</td><td>10,265.04</td><td>10,265.04</td><td>51,325.20</td></tr></table>	MYR	Year 1	Year 2	Year 3	Year 4	Year 5	Total	ITO fee	188,860.70	188,860.70	188,860.70	188,860.70	188,860.70	944,303.50	Utilisation fee	10,265.04	10,265.04	10,265.04	10,265.04	10,265.04	51,325.20	The Board of Directors' meeting no. 11/2019, held on 21 November 2019 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from
MYR	Year 1	Year 2	Year 3	Year 4	Year 5	Total																	
ITO fee	188,860.70	188,860.70	188,860.70	188,860.70	188,860.70	944,303.50																	
Utilisation fee	10,265.04	10,265.04	10,265.04	10,265.04	10,265.04	51,325.20																	

Name and Relationship	Transaction Characteristics and Value							Necessity and Reasonableness with Audit Committee's Opinion														
	Total payable	199,125.74	199,125.74	199,125.74	199,125.74	199,125.74	995,628.70	participating in the consideration and voting on this matter), deemed it proper to approve the transaction since it is considered as a normal business support transaction which brings benefit to the Bank.														
	*The chargeback for ITO support cost shall start after Sync-Up goes live.  - The total project cost for CIMB Group's implementation for five years is MYR 7,158,169.03 (hardware, software and application support). - The cost allocated to the Bank is based on the percentage of number of employees. As recorded in October 2018, the Bank had 3,410 staff members, which is 12.38% of all Group employees. All costs incurred by CIMB Bank shall be shared out to CIMB Thai at 14.18%. If there is any specific requirement by the Bank, the charge shall be 100% of the relevant cost. - The utilisation fee is calculated based on the monthly rate charge and subject to a yearly review with any change as mutually agreed upon. - No interest charge or placement of any collateral involved in this project. - The chargeback cost is exclusive of taxes (withholding tax and VAT). - Arm's length transfer pricing markup of 8% is included in the ITO fee.  This transaction is considered the Bank's normal business support.																					
CIMB Group, the indirect major shareholder of the Bank	The Bank has outsourced IT system development for IFRS9 implementation to CIMB Group. Payment to CIMB Group for the outsourced service is based on the system development cost and other supporting service charges allocated to CIMB Thai and subsidiaries at 8.19%. The allocation was calculated based on an average number of loan accounts from January to September 2019, i.e. 526,111 accounts. This allocation is subject to a yearly review.  The proposed payment is as scheduled below: <table><tr><td>MYR</td><td>Y2020</td><td>Y2021</td><td>Y2022</td><td>Y2023</td><td>Y2024</td><td>Total</td></tr><tr><td>ITO fee*</td><td>1,710,705</td><td>1,710,705</td><td>1,710,705</td><td>1,710,705</td><td>1,710,705</td><td>8,553,524</td></tr></table> Note: *ITO fees already include 8% arm's length markup but do not include 7% VAT and 15% withholding tax.  This transaction is considered the Bank's normal business support.							MYR	Y2020	Y2021	Y2022	Y2023	Y2024	Total	ITO fee*	1,710,705	1,710,705	1,710,705	1,710,705	1,710,705	8,553,524	The Board of Directors' meeting no. 12/2019, held on 18 December 2019 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter), deemed it proper to approve the transaction since it is considered as a normal business support transaction which brings benefit to the Bank.
MYR	Y2020	Y2021	Y2022	Y2023	Y2024	Total																
ITO fee*	1,710,705	1,710,705	1,710,705	1,710,705	1,710,705	8,553,524																

#### - Loans, Deposits and Contingent Liabilities

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

Company name	As at 31 December 2019								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		
<b>Parent company</b>										
CIMB Bank Berhad	-	-	461	7	-	212	9,037	68	94.83	Ms. Serena Tan Mei Shwen
Interest rate swap contracts										
- Fixed rate	33,865	-	-	-	-	-	-	-		
- Floating rate	44,295	-	-	-	-	-	-	-		
Forward and spot contracts										
- Bought	14,661	-	-	-	-	-	-	-		
- Sold	95	-	-	-	-	-	-	-		
Cross currency and interest rate swap contracts										
- Bought	11,694	-	-	-	-	-	-	-		
- Sold	437	-	-	-	-	-	-	-		
Commodity										
- Bought	45	-	-	-	-	-	-	-		
- Sold	41	-	-	-	-	-	-	-		
Fund option										
-Bought	53	-	-	-	-	-	-	-		
Credit derivatives										
- Sold	6,293	-	-	-	-	-	-	-		
<b>Subsidiary companies</b>										
CIMB Thai Auto Co., Ltd.	2,150	30,291	-	1	24	-	-	8	99.99	Mr. Tan Keat Jin Ms. Sasima Thongsamak Mr. Goh Therd Seng Ms. Piyawan Thianpharanon

Company name	As at 31 December 2019								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		
CT COLL Co., Ltd.	-	-	-	-	63	-	-	-	99.99	Mr. Adisorn Sermchaiwong Ms. Sasima Thongsamak Ms. Onanong Udomkantong Mr. Goh Therd Seng
WorldLease Co., Ltd.	-	3,775	-	1	10	-	-	-	99.99	Ms. Onanong Udomkantong Ms. Penporn Kumpusiri Mr. Natthavud Vajeenuraksakulchai Mr. Montri Puangpool
<b>Companies under common control</b>										
CIMB Bank Plc., Cambodia	141	-	-	-	-	52	-	-		
CIMB ISLAMIC Bank Berhad	-	-	-	-	-	94	-	-		
PT Bank CIMB Niaga TBK	-	-	-	1	-	4	-	-		
CGS-CIMB Securities (Thailand) Co., Ltd.	-	-	-	-	1,271	-	-	-		Mr. Sutee Losoponkul
Forward and spot contracts										
- Bought	3	-	-	-	-	-	-	-		
- Sold	10	-	-	-	-	-	-	-		
ICIMB (MSC) Sdn Bhd Computer system and software development agreement	1	-	-	-	-	-	-	-		
Principal Asset Management Co., Ltd.	-	-	-	27	639	-	-	-		Mr. Jason Leong Kok Yew

Company name	As at 31 December 2019								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		
Sathorn Asset Management Co., Ltd.	-	-	-	1	159	-	-	10		Mr. Goh Therd Seng
Other related parties	876*	216*	-	-	538*	-	-	1		

\* In September 2019, an independent director of the Bank was engaged as Management of a related company.

- b. The Bank has no such person who may have 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 or the equivalent 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 or the equivalent upwards, hold 10% or more of their paid-up capital were partially those transferred to the Bank under the merger process or those having undergone debt restructuring. These loans which also 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' interests

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

#### - Related party transaction trends

Related party transactions are those relating to the Bank's general business functions and are subject to the formal approval process and practice in place and in compliance with the criteria of the relevant regulatory bodies. There is a probability that related party transactions will continue to be part of the Bank's business operation, and will be governed by the clearly defined review and approval procedure and practice.

### 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 2019, 2018, and 2017, and its operating results as well as financial ratios for the years ended 31 December 2019, 2018, and 2017.

Statements of Financial Position	(Unit: THB)		
	31 December 2019	31 December 2018	31 December 2017
<b>Assets</b>			
Cash	1,350,614,011	1,745,984,495	1,588,987,409
Interbank and money market items, net	6,205,670,653	6,684,224,569	18,099,695,389
Derivative assets	43,459,245,755	23,395,513,202	21,278,460,920
Investments, net	86,796,230,526	92,172,323,107	44,059,846,768
Investments in subsidiaries, net	2,208,315,115	2,208,315,115	1,708,315,115
Loans and accrued interest receivables			
Loans	231,456,772,155	218,848,912,358	205,242,484,739
Accrued interest receivables	469,496,006	502,263,091	522,709,406
Total loans and accrued interest receivables	231,926,268,161	219,351,175,449	205,765,194,145
<u>Less</u> Deferred revenue	(165,515)	(486,300)	(8,651,407)
<u>Less</u> Allowance for doubtful debts	(9,471,971,773)	(9,702,022,606)	(9,256,336,052)
<u>Less</u> Revaluation allowance for debt restructuring	(32,188,376)	(52,332,096)	(105,673,656)
Loans and accrued interest receivables, net	222,421,942,497	209,596,334,447	196,394,533,030
Customers' liability under acceptance	83,360,105	77,698,965	581,413,868
Properties for sale, net	894,230,172	831,149,160	888,480,141
Premises and equipment, net	3,339,032,032	3,471,101,060	3,529,189,193
Intangible assets, net	1,015,531,376	480,958,226	364,943,160
Deferred tax assets	694,257,493	938,209,202	1,023,345,737
Credit support assets on derivatives	14,967,549,671	6,052,943,866	4,138,153,054
Other assets, net	1,713,201,274	2,722,733,218	2,651,651,445
<b>Total assets</b>	<b>385,149,180,680</b>	<b>350,377,488,632</b>	<b>296,307,015,229</b>

(Unit: THB)			
Statements of Financial Position (Cont'd)	Separate		
	31 December	31 December	31 December
	2019	2018	2017
<b>Liabilities and shareholders' equity</b>			
<b>Liabilities</b>			
Deposits	199,132,082,337	185,215,037,339	177,702,506,611
Interbank and money market items, net	43,393,672,214	44,533,942,327	15,648,105,797
Liability payable on demand	268,816,305	378,991,448	254,663,261
Financial liabilities designated at fair value			
through profit or loss	24,422,519,906	35,512,717,532	23,103,810,514
Derivative liabilities	44,659,756,168	24,318,002,735	19,965,010,587
Debt issued and borrowings	23,818,667,017	16,968,347,710	17,933,103,726
Bank's liability under acceptance	83,360,105	77,698,965	581,413,868
Provisions	2,140,697,917	1,892,940,783	1,855,519,989
Credit support liabilities on derivatives	9,158,264,057	3,910,494,022	4,826,595,856
Other liabilities	3,146,840,215	3,188,938,089	3,112,398,250
<b>Total liabilities</b>	<b>350,224,676,241</b>	<b>315,997,110,950</b>	<b>264,983,128,459</b>
<b>Shareholders' equity</b>			
Share capital			
Registered			
34,822,261,748 ordinary shares of THB 0.50 each	17,411,130,874	17,411,130,874	
30,280,227,607 ordinary shares of THB 0.50 each			15,140,113,804
Issued and paid-up share capital			
34,822,261,748 ordinary shares of THB 0.50 each	17,411,130,874	17,411,130,874	
30,280,227,607 ordinary shares of THB 0.50 each			15,140,113,804
Premium on share capital	10,145,965,854	10,145,965,854	8,465,413,222
Other reserves	1,512,574,667	1,422,487,528	1,558,840,917
Retained earnings			
Appropriated - statutory reserve	403,980,000	403,600,000	398,680,000
Unappropriated	5,450,853,044	4,997,193,426	5,760,838,827
<b>Total shareholders' equity</b>	<b>34,924,504,439</b>	<b>34,380,377,682</b>	<b>31,323,886,770</b>
<b>Total liabilities and shareholders' equity</b>	<b>385,149,180,680</b>	<b>350,377,488,632</b>	<b>296,307,015,229</b>

(Unit: THB)			
Statements of Comprehensive Income	Separate		
	For the years ended 31 December		
	2019	2018	2017
Interest income	12,978,453,585	12,341,600,425	11,913,199,518
Interest expenses	(5,465,461,170)	(4,515,325,072)	(4,325,189,459)

<b>Net interest income</b>	7,512,992,415	7,826,275,353	7,588,010,059
Fees and service income	1,615,797,349	1,376,649,113	1,471,420,808
Fees and service expenses	(370,326,208)	(289,520,012)	(223,841,719)
<b>Net fees and service income</b>	1,245,471,141	1,087,129,101	1,247,579,089
Gains on tradings and foreign exchange transactions	2,625,945,047	1,054,168,202	2,238,222,821
Losses on financial instrument designated at fair value through profit or loss	(2,802,923,204)	(759,750,530)	(1,733,886,254)
Gains on investments	343,978,417	19,508,137	490,748,334
Other operating income	137,640,997	261,325,479	233,222,081
<b>Total operating income</b>	9,063,104,813	9,488,655,742	10,063,896,130
<b>Other operating expenses</b>			
Employee expenses	4,385,558,354	3,892,655,897	3,444,686,567
Directors' remuneration	11,507,000	13,131,200	12,456,000
Premises and equipment expenses	1,050,453,383	1,017,873,890	929,630,735
Taxes and duties	397,538,486	386,886,044	397,448,867
Others	1,417,671,159	1,229,294,759	1,334,179,030
<b>Total other operating expenses</b>	7,262,728,382	6,539,841,790	6,118,401,199
Bad and doubtful debts and impairment losses	1,184,566,454	3,686,327,220	3,944,113,706
<b>Profit (loss) before income tax expenses</b>	615,809,977	(737,513,268)	1,381,225
Income tax expenses	(191,762,567)	(66,769,073)	70,008,975
<b>Net profit (loss) for the year</b>	424,047,410	(804,282,341)	71,390,200

(Unit: THB)

Statements of Comprehensive Income (Cont'd)	Separate		
	For the years ended 31 December		
	2019	2018	2017
<b>Other comprehensive income (expenses)</b>			
<b>Items that will be reclassified subsequently to profit or loss</b>			
Gains (losses) on remeasuring available-for-sale investments	472,498,608	(274,248,938)	467,099,324
Losses arising from translating the financial statement of a foreign operation	(16,238,529)	(4,697,307)	(30,696,516)
(Losses) gains on cash flow hedges	(54,736,432)	136,503,546	62,042,015
Income tax relating to items that will be reclassified subsequently to profit or loss	(52,189,142)	(4,364,720)	(105,828,268)
<b>Total items that will be reclassified subsequently to profit or loss</b>	349,334,505	(146,807,419)	392,616,555

**Items that will not be reclassified**
**subsequently to profit or loss**

Remeasurements of post-employment

benefit obligations (229,255,158) 70,013,711 82,635,079

Income tax relating to items that will not be

reclassified subsequently to profit or loss - (14,002,741) (16,527,016)

**Total items that will not be reclassified**
**subsequently to profit or loss**

(229,255,158) 56,010,970 66,108,063

**Total other comprehensive income (expenses)**

120,079,347 (90,796,449) 458,724,618

**Total comprehensive income (expenses) for the year**

544,126,757 (895,078,790) 530,114,818

(Unit: THB)

**Separate**
**For the years ended 31 December**

Statements of Comprehensive Income (Cont'd)

2019 2018 2017

Net profit (loss) attributable to:

Equity holders of the Bank 424,047,410 (804,282,341) 71,390,200

Non-controlling interests - - -

424,047,410 (804,282,341) 71,390,200

Total comprehensive income (expenses)

attributable to:

Equity holders of the Bank 544,126,757 (895,078,790) 530,114,818

Non-controlling interests - - -

544,126,757 (895,078,790) 530,114,818

Earnings per share for profit (loss) attributable

to the equity holders of the Bank

Basic earnings (loss) per share (THB per share) 0.01 (0.03) 0.00

Weighted average number of ordinary shares (shares) 34,822,261,748 31,188,634,435 28,233,684,776

(Unit: THB)

	Separate		
	For the years ended 31 December		
	2019	2018	2017
<b>Statements of Cash Flows</b>			
<b>Cash flows from operating activities</b>			
Profit (loss) before corporate income tax	615,809,977	(737,513,268)	1,381,225
Adjustments to reconcile net income before income tax to cash in (out) flows from operating activities:			
Depreciation and amortisation	409,743,630	352,142,154	344,091,704
Bad debts and doubtful accounts and losses on impairment	1,184,566,454	3,686,327,220	3,944,113,706
(Reversal) provision for off-balance sheet items	(125,654,610)	72,742,078	(42,701,555)
Share-based payment	41,716,546	38,448,440	35,251,070
Provision for liabilities	287,138,637	79,376,548	197,903,657
Losses (reversal) on impairment of properties for sale	(1,689,129)	1,487,569	20,391,212
Losses on impairment of investments	-	1,067,203	3,476,616
Reversal of losses on impairment of investment in subsidiaries	-	-	(383,394,408)
Unrealised (gains) losses on exchange and derivatives	(230,267,801)	1,075,237,437	(3,015,423,032)
Realised gains on exchange rate of debt issued and borrowings	(696,020,500)	-	-
Gains on properties for sale	(24,352,727)	(139,608,478)	(72,996,501)
Unrealised gains on revaluation of investments	(2,128,477,621)	(315,036,490)	(135,317,715)
(Gains) losses on sale of investments	(2,186,608,362)	113,050,652	(366,098,877)
Gains on disposal of premises and equipment	(10,105,201)	(10,877,744)	(34,334,525)
Losses from write off premises and equipment	18,608,346	1,169,021	12,487,613
Losses from write off intangible assets	872,836	8,845,503	41,454,421
Losses on sale of non-performing loan	9,118,106	4,731,329	162,476,024
Losses on financial liabilities designated at fair value through profit or loss	2,802,923,204	759,750,530	1,733,886,254
Interest income	(12,978,453,585)	(12,341,600,425)	(11,913,199,518)
Dividend income	(8,427,415)	(10,508,869)	(13,869,440)
Interest expenses	5,465,461,170	4,515,325,072	4,325,189,459
<b>Losses from operations before changes in operating assets and liabilities</b>	<b>(7,554,098,045)</b>	<b>(2,845,444,518)</b>	<b>(5,155,232,610)</b>

(Unit: THB)

	Separate		
	For the years ended 31 December		
	2019	2018	2017
<b>Statements of Cash Flows (cont'd)</b>			
<b>(Increase) decrease in operating assets</b>			
Interbank and money market items	474,976,864	11,426,897,185	(9,634,584,045)
Investments held for trading	(5,757,584,312)	(13,414,065,599)	(2,196,019,258)
Loans	(13,672,717,001)	(15,914,378,341)	(5,314,731,312)
Properties for sale	71,511,170	222,507,346	409,785,779
Credit support assets on derivatives	(8,914,605,805)	(1,914,790,812)	1,684,682,702
Other assets	761,704,836	56,482,867	(1,022,132,173)
<b>Increase (decrease) in operating liabilities</b>			
Deposits	13,917,044,998	7,512,530,728	(6,174,959,438)
Interbank and money market items	(1,140,270,113)	28,885,836,529	4,052,777,386
Liability payable on demand	(110,175,143)	124,328,187	4,571,090
Short-term borrowings	4,168,522,046	(4,202,663,803)	(6,046,902,521)
Provisions	(143,437,882)	(68,700,452)	(136,889,494)
Credit support liabilities on derivatives	5,247,770,035	(916,101,834)	903,725,253
Other liabilities	(8,849,396)	(50,517,476)	190,455,338
<b>Cash flows (used in) provided by operating activities</b>	(12,660,207,748)	8,901,920,007	(28,435,453,303)
Cash received from interest income	10,939,287,458	10,682,135,864	10,804,211,696
Cash paid for interest expenses	(6,579,515,960)	(5,146,131,186)	(4,830,582,525)
Cash paid for income tax	121,054,277	(71,039,791)	(62,402,645)
<b>Net cash flows (used in) provided by operating activities</b>	(8,179,381,973)	14,366,884,894	(22,524,226,777)

(Unit: THB)

Statements of Cash Flows (Cont'd)	Separate		
	For the years ended 31 December		
	2019	2018	2017
<b>Cash flows from investing activities</b>			
Cash paid for purchases of available-for-sale securities	(27,549,333,482)	(32,583,604,603)	(14,520,484,708)
Proceeds from disposals of available-for-sale securities	35,167,757,786	4,208,825,541	24,559,533,593
Proceeds from maturity of available-for-sale securities	7,627,300,000	51,200,000	60,000,000
Cash paid for purchases of held to maturity securities	(4,192,283,404)	(12,462,512,179)	(503,847,389)
Proceeds from disposals of held to maturity securities	-	-	480,340
Proceeds from maturity of held to maturity securities	4,731,280,000	5,905,850,000	4,305,000,000
Proceeds from repayment of investment in receivable	788,253	795,015	2,482,988
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	2,564,090	6,752,752	-
Proceeds from decrease in capital of general investments	-	14,990,000	22,710,000
Cash paid for purchases of premises and equipment	(250,101,510)	(134,988,728)	(158,616,076)
Proceeds from disposals of premises and equipment	7,577,958	6,268,162	36,697,603
Cash paid for purchases of intangible assets	(667,017,974)	(276,548,473)	(171,322,945)
Dividend received	8,427,415	10,508,869	13,869,440
Interest received	2,287,261,545	1,689,255,397	1,487,963,769
<b>Net cash flows provided by (used in) investing activities</b>	<b>17,174,220,677</b>	<b>(34,063,934,747)</b>	<b>15,133,674,308</b>
<b>Cash flows from financing activities</b>			
Cash received from capital increase	-	3,951,569,703	5,505,495,928
Proceeds from issuance of borrowings	8,534,832,747	16,273,471,128	13,652,328,861
Cash paid for redemption of borrowings	(17,909,088,000)	(366,500,000)	(12,085,000,000)
<b>Net cash flows (used in) provided by financing activities</b>	<b>(9,374,255,253)</b>	<b>19,858,540,831</b>	<b>7,072,824,789</b>
Gains on foreign currency translation differences	(15,953,935)	(4,493,892)	(29,432,276)
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(395,370,484)</b>	<b>156,997,086</b>	<b>(347,159,956)</b>
Cash and cash equivalents at beginning of the year	1,745,984,495	1,588,987,409	1,936,147,365
<b>Cash and cash equivalents at the end of the year</b>	<b>1,350,614,011</b>	<b>1,745,984,495</b>	<b>1,588,987,409</b>
<b>Supplemental disclosure of cash flows information</b>			
Non-cash transaction:			
Payable from purchase premises and equipment	1,597,778	294,250	22,735,861
Properties for sale received from premises and equipment	89,686,806	22,455,456	38,817,769
Change in revaluation surplus in available-for-sale	472,498,608	(274,248,938)	(467,099,324)
Interest amortisation from premium or discount	124,753,905	111,472,079	236,842,411

The Bank's Financial Ratios	31-Dec-19	31-Dec-18	31-Dec-17
<b>Profitability Ratios</b>			
Gross profit margin (%)	60.0	65.0	66.0
Net profit margin (%)	4.7	(8.5)	0.7
Return on equity (%)	1.2	(2.5)	0.3
Yield <sup>(1)</sup> (%)	5.7	5.8	5.7
Cost of funds <sup>(2)</sup> (%)	2.1	2.0	2.1
Spread <sup>(3)</sup> (%)	3.6	3.8	3.6
Return on investment (%)	2.6	2.4	3.2
<b>Efficiency Ratios</b>			
Cost to income ratio (%)	80.1	68.9	60.8
Net interest margin (%)	2.3	2.8	2.9
Return on assets (%)	0.1	(0.30)	0.02
Assets turnover ratio (time)	0.02	0.03	0.03
<b>Financial Policy Ratios</b>			
Debt to equity ratio (time)	10.0	9.2	8.5
Loan to borrowing ratio <sup>(4)</sup> (%)	103.7	108.0	104.8
Loan to deposit ratio (Modified LDR) <sup>(5)</sup> (%)	96.7	94.0	93.9
Deposits to debts ratio (%)	56.9	58.6	67.1
Capital adequacy ratio (%)	17.4	18.7	16.6
Tier 1 capital funds to risk-weight assets (%)	12.4	13.3	12.5
<b>Asset Quality Ratios</b>			
Allowance for doubtful debts to loans and accrued interest receivables (%)	4.1	4.4	4.5
Bad debt and doubtful accounts to loans and accrued interest receivables (%)	0.6	0.6	0.8
NPL ratio <sup>(6)</sup> (%)	4.6	4.3	4.7
Accrued interest receivables to loans and accrued interest receivables (%)	0.2	0.2	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 2019, 2018 and 2017, and their operating results as well as financial ratios for the years ended 31 December 2019, 2018 and 2017**

Statements of Financial Position	(Unit: THB)		
	Consolidated		
	31 December 2019	31 December 2018	31 December 2017
<b>Assets</b>			
Cash	1,351,567,764	1,749,088,327	1,591,188,651
Interbank and money market items, net	6,421,713,044	6,790,160,122	18,167,812,758
Derivative assets	43,459,245,755	23,395,513,202	21,278,460,920
Investments, net	86,798,230,526	92,172,323,107	44,059,846,768
Investments in subsidiaries, net	-	-	-
Loans and accrued interest receivables			
Loans	250,896,619,641	234,554,591,139	218,058,207,223
Accrued interest receivables	463,517,744	492,689,784	516,911,663
Total loans and accrued interest receivables	251,360,137,385	235,047,280,923	218,575,118,886
Less Deferred revenue	(10,816,864,418)	(8,254,467,999)	(7,036,133,482)
Less Allowance for doubtful debts	(10,600,132,295)	(10,539,026,105)	(9,869,265,119)
Less Revaluation allowance for debt restructuring	(32,188,376)	(52,332,096)	(105,673,656)
Loans and accrued interest receivables, net	229,910,952,296	216,201,454,723	201,564,046,629
Customers' liability under acceptance	83,360,105	77,698,965	581,413,868
Properties for sale, net	1,123,900,062	1,016,509,206	1,033,943,008
Premises and equipment, net	3,428,635,255	3,536,093,184	3,588,378,733
Intangible assets, net	1,061,691,787	488,639,652	370,043,208
Deferred tax assets	1,171,542,192	1,392,797,611	1,372,672,738
Credit support assets on derivatives	14,967,549,671	6,052,943,866	4,138,153,054
Other assets, net	2,128,743,263	2,975,302,956	2,857,642,221
<b>Total assets</b>	<b>391,907,131,720</b>	<b>355,848,524,921</b>	<b>300,603,602,556</b>

Statements of Financial Position (Cont'd)	(Unit: THB)		
	Consolidated		
	31 December 2019	31 December 2018	31 December 2017
<b>Liabilities and shareholders' equity</b>			
<b>Liabilities</b>			
Deposits	199,034,749,069	185,100,505,109	177,400,677,986
Interbank and money market items, net	43,393,672,214	44,533,942,327	15,648,105,797

Liability payable on demand	268,816,305	378,991,448	254,663,261
Financial liabilities designated at fair value			
through profit or loss	24,422,519,906	35,512,717,532	23,103,810,514
Derivative liabilities	44,659,756,168	24,318,002,735	19,965,010,587
Debt issued and borrowings	25,818,667,017	18,968,347,710	19,933,103,726
Bank's liability under acceptance	83,360,105	77,698,965	581,413,868
Provisions	2,298,834,097	1,987,605,895	1,946,444,925
Credit support liabilities on derivatives	9,158,264,057	3,910,494,022	4,826,595,856
Other liabilities	4,247,833,989	4,138,393,277	3,891,927,335

<b>Total liabilities</b>	<b>353,386,472,927</b>	<b>318,926,699,020</b>	<b>267,551,753,855</b>
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#### Shareholders' equity

Share capital			
Registered			
34,822,261,748 ordinary shares of THB 0.50 each	17,411,130,874	17,411,130,874	
30,280,227,607 ordinary shares of THB 0.50 each			15,140,113,804
Issued and paid-up share capital			
34,822,261,748 ordinary shares of THB 0.50 each	17,411,130,874	17,411,130,874	-
30,280,227,607 ordinary shares of THB 0.50 each	-	-	15,140,113,804
Premium on share capital	10,145,965,854	10,145,965,854	8,465,413,222
Other reserves	1,468,042,132	1,400,797,437	1,534,848,299
Accretion of equity interests in subsidiary	(42,753,751)	(42,753,751)	(42,753,751)
Retained earnings			
Appropriated - statutory reserve	403,980,000	403,600,000	398,680,000
Unappropriated	9,134,293,684	7,603,085,487	7,555,547,127

<b>Total shareholders' equity</b>	<b>38,520,658,793</b>	<b>36,921,825,901</b>	<b>33,051,848,701</b>
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<b>Total liabilities and shareholders' equity</b>	<b>391,907,131,720</b>	<b>355,848,524,921</b>	<b>300,603,602,556</b>
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(Unit: THB)

Statements of Comprehensive Income	Consolidated		
	For the years ended 31 December		
	2019	2018	2017
Interest income	16,420,740,139	15,309,544,755	14,557,766,606
Interest expenses	(5,513,358,198)	(4,562,807,958)	(4,355,322,725)
<b>Net interest income</b>	<b>10,907,381,941</b>	<b>10,746,736,797</b>	<b>10,202,443,881</b>
Fees and service income	2,556,132,793	2,109,980,514	2,140,296,232
Fees and service expenses	(385,927,966)	(302,056,447)	(195,842,620)
<b>Net fees and service income</b>	<b>2,170,204,827</b>	<b>1,807,924,067</b>	<b>1,944,453,612</b>
Gains on tradings and			
foreign exchange transactions	2,625,945,047	1,054,168,202	2,238,222,821
Losses on financial instrument designated			
at fair value through profit or loss	(2,802,923,204)	(759,750,530)	(1,733,886,254)

Gains on investments	343,978,417	19,508,137	107,353,927
Gains on sale of non-performing loans	398,585,923	226,351,923	-
Other operating income	511,589,578	587,350,824	518,773,539
<b>Total operating income</b>	<b>14,154,762,529</b>	<b>13,682,289,420</b>	<b>13,277,361,526</b>
<b>Other operating expenses</b>			
Employee expenses	5,063,133,513	4,533,126,703	4,068,397,712
Directors' remuneration	11,811,200	13,467,200	12,792,000
Premises and equipment expenses	1,213,316,406	1,155,447,852	1,060,266,367
Taxes and duties	433,029,282	413,013,666	420,692,273
Others	2,918,494,105	2,376,645,066	2,173,419,203
<b>Total other operating expenses</b>	<b>9,639,784,506</b>	<b>8,491,700,487</b>	<b>7,735,567,555</b>
Bad and doubtful debts and impairment losses	2,571,584,293	4,919,382,923	5,053,034,607
<b>Profit before income tax expenses</b>	<b>1,943,393,730</b>	<b>271,206,010</b>	<b>488,759,364</b>
Income tax expenses	(441,797,741)	(264,304,590)	(103,861,136)
<b>Net profit for the year</b>	<b>1,501,595,989</b>	<b>6,901,420</b>	<b>384,898,228</b>

(Unit: THB)

## Consolidated

## For the years ended 31 December

## Statements of Comprehensive Income (Cont'd)

## Other comprehensive income (expenses)

## Items that will be reclassified

## subsequently to profit or loss

Gains (losses) on remeasuring available-for-sale investments	472,498,608	(274,248,938)	467,099,324
Losses arising from translating the financial statement of a foreign operation	(16,238,529)	(4,697,307)	(30,696,516)
(Losses) gains on cash flow hedges	(54,736,432)	136,503,546	62,042,015
Income tax relating to items that will be reclassified subsequently to profit or loss	(52,189,142)	(4,364,720)	(105,828,268)

## Total items that will be reclassified

## subsequently to profit or loss

349,334,505	(146,807,419)	392,616,555
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## Items that will not be reclassified

## subsequently to profit or loss

Remeasurements of post-employment benefit obligations	(257,808,214)	72,891,871	79,271,973
Income tax relating to items that will not be reclassified subsequently to profit or loss	5,710,612	(14,578,374)	(15,854,394)

## Total items that will not be reclassified

## subsequently to profit or loss

(252,097,602)	58,313,497	63,417,579
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<b>Total other comprehensive income (expenses)</b>	97,236,903	(88,493,922)	456,034,134
<b>Total comprehensive income (expenses) for the year</b>	1,598,832,892	(81,592,502)	840,932,362

(Unit: THB)

Statements of Comprehensive Income (Cont'd)	Consolidated		
	For the years ended 31 December		
	2019	2018	2017
<b>Net profit attributable to:</b>			
Equity holders of the Bank	1,501,595,989	6,901,420	384,898,228
Non-controlling interests	-	-	-
	1,501,595,989	6,901,420	384,898,228
<b>Total comprehensive income (expenses) attributable to:</b>			
Equity holders of the Bank	1,598,832,892	(81,592,502)	840,932,362
Non-controlling interests	-	-	-
	1,598,832,892	(81,592,502)	840,932,362
<b>Earnings per share for profit attributable to the equity holders of the Bank</b>			
Basic earnings per share (THB per share)	0.04	0.00	0.01
Weighted average number of ordinary shares (shares)	34,822,261,748	31,188,634,435	28,233,684,776

	(Unit: THB)		
	Consolidated		
	For the years ended 31 December		
	2019	2018	2017
<b>Statements of Cash Flows</b>			
<b>Cash flows from operating activities</b>			
Profit before corporate income tax	1,943,393,730	271,206,010	488,759,364
Adjustments to reconcile net income before income tax to cash in (out) flows from operating activities:			
Depreciation and amortisation	433,202,518	373,493,966	367,291,254
Bad debts and doubtful accounts and losses on impairment (Reversal) provision for off-balance sheet items	2,571,584,293	4,919,382,923	5,053,034,607
Share-based payment	(125,654,610)	72,742,078	(42,701,555)
Provision for liabilities	41,716,546	38,448,440	35,251,070
Losses on impairment of properties for sale	322,056,650	85,994,884	207,888,248
Losses on impairment of investments	1,015,432,235	709,467,315	550,661,879
Unrealised (gains) losses on exchange and derivative	-	1,067,203	3,476,616
Realised gains on exchange rate of debt issued and borrowings	(230,267,801)	1,075,237,437	(3,015,423,032)
Gains on properties for sale	(696,020,500)	-	-
Unrealised gains on revaluation of investments	(28,247,855)	(69,008,068)	(100,416,073)
(Gains) losses on sale of investments	(2,128,477,621)	(315,036,490)	(135,317,715)
Gains on disposal of premises and equipment	(2,186,608,362)	113,050,652	(366,098,877)
Losses from write off premises and equipment	(11,871,882)	(20,391,900)	(36,746,849)
Losses from write off intangible assets	18,608,346	1,318,506	13,044,307
Losses on sale of non-performing loan	872,836	8,845,503	41,603,154
Losses on financial liabilities designated at fair value through profit or loss	9,118,106	4,731,329	162,476,024
Interest income	2,802,923,204	759,750,530	1,733,886,254
Dividend income	(16,420,740,139)	(15,309,544,755)	(14,557,766,606)
Interest expenses	(8,427,415)	(10,508,869)	(13,869,440)
	5,513,358,198	4,562,807,958	4,355,322,725
<b>Losses from operations before changes in operating assets and liabilities</b>	<b>(7,164,049,523)</b>	<b>(2,726,945,348)</b>	<b>(5,255,644,645)</b>

	(Unit: THB)		
	Consolidated		
	For the years ended 31 December		
	2019	2018	2017
<b>Statements of Cash Flows (cont'd)</b>			
<b>(Increase) decrease in operating assets</b>			
Interbank and money market items	364,870,026	11,389,079,000	(9,638,709,217)
Investments held for trading	(5,757,584,312)	(13,414,065,599)	(2,196,019,258)
Loans	(19,083,939,652)	(20,557,198,292)	(10,508,908,673)
Properties for sale	2,157,885,423	1,374,412,019	1,322,470,636
Credit support assets on derivatives	(8,914,605,805)	(1,914,790,812)	1,684,682,702
Other assets	636,102,941	(27,293,323)	(1,025,306,308)
<b>Increase (decrease) in operating liabilities</b>			
Deposits	13,934,243,960	7,699,827,123	(6,262,646,720)
Interbank and money market items	(1,140,270,113)	28,885,836,529	4,052,777,386
Liability payable on demand	(110,175,143)	124,328,187	4,571,090
Short-term borrowings	4,168,522,046	(4,202,663,803)	(6,046,902,521)
Provisions	(143,437,882)	(68,700,452)	(136,889,495)
Credit support liabilities on derivatives	5,247,770,035	(916,101,834)	903,725,253
Other liabilities	124,116,296	206,940,065	333,687,399
<b>Cash flows (used in) provided by operating activities</b>	(15,680,551,703)	5,852,663,460	(32,769,112,371)
Cash received from interest income	14,377,949,429	13,653,855,758	13,450,792,981
Cash paid for interest expenses	(6,578,613,485)	(5,144,814,563)	(4,821,676,381)
Cash paid for income tax	(164,761,796)	(424,746,068)	(333,270,211)
<b>Net cash flows (used in) provided by operating activities</b>	(8,045,977,555)	13,936,958,587	(24,473,265,982)

(Unit: THB)

Statements of Cash Flows (Cont'd)	Consolidated		
	For the years ended 31 December		
	2019	2018	2017
<b>Cash flows from investing activities</b>			
Cash paid for purchases of available-for-sale securities	(27,549,333,482)	(32,583,604,603)	(14,520,484,708)
Proceeds from disposals of available-for-sale securities	35,167,757,786	4,208,825,541	24,559,533,593
Proceeds from maturity of available-for-sale securities	7,627,300,000	51,200,000	60,000,000
Cash paid for purchases of held to maturity securities	(4,194,283,404)	(12,462,512,179)	(503,847,389)
Proceeds from disposals of held to maturity securities	-	-	480,340
Proceeds from maturity of held to maturity securities	4,731,280,000	5,905,850,000	4,305,000,000
Proceeds from repayment of investment in receivable	788,253	795,015	2,482,988
Cash paid for purchases of general investments	-	(726,500)	(792,307)
Proceeds from disposals of general investments	2,564,090	6,752,752	-
Proceeds from decrease in capital of general investments	-	14,990,000	22,710,000
Cash paid for purchases of premises and equipment	(295,357,042)	(161,435,893)	(178,507,407)
Proceeds from disposals of premises and equipment	9,342,879	16,085,199	39,159,489
Cash paid for purchases of intangible assets	(708,309,652)	(280,289,448)	(173,301,907)
Dividend received	8,427,415	10,508,869	13,869,440
Interest received	2,287,289,337	1,689,255,397	1,487,963,769
<b>Net cash flows provided by (used in) investing activities</b>	<b>17,087,466,180</b>	<b>(33,584,305,850)</b>	<b>15,114,265,901</b>
<b>Cash flows from financing activities</b>			
Cash paid for interest expenses	(48,800,000)	(48,800,000)	(31,820,274)
Cash received from capital increase	-	3,951,569,703	5,505,495,928
Proceeds from issuance of borrowings	8,534,832,747	16,273,471,128	15,652,328,861
Cash paid for redemption of borrowings	(17,909,088,000)	(366,500,000)	(12,085,000,000)
<b>Net cash flows (used in) provided by financing activities</b>	<b>(9,423,055,253)</b>	<b>19,809,740,831</b>	<b>9,041,004,515</b>
Gains on foreign currency translation differences	(15,953,935)	(4,493,892)	(29,432,276)
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(397,520,563)</b>	<b>157,899,676</b>	<b>(347,427,842)</b>
Cash and cash equivalents at beginning of the year	1,749,088,327	1,591,188,651	1,938,616,493
<b>Cash and cash equivalents at the end of the year</b>	<b>1,351,567,764</b>	<b>1,749,088,327</b>	<b>1,591,188,651</b>
<b>Supplemental disclosure of cash flows information</b>			
Non-cash transaction:			
Payable from purchase premises and equipment	1,597,778	294,250	22,735,861
Properties for sale received from premises and equipment	89,686,806	22,455,456	38,817,769
Change in revaluation surplus in available-for-sale	472,498,608	(274,248,938)	(467,099,324)
Interest amortisation from premium or discount	124,753,905	111,472,079	236,842,411

The Bank and its subsidiaries' financial ratios	31-Dec-19	31-Dec-18	31-Dec-17
Net interest margin (%)	3.3	3.7	3.9
Return on equity (%)	4.0	0.0	1.3
Return on assets (%)	0.4	0.0	0.1
Cost to income ratio (%)	68.1	62.1	58.3
Loan to deposit ratio (Modified LDR) (%)	100.3	97.2	96.8
NPL ratio (%)	4.6	4.3	4.8
Capital adequacy ratio (%)	18.0	19.3	17.0
Tier 1 capital funds to risk-weight assets (%)	13.1	14.1	12.9

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

### **14.1 Consolidated operating results**

For the year ended 31 December 2019, CIMB Thai Group recorded a consolidated net profit of THB 1,501.6 million, an over 216-fold year-on-year (YoY) increase of THB 1,494.7 million. The improvement was mainly attributable to a 47.7% decline in provisions resulting from rationalisation of the process to improve the asset quality and a 3.5% growth in operating income, partially offset by a 13.5% increase in operating expenses.

Net Interest Margin (NIM) over earning assets stood at 3.31% in 2019, compared to 3.71% in 2018, owing to higher cost of funds.

As at 31 December 2019, total gross loans (inclusive of loans guaranteed by other banks and loans to financial institutions) net of deferred revenue of CIMB Thai Group stood at THB 242.1 billion, an increase of 6.3% from 31 December 2018. Deposits (inclusive of bills of exchange, debentures and selected structured deposit products) amounted to THB 241.5 billion, a growth of 3.1% from THB 234.3 billion at the end of December 2018. The modified loan to deposit ratio (modified LDR) moved up to 100.3% from 97.2% as at 31 December 2018.

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

On a YoY basis, CIMB Thai Group's consolidated operating income grew by THB 472.5 million or 3.5% to THB 14.2 billion coming from an increase in net interest income of THB 160.6 million or 1.5% YoY on the back of loan expansion and higher interest income on hire purchase business and investments. Net fee and service income improved by THB 362.3 million or 20.0%, due to higher fee income from insurance and debt capital markets. Other operating income decreased by THB 50.5 million or 4.5% mainly attributable to losses on financial instruments designated at fair value through profit or loss offset by gains from trading and foreign exchange transactions and an increase in gains on investments and gains on sale of NPLs.

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

CIMB Thai Group's interest expenses in 2019 amounted to THB 5.5 billion, a YoY increase of THB 950.6 million or 20.8%, largely from an increase in interest expenses on deposits.

For the year ended 31 December 2019, operating expenses rose by THB 1,148.1 million or 13.5% YoY, largely due to higher employee expenses and other operating expenses following an amendment bill to the Labour Protection Law which requires employers' higher compensation payment to employees who have retired or have 20 years of service or more. Coupled with expenses incurred from the business expansion strategy under the Fast Forward programme, the cost to income ratio moved higher to 68.1% in 2019, compared to 62.1% in 2018.

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

For the year ended 31 December 2019, CIMB Thai Group recorded a consolidated net profit of THB 1,501.6 million, an over 216-fold year-on-year growth of THB 1,494.7 million. The improvement was mainly attributable to a 47.7% decline in provisions as a result of rationalisation of the process to improve the asset quality and a 3.5% growth in operating income, partially offset by a 13.5% increase in operating expenses.

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

For the year 2019, CIMB Thai Group's return on equity was 4.0% compared with 0.0% in 2018, and the Bank's return on equity was 1.2% compared with (2.5)% in 2018, mainly due to an increase in net profit during the year.

## 14.2 Consolidated Financial Standing

### Assets

As at 31 December 2019, CIMB Thai Group's total assets amounted to THB 391.9 billion, a THB 36.0 billion or 10.1% growth from a year earlier, as detailed below:

Interbank and money market items (assets) were THB 6.4 billion, a THB 368 million or 5.4% decrease, mainly attributable to the Bank's liquidity management.

Derivative assets moved up by THB 20.1 billion or 85.8% to THB 43.5 billion, coming mainly from interest rate contracts and foreign exchange contracts.

Net investments stood at THB 86.8 billion, declining by THB 5.4 billion or 5.8% , mainly due to a decrease in available-for-sale securities, partially offset by an increase in securities designated at fair value through profit or loss and securities held for trading .

Net loans and accrued interest receivables were THB 229.9 billion, a 6.3% growth largely in retail segment.

Credit support assets on derivatives amounted to THB 15.0 billion, going up by THB 8.9 billion or 147.3%, which is in line with derivatives business.

### Asset quality

#### (a) Loans and loan concentration

As at 31 December 2019, CIMB Thai Group's total loans net of deferred revenue accounted for THB 240.1 billion, a growth of THB 13.8 billion or 6.1% from THB 226.3 billion as at 31 December 2018. Loans principally comprised housing loans, hire purchase receivables and manufacturing and commerce sectors, making up 67.9% of total loans. Housing loans represented the largest proportion, i.e. THB 78.7 billion or 32.8% of total loans, which was in line with the Bank's business strategy, followed by hire purchase receivables amounting to THB 42.7 billion or 17.8%, and manufacturing and commerce sectors THB 41.4 billion or 17.3% of total loans. Sectors with growth of loans were mainly hire purchase and housing, recording a YoY growth of 28.3% and 9.4% respectively.

Loans classified by type of business	31 December 2019		31 December 2018		Change	
	THB million	%	THB million	%	THB million	%
Agriculture and mining	8,349	3.5	6,956	3.1	1,393	20.0
Manufacturing and commerce	41,446	17.3	45,157	19.9	(3,711)	(8.2)
Real estate and construction	16,364	6.8	13,836	6.1	2,528	18.3
Public utilities and services	24,921	10.4	29,779	13.1	(4,858)	(16.3)
Personal loans	10,529	4.4	11,961	5.3	(1,432)	(12.0)
Housing loans	78,698	32.8	71,916	31.8	6,782	9.4
Hire purchase receivables	42,665	17.8	33,244	14.7	9,421	28.3
Others	17,108	7.0	13,451	5.9	3,657	27.2
<b>Total loans net of deferred revenue</b>	<b>240,080</b>	<b>100.0</b>	<b>226,300</b>	<b>100.0</b>	<b>13,780</b>	<b>6.1</b>

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 2019, CIMB Thai Group's net loans and accrued interest receivables (excluding loans to financial institutions) amounted to THB 240.5 billion, an increase of 6.1% compared with those as at 31 December 2018. Classification of loans is in compliance with the Bank of Thailand's notification. Pass loans stood at THB 216.9 billion, special-mention loans THB 12.3 billion, and non-performing loans classified as sub-standard, doubtful and doubtful of loss were reported at THB 3.4 billion, THB 1.6 billion, and THB 6.3 billion respectively.

CIMB Thai Group's loan loss coverage ratio was 94.1% as at 31 December 2019 compared to 107.0% as at the end of December 2018. As at 31 December 2019, total provisions stood at THB 10.6 billion, translating to a THB 5.0 billion excess over the Bank of Thailand's reserve requirements.

**(c) Non-performing loans (NPLs)**

The gross non-performing loans (NPLs) amounted to THB 11.3 billion, constituting to a gross NPL ratio of 4.6% compared to 4.3% as at 31 December 2018, arising from certain corporate accounts and retail segments. The Bank has continued to maintain the tightened credit underwriting standards and risk management policies, as well as focusing on improvement of efficiency in debt collection, monitoring and resolution of troubled debts.

**(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 cash 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 2019, CIMB Thai Group's total liabilities amounted to THB 353.4 billion, going up by THB 34.5 billion or 10.8% YoY as follows:

Deposits were THB 199.0 billion, up by THB 13.9 billion or 7.5% YoY, mainly from an increase in saving and fixed deposits.

Interbank and money market items (liabilities) were THB 43.4 billion, decreasing by THB 1.1 billion or 2.6% YoY, as a result of the Bank's liquidity management.

Financial liabilities designated at fair value through profit or loss declined by THB 11.1 billion or 31.2% to THB 24.4 billion, coming mainly from structured debentures.

Derivative liabilities went up by THB 20.3 billion or 83.7% to THB 44.7 billion, mainly due to interest rate contracts and foreign exchange rate contracts.

Debt issued and borrowings amounted to THB 25.8 billion, up by THB 6.9 billion or 36.1%, largely caused by an increase in structured debentures.

## Equity

As at 31 December 2019, CIMB Thai Group's equity was recorded at THB 38.5 billion, representing a growth of THB 1.6 billion or 4.3% from a year earlier, principally due to the net profit growth during the year.

## Off balance sheets: Commitments

As at 31 December 2019, the Bank and its subsidiaries had combined commitments of THB 3,761.5 billion, declining by THB 286.3 billion (7.1%) from THB 4,047.9 billion YoY, mostly from derivatives as indicated in the table below:

(THB million)

Off balance sheets: commitments	31 December 2019	31 December 2018	variance %
<b>Avals to bills and guarantees of loans</b>	<b>0</b>	<b>280</b>	<b>(100.0)</b>
<b>Liability under unmatured import bills</b>	<b>331</b>	<b>239</b>	<b>38.5</b>
<b>Letters of credit</b>	<b>605</b>	<b>1,185</b>	<b>(48.9)</b>
<b>Other commitments:</b>	<b>3,760,609</b>	<b>4,046,169</b>	<b>(7.1)</b>
Derivatives	3,704,444	3,998,256	(7.3)
Undrawn bank overdrafts	14,558	14,004	4.0
Undrawn credit line	17,307	21,139	(18.1)
Investments	12,005	1,567	666.1
Others	12,295	11,203	9.7
<b>Total</b>	<b>3,761,545</b>	<b>4,047,873</b>	<b>(7.1)</b>

## Liquidity

Cash and cash equivalent items, as indicated in the cash flow statement of CIMB Thai Group as at 31 December 2019, amounted to THB 1.4 billion, a net decrease of THB 397.5 million YoY. Details of the changes are as follows:

Net cash flows used in operating activities in 2019 were THB 8.0 billion. Losses from operations before changes in operating assets and liabilities were THB 7.2 billion, including THB 1.9 billion in pre-tax net profit for the year, and adjustments of non-cash items to net profit, stemming largely from interest income, gains on sale of investments and unrealised gains on revaluation of investments, partially offset with interest expenses, losses on financial liabilities designated at fair value through profit or loss and bad debts and doubtful accounts and losses on impairment. Operating assets for the year went up by THB 30.6 billion mainly from an increase in loans and credit support assets on derivatives. In addition, operating liabilities moved up by THB 22.1 billion, resulting from deposits and credit support liabilities on derivatives.

Net cash flows provided by investing activities were THB 17.1 billion, mostly coming from net cash received for available-for-sale securities.

Net cash flows used in financing activities were THB 9.4 billion, comprising proceeds from cash paid for redemption of borrowings

## 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 2019, the Bank had deposits, borrowings and loans classified by maturity as follows:

(Unit: THB billion)

Maturities	Loans*	%	Deposits*	%	Borrowings*	%
Payable on demand	17.6	7.5	72.3	34.6	0.1	0.1
Up to one year	45.7	19.5	127.2	60.8	37.9	49.4
Over one year	171.0	73.0	9.7	4.6	38.7	50.5
<b>Total</b>	<b>234.3</b>	<b>100.0</b>	<b>209.2</b>	<b>100.0</b>	<b>76.7</b>	<b>100.0</b>

\*Including interbank and money market items.

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

(Unit: THB billion)

Deposit categories	2019*		2018*		2017*	
	Amount	%	Amount	%	Amount	%
Current deposits	3.9	1.9	2.9	1.5	3.4	1.8
Savings deposits	68.3	32.6	59.0	30.2	67.6	35.6
Fixed deposits	137.0	65.5	133.4	68.3	118.8	62.6
<b>Total</b>	<b>209.2</b>	<b>100.0</b>	<b>195.3</b>	<b>100.0</b>	<b>189.8</b>	<b>100.0</b>

\*Including interbank and money market items.

## Credit Rating

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

September 2019

### 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)

May 2019

### 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 2019

**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 2019, CIMB Thai Group's assets were THB 38.5 billion higher than its liabilities, hence positive shareholders' equity. Its total consolidated capital funds amounted to THB 47.6 billion with capital adequacy ratio (BIS ratio) of 18.0%, exceeding the Bank of Thailand's regulatory requirement. Meanwhile, the Bank's capital funds amounted to THB 45.9 billion with BIS ratio of 17.4%.

**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 Bank of Thailand's regulations. As at 31 December 2019, the Bank's cash in hand, cash at the cash centre and cash at the Bank of Thailand totaled THB 2.2 billion. Its modified LDR was 96.7%, compared with 94.0% a year earlier, which was in line with its business plan.

### 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 2019 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 Mrs. Patima Jumpasut to sign every page of the documentation. If any page is not signed by Mrs. Patima Jumpasut, it will be deemed unconfirmed information.

Name	Positions	Signature
1. Encik Omar Siddiq Bin Amin Noer Rashid	Director	- Omar Siddiq Bin Amin Noer Rashid -
2. Mr. Adisorn Sermchaiwong	President and Chief Executive Officer	- Adisorn Sermchaiwong -

Name	Positions	Signature
Proxy Mrs. Patima Jumpasut	Head of Office of the President	- Patima Jumpasut -

**Attachment 1**

**Information on Directors, Management, Persons with Power and Company Secretary  
(As of 31 December 2019)**

# 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. Dato' Robert Cheim Dau Meng Age 68 years Chairman of the Board of Directors Member and Alternate Chairman of Nomination, Remuneration, and Corporate Governance Committee Date of appointment: 5 November 2008  <b>Total shareholding in Bank</b> No. of shares held as of year-end 2019 - By himself: <i>None</i> - By his spouse or minor children: <i>None</i>	<b>Education</b> - Fellow of the Institute of Chartered Accountants in England and Wales - Member of the Malaysian Institute of Accountants  <b>Training</b> - Global Board Leadership Summit, Singapore - Audit 101 Session - Friends of Thailand Circle Talk Series: Navigating ASEAN in a Turbulent World - Bank Negara Malaysia Annual Report 2018/Financial Stability and Payment Systems Report 2018 Briefing Session - Tech Risk Workshop - The Future of Fintech in ASEAN - Risk Posture Workshop - 3 <sup>rd</sup> Regional Directors' Sharing Session - 2020 Budget Focus Group Meeting Improving Access to Financing (Through Financial Innovation) - Sustainable Finance Conference by CIMB - Khazanah Megatrend Forum 2019 - SC Industry Dialogue 2019 (Corporate Finance) - FIDE Forum-Leadership In A Disruptive World – The Changing Role of Boards by Graham Poston - Enhancing Corporate Governance by Understanding Legal Liabilities "Act or Resign" by Malaysian Anti Corruption Commission - The Challenge of Building Cyber Resilience	<b>Listed companies</b>		
		<b>Period</b>	<b>Position</b>	<b>Company/Organisation</b>
		Nov 2019 - Present	Director	Pure Circle Limited
		<b>Non-listed companies and other companies and organisations</b>		
		<b>Period</b>	<b>Position</b>	<b>Company/Organisation</b>
		Mar 2019 - Present	Chairman	Malaysian Investment Banking Association
		May 2019 - Present	Director	Asian Banking School Sdn Bhd
		2012 - Present	Trustee	Yu Cai Foundation
		Jul 2015 - Present	Chairman	CIMB Investment Bank Bhd
		<b>Work experience within last 5 years</b>		
		<b>Period</b>	<b>Position</b>	<b>Company/Organisation</b>
		Nov 2015 - May 2018	Chairman	CIMB - Principal Asset Management Bhd
		Aug 2015 - Dec 2018	Trustee	CIMB Foundation
		2006 - Feb 2015	Non-executive Director	CIMB Group Holdings Bhd
		2006 - Feb 2015	Advisor	CIMB Investment Bank Bhd
		2005 - 2016	Chairman	Tanjong PCL
		2005 - 2014	Director	CIMB Securities International Pte Ltd.
		1999 - 2006	Executive Director	CIMB Investment Bank Bhd
		1993 - 1999	Chief Executive Officer	CIMB Investment Bank Bhd

Name of Director / Age / Position / Date of Appointment	Education	Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years		
2. Mrs. Watanan Petersik Age 58 years Independent Director Chairperson of Nomination, Remuneration, and Corporate Governance Committee Date of appointment: 25 April 2007	<b>Education</b> AB Bryn Mawr College, PA, U.S.A.  <b>Training</b> - Bursatra Sdn Bhd: Mandatory Accreditation Programme (MAP) for Directors of Public Listed Companies - Director Accreditation Program me(DAP), Class 83/2010, English Programme, Thai Institute of Directors (IOD) - Certificate, Singapore Institute of Directors Course: Role of Directors - The Challenge of Building Cyber Resilience	<b>Listed companies</b>		
		<b>Period</b>	<b>Position</b>	<b>Company/Organisation</b>
		2014 - Present	Independent Director	PTT Global Chemical PCL
		<b>Non-listed companies and other companies and organisations</b>		
		<b>Period</b>	<b>Position</b>	<b>Company/Organisation</b>
		Present	Non-executive Director	Jetanin Institute for Assisted Reproduction
<b>Total shareholding in Bank</b>		<b>Work experience within last 5 years</b>		
		<b>Period</b>	<b>Position</b>	<b>Company/Organisation</b>
No. of shares held as of year-end 2019 - By herself: <i>None</i> - By her spouse or minor children: <i>None</i>		2011 - 2018	Director	Lien Centre for Social Innovation, Singapore
				Management University
		2010 - 2018	Independent Director	CIMB Group Holdings Bhd
			Non-executive Director	
		2010 - 2018	Independent Director	CIMB Group Sdn Bhd
			Non-executive Director	
		2008 - 2018	Director	Asia Capital Advisory Pte Ltd.
		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 Advisor/Consultant	TPG Capital Asia
		<b>Listed companies</b>		
		<b>Period</b>	<b>Position</b>	<b>Company/Organisation</b>
		2018 - Present	Independent Director/Chairperson of the Audit Committee	Amata VN PCL.
	<b>Education</b> - Honorary of Doctor of Philosophy (Business Administration), Western			

Name of Director / Age / Position / Date of Appointment	Education	Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years		
		Non-listed companies and other companies and organisations		
		Period	Position	Company/Organisation
	University - Master of Business Administration (Finance), Thammasat University - Bachelor of Laws, Thammasat University - Bachelor of Accountancy (Accounting & Commerce), Thammasat University  <b>Training</b> - Advanced Audit Committee Programme (ACP), Class 31/2018, Thai Institute of Directors - Thai-Chinese Leadership Course, Class 1, Huachiew Chalermprakiet University in association with Beijing University - TLCA Leadership Development Program (LDP), Class 5, Thai Listed Companies Association in association with IMD Institute, Switzerland - Intermediate Certificate Course - Good Governance for Medical Executives (Class 5), King Prajadhipok's Institute and The Medical Council of Thailand - Certificate of Thailand Energy Academy (TEA 8), Thailand Energy	2018 - Present 2018 - Present  2018 - Present 2017 - Present 2017 - Present  2017 - Present 2017 - Present 2015 - Present  2011 - Present	Independent Director Non-executive Director/Director  Independent Director President Non-executive Director/Vice Chairperson Director Director Honorable Chairperson of SHIFT Challenge Fund Investment Committee Director	Amata City Bien Hoa, Vietnam Chinese Study Strengthening Committee, Huachiew Chalermprakiet University Ratchakarn Asset Management Co., Ltd. Thai Listed Companies Association (TLCA) Federation of Thai Capital Market Organisations (FETCO)  Center for Building Competitive Enterprises (CBCE) Collective Action Coalition against Corruption (CAC) The United Nations Capital Development Fund (UNCDF)  TISCO Foundation for Charity
Total shareholding in Bank		Work experience within last 5 years		
		Period	Position	Company/Organisation
No. of shares held as of year-end 2019 - By himself: <i>None</i> - By his spouse or minor children: <i>None</i>		2018 - Aug 2019     2015 - 2017 2010 - Apr 2019  2010 - 2016  2009 - 2010  2010 - Apr 2019  2014 - 2018	Non-executive Director/Chairperson of the Audit Sub-Committee/Member of Audit Sub-Committee/Member of Corporate Governance and Thai Social Responsibility Sub-Committee Director Executive Director/Member and Chairperson of the Executive Board Executive Director/Group Chief Executive Executive Director/Member of the Executive Board/President	The Stock Exchange of Thailand     Thai Listed Companies Association (TLCA) TISCO Financial Group PCL  TISCO Financial Group PCL  TISCO Financial Group PCL  TISCO Bank PCL  TISCO Securities Co., Ltd.

Name of Director / Age / Position / Date of Appointment	Education	Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years		
	Academy - Bhumipalung Phandin for Top Executives Program (Class 2), Chulalongkorn University - Thammasat Leadership Program (TLP 2), Thammasat University - Advanced Security Management Program (ASMP 4), Thailand National Defense College Association - Thailand Insurance Leadership	2014 - 2017	and Chief Operating Officer Executive Director/Member and Chairperson of the Executive Board	TISCO Asset Management Co., Ltd.
		2011 - 2017	Non-executive Director/Chairperson and Member of Audit Committee Independent Director/Chairperson of the Board of Directors/Member of the Audit Committee Director	TISCO Learning Centre Co., Ltd.

Name of Director / Age / Position / Date of Appointment	Education	Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years		
	Program (Class 2), OIC Advanced Insurance Institute - Top Executive Program in Commerce and Trade (TEPCOT 5), Commerce Academy, University of the Thai Chamber of Commerce - IOD Anti-Corruption Training Program for Corporate and Executives, Class 2/2012, Thai Institute of Directors - Certificate of Capital Market Academy Leadership Program (Class 12), Capital Market Academy - Director Certification Program (DCP 16/2002), Thai Institute of Directors - Correspondent Banking Seminar DB (Asia Pacific) Training Centre Pte Ltd. - The Challenge of Building Cyber Resilience	2010 - Apr 2019  2010 - 2016  2009 - 2010  2010 - Apr 2019  2014 - 2018  2014 - 2017  2011 - 2017	Social Responsibility Sub-Committee Director Executive Director/Member and Chairperson of the Executive Board Executive Director/Group Chief Executive Executive Director/Member of the Executive Board/President and Chief Operating Officer Executive Director/Member and Chairperson of the Executive Board Non-executive Director/Chairperson and Member of Audit Committee Independent Director/Chairperson of the Board of Directors/Member of the Audit Committee Director	TISCO Financial Group PCL  TISCO Financial Group PCL  TISCO Financial Group PCL  TISCO Bank PCL  TISCO Securities Co., Ltd.  TISCO Asset Management Co., Ltd.  TISCO Learning Centre Co., Ltd.
4. Mr. Chanmanu Sumawong Age 64 years Independent Director Member of Audit Committee Member of Nomination, Remuneration, and Corporate Governance Committee  Date of appointment: 20 April 2019	<b>Education</b> - Master of Comparative Law (A.P.), George Washington University, U.S.A. - Master of Law, George Washington University, U.S.A. - Thai Barrister of Law - Bachelor of Law (2 <sup>nd</sup> Class Honours), Thammasat University	<b>Listed companies</b>		
		<b>Period</b>	<b>Position</b>	<b>Company/Organisation</b>
		Present May 2017 - Present	Legal Head Independent Director/Member of Audit Committee/Member of Nomination and Remuneration Committee	Pruksa Real Estate PCL Finansa PCL
		<b>Non-listed companies and other companies and organisations</b>		
		<b>Period</b>	<b>Position</b>	<b>Company/Organisation</b>

Name of Director / Age / Position / Date of Appointment	Education	Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years		
<b>Total shareholding in Bank</b> No. of shares held as of year-end 2019 - By himself: <i>None</i> - By his spouse or minor children: <i>None</i>	<b>Training</b> - Director Accreditation Programme (DAP), Class 104/2013, Thai Institute of Directors (IOD) - The Challenge of Building Cyber Resilience	May 2017 - Present	Independent Director/Member of Audit Committee	Finansa Securities Ltd.
		<b>Work experience within last 5 years</b>		
		<b>Period</b>	<b>Position</b>	<b>Company/Organisation</b>
		Mar 2017 - Aug 2019	Chief Legal Officer	Thonburi Healthcare Group PCL
		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	Counsellor	Hunton & Williams (Thailand) Ltd.
		Apr 1996 - Nov 2011	Partner	Hunton & Williams (Thailand) Ltd.
		Apr 1989 - Apr 1996	Senior Associate	International Legal Counsellors Thailand Ltd.
		Apr 1989 - Apr 1996	Partner	International Legal Counsellors Thailand Ltd.
		Jun 1987 - Apr 1989	Secretary	The Central Labour Court
		Oct 1986 - June 1987	Judge	Nakhonratchasima Provincial Court
		Oct 1985 - Oct 1986	Judge	Nakhonratchasima Juvenile Court
		Oct 1984 - Oct 1985	Judge	Surin District Court
		Oct 1982 - Oct 1984	Judge Trainee	Surin District Court
5. Dr. Rom Hiranpruk Age 65 years Independent Director Member of Audit Committee Member and Alternate Chairman of Board Risk and Compliance Committee Date of appointment: 13 December 2018	<b>Education</b> - 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)  <b>Training</b> - IT Governance (ITG) Invited as observer for Class 1/2016, Thai Institute of Directors (IOD) - Corporate Governance for Capital Market Intermediaries (CGI), Class 1/2015, Thai Institute of Directors (IOD) - Advanced Audit Committee Programme (AAP), Class 14/2014, Thai Institute of Directors (IOD) - Financial Institutions Governance Programme (FIGP), Class 6/2013, Thai Institute of Directors (IOD)	<b>Listed companies</b>		
		<b>Period</b>	<b>Position</b>	<b>Company/Organisation</b>
		2009 - Present	Independent Director	TSFC Securities PCL
<b>Total shareholding in Bank</b> No. of shares held as of year-end 2019		<b>Non-listed companies and other companies and organisations</b>		
		<b>Period</b>	<b>Position</b>	<b>Company/Organisation</b>
		2017 - Present 2016 - Present	Director (Qualified) Independent Director/Audit Committee Member	The Electronic Transactions Commission Chic Republic Co., Ltd.
		2015 - Present 2008 - Present	Advisor to Foundation Chairman Co-Manager	Mae Fah Luang Foundation under Royal Patronage Wor Tor Tor for Sangkom Co., Ltd.
		<b>Work Experience within Last 5 Years</b>		
		<b>Period</b>	<b>Position</b>	<b>Company / Organization</b>

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>	<ul style="list-style-type: none"> <li>- Director Certification Programme (DCP), Class 172/2013, (sponsored by Bank of Thailand), Thai Institute of Directors (IOD)</li> <li>- Risk Management Committee Programme (RCP), Class 1/2013</li> <li>- Executive Grid Seminar (invitation only)</li> <li>- The Four Roles of Leadership Programme, sponsored by National Science and Technology Development Agency (NSTDA)</li> <li>- Capital Market Course, Class I, Capital Market Academy, The Stock Exchange of Thailand</li> <li>- Visiting Scholar to Computing Laboratories of the University of North Carolina, Microelectronics Corporation of North Carolina (MCNC), and North Carolina Supercomputer Center (NCSC)</li> <li>- The Challenge of Building Cyber Resilience</li> </ul>	2015 - 2018  2012 - 2018 2015 - 2017  2014 - 2017  2010 - 2012	Director (Qualified)  Director (IT expert) Director (Qualified)  Director (Qualified)  Director (Qualified)	Office of Knowledge Mangement and Development (Public Organisation) Payment Systems Committee, Bank of Thailand Software Industry Promotion Agency (Public Organisation) Broadcasting and Telecommunications Research and Development Fund for the Public Interest Board of Special Case, Department of Special Investigation, Ministry of Justice
6. Mr. Niti Jungnitnirundr Age 61 years Independent Director Member of Audit Committee  Date of appointment: 18 April 2019  <b>Total shareholding in Bank</b> No. of shares held as of year-end 2019 - By himself: <i>None</i> - By his spouse or minor children: <i>None</i>	<b>Education</b> <ul style="list-style-type: none"> <li>- Master Degree in Accountancy, Chulalongkorn University</li> <li>- Bachelor Degree in Accountancy, Chulalongkorn University</li> <li>- Post-Graduate Diploma in Auditing, Chulalongkorn University</li> <li>- Certified Public Accountant (Thailand)</li> <li>- Auditor approved by the Office of the Securities and Exchange Commission, Thailand (SEC)</li> <li>- Auditor approved by the Office of Insurance Commission (OIC), Ministry of Commerce</li> </ul> <b>Training</b> <ul style="list-style-type: none"> <li>- The Challenge of Building Cyber Resilience</li> </ul>	<b>Listed Companies</b>		
		<b>Period</b>	<b>Position</b>	<b>Company / Organization</b>
		-	-	-
		<b>Non-Listed Companies and Other Companies/Organisations</b>		
		<b>Period</b>	<b>Position</b>	<b>Company / Organization</b>
		2019 - Present	Member of the Board of University Affairs of Navamindradhiraj University	Navamindradhiraj University
		2017 - Present	Member of the Dignitary Sub-Committee on Audit Test Performance	Federation of Accounting Professions of Thailand
		2017 - Present	Member of Sub-Committee of Thailand CPA Examination	Federation of Accounting Professions of Thailand
		<b>Work Experience within Last 5 Years</b>		
		<b>Period</b>	<b>Position</b>	<b>Company / Organization</b>

Name of Director / Age / Position / Date of Appointment	Education	Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years		
		2006 - 2018 1996 - 2018 1998 - 2017  2008 - 2011  2005 - 2011  2001 - 2004  2001 - 2003  2000 - 2001	Director of Auditing Office Audit Partner Member of Sub-Committee of Thailand CPA Examination Auditing Standard Advisor  Member of Auditing Standard Committee Member of Committee of Career Development and Continuous Study Member of Committee Considering Auditors' Performance Member of Committee of Education	Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. Board of Supervision of Auditing Practices (BSAP), Federation of Accounting Profession The Office of the Securities and Exchange Commission, Thailand Federation of Accounting Professions of Thailand  The Institute of Certified Accountants and Auditors of Thailand The Office of the Securities and Exchange Commission, Thailand The Office of the Securities and Exchange Commission, Thailand
7. Mr. Natasak Rodjanapiches Age 57 years Independent Director Member of Board Risk and Compliance Committee  Date of appointment: 18 April 2019  <b>Total shareholding in Bank</b> No. of shares held as of year-end 2019 - By himself: <i>None</i> - By his spouse or minor children: <i>None</i>	<b>Education</b> - Master of Applied Science, University of Waterloo - Bachelor of Science, McGill University  <b>Training</b> - Director Certification Programme (DCP), Thai Institute of Directors (IOD) - The Challenge of Building Cyber Resilience	<b>Listed Companies</b>		
		<b>Period</b>	<b>Position</b>	<b>Company / Organization</b>
		-	-	-
		<b>Non-Listed Companies and Other Companies/Organisations</b>		
		<b>Period</b>	<b>Position</b>	<b>Company / Organization</b>
		Nov 2019 - Present Present Present 2018 - Present	Director Director Director Advisor to Board of Directors	Things On Net Co., Ltd. Urovo South East Asia Co., Ltd. Digiwealth Co., Ltd. Elernity (Thailand) Co., Ltd.
		<b>Work Experience within Last 5 Years</b>		
		<b>Period</b>	<b>Position</b>	<b>Company / Organization</b>
		2019 - Sep 2019 1997 - 2018 1992 - 1997 1990 - 1997 1988 - 1990	Director Managing Director Managing Director Managing Consultant Manager	KPMG Phoomchai Business Advisory Ltd. Oracle Corporation (Thailand) Co., Ltd. Tendem Computer Incorporated (Thailand) Co., Ltd. Price Waterhouse Co., Ltd. Bell Canada Enterprises
8. Ms. Serena Tan Mei Shwen Age 41 years Director Chairperson of Board Risk and Compliance Committee  Date of Appointment: 6 May 2014	<b>Education</b> - Aspen Fellowship for Finance Leaders - Master of Business Administration, Massachusetts Institute of Technology, U.S.A. - Bachelor of Commerce, Accounting & Finance, Macquarie University,	<b>Listed companies</b>		
		<b>Period</b>	<b>Position</b>	<b>Company/Organisation</b>
		-	-	-
		<b>Non-listed companies and other companies/organisations</b>		
		<b>Period</b>	<b>Position</b>	<b>Company/Organisation</b>
		Nov 2019 - Present Apr 2019 - Present	Alternate Director Director	Asia Capital Reinsurance Group (ACRG) Cenviro Sdn Bhd

Name of Director / Age / Position / Date of Appointment	Education	Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years		
<b>Total shareholding in Bank</b> No. of shares held as of year-end 2019 - By herself: <i>None</i> - By her spouse or minor children: <i>None</i>	Sydney, Australia - 7 <sup>th</sup> Form Bursary Certificate (Economics, Statistics, English, History), Aranui High School, Christchurch, New Zealand  <b>Training</b> - The Challenge of Building Cyber Resilience	Jan 2019 - Present Jan 2019 - Present  Dec 2017 - Present 2005 - Present	Alternate Director Alternate Director to John Kelly Thompson Director Executive Director	Agrifood Resources Holdings Sdn Bhd ACR Capital Holdings Pte Ltd.  CIMB Bank Bhd Investments, Khazanah Nasional Bhd, Kuala Lumpur, Malaysia
		<b>Work experience within last 5 years</b>		
		<b>Period</b> Apr 2018 - Jun 2018 Nov 2013 - Sep 2017 Apr 2008 - Oct 2009 Mar 2006 - Apr 2008  Oct 2005 - Mar 2006 Dec 2003 - Feb 2005 Apr 2001 - Dec 2003	<b>Position</b> Director Director Principal Senior Vice President, Office of the Chairman/Chief Executive Officer Vice President Associate Senior Analyst	<b>Company/Organisation</b> ACR Capital Holdings Pte Ltd. Acibadem Saglik ve Hayat Sigorta Oliviant Advisors (Seconded from Khazanah), Singapore Lippo Bank Tbk (Seconded from Khazanah), Jakarta, Indonesia Credit Cards Group Head Boston Consulting Group, Kuala Lumpur, Malaysia FIG Specialist, McKinsey & Company, Kuala Lumpur, Malaysia
9. Encik Omar Siddiq Bin Amin Noer Rashid Age 46 years Director (Authorised Signatory) Member of Board Risk and Compliance Committee Date of appointment : 30 January 2019  <b>Total shareholding in Bank</b> No. of shares held as of 2019 - By director himself: <i>None</i> - By his spouse and minor children: <i>None</i>	<b>Education</b> - Bachelor of Science (Economics), London School of Economics - Fellow member of the Institute of Chartered Accountants in England and Wales  <b>Training</b> - CFA charterholder as awarded by the CFA Institute - The Challenge of Building Cyber Resilience	<b>Listed Companies</b>		
		<b>Period</b>	<b>Position</b>	<b>Company / Organization</b>
		2018 - Present	Group Chief Operating Officer	CIMB Group Holding Bhd
		<b>Non-Listed Companies and Other Companies/Organisations</b>		
		<b>Period</b>	<b>Position</b>	<b>Company / Organization</b>
		-	-	-
		<b>Work Experience within Last 5 Years</b>		
		<b>Period</b>	<b>Position</b>	<b>Company / Organization</b>
		2018 - 2018 2016 - 2018	Head of Group Wholesale Banking Executive Director/Chief	RHB Group Malaysia Airlines
		2015 - 2015 2005 - 2015	Financial Officer Executive Director Managing Director	Khazanah Nasional CIMB Investment 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		
10. Encik Shahnaz Farouque Bin Jammal Ahmad Age 45 years Director (Authorised Signatory) Member of Board Risk and Compliance Committee Date of appointment: 21 February 2019  <b>Total shareholding in Bank</b> No. of shares held as of year-end 2019 - By himself: <i>None</i> - By his spouse or minor children: <i>None</i>	<b>Education</b> - Master's Degree, MPhil Economics, Wolfson College, University of Oxford - Bachelor's Degree, B.A. Economics, 1 <sup>st</sup> Class Honours (Double First), Sidney Sussex College, University of Cambridge  <b>Training</b> - The Challenge of Building Cyber Resilience	<b>Listed Companies</b>		
		<b>Period</b>	<b>Position</b>	<b>Company / Organization</b>
		2019 - Present	Chief Executive Officer, Group Wholesale Banking	CIMB Group Holdings Bhd
		<b>Non-Listed Companies and Other Companies/Organisations</b>		
		<b>Period</b>	<b>Position</b>	<b>Company / Organization</b>
<b>Total shareholding in Bank</b> No. of shares held as of year-end 2019 - By himself: <i>None</i> - By his spouse or minor children: <i>None</i>		-	-	-
		<b>Work Experience within Last 5 Years</b>		
		<b>Period</b>	<b>Position</b>	<b>Company / Organization</b>
		2014 - 2018 2004 - 2009	Group Chief Financial Officer European Head of Market Risk Market Risk Management	CIMB Group Holdings Bhd Goldman Sachs, London
		2002 - 2004 1999 - 2000	Financial Markets Group	Dresdner Kleinwort Wasserstein, London ABN Amro Bank, Malaysia
11. Mr. Adisorn Sermchaiwong Age 53 years Director (Authorised Signatory) Date of appointment: 4 December 2019 President and Chief Executive Officer  Date of appointment: 19 October 2019 Head of Consumer Banking and Acitng Head of Commercial Banking  <b>Total shareholding in Bank</b> No. of shares held as of year-end 2019 - By himself: <i>None</i> - By his spouse or minor children: <i>None</i>	<b>Education</b> - Master of Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University - Bachelor of Engineering, Chulalongkorn University  <b>Training</b> - Director Certification Programme (DCP), Thai Institute of Directors (IOD) - Advanced Management Programme, Oxford University - Capital Market Academy Leadership Programme, Capital Market Academy (CMA), Class 1 - CIMB-INSEAD Leadership	<b>Listed Companies</b>		
		<b>Period</b>	<b>Position</b>	<b>Company / Organization</b>
		-	-	-
		<b>Non-listed companies and other companies and organisations</b>		
		<b>Period</b>	<b>Position</b>	<b>Company / Organization</b>
<b>Total shareholding in Bank</b> No. of shares held as of year-end 2019 - By himself: <i>None</i> - By his spouse or minor children: <i>None</i>		2015 - Present	Chairman/Authorised Director	CT Coll Co., Ltd.
		<b>Work experience within last 5 years</b>		
		<b>Period</b>	<b>Position</b>	<b>Company / Organization</b>
		Aug 2019 - Oct 2019	Acting President and Chief Executive Officer/Head of Consumer Banking/Acting Head of Commercial Banking	CIMB Thai Bank PCL
		May 2019 - Jul 2019	Acting President and Chief Executive Officer/Head of Consumer Banking	CIMB Thai Bank PCL
		Mar 2019 - Apr 2019	Senior Executive Vice President/Head of Consumer Banking and Fast Forward Project	CIMB Thai Bank PCL
		2016 - Dec 2019 2015 - Dec 2019 2015 - Apr 2019	Chairman/Authorised Director Chairman/Authorised Director Authorised Director	CIMB Thai Auto Co., Ltd. WorldLease Co., Ltd. Finansa Asset Management 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		
	Programme (CLP), In House International Course (CIMB Group) - Corporate Governance for Capital Market Intermediaries (CGI), Class 17/2016, Thai Institute of Directors (IOD)	2012 - Jul 2019 2012 - Mar 2019  Jun 2010 - 2012  2008 - 2010  2002 - 2007	Authorised Director Senior Executive Vice President/Head of Consumer Banking Executive Director, Country Head of Channels Executive Vice President, Saving & Investment Products President	CIMB-Principal Asset Management Co., Ltd. CIMB Thai Bank PCL  United Overseas Bank (Thai) PCL  Siam Commercial Bank PCL  SCB Asset Management Co., Ltd.
12. Assoc.Prof. Dr. Ismaae Alee Age 69 years Shariah Advisor  Date of appointment: 1 August 2011	<b>Education</b> - 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	<b>Listed companies</b>		
		<b>Period</b>	<b>Position</b>	<b>Company/Organisation</b>
		-	-	-
		<b>Non-listed companies and other companies and organisations</b>		
		<b>Period</b>	<b>Position</b>	<b>Company/Organisation</b>
<b>Total shareholding in Bank</b>		2014 - Present 2007 - Present	Chairman Member/Chairman of Halal Affairs	Orphans Foundation Central Islamic Council of Thailand (CICOT)
No. of shares held as of year-end 2019 - By himself: <i>None</i> - By his spouse or minor children: <i>None</i>		<b>Work experience within last 5 years</b>		
		<b>Period</b>	<b>Position</b>	<b>Company/Organisation</b>
		2010 - 2011 2008 - 2010	Head of Delegation Member	Thai Haj Delegation Shariah Advisory Council, Securities Commission, Malaysia
		2007 - 2010 2006 - 2010	Associate Professor of Islamic Law Head	Advisory Council for Peace Building in Southern Border Provinces of Thailand College of Islamic Studies (CIS), Prince of Songkla University (PSU)
		2002 - 2010	Director	Doctoral Degree in Islamic Studies of CISPSU College of Islamic Studies (CIS-PSU)
13. Asst. Prof. Dr. Maroning Salaming Age 54 years Shariah Advisor  Date of appointment: 1 August 2011	<b>Education</b> - Ph.D., Principles of Islamic Jurisprudence, Islamic University of Madinah, Saudi Arabia - Master of Arts, Principles of Islamic Jurisprudence, Islamic	<b>Listed companies</b>		
		<b>Period</b>	<b>Position</b>	<b>Company/Organisation</b>
		-	-	-
		<b>Non-listed companies and other companies/organisations</b>		
		<b>Period</b>	<b>Position</b>	<b>Company/Organisation</b>
		2016 - Present	Haj Affairs Committee B.E. 2559	Central Islamic Council of Thailand

Name of Director / Age / Position / Date of Appointment	Education	Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years		
	University of Madinah, Saudi Arabia - Bachelor of Arts, Islamic Law, Islamic University of Madinah, Saudi Arabia	2016 - Present 2016 - Present 2015 - Present  2013 - Present 2011 - Present  2010 - Present  2008 - Present  2006 - Present  2005 - Present	President, Shariah Transactions President, Office AmirunHajj Advisor of Director, College of Islamic Studies Expert Sheikhul Islam Member of Shariah Advisory Council Consultant/Working Committee Member Advisor on Ph.D. Thesis  Advisor on Master's Degree Thesis Professor of Islamic Law Department	Dhipaya Takaful Sheikhul Islam College of Islamic Studies, Prince of Songkla University, Pattani Campus Sheikhul Islam Provinces Administration Centre Koperasi Bina Berhad Sheikhul Islam  College of Islamic Studies, Prince of Songkla University, Pattani Campus College of Islamic Studies, Prince of Songkla University, Pattani Campus College of Islamic Studies, Prince of Songkla University, Pattani Campus
<b>Total shareholding in Bank</b>		<b>Work experience within last 5 years</b>		
No. of shares held as of year-end 2019 - By himself: <i>None</i> - By his spouse or minor children: <i>None</i>		<b>Period</b>	<b>Position</b>	<b>Company/Organisation</b>
		2013 - 2014  2012 - 2014    2011 - 2013 2009 - 2015  2008 - 2010	Deputy Secretary-General  Specialised Committee Member   Specialised Council Member Member of Management Committee of Ph.D Programme Adoption of Islamic Laws in Southern Border Provinces	Southern Border Provinces Administration Centre Hajj Promotion Committee of Southern Border Provinces of Thailand, pursuant to the appointment order of Southern Border Provinces Administration Centre Council for Yala Primary Educational Service Area 1 College of Islamic Studies, Prince of Songkla University, Pattani Campus Pursuant to the order of Sub Committee on Policy and Coordination of Judicial Process in Southern Border Provinces

Name of Director / Age / Position / Date of Appointment	Education	Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years		
<b>14. Mr. Sutee Losoponkul</b> Age 59 years Co-Head of Wholesale Banking Head of Treasury  Date of appointment: 1 April 2011  <b>Total shareholding in Bank</b>  No. of shares held as of year-end 2019 - By himself: <i>None</i> - By his spouse or minor children: <i>None</i>	<b>Education</b> - MBA, National Institute of Development Administration (NIDA) - B.Sc. (Industrial Engineering), Prince of Songkla University  <b>Training</b> - The National Defence College of Thailand - Market Risk for Treasury Products, New York Institute of Finance (Financial Times) - Asset and Liability Management, Chase Manhattan Bank, Singapore - Treasury Training Scheme, Institute of Banking and Finance (IBF), Singapore <ul style="list-style-type: none"> <li>Offshore Deposit Market</li> <li>Foreign Exchange Arithmetic</li> <li>Financial Future</li> <li>Options</li> <li>Citibank Bourse Game</li> </ul>	<b>Listed companies</b>		
		<b>Period</b>	<b>Position</b>	<b>Company/Organisation</b>
		<b>Non-listed companies and other companies and organisations</b>		
		<b>Period</b>	<b>Position</b>	<b>Company/Organisation</b>
		Mar 2011 - Present	Director	CGS-CIMB Securities (Thailand) Co., Ltd.
		<b>Work experience within last 5 years</b>		
		<b>Period</b>	<b>Position</b>	<b>Company/Organisation</b>
		Apr 2013 - Oct 2019	Director	The Thai Bond Market Association
<b>15. Mr. Arthit Masathirakul</b> Age 53 years Head of Risk Management Date of appointment: 1 January 2017  <b>Total shareholding in Bank</b>  No. of shares held as of year-end 2019 - By herself: <i>None</i> - By her spouse or minor children: <i>None</i>	<b>Education</b> Master of Business Administration, University of Colorado at Boulder, U.S.A.  <b>Training</b> - Senior Credit Officer Workshop, Standard Chartered Bank, Thailand - Assets Valuation, Standard Chartered Bank, Hong Kong - Executive Programme, INSEAD, Fontainebleau, France - Engaging & Managing People, Standard Chartered Bank, London - Market Risks, Standard Chartered Bank, Hong Kong - Credit Skills Assessment (OMEGA), Standard Chartered Bank	<b>Listed companies</b>		
		<b>Period</b>	<b>Position</b>	<b>Company/Organisation</b>
		<b>Non-listed companies and other companies and organisations</b>		
		<b>Period</b>	<b>Position</b>	<b>Company/Organisation</b>
		2005 - Present	Authorised Director	Advance Business Management Corporation Co.,
		<b>Work experience within last 5 years</b>		
		<b>Period</b>	<b>Position</b>	<b>Company/Organisation</b>
		Feb 2014 - Jul 2016 Apr 2010 - Jan 2014	Head of Risk Head of Loan Management	Deutsche Bank AG, Bangkok Branch The Hongkong and Shanghai Banking Corporation Ltd., Bangkok, Thailand

Name of Director / Age /Position / Date of Appointment	Education	Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years																										
	<ul style="list-style-type: none"><li>- Corporate Finance, Deutsche Bank AG, Singapore</li><li>- Senior Credit Workshop (OMEGA), CIMB Thai Bank Public Company Limited</li><li>- Data Governance, CIMB Thai Bank Public Company Limited</li><li>- Leading into the Future CIMB Thai Bank Public Company Limited</li><li>- Onboarding Session for CIMB Leader CIMB Thai Bank Public Company Limited</li></ul>	2005 - 2008  Jul 1994 - May 2005	Advisor, Alternate Investment Group  Executive Vice President, Group Special Assets Management	Standard Chartered Bank, Hong Kong  Standard Chartered Bank, Bangkok Branch																								
16. Mr. Pornchai Padmindra Age 47 years Co-Head of Wholesale Banking Head of Corporate Banking and Investment Banking  Date of appointment: 1 September 2013	<b>Education</b> <ul style="list-style-type: none"><li>- Bachelor of Accounting, Kasetsart University</li><li>- AFS Scholarship Student Exchange Programme</li></ul> <b>Training</b> <ul style="list-style-type: none"><li>- 2008: Director Accreditation Programme (DAP), Class 73/2008, Thai Institute of Directors (IOD)</li><li>- 2016: Capital Market Academy - Greater Mekong Sub-region 2 (CMA-GMS2), Stock Exchange of Thailand</li></ul>	<b>Listed companies</b> <table><tr><th>Period</th><th>Position</th><th>Company/Organisation</th></tr><tr><td>-</td><td>-</td><td>-</td></tr></table> <b>Non-listed companies and other companies and organisations</b> <table><tr><th>Period</th><th>Position</th><th>Company/Organisation</th></tr><tr><td>-</td><td>-</td><td>-</td></tr></table> <b>Work experience within last 5 years</b> <table><tr><th>Period</th><th>Position</th><th>Company/Organisation</th></tr><tr><td>Sep 2011 - Aug 2013</td><td>Executive Vice President, Corporate Banking Team 2</td><td>Thanachart Bank PCL</td></tr><tr><td>Oct 2008 - Aug 2011</td><td>Executive Vice President, Origination &amp; Client Coverage</td><td>Standard Chartered Bank (Thai)</td></tr><tr><td>Mar 2007 - Sep 2008</td><td>Managing Director</td><td>Citicorp Securities (Thailand) Ltd.</td></tr></table>			Period	Position	Company/Organisation	-	-	-	Period	Position	Company/Organisation	-	-	-	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.
Period	Position	Company/Organisation																										
-	-	-																										
Period	Position	Company/Organisation																										
-	-	-																										
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.																										
<b>Total shareholding in Bank</b>																												
No. of shares held as of year-end 2019 - By herself: <i>None</i> - By her spouse or minor children: <i>None</i>																												
17. Mrs. Bussakorn Puttinan Age 63 years Head of Information and Operations  Date of appointment: 4 January 2017	<b>Education</b>  Bachelor of Science (Agriculture Economics), Chiang Mai University  <b>Training</b> <ul style="list-style-type: none"><li>- Core Operations, Managing People, Citibank, Singapore</li><li>- Custody Services, E-Business, Citibank, Singapore and Hong Kong</li></ul>	<b>Listed companies</b> <table><tr><th>Period</th><th>Position</th><th>Company/Organisation</th></tr><tr><td>-</td><td>-</td><td>-</td></tr></table> <b>Non-listed companies and other companies and organisations</b> <table><tr><th>Period</th><th>Position</th><th>Company/Organisation</th></tr><tr><td>-</td><td>-</td><td>-</td></tr></table>			Period	Position	Company/Organisation	-	-	-	Period	Position	Company/Organisation	-	-	-												
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-	-	-																										
<b>Total shareholding in Bank</b>																												
No. of shares held as of year-end 2019																												

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>	- Process Management, Quality ISO, Citibank, Singapore - Risk in Financial Market, Citibank, Philippines - Executive Programme, Columbia Business School, Columbia University	Work experience within last 5 years		
		Period	Position	Company/Organisation
		Nov 2015 - Feb 2016 2015	Advisor to President Senior Executive Vice President	Krungthai Bank PCL Siam Commercial Bank PCL
		2008 - 2014	First Executive Vice President, Corporate Operations Division	Siam Commercial Bank PCL
18. Ms. Siriporn Sanunpairaue Age 55 years Head of Corporate Assurance  Date of appointment: 22 February 2010	<b>Education</b> - Master of Business Administration, Thammasat University - Bachelor of Accounting, Thammasat University  <b>Training</b> - CIMB-INSEAD Leadership Programme - CIA Preparation, Institute of Internal Auditors of Thailand - Certified Professional Internal Auditor (CPIA), Institute of Internal Auditors of Thailand - Chief Audit Executive (CAE) Forum 2019, Bank & Financial Institution Internal Audit Club			
		Period	Position	Company/Organisation
		-	-	-
		Non-listed companies and other companies and organisations		
		Period	Position	Company/Organisation
		-	-	-
<b>Total shareholding in Bank</b>				
No. of shares held as of year-end 2019 - By himself: <i>None</i> - By his spouse or minor children: <i>None</i>		Work experience within last 5 years		
		Period	Position	Company/Organisation
		2007 - 2008	Senior Vice President, Head of Internal Audit Department	Standard Chartered Bank (Thai)
		2006 - 2007	Senior Audit Manager, Group Internal Audit	Standard Chartered Bank
		2006	Head of Compliance	Calyon Bank, Bangkok Branch
		2003 - 2005	Head of ASEAN Hub Audit (Excl. Indonesia and Singapore)	Deutsche Bank, Bangkok Branch

Name of Director / Age / Position / Date of Appointment	Education	Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years		
		1992 - 2005	Country Head of Audit – Thailand	Deutsche Bank, Bangkok Branch
		1986 - 1992	Bank Examiner, Bank Supervision and Examination Department	Bank of Thailand
19 Mrs. Kanokpai Vongsatitporn Age 46 years Head of Human Resources  Date of appointment: 30 December 2016  <b>Total shareholding in Bank</b>  No. of shares held as of year-end 2019 - By herself: <i>None</i> - By her spouse or minor children: <i>None</i>	<b>Education</b> - Master of Business Administration, Kasetsart University - Bachelor of Business Administration (MIS/Finance), Thammasat University  <b>Training</b> - 2013: CPP/Potentia, MBTI Certification Programme - 2013: CPP/Potentia, MBTI Type and Coaching	<b>Listed companies</b>		
		<b>Period</b>	<b>Position</b>	<b>Company/Organisation</b>
		-	-	-
		<b>Non-listed companies and other companies and organisations</b>		
		<b>Period</b>	<b>Position</b>	<b>Company/Organisation</b>
		-	-	-
		<b>Work experience within last 5 years</b>		
		<b>Period</b>	<b>Position</b>	<b>Company/Organisation</b>
		2012 - 2014	Chief Human Resources Officer	FWD Life Insurance PCL
		2011 2005 - 2011	Acting Head of Human Resources Vice President, Human Resources	Hongkong and Shanghai Banking Corporation Hongkong and Shanghai Banking Corporation
20. Mr. Jason Leong Kok Yew Age 48 years Head of Finance  Date of appointment: 30 December 2016  <b>Total shareholding in Bank</b>	<b>Education</b> Bachelor of Economics, Macquarie University, Australia  <b>Training</b> - CIMB-INSEAD Leadership Programme, Cohort 8 - Strategic Financial Leadership Programme (SFLP) 2019, Thai Listed Companies Association	<b>Listed companies</b>		
		<b>Period</b>	<b>Position</b>	<b>Company/Organisation</b>
		-	-	-
		<b>Non-listed companies and other companies and organisations</b>		
		<b>Period</b>	<b>Position</b>	<b>Company/Organisation</b>
		2019 - Present	Director	Principal Asset Management Co., Ltd.
		<b>Work experience within last 5 years</b>		
		<b>Period</b>	<b>Position</b>	<b>Company/Organisation</b>

Name of Director / Age / Position / Date of Appointment	Education	Directorship and Positions Held in Other Companies/Organisations and Work Experience within Last 5 Years		
No. of shares held as of year-end 2019 - By herself: <i>None</i> - By her spouse or minor children: <i>None</i>		2008 - 2016 2005 - 2008 2000 - 2005	Director, Group Finance Accounting Department Manager	CIMB Bank Bangkok Bank PCL PricewaterhouseCoopers/IBM
21. Mr. Tan Keat Jin Age 45 years Deputy Head of Consumer Banking Date of appointment: 1 August 2019  <b>Total shareholding in Bank</b>  No. of shares held as of year-end 2019 - By himself: <i>None</i> - By his spouse or minor children: <i>None</i>	<b>Education</b> - Master of Business Administration (Merit), University of Bath, United Kingdom - Bachelor of Engineering (1st Class Honours), University College London, United Kingdom  <b>Training</b> - CIMB-INSEAD Executive Development Programme, Cohort 4	<b>Listed companies</b>		
		<b>Period</b>	<b>Position</b>	<b>Company/Organisation</b>
		-	-	-
		<b>Non-listed companies and other companies and organisations</b>		
		<b>Period</b>	<b>Position</b>	<b>Company/Organisation</b>
		Present Present Present	Director Director Director	WorldLease Co., Ltd. CIMB Thai Auto Co., Ltd. Sathorn Asset Management Co., Ltd.
		<b>Work experience within last 5 years</b>		
		<b>Period</b>	<b>Position</b>	<b>Company/Organisation</b>
		2016 - 2019 2013 - 2015 2011 - 2013  2006 - 2011	Head of Strategy General Manager Portfolio Management Lead  Programme Lead with specialisation in areas of Corporate Banking, SME Banking, Treasury, Finance, Risk Management, IT and Operations	CIMB Thai Bank PCL CIMB Bank, London Branch Private Equity – Portfolio Management, CIMB Group 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)
		22. Mr. Prapas Thongsuk Age 56 years Head of Corporate Communications  Date of appointment: 1 April 2010  <b>Total shareholding in Bank</b>  No. of shares held as of year-end 2019 - By himself: <i>None</i>	<b>Education</b> - Master of Business Administration, National Institute of Development Administration (NIDA) - Bachelor of Education, Chulalongkorn University	<b>Listed companies</b>
<b>Period</b>	<b>Position</b>			<b>Company/Organisation</b>
-	-			-
<b>Non-listed companies and other companies/organisations</b>				
<b>Period</b>	<b>Position</b>			<b>Company/Organisation</b>
-	-			-
<b>Work experience within last 5 years</b>				

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>	<b>Training</b> - A Business Creativity (ABC), Class 8 (2018), Sripatum University - National Defence College, Class 59 (2016 - 2017) - CIMB-INSEAD Leadership Programme, Cohort 3	<b>Period</b>	<b>Position</b>	<b>Company/Organisation</b>
		2004 - 2010	Senior Vice President, Corporate Marketing	Krungthai Card PCL
23. Mr. Zethjak Leeyakars Age 50 years Head of Compliance  Date of appointment: 24 February 2017	<b>Education</b> - Master of Arts in Economic Development and Policy Analysis, University of Nottingham, U.K. - Master of Business Administration in Finance, University of Texas at San Antonio, U.S.A. - Bachelor of Business Administration in General Management, Chulalongkorn University  <b>Training</b> - Central Bank Course - Bourse Game, Citibank - Commercial Banking Course - Risk Management in Financial Institutions - Macroeconomic Management, SEACEN, Malaysia - Anti-Corruption: The Practical Guide 25/2016 (ACPG) (IOD) - Company Secretary Program, Class 70/2016 (IOD) - Director Certification Programme (DCP), Class 276/2019, IOD	<b>Listed companies</b>		
		<b>Period</b>	<b>Position</b>	<b>Company/Organisation</b>
		-	-	-
		<b>Non-listed companies and other companies and organisations</b>		
		<b>Period</b>	<b>Position</b>	<b>Company/Organisation</b>
		-	-	-
<b>Total shareholding in Bank</b>				
No. of shares held as of year-end 2019 - By himself: <i>None</i> - By his spouse or minor children: <i>None</i>		<b>Work experience within last 5 years</b>		
		<b>Period</b>	<b>Position</b>	<b>Company/Organisation</b>
		Jul 2016 - Feb 2017	Executive Vice President, Compliance	Bangkok Bank PCL
		Mar 2015 - Jun 2016	Executive Vice President, Compliance & Procedure	Krungthai Bank PCL
		Nov 2005 - Feb 2015	Sector Executive Director, Head of	JP Morgan Chase Bank
		Oct 2003 - Oct 2005	Compliance 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		
24. Mr. Lim Yeong Thian Age 38 years Head of Strategy  Date of appointment: 1 August 2019  <b>Total shareholding in Bank</b>  No. of shares held as of year-end 2019 - By himself: <i>None</i> - By his spouse or minor children: <i>None</i>	<b>Education</b> Bachelor of Arts in Computer Science and Economics, Cornell University, Ithaca, New York, U.S.A.  <b>Training</b> CIMB-INSEAD Leadership Programme, Cohort 7	<b>Listed companies</b>		
		<b>Period</b>	<b>Position</b>	<b>Company/Organisation</b>
		-	-	-
		<b>Non-listed companies and other companies and organisations</b>		
		<b>Period</b>	<b>Position</b>	<b>Company/Organisation</b>
		-	-	-
		<b>Work experience within last 5 years</b>		
		<b>Period</b>	<b>Position</b>	<b>Company/Organisation</b>
		2008 - July 2019	Director, Corporate Strategy and Planning	CIMB Bank Berhad
25. Mr. Jittiwat Kantamala Age 58 years Head of Private Banking  Date of appointment: 12 June 2017  <b>Total shareholding in Bank</b>  No. of shares held as of year-end 2019 - By himself: <i>None</i> - By his spouse or minor children: <i>None</i>	<b>Education</b> - Master of Business Administration (Finance & Marketing), University of Illinois at Urbana-Champaign, U.S.A. - Master of Economics (Pure Theory), Graduate School, Chulalongkorn University - Bachelor of Economics, Chulalongkorn University  <b>Training</b> - 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	<b>Listed companies</b>		
		<b>Period</b>	<b>Position</b>	<b>Company/Organisation</b>
		-	-	-
		<b>Non-listed companies and other companies/organisations</b>		
		<b>Period</b>	<b>Position</b>	<b>Company/Organisation</b>
		-	-	-
		<b>Work experience within last 5 years</b>		
		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		
	AG, Singapore  - FATCA Orientation ( e-learning), Standard Chartered, Singapore  - Reputational Risk (e-learning), Standard Chartered, Singapore  - Anti-Money Laundering, Counter-terrorist Financing and Sanctions, Standard Chartered, Singapore  - Operational Risk (e-learning), Standard Chartered, Singapore			
26. Mr. Paisan Thumpothong Age 54 years Head of Transaction Banking  Date of appointment: 1 May 2019	<b>Education</b>  - Master of Science (M.Sc.), Computer Science, Chulalongkorn University  - Bachelor of Science (B.Sc.), Chemical Engineering, Chulalongkorn University	<b>Listed companies</b>		
		<b>Period</b>	<b>Position</b>	<b>Company/Organisation</b>
		-	-	-
		<b>Non-listed companies and other companies/organisations</b>		
		<b>Period</b>	<b>Position</b>	<b>Company/Organisation</b>
		-	-	-
<b>Total shareholding in Bank</b>	<b>Training</b>  - Leader as A Coach  - Marketing in Action  - Practical Trade Finance  - Working Capital Solution  - Blue Ocean	<b>Work experience within last 5 years</b>		
No. of shares held as of year-end 2019 - By herself: <i>None</i> - By her spouse or minor children: <i>None</i>		<b>Period</b>	<b>Position</b>	<b>Company/Organisation</b>
		2014 - 2018	Head of Transaction Banking	Thanachart Bank PCL
		2014 - 2014	Head of TB Product and Channel Management	Siam Commercial Bank PCL
		2012 - 2013	Head of GTS Channel Management	Siam Commercial Bank PCL
		2009 - 2012	Head of Business Channel and Network Management	TMB Bank PCL
		1999 - 2009	Head of Solution Delivery	Standard Chartered Bank
27. Ms. Uthaiwan Sukphanpim Age 51 years Head of Customer Experience Management  Date of appointment: 1 August 2018	<b>Education</b>  - Master of Business Administration (Finance & International Business),	<b>Listed companies</b>		
		<b>Period</b>	<b>Position</b>	<b>Company/Organisation</b>
		-	-	-
		<b>Non-listed companies and other companies/organisations</b>		

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
	Saint Louis University, Missouri, U.S.A.	-	-	-
<b>Total shareholding in Bank</b>	- Bachelor of Business Administration (Accounting), Thammasat University  <b>Training</b> - Situational Leadership Programme - Coaching for Trusted Leader - Crisis Communication Framework - Kindness Service Recovery Programme - 9 Gears Business Performance - One-Minute Manager	<b>Work experience within last 5 years</b>		
No. of shares held as of year-end 2019 - By herself: <i>None</i> - By her spouse or minor children: <i>None</i>		Period	Position	Company/Organisation
		2013 - 2018	Senior Vice President, Customer Advocacy & Service Quality	United Overseas Bank Thai PCL
		2002 - 2008	Deputy Director, Operations Support, Customer	True Corporation PCL
		2000 - 2002	Management	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
28. Ms. Pajaree Thongvanit Age 39 years Head of Legal Date of appointment: 1 May 2018	<b>Education</b> - Master of Law (Merit), University of Warwick, United Kingdom - Bachelor of Law (Honors), Chulalongkorn University  <b>Training</b> - Women Leadership Course,	<b>Listed companies</b>		
		Period	Position	Company/Organisation
		-	-	-
<b>Total shareholding in Bank</b>		<b>Non-listed companies and other companies/organisations</b>		
		Period	Position	Company/Organisation
		-	-	-
		<b>Work experience within last 5 years</b>		
No. of shares held as of year-end 2019 - By herself: <i>None</i>		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		
- By her spouse or minor children: None	Standard Chartered Bank (Jakarta), Indonesia  - Effective Coaching, Standard Chartered Bank  - Senior Lawyer Development Course, Clifford Chance (Thailand) Limited	2016 - 2018 2014 - 2016  2012 - 2014  2009 - 2012  2007 - 2009	Senior Vice President, Legal Senior Vice President, Head of Legal, Wholesale Banking Legal Senior Vice President, Wholesale Banking Legal Vice President, Wholesale Banking Legal Senior Associate	CIMB Thai Bank PCL Standard Chartered Bank (Thai)  Standard Chartered Bank (Thai)  Standard Chartered Bank (Thai)  Clifford Chance (Thailand) Limited
29. Ms. Waewalai Wattana  Age 55 years Head of Financial Control Date of appointment: 17 Sept 2018	<b>Education</b>  - Master of Science in Accounting, Thammasat University  - B.B.A Accounting, Thammasat University	<b>Listed companies</b>		
		<b>Period</b>  -	<b>Position</b>  -	<b>Company/Organisation</b>  -
<b>Total shareholding in Bank</b>	<b>Training</b>  - New Financial reporting standards (IFRS9, IFRS16, etc)  - PWC Thailand's 2019 Symposium	<b>Non-listed companies and other companies/organisations</b>		
No. of shares held as of year-end 2019 - By herself: None - By her spouse or minor children: None		<b>Period</b>  -	<b>Position</b>  -	<b>Company/Organisation</b>  -
30. Mrs. Patima Jumpasut  Age 55 years Company Secretary Date of appointment: 30 September 2019	<b>Education</b>  - BA in LL.B., Faculty of Law, Chulalongkorn University, Thailand (1981 – 1985)  <b>Training</b>  - Effective Minute Taking Program	<b>Work experience within last 5 years</b>		
		<b>Period</b>  2011 - 2018	<b>Position</b>  Financial Control	<b>Company/Organisation</b>  TMB Bank Public Company Limited
<b>Total shareholding in Bank</b>		<b>Listed companies</b>		
		<b>Period</b>  -	<b>Position</b>  -	<b>Company/Organisation</b>  -
<b>Total shareholding in Bank</b>		<b>Non-listed companies and other companies/organisations</b>		
		<b>Period</b>  -	<b>Position</b>  -	<b>Company/Organisation</b>  -
		<b>Work experience within last 5 years</b>		
		<b>Period</b>	<b>Position</b>	<b>Company/Organisation</b>

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 her spouse or minor children: None	(IOD) – 2558 - Ultimate Leadership 2557 - Board Reporting Program (IOD) - 2557 - Company Reporting Program (IOD) 2557 - Company Secretary Program (IOD) 2557 - Director Certificate Program (DCP) 98/2551 Thai Institute of Directors (IOD)	Oct 2018 - Sep 2019  Feb 2007 - Apr 2018  Jan 2003 - Jan 2007 Jan 1999 - Dec 1999	Senior Vice President, Office of the President Senior Vice President II, Head of Corporate Secretariat Translator Translator	Bangkok Bank PCL.  United Overseas Bank (Thai) PCCL  White & Case (Thailand) Limited Johnson Stokes and Master

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

## Directors' and senior executives' share ownership in subsidiary companies

Information as at 31 December 2019 compared with information as at 31 December 2018:

Particulars	No. of shares held As at 31 Dec 19 (Shares)	No. of shares held As at 31 Dec 18 (Shares)	No. of shares increased (decreased)
Mr. Adisorn Sermchaiwong President and Chief Executive Officer			
- WorldLease Co., Ltd.	1	1	-
- CT COLL Co., Ltd.	6	6	-
- CIMB Thai Auto Co., Ltd.	2	2	-
Mr. Zethjak Leeyakars Head of Compliance			
- CIMB Thai Auto Co., Ltd.			-
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 2019)**

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. Dato' Robert Cheim Dau Meng	A,E				F	A	F	J	A															
2. Mrs. Watanan Petersik	C,G,E									C	E													
3. Mrs. Oranuch Apisaksirikul	C,V,E											C,V	C	E,F	C	R	E,B	F	F	AF	F			
4. Mr.Chanmanu Sumawong	C,D,M,E																					AG	C,D,M	C,D
5. Dr. Rom Hiranpruk	C,D,AH,E																							
6. Mr. Niti Jungnitnirundr	C,D,E																							
7. Mr. Natasak Rodjanapiches	C,AI,E																							
8. Ms. Serena Tan Mei Shwen	F,X,E																							
9. Encik Omar Siddiq Bin Amin Noer Rashid	AD,AI																							
10. Encik Shahnaz Farouque Bin Jammal Ahmad	AD,AI																							
11. Mr. Adisorn Sermchaiwong	AD, O																							
12. Mr. Sutee Losoponkul	P																							
13. Mr. Arthit Masathirakul	P																							
14. Mr. Pornchai Padmindra	P																							
15. Mrs. Bussakorn Puttinan	P																							
16. Ms. Siriporn Sanunpairaue	P																							
17. Mrs.Kanokpai Vongsatitporn	P																							
18. Mr. JasonLeong kok Yew	P																							
19. Mr. Tan Keat Jin	P																							
20. Mr. Lim Yeong Thian	Z																							
21. Mr. Prapas Thongsuk	P																							
22. Mr. Paisan Thumpothong	Z																							
23. Mr.Jittiwat Kantamala	Z																							
24. Mr.Zethjak Leeyakars	P																							
25. Ms. Uthaiwan Sukphanpim	Z																							
26. Ms. Pajaree Thongvanit	Z																							

Name	Bank	Subsidiaries			Others / Affiliate Companies																									
		1	2	3	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44		
1. Dato’ Robert Cheim Dau Meng	A,E																													
2. Mrs. Watanan Petersik	C,G,E																													
3. Mrs. Oranuch Apisaksirikul	C,V,E																													
4. Mr.Chanmanu Sumawong	C,D,M ,E																													
5. Dr. Rom Hiranpruk	C,D,A H,E				C	AK	C, D	AL	AM																					
6. Mr. Niti Jungnitnirundr	C,D,E									AM	AN	AO																		
7. Mr. Natasak Rodjanapiches	C,A,I,E													F	F	F	A P													
8. Ms. Serena Tan Mei Shwen	F,X,E																A E	F	A E	AC	F	A D								
9. Encik Omar Siddiq Bin Amin Noer Rashid	AD,AI																						AJ							
10. Encik Shahnaz Farouque Bin Jammal Ahmad	AD,AI																							L						
11. Mr. Adisorn Sermchaiwong	AD, O			A, T																										
12. Mr. Sutee Losoponkul	P																								F					
13. Mr. Arthit Masathirakul	P																									T				
14. Mr. Pornchai Padmindra	P																													
15. Mrs. Bussakorn Puttinan	P																													
16. Ms. Siriporn Sanunpairaue	P																													
17. Mrs.Kanokpai Vongsatitporn	P																													
18. Mr. JasonLeong kok Yew	P																										F			
19. Mr. Tan Keat Jin	P	F	F																										F	
20. Mr. Lim Yeong Thian	Z																													
21. Mr. Prapas Thongsuk	P																													
22. Mr. Paisan Thumpothong	Z																													
23. Mr.Jittiwat Kantamala	Z																													
24. Mr.Zethjak Leeyakars	P																													
25. Ms. Uthaiwan Sukphanpim	Z																													
26. Ms. Pajaree Thongvanit	Z																													

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	Chief Executive Officer, Group Wholesale Banking
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	Chairman of Board Risk and Compliance Committee
Y	Chief Legal Officer	Z	Executive Vice President	AA	Advisor to Foundation Chairman
AB	Co-Manager	AC	Alternate Director to John Kelly Thompson	AD	Executive Director
AE	Alternate Director	AF	Honorable Chairperson of SHIFT Challenge Fund Investment Committee	AG	Legal Head
AH	Member and Alternate Chairman of Board Risk and Compliance Committee	AI	Member of Board Risk and Compliance Committee	AJ	Group Chief Operating Officer
AK	Director (Qualified)	AL	Advisor to Foundation Chairman	AM	Member of the Board of University Affairs of Navamindradhiraj University
AN	Member of the Dignitary Sub-Committee on Audit Test Performance	AO	Member of Sub-Committee of Thailand CPA Examination	AP	Advisor to Board of Directors

### **Subsidiaries**

1. CIMB THAI Auto Co., Ltd.

2. World Lease Co., Ltd.

3. CT COLL Co., Ltd.

**Others / Affiliate Companies**

1.	Pure Circle Limited	2.	Malaysian Investment Banking Association	3.	Asian Banking School Sdn Bhd
4.	Yu Cai Foundation	5.	CIMB Investment Bank Berhad	6.	PTT Global Chemical PCL
7.	Jetanin Institute for Assisted Reproduction	8.	Amata VN PCL.	9.	Amata City Bien Hoa, Vietnam
10.	Chinese Study Strengthening Committee, Huachiew Chalemprakiet University	11.	Ratchakarn Asset Management Co., Ltd	12.	Thai Listed Companies Association (TLCA)
13.	Federation of Thai Capital Market Organisations (FETCO)	14.	Center for Building Competitive Enterprises (CBCE)	15.	Collective Action Coalition against Corruption (CAC)
16.	The United Nations Capital Development Fund (UNCDF)	17.	TISCO Foundation for Charity	18.	Prukso Real Estate PCL
19.	Finansa PCL	20.	Finansa Securities Ltd.	21.	TSFC Securities PCL
22.	The Electronic Transactions Commission	23.	Chic Republic Co., Ltd.	24.	Mae Fah Luang Foundation under Royal Patronage
25.	Wor Tor Tor for Sangkom Co., Ltd.	26.	Navamindradhiraj University	27.	Federation of Accounting Professions of Thailand
28.	Federation of Accounting Professions of Thailand	29.	Things On Net Co., Ltd.	30.	Urovo South East Asia Co.,Ltd.
31.	Digiwealth Co., Ltd.	32.	Elernity (Thailand) Co., Ltd.	33.	Asia Capital Reinsurance Group (ACRG)
34.	Cenviro Sdn. Bhd.	35.	Agrifood Resources Holdings Sdn Bhd	36.	ACR Capital Holdings Pte Ltd.
37.	CIMB Bank Bhd	38.	Investments, Khazanah Nasional Bhd, Kuala Lumpur, Malaysia	39.	CIMB Group Holding Bhd.
40.	CIMB Group Holding Bhd.	41.	CGS-CIMB Securities (Thailand) Co., Ltd.	42.	Advance Business Management Corporation Co., Ltd
43.	Principal Asset Management Co., Ltd.	44.	Sathorn Asset Management Co., Ltd.		

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

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

Details of education backgrounds and work experiences of Head of Internal Audit and Head of Compliance are as in Attachment 1 (items no. 18 and 23).

**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 four independent directors. The members of the Audit Committee are:

- |                               |   |
|-------------------------------|---|
| 1. Mrs. Oranuch Apisaksirikul | Chairperson<br>(Appointed on 26 June 2019 in replacement of Mr. Maris Samaram who retired by rotation with effect from 18 April 2019) |
| 2. Mr. Chanmanu Sumawong      | Member  |
| 3. Dr. Rom Hiranpruk          | Member  |
| 4. Mr. Niti Jungnitnirundr    | Member (Appointed on 18 April 2019)   |

The Audit Committee has performed duties in accordance to the scope of responsibilities defined in the Audit Committee Charter and specific responsibilities delegated by the Board of Directors. The Audit Committee supported the Bank's good corporate governance in accountability, transparency, fairness, integrity and check and balance, which reserved the best interests of stake holders. In 2019, the Audit Committee held a total of 13 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:

#### Financial Statements

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.

#### Internal Control System

Reviewed the adequacy of the internal control system including control over Information Technology system and cyber resilience based on the internal audit reports of Corporate Assurance, external audit report, IT external expert reports, 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. 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. In addition, the Audit Committee has also recommended the Bank to establish and/or enhance certain policies and procedures to strengthen the internal control system.

#### Risk Management System

Reviewed the effectiveness of the enterprise wide risk management process and 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.

#### Regulatory Compliance

Reviewed the effectiveness of compliance with applicable laws and regulations, as well as monitored to ensure the necessary remedial actions of regulatory audit issues had timely been taken by senior management.

#### External Auditor

Reviewed and assessed the independence, professional qualification and performance of the external auditor as well as the overall scope of audit of semi-annual and annual financial statements and review of interim financial statements. Considered the selection of the external auditor and determination of the audit fee for proposal to the Board of Directors for further recommendation to the shareholders for approval.

**Related Party and Other Related Company Transactions**

Reviewed and assessed related party and other related company transactions or transactions that may cause conflict of interest prior to the Board of Directors' approval.

**Overseeing Internal Audit**

Reviewed and approved the Internal Audit Charter and Policy, audit risk assessment framework for annual audit planning, annual audit plan and credit review plan. On a monthly basis, the Audit Committee reviewed the internal audit result, provided recommendations and followed up the corrective actions.

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 presented fairly in all material aspect and in accordance with financial reporting standards and the generally accepted accounting principles. The overall internal control systems, risk management, procedures to ensure compliance with applicable laws and regulations, and independent internal audit systems conducted in accordance with internal audit standards are adequate to support the current business of the Bank.

- Oranuch Apisaksirikul -

(Mrs. Oranuch Apisaksirikul)  
Audit Committee Chairperson

**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 2019, the Committee continued to ensure that the Bank considered and nominated names of qualified candidates for positions of directors and senior executives of the Bank, and with appropriate remuneration and benefits according to their duties and responsibilities. In addition, the Committee also reviewed the Bank's Corporate Governance Policy in 2019.

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 commensurate with 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 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 salary and bonus 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 submit them to the Board for approval.
6. To review corporate governance guidelines for relevant units and present them to the Board for approval with a view to enhancing good corporate governance of the Bank.
7. To review the Bank's staff benefits.

The Committee is of the opinion that the remuneration for directors and senior executives in 2019 was in line with their duties and responsibilities, the individuals' performance, the overall economic situation, 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 and enable the Bank to be aware of any weaknesses so as to prevent 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 2019.

- Omar Siddiq Bin Amin Noer Rashid -  
(Mr. Omar Siddiq Bin Amin Noer Rashid)  
Director

- Adisorn Sermchaiwong -  
(Mr. Adisorn Sermchaiwong)  
President and Chief Executive Officer

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