

ASEAN

CATALYST

Annual Report 2017

Business Strategy

Operating Model

Culture



Vision & Mission

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.

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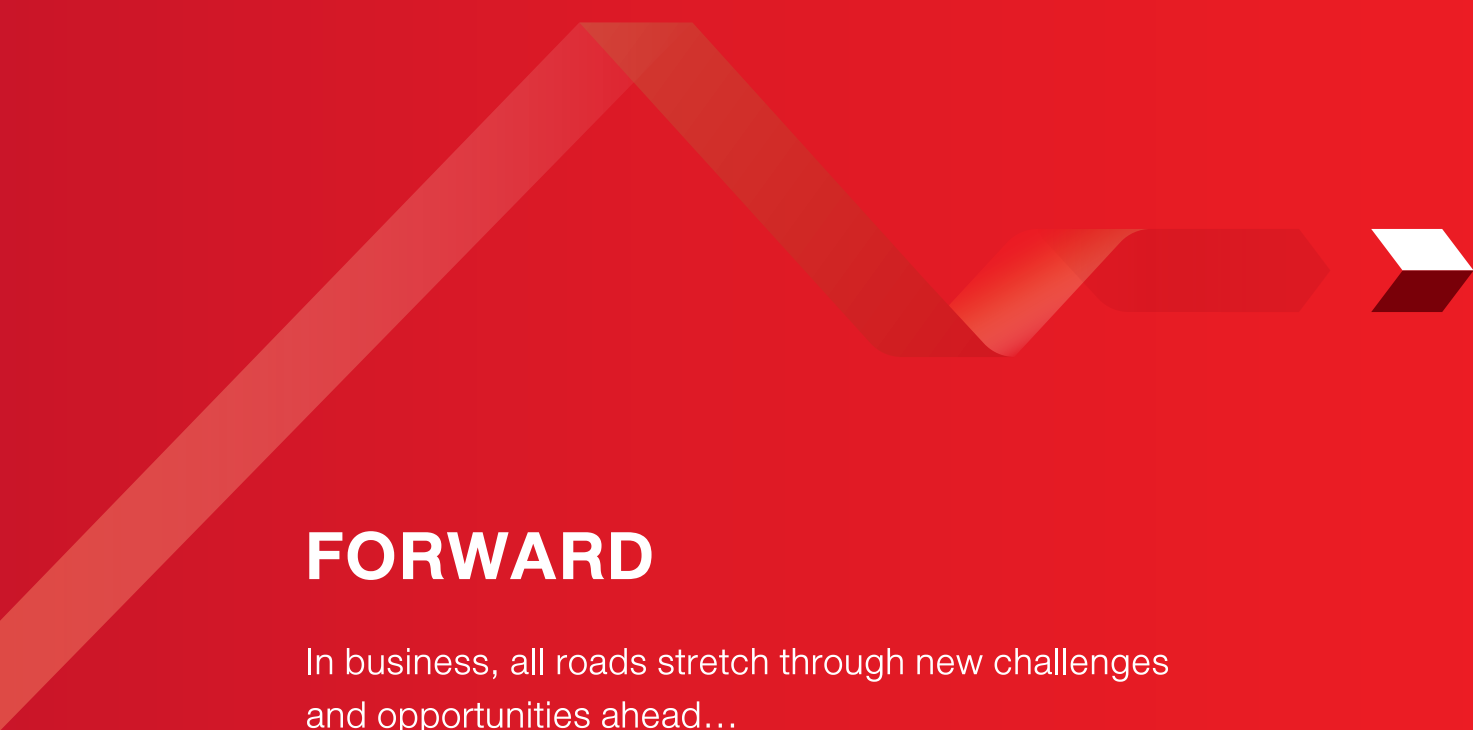


TOWARDS T18

T18

Our target for 2018:

We aspire to be a leading ASEAN company and leader in our home market.



FORWARD

In business, all roads stretch through new challenges and opportunities ahead...

Let CIMB THAI bring you financial independence in your move FORWARD to reach your goal.

Drawing on our team's specialised expertise and competence, we're truly ready to offer you financial innovations and solutions through our strong ASEAN networks to help you translate opportunities into your success stories.

To us, that's really what FORWARD is all about.



Corporate Banking and Investment Banking, Wholesale Banking



FORWARD Your Vision

Take the next step for higher success.
A leader's vision marks the beginning
of every business.

CIMB THAI enhances your business
by providing swift, agile, and
comprehensive suite of solutions
leading you to boundless opportunities.

Our mandate is to bring your business
success to the next level.

CIMB Group's network covers
9 of 10 ASEAN member countries.

The Group's asset size ranks
No. 5 regionally.

Commercial Banking



FORWARD Your Identity

Take the next step with personality.
A small business's charm is in its identity.

CIMB THAI understands each customer's individuality. We welcome customers with unique needs and we're ready to take you to new markets, where we specialise, to extend your identity in the world.

Small business does not mean small opportunities.

CIMB Group's Research Centre houses a whole spectrum of data to help you plan your ASEAN market growth.

Cross border financial transaction services at special rates.









Consumer Banking



FORWARD **Your Convenience**

Take the next step with convenience.
We are ready to offer financial services
to you anywhere, anytime.

CIMB THAI redefines customer
appreciation and customer care by
incorporating the Bank into your lifestyles
— whether its online, the next-door
convenience stores, or the gas stations
around the corner.

We believe that convenience for
our customers will bring us closer
together.

CIMB THAI: First bank in Thailand with
mini-branches in convenience stores.

Our pilot mini-branches: Sitabutr,
Thanon Sukprayun, and Ratchaphruek.

Treasury, Wholesale Banking



FORWARD Your Opportunity

Take the next step to greater opportunities.
Superior services will turn your risk to reward.

CIMB THAI is ready to offer our well-rounded expertise to our customers as they navigate the rapidly changing business environment to ensure your business operates seamlessly.

Always assisting as you leverage opportunities anywhere, anytime.



CIMB THAI financial products are developed to keep pace with changing times. International finance and investment journals have recognised us as the “Best Structured Products House, Thailand” and “Best Credit Derivatives House, Thailand” (The Asset Triple A Private Banking, Wealth Management, Investment and ETF Awards 2017) among other accolades.





Financial Highlights

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NET
PROFIT

161.1%

BIS
RATIO

17.0%

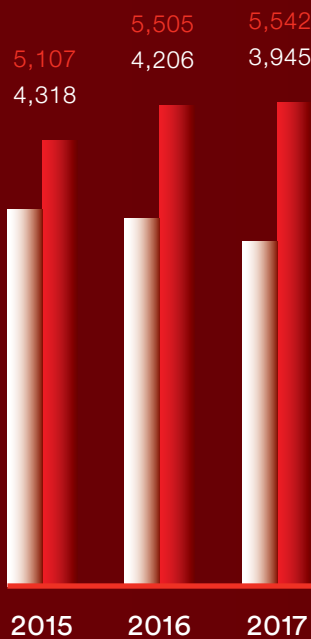
NIM

3.89%

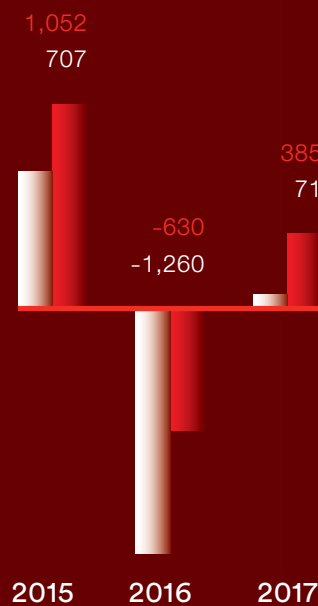
GROSS LOAN
GROWTH*

2.6%

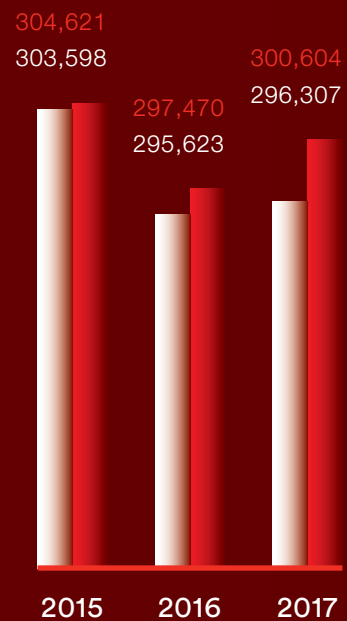
**Pre-Provision
Operating Profit**
(THB Million)



Net Profit
(THB Million)



Assets
(THB Million)



● Bank Only ● Consolidated

Share Price (THB / Share)

1.05

2015

1.28

2016

1.07

2017

In THB Million

Consolidated

Bank Only

At Year End

	2015	2016	2017	2015	2016	2017
Total liabilities	277,513	270,765	267,552	277,281	270,335	264,983
Shareholders' equity	27,108	26,705	33,052	26,317	25,288	31,324
Net interest income	8,477	9,866	10,202	6,884	7,917	7,588
Non - interest income	3,757	3,062	2,952	3,351	2,455	2,476
Total income	12,234	12,928	13,155	10,235	10,372	10,064
Basic earning per share (Baht)	0.05	- 0.02	0.01	0.03	- 0.05	0.00
Book value per share (Baht)	1.10	1.11	1.10			
Share price per share (Baht)	1.05	1.28	1.07			

Gross Loans* / THB Million



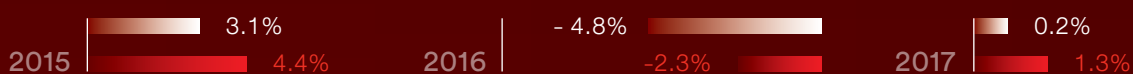
Deposits / THB Million



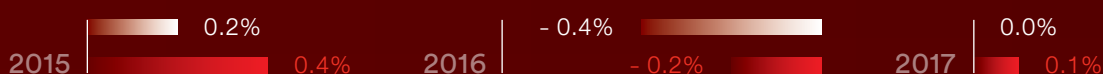
BIS Ratio



ROE



ROA



Gross NPL Ratio



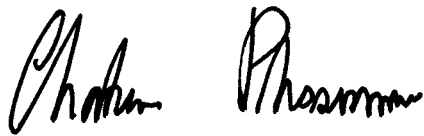
* Net deferred revenue

● Bank Only

● Consolidated

Chakramon Phasukavanich

Chairman of
the Board of Directors



"The Board fully supports senior management and team on their endeavor to achieve their aspiration and we truly believe it will generate beneficial returns to all stakeholders."

Dear Shareholders,

In 2017, CIMB Thai continued its journey to mark itself as the leading ASEAN Bank for all stakeholders and we themed the year as "Forward CIMB Thai" to reflect this drive. Looking back, the Thai economy expanded by 3.9% in 2017, up from 3.3% in 2016, which sent a positive signal that the economy is on its path to recovery. Similarly, the Bank reported a consolidated net profit of THB 384.9 million, or a 161.1% growth year on year (YoY), compared to a net loss of THB 629.5 million in 2016. This performance recovery resulted mainly from higher operating income, better cost management, and lower provisions. Non-performing loans (NPL) are on a downward trend as the Bank's NPL ratio dropped to 4.8%, reaffirming that our core operating fundamentals remained healthy and there are no systemic asset quality issues.

In the past year, the Bank highlighted its efforts to fulfil its aspiration of becoming an 'ASEAN Bank' in Thailand with the scale of a mid-tier bank within five years. This bold aspiration was backed with a robust plan on how we will grow each segment to attain the target. The plan was titled 'Fast Forward' to reflect the rapid transformation the Bank will undergo. Fast Forward will include a selective focus on where the Bank will invest and compete in terms of products and segments, on how we will better utilise our ASEAN platform and work more closely with the Group, and how continued efforts will be placed to manage asset quality. Also, a rigorous program management cadence has been implemented keeping senior management engaged and well-informed throughout this journey. The Board fully supports senior management and team on their endeavor to achieve this aspiration and we truly believe it will generate beneficial returns to all stakeholders.

Moreover, in our business operation, the Board, Management Committee and all CIMB Thai staff are committed to good corporate governance. Placing shareholder interest first, we will ensure to operate our business with transparency, adopt good governance practices, maintain our anti-corruption policy, and uphold our code of ethics. We highly value the trust our shareholders place in us.

On behalf of the Board of Directors, I would like to reaffirm our commitment to shareholders on delivering sustainable returns, and would like to extend my gratitude for their continuous trust and support. To #teamCIMBThai, thank you for your hard work in driving us towards being the leading ASEAN Bank in Thailand.



Kittiphun Anutarasoti

President and
Chief Executive Officer



Dear Shareholders,

The Thai economy has continued on its path of economic recovery. The economy expanded by 3.9% in 2017 mainly driven by the growth in export and tourism, while consumption and private investment recovered at a relatively slower pace. Although there is domestic stability here in Thailand, the world has seen its fair share of challenges this past year. Globally, we faced uncertainties in major markets, recovery in world crude oil prices, and geopolitical risk in certain regions. Despite all these challenges, Thailand has remained resilient and we believe it will stay this way in 2018.

In 2017, CIMB Thai posted a consolidated net profit of THB 384.9 million, an increase of THB 1,014.4 million or 161.1% year on year (YoY) from a net loss of THB 629.5 million. We have recorded the highest ever pre-provision operating profit of THB 5,542 million. Growth in operating income, better cost management and lower provisions were the key driving force behind performance improvement.

The Bank's operating income rose to THB 13,154.7 million or 1.8% YoY, resulting from an increase in net interest income by THB 336.7 million, or 3.4% YoY, and improvement in net fee and service income of THB 308.9 million, or 18.9% YoY. However, there was a marginal increase in operating expenses of THB 189.4 million, or 2.6% YoY, from higher personnel expenses and other expenses. Furthermore, the cost to income ratio (CI) increased 45 basis points from 57.4% to 57.9% largely due to one-off expenses relating to business rationalisation. Excluding this, the Bank's CI would improve to 56.9%. Net interest margin continued to strengthen to 3.89% due to more efficient funding cost management.

With focused efforts in risk management, sale of NPLs, asset quality management and loan collection, our NPL ratio dropped 131 basis points to 4.8% and loan loss coverage improved to 93.2% from 77.3% in the previous

year. Provisions also dropped by 19.5% YoY. Moreover, we have continued to maintain a solid capital position where our BIS and Tier-1 capital stood at 17.0% and 12.9% respectively, both well above the regulatory requirement and internal capital targets.

There was a strong momentum in Consumer Banking driven by the wealth segment and digital banking segment. We expanded our strategic partnership with both 7-11 convenience store chain and SPAR, a supermarket provider at Bangchak gas station, to open mini-branches as an alternate channel for banking services. We recalibrated our business platform under Commercial Banking and are ready to selectively grow. By establishing stricter underwriting standards and a proactive approach in asset quality management, there was positive momentum in business growth. Profitability has improved in Wholesale Banking from active asset quality management. CIMB Thai achieved ranking no. 3 in Thailand's Merger & Acquisition League Table, up from ranking no. 23 in 2016. Furthermore, Investment banking and Financial Institutions remained a key driver for business growth, and Private Banking has ramped up business activity this past year.

CIMB Thai has a strong foundation of integrity, trust and ethical behavior in all our business. Our commitments to stakeholders extend beyond taking deposits and extending loans, and we realise that our people play a big role in making a difference. Therefore, we work hard in creating an environment where our colleagues can be at their best and do their best. Furthermore, we are committed to corporate social responsibility, such that we actively conduct and engage in financial education projects for school children in rural provinces. Today, our efforts have touched more than 7,000 lives in communities nationwide and we will continue to strive to make a difference for our people and our communities in the years to come.

Fast Forward to 2018, the Management Committee has aligned on a new aspiration to become an 'ASEAN Bank' in Thailand with the scale of a mid-tier bank within five years. This bold aspiration means we will be refocusing our time and efforts to grow mindfully and sustainably, with CIMB Group's full support and commitment on this transformation journey. The Bank will exit and deprioritise non-core business and selectively grow in areas of strength. We will continue focusing on asset quality management and execute our Fast Forward transformation plan to meet our aspirational target. Furthermore, our strategic priorities remain anchored on the 5 C's - Customer, Culture, Compliance, Cost and Capital. In the midst of Bank-wide transformation, the Management Committee will continue to place priority on shareholder interest.

Lastly, on behalf of the Management Committee and all CIMB Thai employees, I would like to express my deepest gratitude to our shareholders, customers, and business partners for their continued support, dedication and commitment to CIMB Thai.

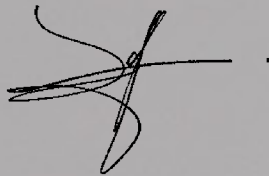


"The Management Committee aligned on a new aspiration to become an 'ASEAN Bank' in Thailand with the scale of a mid-tier bank within five years."



Tengku Dato' Sri Zafrul Aziz

Group Chief Executive Officer,
CIMB Group



"By leveraging on the Group's expertise, strong regional network and enhanced regional operating model, CIMB Thai is poised to deliver better products and services to our customers."

Dear Shareholders,

In 2017, the world economy accelerated at its strongest pace since the start of the decade. Global growth and trade surged. In most developing and developed economies, consumer confidence grew, industrial production rose and unemployment fell. Prices for energy commodities rebounded following steady demand and falling inventory. Despite uncertainties from the "America First" Trump Administration and geopolitical risks in the Korean peninsula, markets worldwide showed relatively low volatility. Closer to home, ASEAN member countries saw robust growth on the back of a sharp acceleration in exports and an upturn in manufacturing.

In particular, we remain encouraged by the continued momentum of the Thai economy which grew 3.9% driven by strong growth in tourism and exports. Infrastructure development was another key theme for Thailand with THB 895.8 billion of investments made in 2017. Moving forward, the Thai economy is expected to grow by 4.0% in 2018 on the back of stronger exports and continued public infrastructure investment, particularly from China's Belt and Road Initiative.

This optimism is reflected in the 2017 financial results of CIMB Thai which reported a record pre-provision operating profit of THB 5,542 million on the back of strong traction in the Consumer segment and continued cost discipline. Total provisions declined 19.5% Y-o-Y which contributed to CIMB Thai's consolidated net profit growth of 161.1% to THB 384.9 million. Moving forward, CIMB Thai will focus on executing its Fast Forward plan to achieve its aspiration of becoming an 'ASEAN Bank' in Thailand with the scale of a mid-tier bank within five years. It will also continue to digitise operations, optimise its physical presence and diligently manage asset quality. By leveraging on the Group's expertise, strong regional network and enhanced regional operating model, CIMB Thai is poised to deliver better products and services to our customers.

Group wise, we will remain focused on delivering our T18 programmes anchored on our strategic priorities – Customer, Capital, Cost, Culture and Compliance. Concurrently, 2018 will see the development of new revenue growth areas including the launch of our digital bank in Vietnam and the completion of the Group's ASEAN footprint via a presence in the Philippines. Together, these measures form the bedrock in realising our vision of being a leading ASEAN universal bank.

Finally, on behalf of CIMB Group, I extend my deepest gratitude to the Bank of Thailand, the Chairman and the Board, the management and staff of CIMB Thai, our customers and you, our shareholders, for your continued contribution to the success of CIMB Thai.

Board of Directors

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Mr. Chakramon Phasukavanich

Chairman



Dato' Robert Cheim Dau Meng

Vice Chairman

Member and Alternate Chairperson of Nomination,
Remuneration and Corporate Governance Committee



Mrs. Watanan Petersik

Independent Director

Chairperson of Nomination, Remuneration
and Corporate Governance Committee



Mr. Pravej Ongartsittigul

Independent Director

Member of Audit Committee



Mr. Chitrapongse Kwangsukstith

Director

Member and Alternate Chairman
of Board Risk Committee



Dato' Lee Kok Kwan

Director
Chairman of Board Risk Committee



Ms. Serena Tan Mei Shwen

Director
Member of Board Risk Committee



Mr. Maris Samaram

Independent Director
Chairman of Audit Committee



Dato' Shaarani Bin Ibrahim

Independent Director
Member of Audit Committee
Member of Nomination, Remuneration
and Corporate Governance Committee



Mr. Kittiphun Anutarasoti

President and Chief Executive Officer

Management Committee

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Mr. Kittiphun Anutarasoti

President
and Chief Executive Officer



Mr. Sutee Losoponkul

Co-Head of Wholesale Banking
and Head of Treasury



Mr. Jason Leong Kok Yew

Head of Finance



Mr. Akash Rathke

Head of Transaction Banking



Mrs. Bussakorn Puttitan

Head of Information and Operations



Mr. Zethjak Leeyakars

Head of Compliance and Acting Head
of Office of the President



Mrs. Wareemon Niyomthai

Head of Commercial Banking



Mr. Arthit Masathirakul

Head of Risk Management



Mr. Pornchai Padmintra

Co-Head of Wholesale Banking
and Head of Corporate Banking and
Investment Banking



Mr. Adisorn Sermchaiwong

Head of Consumer Banking



Mr. Tan Keat Jin

Head of Strategy



Ms. Siriporn Sanunpairaue

Head of Internal Audit



Mr. Prapas Thongsuk

Head of Corporate Communications



Mr. Jittiwat Kantamala

Head of Private Banking



Mrs. Kanokpai Vongsatitporn

Head of Human Resources

**Chairman /
Board of Directors**

President & CEO

**Human
Resources**

Strategy

Finance

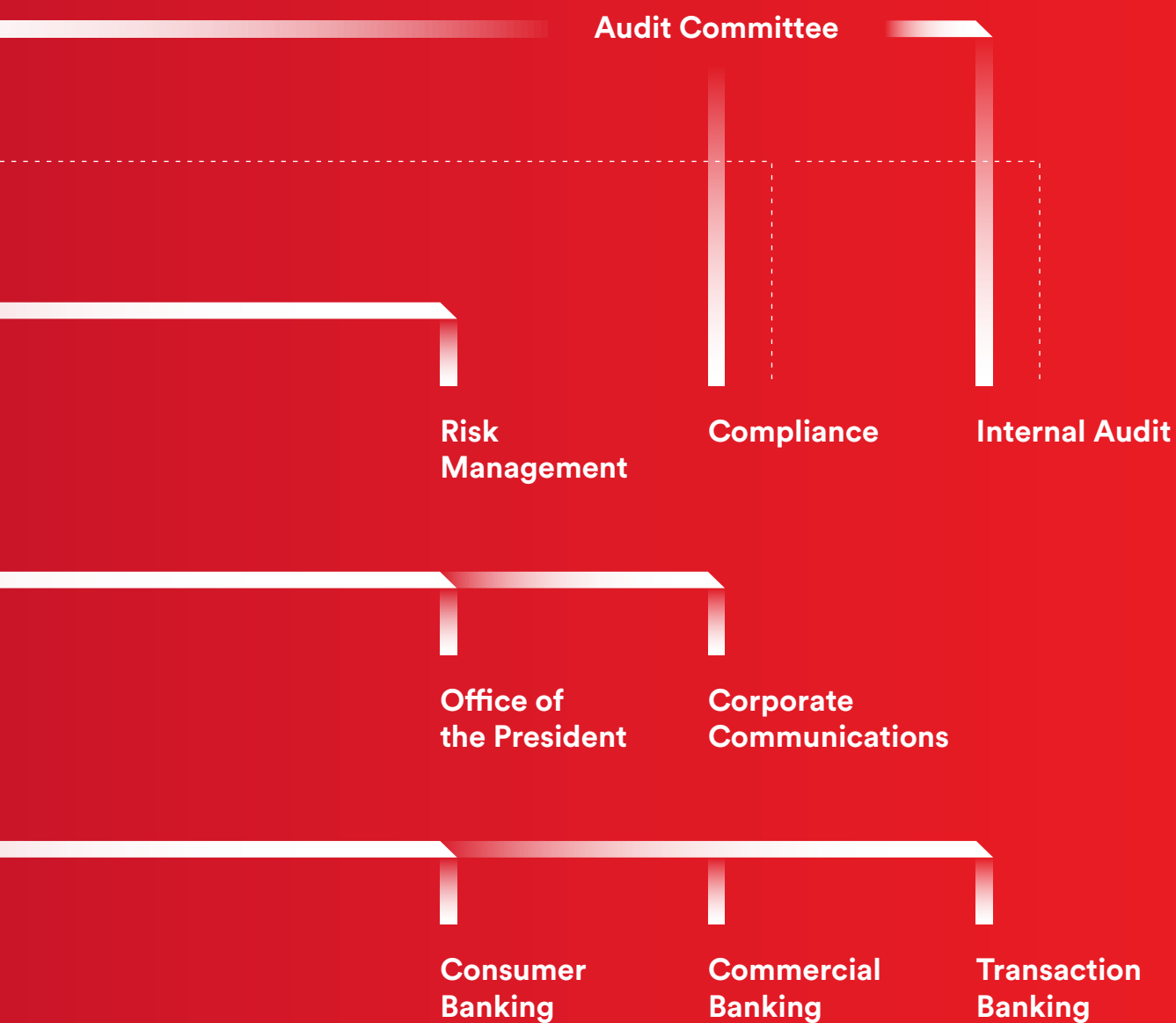
**Information &
Operations**

Legal

**Wholesale
Banking -
Corporate
Banking and
Investment
Banking**

**Wholesale
Banking -
Treasury**

**Private
Banking**



Effective from 1st January 2018

CSR Projects and Activities

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With awareness of corporate social responsibility as one of our core missions, CIMB Thai Bank has remained committed to carrying out “Let Children Colour Their Dreams” educational and social projects for the seventh straight year. We aim to promote education for the youth in remote areas who are still in need of learning tools, especially Information and Communication Technology (ICT) based ones such as computers, so that they will have equal access to sources of knowledge. The implementation of these projects is in line with the government’s policy to expedite the installation of internet connections at all schools in remote areas nationwide to upgrade educational standards for the youth who will grow up as the driving force, and be the foundation for national development according to Thailand 4.0 policy looking forward.

In the previous year, CIMB Thai joined hands with our allies, namely Thai Television Channel 3 News Family, the Thai Red Cross Society, Srinakharinwirot University, Bodhivijjalaya College, Media Associated Co., Ltd., Kingsman C.M.T.I. PCL, My Exhibit Co., Ltd., and our customers in implementing educational projects for altogether seven schools.





The continued projects as mentioned above which have consistently been open for our volunteering staff to participate have given staff chances to realise and feel a real sense of being part of the society. This has shaped the common mindset and organisation culture embraced by staff across work units organisation-wide who teamed up in activities besides their routine jobs to initiate projects that contribute to the society, with the support from the Bank and senior management. A task force has been set up with clear assignment of responsibilities for its members to visit local communities to listen to their voices, leading to formation of a joint working committee with each community. Long term plans have been worked out on a concrete basis, including CSR Garage Sale activity aiming to raise funds, independent of Bank's budget, to initiate several projects. Some of them are "Let Children Colour Their Dreams...Pig Bank Project" and "Let Children Colour Their Dreams...Mulberry and Silkworm Learning Centre Project" for which folk wisdoms of community leaders and local philosophers have been sought to help create both economic and social value. In addition, the Bank has supported schools hit by floods in Nakhon Si Thammarat Province under the "Join CIMB Thai to Fight Floods and Renovate Schools" project with the donation of stationery such as notebooks, pens, pencils, desks and chairs from staff, customers and the general public to Baan Pak Bang Glom School and eight other schools in the vicinity in Cha Uat District of Nakhon Si Thammarat Province.

In conclusion, the Bank's CSR projects in 2017 have benefited altogether more than 7,000 teachers and students of network centres, parents, alumni and community people.



Educational projects: 12 computer learning centres, library, science labs, agriculture for lunch, and sericulture learning centre projects for 14 schools as listed below:

- | | | | |
|----------|--|-----------|---|
| 1 | Baan Ton Pring School,
Na Mom District,
Songkhla Province | 8 | Baan Maneechot Samakkhee
School, Wangmuang District,
Saraburi Province |
| 2 | Wat Haem Soong School,
Chakaraj District,
Nakhon Ratchasima Province | 9 | Baan Khok See School,
Mayawadee District,
Roi Et Province |
| 3 | Baan Sum Pa Han School,
Kukaew District,
Udon Thani Province | 10 | Baan Nong Dern School,
Mayawadee District,
Roi Et Province |
| 4 | Baan Nong Majap School,
San Sai District,
Chiang Mai Province | 11 | Baan Sarng Fan, Buriram
Province by Pol. Capt.
Aphichit Phanthaprateep |
| 5 | Baan Nam Pad School,
Nuenmaprang District,
Pitsanulok Province | 12 | Wat Cheetharam School,
Songphinong District,
Suphanburi Province |
| 6 | Baan Sap Charoen School,
Soidao District,
Chanthaburi Province | 13 | Baan Khao Saraphi Border
Patrol Police School, Saraphi
District, Sa Kaew Province |
| 7 | Baan Pong Kan Ton Eng Dan
Chum Phon School, Bo Rai
District, Trat Province | 14 | Baan Nong Muang Waan
School, Huay Thalaeng District,
Nakhon Ratchasima Province |

Social and environmental projects: 4 projects as follows:

- | | | | |
|----------|--|----------|--|
| 1 | “Join National Blood Centre, Thai
Red Cross Society in Blood donation”
at Head Office every 3 months | 3 | “Join CIMB Thai to Fight Floods
and Renovate Schools” project, 9
schools in Cha Uat District, Nakorn
Si Thammarat Province |
| 2 | “Let Children Colour Their Dreams
...Pig Bank Project,” Baan Khao
Saraphi Border Patrol Police School
and Baan Khao Saraphi Community | 4 | “Let Children Colour Their Dreams...
Mulberry and Silkworm Learning
Centre Project,” Baan Nong Muang
Waan School and Community and
Baan Muang Ngam Community |

To ensure that the Bank has appropriate guidelines and procedures to counter corruption, we have established the Policy and Procedures on Anti-Corruption to be strictly adopted by directors, executives and staff of the Bank and the subsidiaries.

We have also reviewed the practices, structure of responsibilities, risk management system, internal control and audit systems to prevent any internal fraud. Apart from the enforcement of the above Policy and Procedures, the Bank has implemented e-learning on this matter to enhance the staff's knowledge and understanding.

With importance given to the prevention and reduction of corruption risk, the Board of Directors has put in place the No Gift Policy and Procedures to ensure that the Bank operates its business in accordance with good governance principles and with integrity, credibility, transparency and avoidance of any conflicts of interests, which are essential principles in the business operations of the Bank and companies in the financial business group. We have also communicated our commitment and determination to fight against all types of corruption to our business partners and all groups of stakeholders, including set-up of standees at head office and branches encouraging no gift to the Bank's executives and staff. Dissemination of such information has also been made on the Bank's official website and CIMBNET (Bank's intranet) to clearly communicate this matter to employees.

As the Board of Directors is well aware of its accountability for all stakeholders, it has established the Whistleblowing Policy aiming to encourage employees' reporting of concern or complaint on wrongful acts in duty performance, internal fraud and non-compliance by employees with the Bank's work rules directly to Chairman of the Board, Chairman of the Audit Committee, or President and Chief Executive Officer. Under the Policy, the employees who are whistleblowers will be protected and treated with fairness. A channel on the Bank's website is also opened for outside party whistleblowers to report such incidents.

ASEAN is undoubtedly the most important regional architecture which is poised to propel ASEAN member states towards positioning themselves among the world's most dynamic and advanced economies. It is home to people from diverse backgrounds and cultures. All forms of trade and financial service liberalisation – through The ASEAN Way – may take time and patience. The direction of ASEAN in the next phase must be deepened with a highly integrated cohesion to push for a stronger ASEAN Community.

The ASEAN Way to Digital Economy

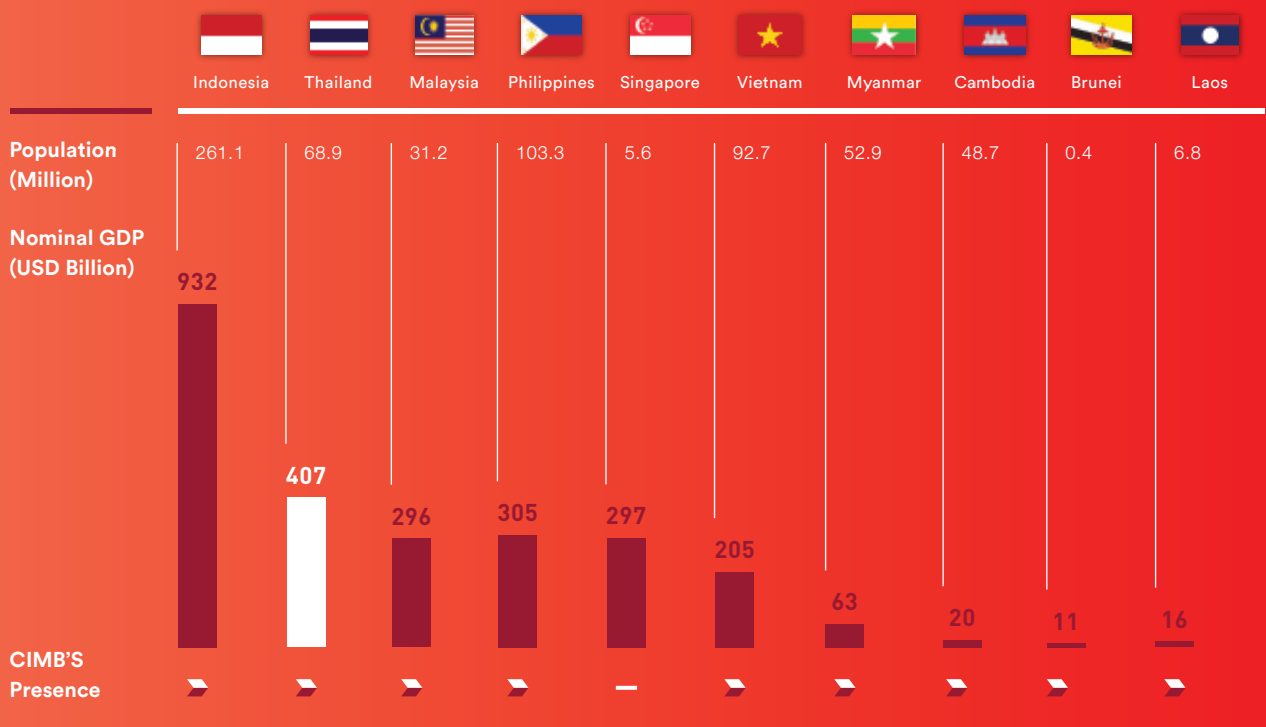
It is predicted that the ASEAN economy will go digital by 2025. The conventional society spending paper money is going to be replaced by a cashless society making online payments through smartphones. The evolution towards a cashless society has been evident through the changing customer behavior with the increasing popularity of online payments and transformation of financial services industry with digital financial services and technology platforms to correspond with the digital trends.

ASEAN countries are on their way to drive the digital economy using more innovative technology and creativity to increase efficiency and productivity with less time and resources while also adding value to more goods and services. It is expected that Singapore, Malaysia, Vietnam, Indonesia and Thailand are probably the first group to be driven by information technology to modernise their public services, and develop e-commerce to meet the needs of consumers.

Singapore “Smart Nation” - Singapore has a clear advantage of being a Smart Nation. Most people have digital knowledge. Singapore now has an upgraded network of urban, household, public health as well as digital communications. **Malaysia “Cyber City”** - Malaysia is entering a knowledge-based industry that focuses on innovation and productivity using advanced technology. It has a policy of an electronic government to reduce unnecessary budgetary costs. Multimedia Super Corridor has been established in Cyberjaya in order to develop technological advances and promote investment in various industries in the future. **Indonesia “Connect the Society to the World”** - Indonesia has a policy of strengthening its internal connectivity with the international concept of “Locally Integrated, Globally Connected” in four systems, namely logistics system, transport system, regional development and ICT systems. **Vietnam “Promoting Retail and Business Startup”** - Vietnam focuses on developing information technology infrastructure, application development, and creation of network security. It also supports businesses that invest in research, science and technology. **Thailand “Thailand 4.0”** - Thailand has set a new economic model to transform its structure into a technology-driven and innovative economy, and shift from the manufacturing sector to the service sector, as reflected in the increasing retail penetration of foreign companies.

CIMB GROUP'S OPERATION IN 9 OF 10 ASEAN COUNTRIES

With potential exposure to 85% of the region's population and 88% of regional GDP



The Philippines, Brunei, Cambodia, Lao PDR and Myanmar are in the process of developing their infrastructures along with technological development. **The Philippines “Build Build Build”** is the most prominent policy under “DuterteNomics.” It serves as a strategy aiming to transform the Philippines into a modern infrastructure investment hub. This includes the overhaul of the rail transport system, airport reform and new constructions to attract investment and boost tourism. **Brunei “Regional IT Center”** - Brunei aims to be the center of the information technology industry in the region in parallel with the promotion of energy technology development under “Brunei Vision 2035,” a long-term national development plan. **Cambodia “Four Strategies”** targets to be part of the global supply chain in the region, by developing new industries to attract foreign investment, improving the environment to facilitate trade and investment, developing human resources, transportation and logistics, as well as the banking sector. **Lao PDR “Land-Linked Country”** - Lao PDR has adjusted its development strategy from Land-Locked Country to Land-Linked Country, focusing on development of transport and energy under the Greater Mekong Sub-region framework. **Myanmar “Towards Smart City”** - The “YPS” or “Yangon Payment System” is a one-card-for-all public transport facility in Myanmar. Myanmar also plans to install GPS system and CCTV cameras on buses and bus stations to assist staff in tracking services and ensuring security to the public.

Looking Forward

With new innovations and new businesses coming up, particularly mobile financial services and e-commerce, ASEAN will definitely become a region with great momentum to boost the purchasing power and capacity amidst the rising new generation workers, upper middle class and broad ranging internet access. The development of the digital economy is not limited only to the technology-related business but the traditional industry can also be enhanced to higher potential in terms of products and services. This will bring about new careers, new products and more diverse business opportunities, which will in turn support the growth of ASEAN economy as a whole.

Looking forward, CIMB Group with network links across the region believes that ASEAN is dynamic and flexible and still needs cooperation from countries outside the region. Thus, CIMB Group is ready to support corporate and SME customers in their plans to make their presence or expand their businesses in ASEAN leveraging on CIMB Group franchise strength with high expertise and product diversity. Meanwhile, CIMB Thai, as a member of CIMB Group, has all along actively supported Thai companies in their outward investments, especially in the neighbouring countries like Cambodia, Lao PDR, Myanmar and Vietnam, or the CLMV, on account of their rapid economic development, abundant resources and low labour costs to maintain or create the competitive advantage of CIMB Thai's customers.

Overview of Thai economy in 2017

Thai economy expanded by 3.9% in 2017, an accelerated pace of growth compared with 3.3% a year earlier. Main growth drivers were export and tourism. Export expanded beyond prediction across all product categories and export markets on the back of the recovery of major global economies. Tourism also continued to grow from the previous year in terms of both number of tourist inflows and tourism income.

However, the reviving export has not yet fully fueled the labor market, hence the growth of household consumption fails to follow suit. At the same time, commodity prices especially in agricultural sector remained low, partly due to ample farm output that affected most households' income and constrained household purchasing power that had not yet been distributed all through the region. Meanwhile, private investment started to signal some improvement after several years of faltering, but remained at low level.

On the stability front, internal stability remained favourable as reflected in low inflation and unemployment rates throughout 2017. This was also the case for external stability viewing the high level of international reserves, which means the Thai economy would be resilient in the face of global economic volatility.

Outlook for 2018

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

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

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

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

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

However, Thailand's prevailing economic structural problems should be resolved in the long term, such as development of skilled labor force, promotion of investment in high technology sectors, taking care of the elderly in respect of healthcare, and reduction of disparity, as well as amendments to relevant rules, regulations and restrictions in order to enhance private entities' competitiveness, etc. The economic reform should still be carried on despite political changes, and a close watch should be kept at world crude oil price movements, the US's internal and external political factors, financial system risks in China, and geopolitical conflicts, especially in the Korean peninsula and the Middle East.

CIMB Thai's 2018 Strategic Priorities

The Bank's strategic priorities for 2018 remain anchored on the 5 C's – Customer, Culture, Compliance, Cost and Capital.

- Customer – Deepen wallet share through cross-sell and strive to deliver superior customer experience.
- Culture – Build a better CIMB and focus on being a performance driven organisation.
- Compliance – Be prepared for elevated anti-money laundering standards post Financial Action Task Force (FATF).
- Cost – Realise cost savings and improve productivity.
- Capital – Focus on risk weighted asset optimisation.

Consumer Banking

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

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

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

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

Consumer Banking's performance in 2017:

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

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

Transaction Banking

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

In the peer to peer (P2P) remittance business, CIMB Thai's TB is a leading player offering individual customers a convenient, reliable and low cost international remittance service through “SpeedSend.” In 2017, our SpeedSend service was awarded the “Remittance Product of the Year” by The Asian Banker.

Forging ahead toward Target 2018 (T18), we made significant progress in 2017 on enhancing product coverage and acquiring new customers in the SME segment. Moreover, with CIMB Group's strong ASEAN platform and network, we are well positioned to support and deliver transactional flows across ASEAN and beyond to meet the needs of aspiring and expanding enterprises and customers.

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

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

Wholesale Banking

Corporate Banking and Financial Institution

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

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

Profit before tax of Wholesale Banking (WSB), covering Corporate Banking, Financial Institution and Investment Banking, grew significantly by 130% in 2017 despite a decrease in overall revenues. This resulted from the tightened loan underwriting process, close debt monitoring using Early Warning Indicators (EWI) in asset quality management to prevent problem loans, and accelerated debt collection and resolutions. Consequently, provision set aside in 2017 dropped by 90% year-on-year. Moreover, we managed to cut down operating expenses by 11%. Most of our revenues came from significant client groups entrusting us as their main bank including those with ASEAN aspirations in line with our strategy and motto: "Be More Relevant to Important Clients & Accelerate Our ASEAN Initiatives."

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

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

Investment Banking

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

We continued to reinforce our teams through collaboration with CIMB Group. We have sector specialists to provide knowledge and insight of industry sectors at regional level and they work closely with us to offer our clients comprehensive financial services, including strategic and business operation advisory services. As a result, we have been able to strengthen our relationships and add value to our clients' business while enhancing their competitiveness through innovation of financial products that suit them. The collaboration and synergy among Corporate Banking, Financial Institution, Investment Banking and CIMB network in ASEAN will contribute to the Bank's potential as an important bank to our clients and their business partner in achieving their ASEAN investment goals.

Key successful deals in 2017 included:

Debt Markets	Role	Issue Size (THB mil)
Government Housing Bank	Sole Lead Underwriter	22,300.00
Government Savings Bank	Joint Lead Underwriter	16,666.67
Amata B.Grimm Power SPV1 Limited	Joint Lead Underwriter	5,750.00
TPI Polene Public Company Limited	Sole Lead Underwriter	4,000.00
Expressway Authority of Thailand	Joint Lead Underwriter	3,700.00
Bangkok Mass Transit Authority	Joint Lead Underwriter	3,230.17
Srisawad Power 1979 Public Company Limited	Joint Lead Underwriter	3,130.00
SC Asset Corporation Public Company Limited	Sole Lead Underwriter	2,900.00
Toyota Leasing (Thailand) Company Limited	Joint Lead Underwriter	2,886.67
AEON Thana Sinsap (Thailand) Public Company Limited	Sole Lead Underwriter	2,000.00
Center Auto Lease Company Limited	Sole Lead Underwriter	2,000.00
Krungthai Card Public Company Limited	Joint Lead Underwriter	1,875.00
Ananda Development Public Company Limited	Sole Lead Underwriter	1,630.00
Jay Mart Public Company Limited	Sole Lead Underwriter	1,590.00
TTCL Public Company Limited	Joint Lead Underwriter	1,500.00
Muangthai Leasing Public Company Limited	Sole Lead Underwriter	1,226.90
Easy Buy Public Company Limited	Sole Lead Underwriter	1,000.00
M.K. Real Estate Development Public Company Limited	Sole Lead Underwriter	1,000.00

Debt Markets

	Role	Issue Size (THB mil)
Sena Development Public Company Limited	Sole Lead Underwriter	1,000.00
Don Muang Tollway Public Company Limited	Sole Lead Underwriter	800.00
JMT Network Services Public Company Limited	Sole Lead Underwriter	700.00
Frasers Property Holdings (Thailand) Company Limited	Joint Lead Underwriter	513.60
Major Cineplex Group Public Company Limited	Sole Lead Underwriter	500.00
Siamgas and Petrochemicals Public Company Limited	Joint Lead Underwriter	500.00
Lalin Property Public Company Limited	Joint Lead Underwriter	360.00

Equity Markets

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

Commercial Banking

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

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

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

Competitive Environment

Unit: THB million

Banks	Assets	Market share	Deposits	Market share	Loans	Market share
Bangkok Bank	3,076,310	13.4%	2,310,743	13.9%	2,003,989	12.7%
Siam Commercial Bank	3,024,032	13.2%	2,092,457	12.6%	2,034,732	12.9%
Kasikornbank	2,900,841	12.7%	1,878,672	11.3%	1,802,783	11.4%
Krung Thai Bank	2,864,373	12.5%	2,070,875	12.5%	1,938,082	12.3%
Bank of Ayudhya	2,088,772	9.1%	1,319,229	8.0%	1,550,404	9.8%
Thanachart Capital	1,009,557	4.4%	716,278	4.3%	711,675	4.5%
TMB Bank	843,872	3.7%	611,430	3.7%	643,373	4.1%
Tisco Financial Group	303,436	1.3%	180,804	1.1%	251,396	1.6%
CIMB Thai Bank	300,604	1.3%	177,401	1.1%	211,022	1.3%
Kiatnakin Bank	259,335	1.1%	132,878	0.8%	192,107	1.2%
Others*	6,253,950	27.3%	5,101,125	30.7%	4,469,883	28.3%
Total	22,925,081		16,591,891		15,809,445	

Source: 1) Commercial banks' consolidated financial statements as of December 2017 (unaudited)

2) Commercial banks' assets and liabilities based on report of Bank of Thailand (FI_CB_001_S5)

Note: Others* : United Overseas Bank (Thai), Land and House Bank, Standard Chartered Bank (Thai), Bank of China (Thai), Industrial and Commercial Bank of China (Thai), Mega International Commercial Bank, Thai Credit Retail Bank, Sumitomo Mitsui Trust Bank (Thai), ANZ Bank (Thai)

Procurement of Products and Services

Source of Funding

As at 31 December 2017, deposits managed by the Bank stood at THB 189.8 billion (including interbank and money market deposits), whilst borrowings (including interbank and money market borrowings) amounted to THB 41.5 billion. Of that total, 88.9% was used for gross loans including accrued interest, while the balance was applied towards interbank and money market items and investments. The Bank has closely monitored its liquidity gap in each period in line with the policy in place to acquire and utilise funds in an efficient and effective manner.

Comparing the Bank's loans and deposits, total gross loans with maturity of not more than one year stood at THB 78.1 billion while loans with maturity of more than one year amounted to THB 141.0 billion. Meanwhile, deposits with maturity of not more than one year stood at THB 187.7 billion and those with maturity of over one year amounted to THB 2.1 billion.

Capital Adequacy Ratio

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

The Bank has maintained a robust capital with CAR, CET1 and tier 1 capital ratios well above the Bank of Thailand's minimum requirements of 9.75%, 5.75% and 7.25%, respectively.

Unit: THB billion

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

Treasury

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

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

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

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

The Asset Benchmark

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

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

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

Liquidity Risk Management Policy

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

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

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

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

Credit Approval

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

JDA approval level is determined by group exposure, global group rating, and loan-to-collateral value to help shorten the approval process, and alleviate Credit Committee's burden.

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

Collateral Policy

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

Debt Monitoring Guidelines and Follow-up Procedures

The Bank has set up the guidelines for closely managing and monitoring watch-list and problem loan accounts in order to speedily resolve its problem loans and standardise the problem loan monitoring process. The guidelines prescribe a monitoring process for watch-list accounts, special mentioned and substandard or worse accounts and the guidelines will be revised periodically to ensure their effectiveness and relevance. In addition to mandatory debt classification in accordance with the Bank of Thailand's guidelines, the Bank has established additional qualitative criteria for early classification of debt with signs of deterioration prior to default. For pre-NPL accounts to be effectively managed, the early warning process has been set up as guidelines for relationship managers to take early action in identifying accounts with potential problem and develop proper action plan to timely solve the problem so that risk to the Bank can be mitigated. The accounts with potential problems are put under watch list classified by degree of their problem and risk level into three groups, i.e. watch list – low, watch list – medium and watch list – high. The accounts under watch list – low remain under normal class while those under watch list – medium and high are classified as special mentioned. These watch list accounts as well as NPL accounts with exposure more than THB 10 million are regularly reported to Asset Quality Committee (AQC) on 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 so that the bank can effectively manage both potential problem loans and problem loans that include debt classification, provisioning, and recovery actions to minimise loss and maximise recovery for the Bank.

Moreover, the Bank has revamped the policies in relation to non-performing loan (NPL) and non-performing asset (NPA) management and guidelines to determine valuation for disposition based on discounted cash flow and fair market value to enhance transparency in auditing while also minimise loss for the Bank.

Debt Restructuring Policy

The Bank has set a policy to undertake debt restructuring for borrowers who have cooperated with the Bank as well as have had potential to comply with the conditions newly agreed upon. The objective of the policy is to ensure that the Bank and the borrowers have mutually benefited from the debt restructuring, that is, the Bank has maximum opportunity to recover debt or has minimum possible loss, while the borrowers are able to continue their business with incurrence of some loss on their part. The Bank will undertake debt restructuring work in accordance with the Bank of Thailand's regulations and such work will be undertaken prudently so that it does not avoid the requirements regarding debt reclassification, additional provisioning and suspension of income recognition of accrued interest.

Debt restructuring is undertaken taking into consideration the criteria, process and method provided for debt restructuring process, including debtor analysis, approval, preparation of agreement, follow-up and assessment. Such process must be in compliance with the applicable rules and regulations of the authorities and the Bank. The responsibility for coordinating debt restructuring activities lies primarily with the internal work unit of the Bank. However, a certified and experienced third party specialised in this area may be assigned to provide financial advisory services or undertake debt restructuring for the Bank. However, debt restructuring conditions are subject to approval of the Board of Directors, or the Credit Committee, or the Asset Quality Committee, or other persons as authorised by the Bank.

Policy on Asset Classification and Loan Loss Provision

The Bank has complied with the Bank of Thailand's regulations which require asset classification and loan loss provision at the rate for each asset category as prescribed by Bank of Thailand Notification No. SorNorSor. 5/2559 regarding criteria for debt classification and provisioning of financial institutions, dated 10 June 2016 or as may be amended by the Bank of Thailand from time to time. However, the Bank's internal guidelines are more stringent than the regulatory requirements, with combination of the qualitative and quantitative criteria prescribed by the Bank of Thailand, and prudent adoption of a final classification which is based on the weaker result of the two sets of criteria to reflect real risk level of the debtor.

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

Highlights of Corporate Branding Activities in 2017

The year 2017 saw CIMB Thai's execution of our "FORWARD" brand promise and positioning set by CIMB Group. The theme has reflected our effort to align our identity with every aspect of business operation just like a compass that brings us to move in the same direction to create brand awareness among our target customers. We have given a high priority to the way our customers think and what they need so that we can offer financial products and tools that best support their confident decision making. Our new campaign commercial 'FORWARD' was launched in 2017 both online and through traditional media like TV as well as such out-of-home media as digital signage at SHOW DC mega complex and BTS's in-train LCD screens, etc.

Looking forward, we remain committed to pursuing our goal of being an ASEAN bank ready to support our customers in achieving their targets. A diverse range of activities themed 'FORWARD' were conducted both online and offline, such as "Forward Your Photo Frame" activity which encouraged active engagement from staff and general public alike. Moreover, to celebrate ASEAN Day, we held "ASEAN Street Art" and launched a campaign titled "FORWARD Your ASEAN Destination" in which customers with completed transactions as specified by the Bank could stand a chance of winning any of the 10 prizes of free 3 days 2 nights package tour of Siem Reap, Angkor Wat and Angkor Thom. This has accentuated CIMB Thai branding as an ASEAN bank, the status we have all along been aiming for.

Besides brand enhancement, CIMB Thai made proactive sales and marketing campaigns with launches of broad-ranging investment products. For example, an “Exclusive Triathlon Training by CIMB Preferred” was organised under the “FORWARD Your Ambition” theme to enhance customer experience and promote good health. The event received considerable interest from existing and new customers who enthusiastically participated in both theoretical and practical sessions to get ready for the competition. Moreover, we continued to cater to retail customers with an array of products from personal and housing loans to those for refinancing with offering of special interest rates. Customers have found it more convenient by applying online for loan facilities, hence expanded customer base. We also joined five Money Expo events in Bangkok, Nakhon Ratchasima, Udonthani, Chiang Mai and Songkhla (Hat Yai) under the “CIMB Thai The Financial Navigator Camp” to serve financial needs of customers in each region across the country.

Meanwhile, we have given importance to publicising and updating our business progress with a refocused 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, product innovations and diversity of service channels. Towards year-end 2017, we opened another two mini branches: Thanon Sukprayun mini branch in a 7-Eleven store and Ratchaphruek mini branch in a Bangchak gas station. Moreover, our Research Office’s domestic and global economic research and analysis still draws great attention from the media in further disseminating to the public.

1. Consolidated operating results

For the year ended 31 December 2017, CIMB Thai group recorded a consolidated net profit of THB 384.9 million, an increase of THB 1,014.4 million or 161.1% from a net loss of THB 629.5 million year on year (YoY).

The improvement was attributed to a 1.8% YoY growth in operating income and a 19.5% YoY drop in provisions, while other operating expenses rose slightly by 2.6%.

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

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

(a) Summary of CIMB Thai group's income

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

(b) Cost of funds and operating expenses

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

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

(c) Net profit

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

(d) Return on equity

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

Consolidated financial standing

Assets

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

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

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

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

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

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

Asset quality

(a) Loans and loan concentration

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

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

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

(b) Classification of assets

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

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

(c) Non-performing loans (NPL)

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

(d) Income recognition

Interest income is recognised on an accrual basis. The Bank discontinues recognition of accrued interest income on loans that are more than three months overdue or when there is uncertainty of collectability, and then a collection basis is applied. It also reverses interest income on such loans in order to comply with the Bank of Thailand's notification. It will continue income recognition on an accrual basis when the entire amount of principal and overdue interest has been settled.

The Bank recognises interest income on restructured loans on the same accrual basis as applicable to the loans discussed above, with the exception of loans that are subject to monitoring in compliance with restructuring conditions, on which the Bank recognises interest income on a cash basis until the borrower has been able to comply with the restructuring conditions for a period of at least three consecutive months or three consecutive installments, whichever is longer.

Liabilities

As at 31 December 2017, CIMB Thai group's total liabilities amounted to THB 267.6 billion, down by THB 3.2 billion or 1.2% YoY as follows:

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

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

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

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

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

Equity

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

Off balance sheets: Commitments

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

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

Liquidity

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

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

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

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

Relationship between sources and applications of funds

Two major sources of funds for the Bank were deposits and borrowings, while the applications of funds covered the extension of loans. As at 31 December 2017, the Bank had deposits, borrowings and loans classified by maturity as follows:

(Unit: THB billion)

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

*Including interbank and money market items.

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

(Unit: THB billion)

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

*Including interbank and money market items.

Credit Rating

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

15 February 2018

Fitch Ratings

National long-term rating	AA (tha)
National short-term rating	F1+(tha)
Outlook	Stable
National long-term rating on subordinated debt	AA- (tha)
National short-term rating on short-term debt instruments	F1+(tha)

14 June 2017

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

7 July 2017

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

Liquidity and loan to deposit ratio

The Bank has maintained the average cash reserve ratio at 1% of the total deposits and several types of borrowings in accordance with the BOT regulations. As at 31 December 2017, the Bank's cash in hand, cash at cash center and cash at BOT totaled THB 2.7 billion, while the modified loan to deposit ratio was 115.5%, compared with 90.9% a year earlier, which was in line with its business plan.

Appointment of external auditor and consideration of audit fees

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

Remuneration for external auditor

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

(1) Audit fee

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

(2) Non-audit fee

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

Revenue Structure

1. CIMB Thai Bank Public Company Limited

1.1 Total operating income

Unit: THB million						
For the years ended 31 December						
	2017	%	2016	%	2015	%
Interest income						
1. Loans	10,558.0	104.9	11,320.1	109.1	11,343.1	110.8
2. Interbank and money market items	165.0	1.6	68.7	0.7	73.3	0.7
3. Investments	1,144.4	11.4	1,313.4	12.7	1,598.2	15.6
4. Others	45.8	0.5	21.6	0.2	11.1	0.1
Total interest income	11,913.2	118.4	12,723.8	122.7	13,025.7	127.2

Unit: THB million
For the years ended 31 December

	2017	%	2016	%	2015	%
Interest expenses						
1. Deposits	2,387.7	23.7	2,611.6	25.2	3,893.4	38.0
2. Interbank and money market items	218.7	2.2	281.8	2.7	338.1	3.3
3. Contribution fee to Deposit Protection Agency and FIDF	962.2	9.6	991.1	9.6	1,001.8	9.8
4. Debt securities issued and borrowings	711.6	7.1	871.0	8.4	852.9	8.3
5. Others	45.0	0.4	51.5	0.5	55.2	0.5
Total interest expenses	4,325.2	43.0	4,807.0	46.4	6,141.4	59.9
Net interest income	7,588.0	75.4	7,916.8	76.3	6,884.3	67.3
Operating income	2,475.9	24.6	2,454.9	23.7	3,350.8	32.7
Total income	10,063.9	100.0	10,371.7	100.0	10,235.1	100.0

1.2 Non-interest income and expenses

Unit: THB million
For the years ended 31 December

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

2. CIMB Thai's Subsidiaries

Unit: THB million
For the years ended 31 December

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

Business Assets

(1) Premises and equipment

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

(2) Commitments under long-term leases

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

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

(3) Other commitments

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

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. The risks to which a bank is particularly exposed in the conduct of businesses are credit risk, market risk, liquidity risk, operational risk and strategic risk. The Bank's undertaking of risk management and mitigation include risk identification, measurement, monitoring and managing under a robust risk management framework, in which returns must commensurate with the risks taken.

The Board Risk Committee (BRC) has been appointed by the Board of Directors (BOD) to ensure independent and greater risk governance and accountability for all types of risks and to report directly to the BOD. BRC is composed of three members who are BOD members. Risk Management Committee (RMC) has been appointed by the BOD, reporting to BRC, to oversee various risk areas and any related matters, such as credit risk, operational risk, reputation risk, capital risk (to comply with Basel regulatory requirements), etc. RMC is composed of members with relevant and seasoned experience and expertise. Its key responsibilities are to review and recommend to BRC and BOD risk management policies and frameworks as well as to establish a corresponding governance structure which would ensure that not only risks are managed efficiently and effectively but also decisions are made in a transparent manner. BRC has appointed Asset Quality Committee (AQC) with responsibilities to review and/or recommend for approval by relevant BOD/Committee (where necessary) and to approve and concur proposals, account plan and provision of accounts with problem or potential problem from non-retail business units within CIMB Thai.

Risk Management work unit has been established to act as a catalyst for the development and maintenance of sound risk management policies, strategies and procedures within the Bank. It provides functional support to BRC, RMC, Risk Management Sub-committees and Credit Committee, and assists the Management in managing risks inherent to the Bank and banking businesses. Risk Management is independent from other business units involved in risk taking transactions or activities.

In 2017, Special Assets Management was also formed under Risk Management with responsibilities to manage credit quality concern assets as well as to provide strategy and advice to early manage clients with signs of deterioration in credit quality.

Strategic Risk

Strategic risk is the risk of losses as a result of insufficient consideration of possible threats to the Bank's activities, insufficiently substantiated prospective business where the Bank could gain advantage over its competitors, 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 Board of Directors (BOD). It uses the following strategic risk management methods: business planning, financial planning, monitoring of approved plan implementation, market analysis, SWOT analysis and readjustment of plans where necessary. Senior management and the BOD are closely involved and engaged throughout the formulation process. Subsequent to the implementation stage, the BOD and designated Management Committee regularly monitor and review actual results against the targets and plans.

Credit Risk

Credit risk arises from clients or counterparties who are not able to or are not willing to fulfill their contractual obligations under loan agreements or other credit facility agreements. Credit risk results in the deterioration of credit quality and affects the Bank's profitability and capital fund. The underlying objective of credit risk management at the Bank is to create value for shareholders by ensuring that the revenue is generated in balance with the acceptable credit risk appetite. Under the credit risk management policy, the Bank has put in place credit risk management process, techniques and controls to maintain a check and balance system with clearly defined responsibilities for relationship managers, credit analysts, credit risk evaluators, credit approvers and risk management officers. The risk management framework for the Bank and its subsidiaries has continued to be enhanced to support our business and to ensure the overall adherence to the risk management policy of the Bank and CIMB Group.

The Bank has continuously reviewed and improved risk assessment tools for different types of clients and in line with the growth of portfolios. The tools include Corporate Rating Model that was 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 model such as Project Finance (PF) Model, Income Producing Real Estate (IPRE) for specialised customer groups, and credit scoring tools and system for retail, secured and unsecured loans as well as hire purchase. Credit rating and credit scoring tools are implemented in 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, BRC, and Board of Directors.

Market Risk

Market risk is defined as any fluctuation in the market value of the trading transaction or investment exposure. Therefore, market risk occurs when the Bank undertakes transactions which are exposed to fluctuation in market parameters such as interest rates, foreign exchange rates, securities prices in 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 Board of Directors. The calculation of fair value for trading transactions is performed on a daily basis in order to monitor the mark-to-market profits and losses. Daily risk status reports are also independently produced by Risk Management work unit. The one basis point shift (PV01) limit, Greek Limit, Value-at-Risk (VaR) Limit and stop loss limit are set to control the risks associated with movements in interest rates which might affect the revenue and capital reserves of the Bank.

2. Foreign exchange risk

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

3. Market risk of equity securities and commodity related transactions

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

4. Market risk of other market risk underlyings

The Bank offers structured products to be alternative investments for clients. However, if the market risk underlyings are 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 current and prospective risk to the Bank's earnings, shareholder funds or reputation arising from the inability to effectively meet the present and future (both anticipated and unanticipated) funding needs or regulatory obligations when they are due, which may adversely affect the daily operations and incur unacceptable losses. Liquidity risk arises from mismatches in the timing of cash flows.

The objective of the Bank's liquidity risk management is to ensure that the Bank can meet the cash obligation in a timely and cost-effective manner. To this end, the liquidity risk management policy is to maintain high quality and well diversified portfolios of liquid assets and sources of funds under both business-as-usual and stress conditions. Due to the large delivery network

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

Liquidity risk factors mainly comprise the structure of the sources and use of funds, the shift in deposit mobilisation of commercial banks towards a larger share in low-cost deposits amidst a low interest rate environment, and the influence of liquidity coverage ratio (LCR) guidelines, which focus on growing transactional current and saving accounts. 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 to money market fluctuations, which may subsequently affect liquidity and increase funding costs.

The day-to-day responsibility for liquidity risk management and control is delegated to Asset 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 (BOD). ALCO is also in charge of approving liquidity risk tolerance. Asset and Liability Management (ALM) Team, which is responsible for the independent monitoring of the liquidity risk profile, works closely with Treasury in the surveillance of market conditions. Business units are responsible for establishing and maintaining strong business relations with their respective depositors and key funding sources. Treasury acts as a global fund dealing on a necessity or contingency basis. The Bank has to prudently manage the liquidity position to meet the daily operation needs. It measures and forecasts the respective cash flows arising from the maturity profiles of assets, liabilities, off balance sheet commitments and derivatives over a variety of time horizons under business-as-usual and stress conditions on a regular basis. For companies in the Bank's financial business group, liquidity risk management will be decentralised. To support their liquidity, the Bank may consider and approve liquidity lines to them as per respective credit lines approved by the BOD.

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

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

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

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

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

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

Operational Risk

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

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

CIMB Thai's fundamental principle on operational risk is that the responsibility to manage operational risks associated with business ventures, products, services, and systems lines with line management and all staff performing the operations. Their

responsibility includes compliance with all internal and external laws, regulations, policies and standards. In so doing, Risk and Control Officer (RCO)/Designated Compliance & Operational Risk Officer (DCORO) are appointed within each work unit to coordinate and assist in building the risk culture in own area and to ensure that operational risk management policies and procedures are well implemented and complied with.

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

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

1. Risk control self-assessment

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

2. Loss event data reports

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

3. Key risk indicators (KRIs)

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

4. Control issue management (CIM)

Control issues are defined as gaps in the Bank's control environment. Inadequately-designed controls or controls that are not operating effectively may result in a residual risk beyond risk appetite. To manage control issues, the Bank 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 that there is robust governance over their closure or acceptance.

5. New product approval process

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

6. Complaint management process

The Bank is aware of reputation and customer satisfaction risks. It has set up complaint units and proper procedures to handle customer complaints in a bid to manage such risks. Customers can direct their grievances to any of these units, namely Office of the President's Complaint Centre, CIMB Thai Care Centre, CIMB Thai Facebook page, or CIMB Thai branches. The complaint issues via the aforesaid channels will be gathered by Office of the President which performs as a complaint management centre.

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

7. Business continuity plan

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

8. Internal audit and compliance

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

Risk Related To Foreign Investment

The Bank has a policy not to increase any exposure in foreign equity investment. The current exposure as a result of the amalgamation is in an insignificant amount, and part of which was divested in 2017.

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

Corporate Governance Principles

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

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

Corporate Governance

1. Rights of Shareholders

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

The Bank is required to hold its annual general meeting of shareholders (AGM) within four months from the fiscal year end. Meetings of shareholders other than general meetings are called extraordinary meetings, which can be convened by the Board at any time it deems fit. The 2017 AGM was held on 12 April 2017.

Before the AGM, from 1 October 2016 to 31 December 2016, shareholders were invited to propose matters for inclusion in the meeting agenda and propose names of qualified candidates for election as directors of the Bank in accordance with the Bank's rules and criteria. For the 2017 AGM, no agenda items and no director nominations were proposed by the shareholders.

To convene the 2017 AGM, the Bank sent an invitation notice in which each agenda item was clearly identified whether it was for acknowledgement or consideration, together with background, rationale, and recommendations of the Board, as well as supporting documents which comprised criteria of meeting attendance and voting, proxy grants by shareholders, and the 2016 annual report in hard copy. The Bank has assigned Thailand Securities Depository Co., Ltd., the Bank's share registrar, to send the notice to shareholders for consideration 14 days before the meeting. This allowed shareholders to have time to study information beforehand. The Bank also published the notice and other supporting documents on its website at least 14 days before the meeting. The notice was also made available to public via the disclosure channel of the Stock Exchange of Thailand (SET). Furthermore, in accordance with regulatory requirements, the notice was published in newspapers for three consecutive days at least three days before the meeting. On the day of the AGM, various measures were taken to facilitate participation by the shareholders or proxy holders, including assigning staff to verify their related credentials to preserve their rights and ensure equitable treatment is offered to all shareholders. Registration of attendees was conducted through a bar code system with separate voting slips provided for each agenda item. The shareholders and proxy holders also had the opportunity to register at least two hours before the meeting began. Also, during the meeting, the shareholders could register their attendance to exercise their voting rights for any agenda item for which resolutions had not yet been passed. The Bank prepared proxy forms and details on proxy granting for shareholders who have appointed proxies to attend the meeting on their behalf. The proxy form and details on proxy granting were submitted together with the invitation notice to all shareholders. The Bank also provided an additional option to shareholders by providing the names and backgrounds of independent directors whom shareholders could consider for their proxy appointment. At the 2017 AGM, nine shareholders appointed the member of the Audit Committee who is an independent director to attend the AGM and vote on the shareholders' behalf.

At the 2017 AGM, 90% of the Board members and 486 shareholders and proxies attended the meeting, with total shares held of 24,064,752,762 shares representing 97.1343% of the total issued shares. Before the meeting began, the Chairman had assigned the Company Secretary to give an explanation regarding voting rights and procedures to the attendees. The Chairman assured the shareholders that they would have equal opportunity to ask questions, raise any issues or make recommendations without language restriction. In addition, the Bank gave multimedia presentation of the proposed information for the meeting and provided simultaneous English translation for foreign shareholders. At the meeting, members of the Board and relevant executive officers answered or clarified related issues clearly and comprehensively. Issues raised and recommendations given were recorded in the meeting minutes. Voting was conducted in an open and transparent manner whereby vote casting for each agenda item followed the order specified in the notice and no modifications were made to the original agenda. Voting results on each agenda item were tallied through the bar code system and ballots of shareholders who disagreed and abstained from voting were kept. After the meeting, the minutes of the meeting were prepared in an accurate and comprehensive manner, including a summary of issues raised and clarifications or views provided as well as detailed votes for each agenda item which showed the number of votes cast for and against the motion, etc. The draft minutes of the 2017 AGM were submitted to the relevant supervisory authorities within 14 days from the meeting date as prescribed by law, and posted on the Bank's website, www.cimbthai.com, for shareholders' reference

2. Equitable Treatment of Shareholders

The Bank recognises the importance of fair treatment of all shareholders including its duty on protection of shareholders' interests. Measures are in place to prevent the use of internal information for personal gains by the Board members, executives and employees. The Board has set a policy and procedure to prohibit unauthorised disclosure of material, non-public information which may affect the Bank's securities. Such policy and procedure require members of the Board, executives and employees, including spouses and underage children thereof, to refrain from using information that has become privately known to them for purchase, sale, transfer or receipt of transfer of securities of the Bank during a one-month period before such information goes to public. Moreover, members of the Board and executives from levels of Executive Vice President or the equivalents upward, and those holding executive positions or heads of work units or the equivalents upward in the Accounting or Finance function

line are duty-bound to report every of their sale or purchase of securities of the Bank and any change of the holding thereof, to the Office of the Securities and Exchange Commission (SEC), and keep copies of such reports at the Office of the President as evidence. In addition, to ensure an efficient and transparent management, the Bank has formulated Code of Ethics and Conduct and guidelines for the Board, executives and employees on the use of internal information and operation guidelines with avoidance of conflicts of interest.

3. Role of Stakeholders

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

CIMB Thai Code of Ethics and Conduct

1. Clients

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

2. Shareholders

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

3. Employees

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

4. Creditors and Business Partners

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

5. Competitors

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

6. Responsibility towards the Community and the Environment

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

4. Disclosure and Transparency

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

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

In 2017, the Bank organised IR activities to provide information both directly and indirectly as follows:

1. Welcomed altogether five investors and analysts to meet with the management team for inquiry on operating results, altogether eight meetings.
 2. Press release issued whenever the Bank had significant investment or business activities.
 3. Availability of channels for inquiries via email at ir@cimbthai.com, phone at +662-626-7738, or website at http://www.cimbthai.com/CIMB/investor_relations/.
- Dissemination of information to the general public via the media when financial results and business directions are to be announced to interested parties. This allows local and foreign investors and analysts to keep abreast of the Bank's performance and growth.

5. Responsibilities of the Board

A. Board Structure

Members of the Board comprise professionals with diversified backgrounds in finance, banking, business management, marketing, legal, auditing, accounting and government affairs. At present, there are 10 Board members. Election of Board members follows the resolution of the shareholders' meetings and as set out in the Bank's Articles of Association. The number of directors on the Board shall not be fewer than five and not more than twelve. The structure of the Board of Directors and the setup of Board Committees are as prescribed by the Bank of Thailand (BOT)'s notification regarding corporate governance of financial institutions and the Capital Market Supervisory Board's notification regarding application and permission for initial public offering and the amendments. The Board composition is as follows:

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

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

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

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

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

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

The Board has appointed Mr. Zethjak Leeyakars as Company Secretary and Secretary to the Board of Directors to assist the Board in fulfilling its tasks. His duties include providing legal advice and ensuring Board activities comply with applicable laws and regulations and in line with corporate governance principles, as follows:

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

B. Board Committees

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

C. Roles, Duties and Responsibilities of the Board

1. Leadership and Vision

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

2. Code of Ethics and Conduct and Conflict of Interests

The Bank has formulated Code of Ethics and Conduct which the Board, management, and all employees must comply with when interacting with the customers, shareholders, employees, business partners or creditors. Emphasis is also placed on responsibilities for the environment, society and competitors, preservation of client confidentiality, honesty, fairness, professional integrity, business capacities, strict compliance with laws and regulations, as well as cooperation with regulatory agencies. In performing their duties, employees are required to keep uppermost in their mind the principles of good corporate governance, use good judgment, and act in compliance with rules and regulations. Alleged breaches of code of conduct are investigated in accordance with the procedures set out, and disciplinary penalty is imposed if someone is found guilty. Details of the Bank's Code of Ethics and Conduct are available on www.cimbthai.com. The Bank has communicated to all staff guidelines for compliance with Code of Ethics and Conduct by making such information available online through Lotus Note.

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

- Policy for consideration of the granting of credits and investments to, and undertaking contingent liabilities or other credit-like transactions with, the Bank's major shareholders or businesses with beneficial interest to directors or persons with managing authority of the Bank, which must adhere to the ratio stipulated by the BOT. Any such grant must be approved unanimously

by the Board, and no director or person with managing authority who benefits from the granting of credits and investments, and the undertaking of contingent liabilities or other credit-like transactions can take part in the decision-making process.

- Policy for undertaking major transactions. Major transactions include an agreement to undertake connected transactions and/or an agreement to undertake transactions to acquire or dispose of core assets and/or rights to acquire or dispose of the Bank's core assets. The Bank must comply with requirements of regulatory agencies.

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

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

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

3. Related Transactions

As of 31 December 2017, the Bank recorded significant business transactions with its subsidiary and affiliated companies (related by way of having common shareholders), including related persons (directors or executives from the level of heads of work units upwards). These transactions were concluded on commercial terms and based on mutually agreed upon criteria in the ordinary course of business between the Bank and such persons or entities. Details are as disclosed in the Notes to Financial Statements item 44 of Financial Statements for the year ended 31 December 2017.

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

Name and Relationship	Transaction Characteristics and Value	Necessity and Reasonableness with Audit Committee's Opinion												
iCIMB MSC, a wholly owned subsidiary of CIMB Holdings, which is a subsidiary having CIMB Group as the indirect major shareholder	The Bank has engaged iCIMB (MSC) Sdn Bhd for the following services: a) Housing CIMB Thai hardware and software in CIMB data center in Malaysia; b) Supporting daily business operations and troubleshoot problems; c) Maintaining systems covering daily batch runs, backup and reporting; d) Sharing some of CIMB Bank's hardware and software; and e) Ensuring system stability and business continuity. For the services provided by iCIMB, the Bank would pay to iCIMB the following yearly fees: <table><tr><th>Year</th><th>*Fees (MYR)</th></tr><tr><td>2017</td><td>150,973</td></tr><tr><td>2018</td><td>153,908</td></tr><tr><td>2019</td><td>153,908</td></tr><tr><td>2020</td><td>153,908</td></tr><tr><td>Total</td><td>612,697</td></tr></table> This transaction is considered the Bank's normal business support under general trading terms.	Year	*Fees (MYR)	2017	150,973	2018	153,908	2019	153,908	2020	153,908	Total	612,697	The Board of Directors' meeting no. 1/2017 held on 19 January 2017 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter) deemed it proper to approve the transaction since it was the Bank's normal business support under general trading terms.
Year	*Fees (MYR)													
2017	150,973													
2018	153,908													
2019	153,908													
2020	153,908													
Total	612,697													

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 94.11% of the Bank's total issued and paid-up shares	The Bank and CIMB Bank have been granted to be an appointed cross currency dealer (ACCD) for MYR and THB respectively. The Bank, as an ACCD bank for MYR, can offer interest-bearing foreign currency deposit (FCD) in MYR to Thai corporates. CIMB Bank can also pay THB interest for THB balance in THB deposit account which Malaysian corporates open with them. To enable CIMB Bank to pay interest to THB accounts held by Malaysian corporates, CIMB Bank needs to receive interest for THB balance in SNA Nostro account as stipulated in the ACCD guidelines. Payment of THB interest for balance in SNA to CIMB Bank has details as follows: Interest rate offered is normal corporate deposit rate + 0.125% = 0.50%. The ratio of 0.125% is constituted based on 0.025% for withholding tax and other operational cost, and 0.10% reserved for normal profit margin for deposit taking institution. This transaction is considered the Bank's normal business support under general trading terms.	The Board of Directors' meeting no. 1/2017 held on 19 January 2017 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter) deemed it proper to approve the transaction since it was the Bank's normal business support and brought benefits to the Bank.
CIMB Securities (Thailand) Co., Ltd. (CIMBS), a wholly owned subsidiary of CIMB Securities International Pte. Ltd., which is a subsidiary having CIMB Group as the major shareholder	The Bank has opened an equity account (cash balance account) at CIMBS for ELN shares settlement. The Bank would pay a transfer fee to CIMBS at a rate of THB 100 per transaction. This transaction is considered the Bank's normal business support under general trading terms.	The Board of Directors' meeting no. 2/2017 held on 24 February 2017 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter) deemed it proper to approve the transaction since it was the Bank's normal business support and brought benefits to the Bank.
CIMB Bank Berhad (CIMB Bank), the major shareholder of the Bank holding 94.11% of the Bank's total issued and paid-up shares	The Bank has outsourced the validation of IFRS9 models (for CIMB Thai Group) to validation team of CIMB Bank by extending services scope of outsourcing agreement dated 1 February 2012 between the Bank and CIMB Bank to cover IFRS9 model validation services. CIMB Bank may consider charging the Bank on validation services used for the Bank's benefits from 1 January 2019 onwards, following the effective date of IFRS9 in Thailand. Before CIMB Bank starts charging the Bank for the model validation, Finance will seek Audit Committee/Board of Directors' approval for the charges. However, such charge would not include the services provided during 2017-2018. This transaction is considered the Bank's normal business support under general trading terms.	The Board of Directors' meeting no. 3/2017 held on 28 March 2017 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter) deemed it proper to approve the transaction since it was the Bank's normal business support and brought benefits to the Bank.
CIMB-Principal Asset Management Co., Ltd. (CPAM), a subsidiary of CIMB Group, which is the indirect major shareholder of the Bank	The Bank has renewed the existing lease contract of space on floor 16 (600 sq.m.) and floor 15 (436 sq.m.) of its head office building to CPAM for another three years at the rental rate of THB 735/sq.m./month. This transaction is a rental or lease of immovable property under a term of not exceeding 3 years and under general trading conditions.	The Board of Directors' meeting no. 6/2017 held on 29 June 2017 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter) deemed it proper to approve the transaction since it was a rental or lease of immovable property under a term of not exceeding 3 years and under general trading conditions.
CIMB Bank Berhad (CIMB Bank), the major shareholder of the Bank holding 94.11% of the Bank's total issued and paid-up shares	1) The Bank has appointed CIMB Bank as Malaysia sub-custodian, for which the new agreement will be arranged. 2) CIMB Bank has appointed the Bank as Thailand sub-custodian. The agreement has already been arranged and implemented since September 2009. However, it will be amended in the part of fee payment schedule. Cross-charge will be similarly applied both way with safekeeping fee charged at 2.5 bps of asset value and transaction fee USD 15 (THB 500 equivalent) per trade so as to maximise business opportunity within CIMB Group. This transaction is considered the Bank's normal business support under general trading terms.	The Board of Directors' meeting no. 6/2017 held on 29 June 2017 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter) deemed it proper to approve the transaction since it was the Bank's normal business support and brought benefits to the Bank.

Name and Relationship	Transaction Characteristics and Value	Necessity and Reasonableness with Audit Committee's Opinion
CIMB-Principal Asset Management Co., Ltd. (CPAM), a subsidiary of CIMB Group, which is the indirect major shareholder of the Bank	The Bank has conducted an annual review and extended the L/G (performance) limit, totaling THB 4 million, to 31 August 2018 for CPAM. This transaction is considered the Bank's normal business support under general trading terms.	The Board of Directors' meeting no. 8/2017 held on 25 August 2017 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter) deemed it proper to approve the transaction since it was the Bank's normal business support and brought benefits to the Bank.
CIMB Securities (Thailand) Co., Ltd. (CIMBS), a wholly owned subsidiary of CIMB Securities International Pte. Ltd., which is a subsidiary having CIMB Group as the major shareholder	The Bank has performed an annual review and extended all credit facilities in the amount of THB 811 million to 30 September 2018 for CIMBS. This transaction is considered the Bank's normal business support under general trading terms.	The Board of Directors' meeting no. 9/2017 held on 22 September 2017 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter) deemed it proper to approve the transaction since it was the Bank's normal business support and brought benefits to the Bank.
Sathorn Asset Management Co., Ltd. (STAMC), a subsidiary of CIMB Group, which is the indirect major shareholder of the Bank	The Bank has sold NPLs to STAMC at the price of THB 1,850 million. This transaction is considered the Bank's normal business support under general trading terms.	The Board of Directors' meeting no. 10/2017 held on 31 October 2017 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter) deemed it proper to approve the transaction since it was the Bank's normal course of business and brought benefits to the Bank.
CIMB Group, the indirect major shareholder of the Bank	The Bank has outsourced to CIMB Group IT service for ICRES Revamp, for which agreement would be signed with CIMB Group, covering a period of 5 years, starting from 2018. The yearly service fee (excluding taxes) is MYR 458,886. The cost would be shared between Wholesale Banking (65%) and Commercial Banking (35%). This transaction is considered the Bank's normal business support.	The Board of Directors' meeting no. 11/2017 held on 29 November 2017 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter) deemed it proper to approve the transaction since it was the Bank's a normal business support from CIMB Group Sdn Bhd which caused no damage and brought benefit to the Bank.
Sathorn Asset Management Co., Ltd. (STAMC), a subsidiary of CIMB Group, which is the indirect major shareholder of the Bank	The Bank has sold its retail secured NPLs to STAMC. The proposed selling price was originally set at THB 1,248 million. However, later STAMC, the buyer, has engaged an independent advisor to conduct a valuation, resulting in the valuation price of THB 1,201 million. The Bank has accepted THB 1,201 million as the execution price, given the gap of less than 15% from the original pricing, which is the same basis as that adopted for the recent disposal of non-retail NPLs. This transaction is considered the Bank's normal business support.	The Board of Directors' meeting no. 11/2017 held on 29 November 2017 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter) deemed it proper to approve the transaction since it was the Bank's normal course of business and brought benefits to the Bank.
CIMB Bank Berhad (CIMB Bank), the major shareholder of the Bank holding 94.11% of the Bank's total issued and paid-up shares	The Bank has opened a segregated AOO account with CIMB Bank. This transaction is considered the Bank's normal business support.	The Board of Directors' meeting no. 12/2017 held on 22 December 2017 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter) deemed it proper to approve the transaction since it was the Bank's normal course of business and brought benefits to the Bank

- Loans, Deposits and Contingent Liabilities

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

(Unit: THB million)

Company name	31 December 2017				% shares holding	Joint management
	Contingent liabilities	Outstanding loans	Deposits	Borrowings		
Parent Company						
CIMB Bank Berhad	13	-	-	3,802	94.11	-
Interest rate swap contracts						
- Fixed rate payee	17,198	-	-	-		
- Floating rate payee	55,833	-	-	-		
Forward and spot contracts						
- Bought	2,657	-	-	-		
- Sold	217	-	-	-		
Cross currency and interest rate swap contracts						
- Bought	8,622	-	-	-		
- Sold	1,634	-	-	-		
Commodity						
- Bought	128	-	-	-		
Swaption						
- Sold	1,500	-	-	-		
Equity option						
- Sold	308	-	-	-		
Credit derivatives						
- Sold	5,264	-	-	-		
Subsidiary companies						
Center Auto Lease Co.,Ltd.	2,150	19,730	184	-	99.99	Mr. Adisorn Sermchaiwong Ms. Sasima Thongsamak Mr. Goh Therd Siang Ms. Onanong Udomkantong
CT COLL Co.,Ltd.	-	-	49	-	99.99	Mr. Adisorn Sermchaiwong Ms. Onanong Udomkantong Ms. Sasima Thongsamak Mr. Goh Therd Siang
Worldlease Co., Ltd.	-	3,018	69	-	99.99	Mr. Adisorn Sermchaiwong Mr. Visit Phuengpornsawan Ms. Onanong Udomkantong Ms. Sasima Thongsamak Ms. Piyawan Thianphranon Mr. Goh Therd Siang
Company under common control						
CIMB Bank Plc., Cambodia	61	-	-	-	-	
Sathorn Asset Management Co., Ltd.	-	-	302	-	-	Mr. Goh Therd Siang Mr. Tan Keat Jin
CIMB Securities (Singapore)	-	-	8	-	-	
CIMB Securities (Thailand) Co., Ltd.	-	-	874	-	-	Mr. Sutee Losoponkul
CIMB Principal Asset Management Co., Ltd.	-	-	261	-	-	Mr. Adisorn Sermchaiwong
Other related companies	-	30	8	-	-	
Related persons	-	8	470	-	-	-

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

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

- Justification of related party transactions

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

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

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

- Related party transaction trends

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

4. Internal Control

The Bank has established the organisational structure, policies and work procedures that ensure that effective risk management and internal control systems are put in place, enabling sustainable business growth and compliance with good corporate governance principles. In addition, the Bank has mechanisms to consistently monitor, assess and audit its internal control system to ensure adequacy, effectiveness and appropriateness.

- Organisation and environment

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

- Risk management

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

- Oversight of executive management

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

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

Furthermore, the Bank has established Compliance work unit to provide oversight and support to ensure that the Bank conducts its business in compliance with all applicable laws and regulatory requirements. Internal Audit has also been set up as an independent unit to examine and ensure all Bank activities are effectively and efficiently managed and operated in line with the risk management and internal control principles.

- Information and communication infrastructure

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

- Follow-up and monitoring system

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

D. Board Meetings

Board meetings are scheduled in advance for the entire year, with at least one held every quarter. In addition to the scheduled Board meetings, further Board meetings can also be held as and when they are required. The Board Secretary is responsible for providing all directors with the agenda, supporting papers and relevant information for each meeting seven days before the meeting to give the directors adequate time for studying business agendas and to ensure time spent efficiently during the meeting. The Board Secretary is also responsible for taking the minutes of each meeting and preparing the minutes of the meeting, which is adopted by the Board and filed for possible examination by the Board and relevant agencies. In 2017, the Bank held 12 Board meetings (details as disclosed under "Meeting Attendance of Directors").

E. Board/Board Committee Performance Review

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

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

F. Remuneration of Directors and Senior Executives

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

- Remuneration of Directors

The Bank's Articles of Association set out broad policies and practices to allow flexibility in determining directors' remuneration based on excellence in business and personal performance as well as the prevailing market conditions. The remuneration packages for directors, as approved by the meeting of shareholders, comprise meeting allowance, pension, bonus and other benefits. In this respect, the shareholders' meetings shall have remuneration determined either in specific amount or as per general guidelines, and either set from time to time or set to take effect until any change thereafter. Employees who also serve on the Board are still entitled to receive salary and remuneration in their capacity as staff or employees of the Bank.

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

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

1. Meeting and entertainment allowances for Board members

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

Directors are responsible for paying their own income tax.

2. Remuneration for Board Committee members

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

Remuneration (Position)	Year 2017	
	Allowance (Monthly)	Allowance (Per attendance)
1. Audit Committee		
• Chairman	39,600 THB/person	32,400 THB/person
• Committee member	22,000 THB/person	18,000 THB/person
2. Other Committees		
• Chairman	28,600 THB/person	23,400 THB/person
• Committee member	22,000 THB/person	18,000 THB/person

Directors are responsible for paying their own income tax.

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

G. Executive Development Programme

The Bank encourages all directors to participate regularly in the executive development programme, which is designed to familiarise the directors with the Bank's businesses, while providing them with an insight into their roles and responsibilities as Board members, and assisting them in developing visionary thinking. So far, the directors have participated in the programmes organised by the Thai Institute of Directors (IOD), namely the Director Certification Programme (DCP) and Director Accreditation Programme (DAP). Details on the directors' IOD training programmes are in the directors' profiles.

In 2017, there was one new director appointed by the Board meeting. The new director has undergone an in-house induction programme that gives an overview of the Bank and its business plans. An information pack has been provided explaining the Bank's corporate governance policies and practices and the roles and responsibilities of directors and the Board as a whole, including the various laws and regulations the director needs to know.

H. Succession Plan

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

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

I. Organisation and Personnel

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

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

	No. of employees
10. Information and Operations	534
11. Legal	15
12. Strategy	39
13. Human Resources	50
14. Office of the President	11
15. Corporate Communications	23
16. Internal Audit	53
17. Compliance	36
18. Advisor to the President and CEO	1
Total	2,642

Staff Development Programme and Human Resource Management Plan

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

Employee Benefits

The Bank has provided employee benefits such as provident fund, social security fund, life insurance, medical treatment, annual health check-up, staff clinic, housing loan, car/motorcycle loan, staff education loan and general purpose loan, that are competitive against other leading banks to attract and retain talented and competent staff. The total fixed salary paid to Bank employees for the fiscal year was THB 2,104.44 million. To be an employer of choice, the Bank will continue to improve its staff benefits to attract and retain quality staff

Training Courses and Human Resources Development

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

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

Staff Health and Safety Information

Proportion of average leave days of staff classified by type		2017 %	2016 %
Sick leave		19.26	30.11
Work related injury and sickness		0.0	0.0
Others		80.74	69.89
No. of average sick leave days (days/person)		3.39	2.77
Work related accident death (persons)		0	0

Human Rights Policy and Procedures

The Bank has established Human Rights Policy and Procedures to ensure its directors, executives and employees comply with and respect human rights as prescribed in the Thai Constitution. This includes the right to equal treatment irrespective of differences in homeland, race, gender, age, personal status, economic or social status, religious beliefs, education, or political viewpoints which are not against the provisions of the Constitution. The Bank is also determined not to get involved or support individuals or organisations having acted in breach of these human rights.

Policy of Non-violation of Intellectual Property Rights or Copyright

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

Policy for Reporting of Interests of Directors and Executives

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

Policy and Procedures on Anti-Corruption

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

CIMB Thai's Focus on Long-term Shareholder Value

The Bank continues to build long-term value for its shareholders through sustainable earnings growth and maintaining of a solid capital base to cope with risks associated with its diversified businesses.

Our Shareholders

Top ten shareholders of the Bank as of 15 June 2017:

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

Major shareholder with significant influence over planning and directing the Bank's operations is CIMB Bank Berhad with 94.11% holding of the total issued and paid-up shares of the Bank.

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.

A. Board of Directors

As of 31 January 2018, the Board of Directors was composed of the following 10 directors:

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

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

Directors Nominated by Major Shareholder

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

Authorised Signatories

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

Powers of the Board of Directors

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

Duties and Responsibilities of Board of Directors

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

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

20. Put in place corporate governance principles and business ethics, Board and Board committee charters, and human resource management policies.
21. Ensure there are relevant and effective operational controls, monitoring and guidelines available in all work units across the organisation.
22. Conduct self-assessment every year.

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

Sufficiency:

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

Prudence:

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

Integrity:

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

Selection, Appointment and Removal of Directors

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

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

B. Board Committees

Board Committee comprise:

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

1. Audit Committee

The Audit Committee (AC) is composed of:

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

Powers, Duties and Responsibilities:

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

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

Coverage: CIMB Thai group

2. *Nomination, Remuneration and Corporate Governance Committee*

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

1. Mrs. Watanan Petersik	Independent Director	as Chairperson
2. Dato' Robert Cheim Dau Meng	Vice Chairman	as Member and Alternate Chairperson
3. Dato' Shaarani Bin Ibrahim	Independent Director	as Member
4. Mrs. Kanokpai Vongsatitporn	Head of Human Resources	as Secretary

Powers, Duties and Responsibilities:

1. Nomination:
 - To formulate policies, criteria and methods of nominating candidates as the Bank's directors or persons with management power (EVP upwards) for further proposal to the Board for consideration and approval, and to submit such policies, criteria and methods to the Bank of Thailand upon its request.
 - To select and nominate names of qualified candidates for the following positions to the Board of Directors for approval:
 - a) Member of the Board of Directors,
 - b) Member of the Board of Directors appointed to sit on any board committee, and
 - c) EVP upwards
 - To ensure that the size and composition of the Board of Directors is appropriate for the organisation and the dynamic business environment. Board members shall possess appropriate expertise and experience.
 - To disclose the nomination policy and process in the Bank's annual report.
 - To consider the appointment and appropriate remuneration of the Bank subsidiaries' directors and recommend to the Board of subsidiaries for approval.
2. Remuneration:
 - To develop the policies on remuneration and other benefits payment, as well as remunerations and benefits for directors and persons with management power (EVP upwards) under clear, transparent criteria for proposal to the Board of Directors for

consideration and approval, and to submit such policies to the Bank of Thailand upon its request. (Policies on remunerations, benefits and welfares shall cover every aspect of remunerations, including director fees, salaries, allowances, bonuses, as well as relevant options and benefits.)

- To ensure that directors and persons with management power (EVP upwards)'s remunerations are commensurate with their duties and responsibilities. Board members who take extra assignments should receive remunerations commensurate with their designated duties and responsibilities.
 - To determine performance assessment criteria for board members and persons with management power (EVP upwards) for use in annual remuneration review, taking into account their responsibilities and relevant risks, as well as increase of shareholders' equity in a long run.
 - To disclose the policy on remuneration determination and remunerations in various forms, and to prepare a report on remuneration determination that at least covers the objectives, activities and opinions of the Remuneration Committee in the Bank's annual report.
 - To review the remuneration and compensation schemes for CIMB Thai employees in line with the industry practices and remuneration framework of the CIMB Group.
 - To recommend the annual salary adjustments and bonuses framework for CIMB Thai group to the Board of Directors for approval.
 - To approve any matter relating to staff remuneration and benefits involving an amount up to THB 50 million.
3. Corporate governance:
- To review the Corporate Governance Policy and Codes of Conduct for directors and employees of the Bank to ensure consistency with the corporate governance criteria of relevant regulatory authorities, and to submit to the Board of Directors for approval.
 - To approve corporate governance guidelines for relevant units to align with and present to the Board of Directors for acknowledgement on a yearly basis so as to enhance good corporate governance of the Bank.
4. The Committee may consider other matters assigned by the Board.

3. Board Risk Committee

The Board Risk Committee (BRC) is composed of:

1. Dato' Lee Kok Kwan	Director	as Chairman
2. Mr. Chitrapongse Kwangsukstith	Director	as Member and Alternate Chairman
3. Ms. Serena Tan Mei Shwen	Director	as Member
4. Mr. Arthit Masathirakul	Head of Risk Management	as Secretary

Powers, Duties and Responsibilities:

1. To approve the appointment of risk committees and the appointment of new members and changes of members as well as powers, duties and responsibilities of the following risk committees:
 - 1.1. Risk Management Committee (RMC)
 - 1.2. Assets and Liabilities Management Committee (ALCO)
 - 1.3. Thailand Underwriting Committee (TUC)
 - 1.4. Credit Committee (CC)
 - 1.5. Any other risk committees appointed to report directly to BRC
2. To concur or approve risk management frameworks, policies, limits and MATs (e.g. market risk, credit risk, operational risk, strategic risk, etc.) of CIMB Thai and its financial group as follows:

Frameworks/Policies/Limits and MATs of CIMB Thai

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

Frameworks/Policies/Limits and MATs of Financial Group

- 2.3 To concur on new (only required for the financial group) or changes which may result in material increase in risk to the existing risk frameworks/policies prior to submission to the respective Board of Directors of the companies within the financial group for approval.
- 2.4 To concur on all risk limits and MATs prior to submission to the respective Board of Directors of the companies within the financial group for approval.
3. To oversee the entire risk and capital management functions of CIMB Thai and its financial group including but not limited to the following:
 - 3.1. To ensure capital management frameworks, policies and strategies and its related frameworks, policies and strategies are complied with and implemented effectively.
 - 3.2. To review and approve the Stress Testing Scenario and Risk Posture.
 4. To review and concur or approve proposals recommended by risk committees including but not limited to the following:
 - New 3rd party of CIMB Thai and its Financial Group
Approve the new 3rd party(ies) of CIMB Thai (excluding CIMB Principal and companies in the financial group) before selling their products or concur on the new 3rd party(ies) of financial group prior to submission to the respective Board of Directors of the companies within the financial group for approval.
 5. To provide strategic guidance and review decisions made by the various risk committees.
 6. To ensure that infrastructure, resources, systems including risk measurement tools and other capabilities of CIMB Thai and its financial group are in place for risk management in order to maintain a satisfactory level of risk management and discipline and the risk awareness culture is pervasive throughout the organisation.
 7. To appoint external consultants, from time to time, to review and advise BRC on risk management matters as necessary.
 8. To approve and ensure the following are in line with regulatory requirements:
 - 8.1. Risk-related disclosures; and
 - 8.2. Internal control on risk-related disclosure process.

Coverage: CIMB Thai financial group (where appropriate)

4. Shariah Sub-Committee

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

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

Powers, Duties and Responsibilities

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

Meeting Attendance of Directors

In 2017, meeting attendance of Board members and Board committee members was as follows:

		Unit: Attendance			
No.	Director Name (number of meetings attended/total meetings)	(1) Board	(2) Audit Committee	(3) Nomination, Remuneration and Corporate Governance Committee	(4) Board Risk Committee
1.	Mr. Chakramon Phasukavanich	12/12	-	-	-
2.	Dato' Robert Cheim Dau Meng	11/12	-	11/11	-
3.	Mr. Sukont Kanjana-Huttakit	3/3	4/6	-	-
	Mr. Maris Samaram ^{/1}	8/8	10/10	-	-
4.	Mrs. Watanan Petersik	8/12	-	7/11	-
5.	Dato' Shaarani Bin Ibrahim	12/12	16/16	11/11	-
6.	Mr. Chitrapongse Kwangsukstith	10/12	-	-	8/11
7.	Ms. Serena Tan Mei Shwen	11/12	-	-	8/11
8.	Dato' Lee Kok Kwan	9/12	-	-	9/11
9.	Mr. Pravej Ongartsittigul	12/12	16/16	-	-
10.	Mr. Kittiphun Anutarasoti	12/12	-	-	9/11

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

C. Management Committee

The Management Committee is composed of:

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

By invitation: Head of Internal Audit

Powers, Duties and Responsibilities:

1. Advise the President and CEO;
2. Monitor and evaluate performance of each business division;
3. Review financial and other management reports of the Bank;
4. Devise strategy, business and capital management plans and budgets for the Bank;
5. Identify cross-divisional and cross-border synergies;
6. Deliberate key regulatory issues;
7. Approve delegated authorities on internal operations of non-risk related business unit;
8. Approve, revise and conduct annual reviews of the Bank's internal policies related to administration/operation/others, which are not required by regulatory bodies to obtain the Board of Directors' approval;
9. Approve the revision of delegation of authority and policies which will be related to the Bank's reorganisation;
10. Approve the appointment and revision of members, duties and responsibilities of Marketing and Communications Committee and Retail Business Committee;
11. Consider and decide on non-financial issues under 1Platform Project;
12. Review, give opinions, consider and approve the proposed legal provision in case the Bank and executives are sued for damages as recommended by Corporate Legal work unit;
13. Approve fee sharing scheme for investment product selling and/or referring customers through RBG only in case of 3rd party products which are not related party transaction or do not have material change from the existing ones already approved by Risk Management Committee;
14. Approve 3rd party products with non-material change to the existing 3rd party products which have already been approved by Risk Management Committee;
15. Appoint insurance broker for the Bank;
16. Other matters as directed by the Board/President & CEO.

Coverage: CIMB Thai group

Selection of Executives

In 2017, the Bank's principal focus was to attract talents with diverse professional backgrounds who could combine a broad spectrum of experience and expertise with integrity and drive to deliver on the Bank's business strategy and achieve its targets. An interview panel was set up in accordance with Bank policy and a selection and nomination process was formulated for all new senior executive appointments.

Executive Management

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

1. Mr. Kittiphun Anutarasoti	President and Chief Executive Officer
2. Mr. Sutee Losoponkul	Co-Head of Wholesale Banking and Head of Treasury
3. Mr. Adisorn Sermchaiwong	Head of Consumer Banking
4. Mr. Arthit Masathirakul	Head of Risk Management
5. Mr. Pornchai Padmintra	Co-Head of Wholesale Banking and Head of Corporate Banking and Investment Banking
6. Mrs. Bussakorn Puttinan	Head of Information and Operations
7. Mrs. Wareemon Niyomthai	Head of Commercial Banking
8. Ms. Siriporn Sanunpairaue	Head of Internal Audit

9. Mrs. Kanokpai Vongsatitporn	Head of Human Resources Management
10. Mr. Jason Leong kok Yew	Head of Finance
11. Mr. Tan Keat Jin	Head of Strategy
12. Mr. Prapas Thongsuk	Head of Corporate Communications
13. Mr. Akash Rathke	Head of Transaction Banking
14. Mr. Jittiwat Kantamala	Head of Private Banking
15. Mr. Zethjak Leeyakars	Head of Compliance and Acting Head of Office of the President

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

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

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

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

Director and Management Remuneration as of 31 December 2017**(1) Monetary remuneration****a. Remuneration for Board members**

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

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

Unit: THB

Name	Position	Monetary Remuneration			
		Board and Board Committee Members			
		Board of Directors	Audit Committee	Nomination, Remuneration and Corporate Governance Committee	Board Risk Committee
1. Mr. Chakramon Phasukavanich	Chairman	2,400,000	-	-	-
2. Dato' Robert Cheim Dau Meng	Vice Chairman	1,016,400	-	462,000	-
3. Mr. Sukont Kanjana-Huttakit	Independent Director	156,000	288,000	-	-
4. Mr. Maris Samaram	Independent Director	352,000	640,800	-	-
5. Mrs. Watanan Petersik	Independent Director	448,000	-	507,000	-
6. Dato' Shaarani Bin Ibrahim	Independent Director	528,000	534,000	462,000	-
7. Mr. Chitrapongse Kwangsukstith	Director	488,000	-	-	408,000
8. Ms. Serena Tan Mei Shwen	Director	488,000	-	-	408,000
9. Dato' Lee Kok Kwan	Director	468,000	-	-	553,800
10. Mr. Pravej Ongartsittigul	Independent Director	528,000	552,000	-	-
11. Mr. Kittiphun Anutarasoti/1	President and CEO	528,000	-	-	-
Total		7,400,400	2,014,800	1,431,000	1,369,800

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

b. Remuneration for senior executives

The Board is responsible for determining the procedures for evaluating the performance of senior executives based on the responsibilities, challenges and risks faced by each of them, and how their personal contributions help deliver sustainable shareholder value. The Board is also responsible for determining the appropriate remuneration packages for permanent and contract employees or any other persons having done business for the Bank, as recommended by executive management. In 2017, the aggregate remuneration for 14 Senior Executive Vice Presidents and above including the executives of Finance and Accounting (in accordance with the SEC definition of the term 'executives') was THB 113.32 million. In addition, the aggregate remuneration for 48 Executive Vice Presidents and above (in accordance with the BOT definition of the term 'executives') was THB 269.67 million.

(2) Other benefits

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

BOARD OF DIRECTORS' PROFILE AS OF 31 JANUARY 2018

1

**MR. CHAKRAMON
PHASUKAVANICH**

Age 70 years

**Name of Director/ Age / Position/
Date of appointment****Education**

Chairman of Board of Directors

Date of appointment:
19 April 2016

- Master of Arts (Economics),
California State University, Northridge, U.S.A.
- Bachelor of Arts (Economics),
Chulalongkorn University
- Certificate of Senior Executive Development
Program (Class 12)
- The National Defence Course,
National Defence College (Class of 39)

Training

Courses provided by Thai Institute of Directors:-

- 2011: Financial Institutions Governance Program (FGP)
- 2010: Advanced Audit Committee Program (AAP)
- 2010: Control and Risk Management (MIR)
- 2008: Current Issue Seminar (CIS)
- 2008: Role of the Chairman Program (RCP)
- 2006: Director Certification Program (DCP)
- 2006: Audit Committee Program (ACP)
- 2004: Financial for Non-Financial Director (FND)
- 2004: Director Accreditation Program (DAP)

Total shares held in BankNo. of shares held as
of year-end 2017

- By himself: 1 Share
- By his spouse and minor
children: None

**Directorship and positions held in other companies/
organisations and work experience within last 5 years****Listed Companies**

Period	Position	Company / Organisation
2015 – Present	Independent Director	Indorama Ventures PCL
2015 – Present	Chairman	P.C.S. Machine Group Holding PCL

Non-Listed Companies and other Companies and Organisations

Period	Position	Company / Organisation
16 Dec 2016 - Present	President	Investor Club Association

Work experience within last 5 years

Period	Position	Company / Organisation
2014 – 2015	Minister of Industry	The Prime Minister's Office
2013 – 2014	Chairman	P.C.S. Machine Group Holding PCL
2013 – 2014	Independent Director and Member of the Audit Committee	Akara Resources PCL
2011 – Aug 2014	Chairman	CIMB Thai Bank PCL
2011 – 2015	Member	Office the Public Sector Department Commission
2011 – 2014	Member	CIMB Southeast Asia Research
2009 – 2014	Independent Director and Audit Committee Director	Indorama Ventures PCL
2009 – 2012	Member	Burapha University Council
2006 – 2008	Member	The National Legislative Assembly
2004 – 2008	Permanent secretary, Office of Permanent Secretary	Ministry of Industry
2004 – 2006	Secretary General	Office of the National Economic and Social Development Board
2004 – 2017	Member	Office of the Council of State
2003 – 2004	Secretary General	Board of Investment of Thailand

2

	Name of Director/ Age / Position/ Date of appointment	Education																					
DATO' ROBERT CHEIM DAU MENG Age 66 years	Vice Chairman Member and Alternate Chairperson of Nomination, Remuneration and Corporate Governance Committee Date of appointment: 5 November 2008	- Fellow of the Institute of Chartered Accountants in England and Wales - Member of the Malaysian Institute of Accountants Training - FIDE Core Programme Module A (Bank) (13 -16 March 2017) - Bank Negara Malaysia Annual Report 2016/ Financial Stability & Payment Systems Report 2016 Briefing (23 March 2017) - Fintech: Opportunities for the Financial Services Industry in Malaysia (11 July 2017) - Invest Malaysia 2017 – Malaysia At 60 Maximising Potential (25-26 July 2017) - Asean@50 Conference (4 August 2017) - FIDE Core Programme Module B (7 August 2017) - CIMB Risk Workshop (10 August 2017) - (BRC)1st Directors' Regional Sharing Session (17-18 August 2017) - (NRC)1st Directors' Regional Sharing Session (17-18 August 2017) - Talk Presentation on ESH Reporting (18 September 2017) - Briefing on Companies Act 2016 for Directors of CPAM & CPIAM (19 September 2017) - Khazanah Mega Trends Forum (2-3 October 2017) - Annual Management Summit (17-18 November 2017)																					
Total shares held in Bank No. of shares held as of year-end 2017 - By himself: None - By his spouse and minor children: None	Directorship and positions held in other companies/ organisations and work experience within last 5 years Listed Companies <table> <tr> <th>Period</th><th>Position</th><th>Company / Organisation</th></tr> <tr> <td>-</td><td>-</td><td>-</td></tr> </table> Non-Listed Companies and other Companies and Organisations <table> <tr> <th>Period</th><th>Position</th><th>Company / Organisation</th></tr> <tr> <td>2012 - Present</td><td>Trustee</td><td>Yu Cai Foundation</td></tr> <tr> <td>Jul 2015 - Present</td><td>Chairman/Director</td><td>CIMB Investment Bank Bhd</td></tr> <tr> <td>Aug 2015 - Present</td><td>Trustee</td><td>CIMB Foundation</td></tr> <tr> <td>Nov 2015 - Present</td><td>Chairman/Director</td><td>CIMB-Principal Asset Management Bhd.</td></tr> </table>	Period	Position	Company / Organisation	-	-	-	Period	Position	Company / Organisation	2012 - Present	Trustee	Yu Cai Foundation	Jul 2015 - Present	Chairman/Director	CIMB Investment Bank Bhd	Aug 2015 - Present	Trustee	CIMB Foundation	Nov 2015 - Present	Chairman/Director	CIMB-Principal Asset Management Bhd.	
Period	Position	Company / Organisation																					
-	-	-																					
Period	Position	Company / Organisation																					
2012 - Present	Trustee	Yu Cai Foundation																					
Jul 2015 - Present	Chairman/Director	CIMB Investment Bank Bhd																					
Aug 2015 - Present	Trustee	CIMB Foundation																					
Nov 2015 - Present	Chairman/Director	CIMB-Principal Asset Management Bhd.																					
Work experience within last 5 years	<table> <tr> <th>Period</th><th>Position</th><th>Company / Organisation</th></tr> <tr> <td>2006 - Feb 2015</td><td>Non-executive Director</td><td>CIMB Group Holdings Bhd</td></tr> <tr> <td>2006 - Feb 2015</td><td>Adviser</td><td>CIMB Investment Bank Bhd</td></tr> <tr> <td>2005 - 2016</td><td>Chairman</td><td>Tanjong PLC</td></tr> <tr> <td>2005 - 2014</td><td>Director</td><td>CIMB Securities International Pte Ltd.</td></tr> <tr> <td>1999 - 2006</td><td>Executive Director</td><td>CIMB Investment Bank Bhd</td></tr> <tr> <td>1993 - 1999</td><td>Chief Executive Officer</td><td>CIMB Investment Bank Bhd</td></tr> </table>	Period	Position	Company / Organisation	2006 - Feb 2015	Non-executive Director	CIMB Group Holdings Bhd	2006 - Feb 2015	Adviser	CIMB Investment Bank Bhd	2005 - 2016	Chairman	Tanjong PLC	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	
Period	Position	Company / Organisation																					
2006 - Feb 2015	Non-executive Director	CIMB Group Holdings Bhd																					
2006 - Feb 2015	Adviser	CIMB Investment Bank Bhd																					
2005 - 2016	Chairman	Tanjong PLC																					
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																					

3

	Name of Director/ Age / Position/ Date of appointment	Education															
MR. MARIS SAMARAM Age 75 years	Independent Director Chairman of Audit Committee Date of appointment: 8 May 2017	- Program for Management Development, Harvard Business School, U.S.A. - B.S.B.A., Accounting, University of The East, The Philippines Training - Director Certification Program Class No. 33/2003, Thai Institute of Directors, Thailand - Audit Committee Program Class No. 3/2004, Thai Institute of Directors, Thailand - Quality of Financial Reporting Program Class No.2/2006, Thai Institute of Directors, Thailand - Monitoring the Internal Audit Function Class No.3/2008, Thai Institute of Directors, Thailand - Monitoring the System of Internal Control and Risk Management Class No.4/2008, Thai Institute of Directors, Thailand - Handling Conflicts of Interest: What the Board Should Do?, Thai Institute of Directors, Thailand - Board Failure and How to Fix it, Thai Institute of Directors, Thailand - The Responsibilities and Liabilities of Directors and Executives under the New SEC ACT (May 2008), Thai Institute of Directors, Thailand															
Total shares held in Bank	Directorship and positions held in other companies/ organisations and work experience within last 5 years																
No. of shares held as of year-end 2017 - By himself: None - By his spouse and minor children: None	Listed Companies <table> <tr> <th data-bbox="592 1433 655 1455">Period</th><th data-bbox="951 1433 1023 1455">Position</th><th data-bbox="1201 1433 1422 1455">Company / Organisation</th></tr> <tr> <td data-bbox="592 1455 719 1477">2010 - Present</td><td data-bbox="951 1455 1198 1566">Independent Director, Chairman of Audit Committee and Member of the Sustainability and Risk Management Committee</td><td data-bbox="1201 1455 1401 1477">Indorama Ventures PCL</td></tr> </table> Non-Listed Companies and other Companies and Organisations <table> <tr> <th data-bbox="592 1643 655 1665">Period</th><th data-bbox="951 1643 1023 1665">Position</th><th data-bbox="1201 1643 1422 1665">Company / Organisation</th></tr> <tr> <td data-bbox="592 1665 719 1687">2005 – Present</td><td data-bbox="951 1665 1015 1687">Director</td><td data-bbox="1201 1665 1374 1687">PAC (Siam) Co., Ltd.</td></tr> <tr> <td data-bbox="592 1687 719 1709">2004 – Present</td><td data-bbox="951 1687 1015 1709">Director</td><td data-bbox="1201 1687 1361 1709">Marsh PB Co., Ltd.</td></tr> </table>		Period	Position	Company / Organisation	2010 - Present	Independent Director, Chairman of Audit Committee and Member of the Sustainability and Risk Management Committee	Indorama Ventures PCL	Period	Position	Company / Organisation	2005 – Present	Director	PAC (Siam) Co., Ltd.	2004 – Present	Director	Marsh PB Co., Ltd.
Period	Position	Company / Organisation															
2010 - Present	Independent Director, Chairman of Audit Committee and Member of the Sustainability and Risk Management Committee	Indorama Ventures PCL															
Period	Position	Company / Organisation															
2005 – Present	Director	PAC (Siam) Co., Ltd.															
2004 – Present	Director	Marsh PB Co., Ltd.															
Work experience within last 5 years																	
Period 2003 – Aug 2017	Position Independent Director, Chairman of Audit Committee and Member of Corporate Governance and Nomination Committee	Company / Organisation Tata Steel (Thailand) PCL															
2013 – 2015	Independent Director and Chairman of Audit Committee	Akara Resources PCL															
2003 – 2015	Independent Director and Chairman of Audit Committee	Siam Commercial Bank PCL															
2008 – 2011	Independent Director and Member of Audit Committee	Indorama Polymers PCL															
2004 – 2010	Independent Director	Sub Sri Thai Warehouse PCL															

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	Name of Director/ Age / Position/ Date of appointment	Education						
MRS. WATANAN PETERSIK	Independent Director Chairperson of Nomination, Remuneration and Corporate Governance Committee	- AB Bryn Mawr College, PA, U.S.A.						
Age 57 years	Date of appointment: 25 April 2007	Training - Bursatra Sdn Bhd: Mandatory Accreditation Programme (MAP) for Directors of Public Listed Companies (17-18 March 2010) - Director Accreditation Programme (DAP) Class 83/2010 English Programme, Thai Institute of Directors (27 April 2010) - Certificate, Singapore Institute of Directors Course: Role of Directors						
Total shares held in Bank	Directorship and positions held in other companies/ organisations and work experience within last 5 years							
No. of shares held as of year-end 2017	Listed Companies							
- By herself: None	<table> <tr> <th>Period</th><th>Position</th><th>Company / Organisation</th></tr> <tr> <td>2014 - Present</td><td>Independent Director</td><td>PTT Global Chemical PCL</td></tr> </table>	Period	Position	Company / Organisation	2014 - Present	Independent Director	PTT Global Chemical PCL	
Period	Position	Company / Organisation						
2014 - Present	Independent Director	PTT Global Chemical PCL						
- By her spouse and minor children: None	Non-Listed Companies and other Companies and Organisations							
	<table> <tr> <th>Period</th><th>Position</th><th>Company / Organisation</th></tr> <tr> <td>2011 - Present</td><td>Director</td><td>Lien Centre for Social Innovation, Singapore Management University</td></tr> </table>	Period	Position	Company / Organisation	2011 - Present	Director	Lien Centre for Social Innovation, Singapore Management University	
Period	Position	Company / Organisation						
2011 - Present	Director	Lien Centre for Social Innovation, Singapore Management University						
	<table> <tr> <td>2010 - Present</td><td>Independent Director</td><td>CIMB Group Holdings Bhd</td></tr> </table>	2010 - Present	Independent Director	CIMB Group Holdings Bhd				
2010 - Present	Independent Director	CIMB Group Holdings Bhd						
	<table> <tr> <td>2010 - Present</td><td>Independent Director</td><td>CIMB Group Sdn Bhd</td></tr> </table>	2010 - Present	Independent Director	CIMB Group Sdn Bhd				
2010 - Present	Independent Director	CIMB Group Sdn Bhd						
	<table> <tr> <td>2008 - Present</td><td>Non-executive Director</td><td></td></tr> </table>	2008 - Present	Non-executive Director					
2008 - Present	Non-executive Director							
	<table> <tr> <td></td><td>Director</td><td>Asia Capital Advisory Pte Ltd.</td></tr> </table>		Director	Asia Capital Advisory Pte Ltd.				
	Director	Asia Capital Advisory Pte Ltd.						
Work experience within last 5 years								
Period	Position	Company / Organisation						
Jan 2016 - Nov 2017	Director	TPG Star SF Pte Ltd.						
Jan 2016 - Nov 2017	Director	TPG Growth SF Pte Ltd.						
Jan 2016 - Nov 2017	Director	TPG Growth III Asia Internet Holdings Pte Ltd.						
Feb 2015 - Nov 2017	Director	TE Asia Healthcare Advisory Pte Ltd.						
Sep 2014 - Nov 2017	Director	TE Asia Healthcare Partners Pte Ltd						
2007 - Nov 2017	Senior Adviser/Consultant	TPG Capital Asia						

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**DATO' SHAARANI
BIN IBRAHIM**

Age 68 years

**Name of Director/ Age / Position/
Date of appointment**

Independent Director
Member of Audit Committee
Member of Nomination, Remuneration
and Corporate Governance Committee

Date of appointment:
20 January 2009

Education

- B.A. (Hons) International Relations, Universiti Malaya

Training

- Forum, World Economic Forum on ASEAN 2017 (10 – 12 May 2017, Phnom Penh, Cambodia)
- Workshop ,12th World Islamic Economic Forum (2 – 4 August 2016, Jakarta, Indonesia)
- September 2015: World Capital Markets Symposium, Malaysia
- June 2015: Affin Hwang Asset Management Investment Forum 2015, Malaysia
- June 2015: IDFR (Institute of Diplomacy and Foreign Relations) Lecture Series 3/2015 themed "China's One Belt, One Road Initiative: Strategic Implications, Regional Responses," Malaysia
- September 2014: ASEAN Game Changer Forum, Singapore
- June 2014: CIMB Group on the 6th Regional Compliance, Audit & Risk (CAR) Summit, Malaysia
- June 2014: 28th Asia-Pacific Roundtable (APR), Malaysia
- June 2013: CIMB Group on the 5th Regional Compliance, Audit & Risk (CAR) Conference, Indonesia
- April 2011: Director Certification Programme (DCP) Class 145/2011 English Programme, Thai Institute of Directors
- April 2010: Director Accreditation Programme (DAP) Class 83/2010 English Programme, Thai Institute of Directors
- August 2009: Non-Executive Director Development Series
- August 2009: "Corporate Governance" by PriceWaterhouseCoopers, Malaysia

Total shares held in Bank

No. of shares held as
of year-end 2017

- By himself: None
- By his spouse and minor children: None

**Directorship and positions held in other companies/
organisations and work experience within last 5 years****Listed Companies**

Period	Position	Company / Organisation
-	-	-

Non-Listed Companies and other Companies and Organisations

Period	Position	Company / Organisation
Aug 2015 – Present	Board of Members, Chairman of Risk Committee and Chairman of Risk Settlement Committee	CIMB Bank PCL, Vietnam
Sep 2010 – Present	Chairman of the Board, Member of Audit Committee	CIMB Bank PCL, Cambodia

Work experience within last 5 years

Period	Position	Company / Organisation
Sep 2010 – Apr 2017	Independent Director, Chairman of Remuneration Committee, Member of Audit Committee, Member of Nomination Committee	Dragon Group International Limited (DGI), Singapore
Jan 2011 – Jan 2014	Board Member, Chairman of Audit Committee, Member of Investment Committee	Universiti Putra Malaysia (UPM)
2005 – 2008	Ambassador of Malaysia	The Kingdom of Thailand

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Name of Director/ Age / Position/ Date of appointment	Education
MR. CHITRAPONGSE KWANGSUKSTITH	- Doctor of Engineering (Industrial Engineering), Lamar University, U.S.A. - Master of Engineering (Industrial Engineering), Lamar University, U.S.A. - Bachelor of Engineering (Mechanical Engineering), Chulalongkorn University, Thailand
Age 68 years	Date of appointment: 11 April 2014
	Training - Stanford Executive Program, Stanford University, U.S.A. - The National Defence Course, National Defence College, (Class of 4212), Thailand - Director Certification Program (DCP) Class 42/2004, Finance for Non-Finance Directors (FND) Class 9/2004, Role of Compensation Committee (RCC) Class 10/2010 and National Corporate Governance Committee (NCGC), Thai Institute of Directors (IOD)

Total shares held in Bank

No. of shares held as
of year-end 2017

- By himself: None

- By his spouse and minor
children: None

**Directorship and positions held in other companies/
organisations and work experience within last 5 years****Listed Companies**

Period	Position	Company / Organisation
Present	Director	Thoresen Thai Agencies PCL

Non-Listed Companies and other Companies and Organisations

Period	Position	Company / Organisation
Present	Director	Earth Green Co., Ltd.
Present	Director	Baan Mee Green Co., Ltd.
Present	Director	Panom Green Co., Ltd.
Present	Director	Advances Advertising Technology Co., Ltd.
Present	Director	Green Energy Holding Co., Ltd.
Present	Director	Green Energy Asia Group Co., Ltd.
Present	Director	DRCM Holding Co., Ltd.

Work experience within last 5 years

Period	Position	Company / Organisation
2017	Director	Rayong Green Co., Ltd
2012 - 2014	Chairman	PTT Energy Resources Co., Ltd.
2009 - 2014	Chairman	PTT International Co., Ltd.
2008 - 2009	Chief Operating Officer, Upstream Petroleum and Gas Business Group	PTT PCL
2003 - 2007	Senior Executive Vice President, Gas Business Unit	PTT PCL

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	Name of Director/ Age / Position/ Date of appointment	Education
DATO' LEE KOK KWAN Age 52 years	Director Chairman of Board Risk Committee Date of appointment: 24 December 2015	- Joint Honors (First Class), Bachelor of Business Administration & Economics, Simon Fraser University, Canada - Master of Business Administration, Simon Fraser University, Canada Training - Bursatra Sdn Bhd: Mandatory Accreditation Programme for Directors of Public Listed Companies (2015)
Total shares held in Bank	Directorship and positions held in other companies/ organisations and work experience within last 5 years	
No. of shares held as of year-end 2017	Listed Companies	
- By himself: None	Period Present	Position Director Company / Organisation CIMB Group Holdings Bhd
- By his spouse and minor children: None	Non-Listed Companies and other Companies and Organisations	
	Period Present	Position Director Company / Organisation CIMB Bank Bhd
	Present	Cagamas Holdings Bhd
	Present	Securities Commission Malaysia
	Present	Financial Markets Association of Malaysia
	Present	Megmoni Sdn Bhd
	Present	Sterns Knight Corp
	Present	Ukaydev38 Sdn Bhd
	Work experience within last 5 years	
Period 2012 - 2015	Position Group Deputy CEO & Head of Treasury, Corporate Banking & Transaction Banking	Company / Organisation CIMB Group Holding Bhd
2008 - 2012	Group Deputy CEO & Treasurer	CIMB Group Holding Bhd
2006 - 2008	Group Treasurer	CIMB Group Holding Bhd
1997 - 2006	General Manager of Treasury & Debt Capital Markets	CIMB Investment Bank
1996 - 1997	Head of Risk Management	CIMB Investment Bank

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Name of Director/ Age / Position/ Date of appointment		Education
MS. SERENA TAN MEI SHWEN	Director Member of Board Risk Committee	- Master of Business Administration, Massachusetts Institute of Technology, U.S.A.
	Date of appointment: 6 May 2014	- Bachelor of Commerce, Accounting & Finance, Macquarie University, Sydney, Australia - 7th Form Bursary Certificate - (Economics, Statistics, English, History), Aranui High School, Christchurch, New Zealand
Age 39 years		
Directorship and positions held in other companies/ organisations and work experience within last 5 years		
Listed Companies		
Period	Position	Company / Organisation
-	-	-
Non-Listed Companies and other Companies and Organisations		
Period	Position	Company / Organisation
2005 - Present	Director	Investments, Khazanah Nasional Berhad, Kuala Lumpur, Malaysia
Dec 2017 - Present	Director	CIMB Bank Berhad
Work experience within last 5 years		
Period	Position	Company / Organisation
Apr 2008 - Oct 2009	Principal	Olivant Advisors (Seconded from Khazanah), Singapore
Mar 2006 - Apr 2008	Senior Vice President, Office of the Chairman/CEO	Lippo Bank Tbk (Seconded from Khazanah), Jakarta, Indonesia
Oct 2005 - Mar 2006	Vice President	Credit Cards Group Head
Dec 2003 - Feb 2005	Associate	Boston Consulting Group, Kuala Lumpur, Malaysia
Apr 2001 - Dec 2003	Senior Analyst	FIG Specialist, McKinsey & Company, Kuala Lumpur, Malaysia

Total shares held in BankNo. of shares held as
of year-end 2017

- By herself: None

- By her spouse and minor
children: None

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	Name of Director/ Age / Position/ Date of appointment	Education																		
MR. PRAVEJ ONGARTSITTIGUL Age 62 years	Independent Director Member of Audit Committee Date of appointment: 19 April 2016	- Master of Business Administration (Finance), New Hampshire College, U.S.A. - Master of Business Administration (Decision Support Systems), New Hampshire College, U.S.A. - Bachelor of Accounting, Faculty of Commerce and Accountancy, Chulalongkorn University Training - 2017: Ethical Leadership Program (ELP) Class 8/2017, Thai Institute of Directors - 2016: Corporate Governance for Capital Market Intermediaries (CGI), Class 17/2016, Thai Institute of Directors - 2009: Advanced Senior Executive Program, Northwestern University (Kellogg) - 2007: Director Certification Program, (DCP), Class 86/2007, Thai Institute of Directors - 2007: Strategic Leadership Program, Capital Market Academy Class 1/2007, Stock Exchange of Thailand - 2007: Public-Private Partnership Program, Class 1/2007, Royal Thai Police - 1990: Chartered Bank EDP Auditor, Designation 898/1990, Bank Administration Institute, U.S.A. - 1987: Chartered Bank Auditor, Designation 3167/1987, Bank Administration Institute, U.S.A.																		
Total shares held in Bank No. of shares held as of year-end 2017 - By himself: None - By his spouse and minor children: None	Directorship and positions held in other companies/ organisations and work experience within last 5 years Listed Companies <table> <tr> <th>Period</th><th>Position</th><th>Company / Organisation</th></tr> <tr> <td>Present</td><td>Director</td><td>Nok Airlines PCL</td></tr> </table> Non-Listed Companies and other Companies and Organisations <table> <tr> <th>Period</th><th>Position</th><th>Company / Organisation</th></tr> <tr> <td>Jul 2016 – Present</td><td>Independent Director</td><td>Advance Medical Co., Ltd.</td></tr> <tr> <td>Apr 2016 – Present</td><td>Chairman and Independent Director</td><td>AIRA Securities PCL</td></tr> <tr> <td>2006 – Present</td><td>Director (Investment Advisory)</td><td>Thai Red Cross Society</td></tr> </table>	Period	Position	Company / Organisation	Present	Director	Nok Airlines PCL	Period	Position	Company / Organisation	Jul 2016 – Present	Independent Director	Advance Medical Co., Ltd.	Apr 2016 – Present	Chairman and Independent Director	AIRA Securities PCL	2006 – Present	Director (Investment Advisory)	Thai Red Cross Society	
Period	Position	Company / Organisation																		
Present	Director	Nok Airlines PCL																		
Period	Position	Company / Organisation																		
Jul 2016 – Present	Independent Director	Advance Medical Co., Ltd.																		
Apr 2016 – Present	Chairman and Independent Director	AIRA Securities PCL																		
2006 – Present	Director (Investment Advisory)	Thai Red Cross Society																		
Work experience within last 5 years	<table> <tr> <th>Period</th><th>Position</th><th>Company / Organisation</th></tr> <tr> <td>2011 - 2015</td><td>Secretary General</td><td>Office of Insurance Commission</td></tr> <tr> <td>2005 - 2011</td><td>Senior Assistant Secretary General</td><td>Office of Securities and Exchange Commission</td></tr> <tr> <td>2011 - 2015</td><td>Member of Committee for the Protection of Credit Information</td><td>Bank of Thailand</td></tr> <tr> <td>2011 - 2015</td><td>Member of Financial Institutions Policy Committee</td><td>Bank of Thailand</td></tr> <tr> <td>2011 - 2015</td><td>Director</td><td>Anti-Money Laundering Office</td></tr> </table>	Period	Position	Company / Organisation	2011 - 2015	Secretary General	Office of Insurance Commission	2005 - 2011	Senior Assistant Secretary General	Office of Securities and Exchange Commission	2011 - 2015	Member of Committee for the Protection of Credit Information	Bank of Thailand	2011 - 2015	Member of Financial Institutions Policy Committee	Bank of Thailand	2011 - 2015	Director	Anti-Money Laundering Office	
Period	Position	Company / Organisation																		
2011 - 2015	Secretary General	Office of Insurance Commission																		
2005 - 2011	Senior Assistant Secretary General	Office of Securities and Exchange Commission																		
2011 - 2015	Member of Committee for the Protection of Credit Information	Bank of Thailand																		
2011 - 2015	Member of Financial Institutions Policy Committee	Bank of Thailand																		
2011 - 2015	Director	Anti-Money Laundering Office																		

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**MR. KITTIPHUN
ANUTARASOTI**

Age 48 years

**Name of Director/ Age / Position/
Date of appointment**

Director (Authorised Signatory)
President and Chief Executive Officer
Chairman of Management Committee
Chairman of Risk Management Committee
Alternate Chairman of Credit Committee
Chairman of Retail Business Committee
Chairman of Assets and Liabilities
Management Committee
Chairman of IT Strategic Planning Committee
Chairman of Marketing and
Communications Committee
Chairman of Thailand Underwriting Committee
Chairman of Thailand Private Banking
Management Committee

Date of appointment:
19 October 2016

Education

- Master of Business Administration (Finance),
Saint Louis University, U.S.A.

- Bachelor of Economics (1st Class Honour &
Gold Medal), Chulalongkorn University

Training

- Advanced Management Program – INSEAD
Business School

- Financial Institution Risk Analysis – Fitch Training,
Singapore

- Structured Derivatives Instruments – JP Morgan,
Singapore

- Advanced Credit Training – Bank of America,
San Francisco

- Basic Credit Training – Bank of America,
San Francisco

Total shares held in Bank

No. of shares held as
of year-end 2017

- By himself: None

- By his spouse and minor
children: None

**Directorship and positions held in other companies/
organisations and work experience within last 5 years****Listed Companies**

Period	Position	Company / Organisation
-	-	-

Non-Listed Companies and other Companies and Organisations

Period	Position	Company / Organisation
-	-	-

Work experience within last 5 years

Period	Position	Company / Organisation
2013 – 2016	Senior Executive Vice President	Krungthai Bank PCL
2009 – 2013	First Executive Vice President	Siam Commercial Bank PCL
2000 – 2009	Executive Director	JP Morgan Chase Bank, N.A., Bangkok Branch

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	Name of Director/ Age / Position/ Date of appointment	Education																		
ASSOC.PROF. DR. ISMAAE ALEE Age 67 years	Shariah Advisor Date of appointment: 1 August 2011	- Higher Certificate in Promotion of Peaceful Society, King Prajadhipok's Institute - Ph.D., Al-Fiqh (First Class Hons), Islamic University of Madinah, Saudi Arabia - Master of Arts, Al-Fiqh (Excellence), Islamic University of Madinah, Saudi Arabia - Bachelor of Arts, Sharia (Hons), Islamic University of Madinah, Saudi Arabia - Bachelor of Arts, Dawah and Usul al- din, Islamic University of Madinah, Saudi Arabia																		
Total shares held in Bank No. of shares held as of year-end 2017 By himself: None By his spouse and minor children: None	Directorship and positions held in other companies/ organisations and work experience within last 5 years Listed Companies <table><tr><th>Period</th><th>Position</th><th>Company / Organisation</th></tr><tr><td>-</td><td>-</td><td>-</td></tr></table> Non-Listed Companies and other Companies and Organisations <table><tr><th>Period</th><th>Position</th><th>Company / Organisation</th></tr><tr><td>2014 - Present</td><td>Chairman</td><td>Orphans Foundation</td></tr><tr><td>2007 - Present</td><td>Member, Chairman of Halal Affairs</td><td>Central Islamic Council of Thailand (CICOT)</td></tr></table>	Period	Position	Company / Organisation	-	-	-	Period	Position	Company / Organisation	2014 - Present	Chairman	Orphans Foundation	2007 - Present	Member, Chairman of Halal Affairs	Central Islamic Council of Thailand (CICOT)				
Period	Position	Company / Organisation																		
-	-	-																		
Period	Position	Company / Organisation																		
2014 - Present	Chairman	Orphans Foundation																		
2007 - Present	Member, Chairman of Halal Affairs	Central Islamic Council of Thailand (CICOT)																		
Work experience within last 5 years	<table><tr><th>Period</th><th>Position</th><th>Company / Organisation</th></tr><tr><td>2010 - 2011</td><td>Head of Delegation</td><td>Thai Haj Delegation</td></tr><tr><td>2008 - 2010</td><td>Member</td><td>Shariah Advisory Council, Securities Commission, Malaysia</td></tr><tr><td>2007 - 2010</td><td>Associate Professor of Islamic Law</td><td>Advisory Council for Peace Building in Southern Border Provinces of Thailand</td></tr><tr><td>2006 - 2010</td><td>Head</td><td>College of Islamic Studies (CIS), Prince of Songkla University (PSU)</td></tr><tr><td>2002 - 2010</td><td>Director</td><td>Doctoral Degree in Islamic Studies of CISPSU College of Islamic Studies CIS-PSU</td></tr></table>	Period	Position	Company / Organisation	2010 - 2011	Head of Delegation	Thai Haj Delegation	2008 - 2010	Member	Shariah Advisory Council, Securities Commission, Malaysia	2007 - 2010	Associate Professor of Islamic Law	Advisory Council for Peace Building in Southern Border Provinces of Thailand	2006 - 2010	Head	College of Islamic Studies (CIS), Prince of Songkla University (PSU)	2002 - 2010	Director	Doctoral Degree in Islamic Studies of CISPSU College of Islamic Studies CIS-PSU	
Period	Position	Company / Organisation																		
2010 - 2011	Head of Delegation	Thai Haj Delegation																		
2008 - 2010	Member	Shariah Advisory Council, Securities Commission, Malaysia																		
2007 - 2010	Associate Professor of Islamic Law	Advisory Council for Peace Building in Southern Border Provinces of Thailand																		
2006 - 2010	Head	College of Islamic Studies (CIS), Prince of Songkla University (PSU)																		
2002 - 2010	Director	Doctoral Degree in Islamic Studies of CISPSU College of Islamic Studies CIS-PSU																		

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**PROF.
DR. MARONING
SALAMING**

Age 52 years

Total shares held in Bank

No. of shares held as
of year-end 2017

- By himself: None

- By his spouse and minor
children: None

Name of Director/ Age / Position/ Date of appointment

Shariah Advisor

Date of appointment:
1 August 2011

Education

- Ph.D., Principles of Islamic Jurisprudence,
Islamic University of Medina, Saudi Arabia
- Master of Arts, Principles of Islamic Jurisprudence,
Islamic University of Medina, Saudi Arabia
- Bachelor of Arts, Islamic Law,
Islamic University of Medina, Saudi Arabia

Directorship and positions held in other companies/ organisations and work experience within last 5 years

Listed Companies

Period	Position	Company / Organisation
-	-	-

Non-Listed Companies and other Companies and Organisations

Period	Position	Company / Organisation
2016 – Present	Haj Affairs Committee B.E. 2559	Central Islamic Council of Thailand
2016 – Present	President, Shariah Transactions	Dhipaya Takaful
2016 – Present 2015 – Present	President, Office Amirun-Hajj Adviser of Director, College of Islamic Studies	Sheikhul Islam College of Islamic Studies, Prince of Songkla University, Pattani Campus
2013 – Present 2011 – Present	Expert Sheikhul Islam Member of Shariah Advisory Council	Sheikhul Islam Provinces Administration Center Koperasi Bina Berhad
2010 – Present	Consultant and Working Committee Member	Sheikhul Islam
2008 – Present	Adviser on Ph.D. Thesis	College of Islamic Studies, Prince of Songkla University, Pattani Campus
2006 – Present	Adviser on Master's Degree Thesis	College of Islamic Studies, Prince of Songkla University, Pattani Campus
2005 – Present	Professor of Islamic Law Department	College of Islamic Studies, Prince of Songkla University, Pattani Campus

Work experience within last 5 years

Period	Position	Company / Organisation
2013 – 2014	Deputy Secretary General	Southern Border Provinces Administration Center
2012 – 2014	Specialised Committee Member	Hajj Promotion Committee of Southern Border Provinces of Thailand, pursuant to the appointment order of Southern Border Council for Yala Primary Educational Service Area 1
2011 – 2013 2009 – 2015	Specialised Council Member Member of Management Committee of Ph.D Programme	College of Islamic Studies, Prince of Songkla University, Pattani Campus
2008 – 2010	Adoption of Islamic Laws in Southern Border Provinces	Pursuant to the order of Sub Committee on Policy and Coordination of Judicial Process in Southern Border Provinces

MANAGEMENT COMMITTEE'S PROFILE AS OF 31 JANUARY 2018

1

**MR. KITTIPHUN
ANUTARASOTI**

Age 48 years

**Name of Executive/Position/
Date of Appointment**

Director (Authorised Signatory)
 President and Chief Executive Officer
 Chairman of Management Committee
 Chairman of Risk Management Committee
 Alternate Chairman of Credit Committee
 Chairman of Retail Business Committee
 Chairman of Assets and Liabilities
 Management Committee
 Chairman of IT Strategic Planning Committee
 Chairman of Marketing and
 Communications Committee
 Chairman of Thailand Underwriting Committee
 Chairman of Thailand Private Banking
 Management Committee

Date of appointment:
 19 October 2016

Education

- Master of Business Administration (Finance),
Saint Louis University, U.S.A.
 - Bachelor of Economics (1st Class Honour &
Gold Medal), Chulalongkorn University
- Training**
- Advanced Management Program – INSEAD
Business School
 - Financial Institution Risk Analysis – Fitch Training,
Singapore
 - Structured Derivatives Instruments – JP Morgan,
Singapore
 - Advanced Credit Training – Bank of America,
San Francisco
 - Basic Credit Training – Bank of America,
San Francisco

Total shares held in Bank

No. of shares held as
 of year-end 2017

- By himself: None
- By his spouse and minor
children: None

**Directorship and positions held in other companies/
organisations and work experience within last 5 years****Listed Companies**

Period	Position	Company / Organisation
-	-	-

Non-Listed Companies and other Companies and Organisations

Period	Position	Company / Organisation
-	-	-

Work experience within last 5 years

Period	Position	Company / Organisation
2013 – 2016	Senior Executive Vice President	Krungthai Bank PCL
2009 – 2013	First Executive Vice President	Siam Commercial Bank PCL
2000 – 2009	Executive Director	JP Morgan Chase Bank, N.A., Bangkok Branch

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	Name of Executive/Position/ Date of Appointment	Education
MR. AKASH RATHKE	Head of Transaction Banking	- Fellow of Institute of Chartered Accountants of India (1988)
Age 51 years	Date of appointment: 1 January 2018	- Bachelor of Commerce, Panjab University, India (1986)
		- Indian Certificate of Secondary Education, ST.Francis High School, India (1982)
Total shares held in Bank	Directorship and positions held in other companies/ organisations and work experience within last 5 years	
No. of shares held as of year-end 2017	Listed Companies	
- By himself: None	Period	Position
- By his spouse and minor children: None	-	-
	Non-Listed Companies and other Companies and Organisations	
	Period	Position
	Jan 2016 – Dec 2017	Non-Executive Director
		Company / Organisation
		Cromdx Solutions Pvt. Ltd.
Work experience within last 5 years		
Period	Position	Company / Organisation
Jan 2015 – Jun 2016	Managing Director	Asia Data Governance Head, CITIBANK HK
Jan 2012 – Dec 2014	Managing Director	Asia Projects Head, CITIBANK HK
Oct 2009 – Dec 2011	Managing Director	Asia Head Bank Relationships, CITIBANK HK

3

	Name of Executive/Position/ Date of Appointment	Education
MR. SUTEE LOSOPONKUL	Co-Head of Wholesale Banking and Head Treasury	- MBA, National Institute of Development Administration (NIDA)
Age 57 years	Date of appointment: 1 April 2011	- B.Sc. (Industrial Engineering), Prince of Songkla University
		Training
		- The National Defence college of Thailand
		- Market Risk for Treasury Products, New York Institute of Finance (Financial Times)
		- Asset and Liability Management, Chase Manhattan Bank, Singapore
		- Treasury Training Scheme, Institute of Banking and Finance (IBF), Singapore
		• Offshore Deposit Market
		• Foreign Exchange Arithmetic
		• Financial Future
		• Options
		• Citibank Bourse Game

Total shares held in Bank	Directorship and positions held in other companies/ organisations and work experience within last 5 years		
No. of shares held as of year-end 2017 - By himself: None - By his spouse and minor children: None	Listed Companies		
	Period	Position	Company / Organisation
	-	-	-
	Non-Listed Companies and other Companies and Organisations		
	Period	Position	Company / Organisation
	23 Apr 2013 - Present 4 Mar 2011 - Present	Director Director	The Thai Bond Market Association CIMB Securities (Thailand) Co., Ltd.

Work experience within last 5 years

Period	Position	Company / Organisation
-	-	-

4

	Name of Executive/Position/ Date of Appointment	Education
MR. ADISORN SERMCHAIWONG	Head of Consumer Banking	- Master of Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University
Age 52 years	Date of appointment: 11 September 2012	- Bachelor of Engineering, Chulalongkorn University
		Training
		- Director Certification Programme (DCP), Thai Institute of Directors
		- Advanced Management Programme, Oxford University
		- Capital Market Academy Leadership Programme, Capital Market Academy (CMA) Class 1
		- Corporate Governance for Capital Market Intermediaries (CGI), Class 17/2016, Thai Institute of Directors

Total shares held in Bank	Directorship and positions held in other companies/ organisations and work experience within last 5 years		
No. of shares held as of year-end 2017 - By himself: None - By his spouse and minor children: None	Listed Companies		
	Period	Position	Company / Organisation
	-	-	-
	Non-Listed Companies and other Companies and Organisations		
	Period	Position	Company / Organisation
	2012 - Present 2015 - Present 2015 - Present 2015 - Present 2016 - Present	Director Director Chairman Chairman Chairman	CIMB-Principal Asset Management Co., Ltd. Finansa Asset Management Ltd. CT COLL Co., Ltd. WorldLease Co., Ltd. Center Auto Lease Co., Ltd.

Work experience within last 5 years

Period	Position	Company / Organisation
2010 - 2012	Executive Director, Country Head of Channels	UOB Bank PCL
2008 - 2009	Executive Vice President, Saving & Investment Products	Siam Commercial Bank PCL
2002 - 2007	President	SCB Asset Management Co., Ltd.

5**MR. ARTHIT
MASATHIRAKUL**

Age 51 years

**Name of Executive/Position/
Date of Appointment**

Head of Risk Management

Date of appointment:
1 January 2017**Education**

- Master of Business Administration,
University of Colorado at Boulder, U.S.A.

Training

- Senior Credit Officer Workshop,
Standard Chartered Bank, Thailand
- Assets Valuation,
Standard Chartered Bank, Hong Kong
- Executive Program,
INSEAD, Fontainebleau, France
- Engaging & Managing People,
Standard Chartered Bank, London
- Market Risks,
Standard Chartered Bank, Hong Kong
- Credit Skills Assessment (OMEGA),
Standard Chartered Bank
- Corporate Finance,
Deutsche Bank AG, Singapore
- Senior Credit Workshop (OMEGA),
CIMB Thai Bank Public Company Limited
- Data Governance,
CIMB Thai Bank Public Company Limited

Total shares held in BankNo. of shares held as
of year-end 2017

- By himself: None

- By his spouse and minor
children: None**Directorship and positions held in other companies/
organisations and work experience within last 5 years****Listed Companies**

Period	Position	Company / Organisation
-	-	-

Non-Listed Companies and other Companies and Organisations

Period	Position	Company / Organisation
2005 - Present	Authorised Director	Advance Business Management Corporation Co., Ltd.

Work experience within last 5 years

Period	Position	Company / Organisation
Feb 2014 - Jul 2016	Head of Risk	Deutsche Bank AG, Bangkok Branch
Apr 2010 - Jan 2014	Head of Loan Management	The Hongkong and Shanghai Banking Corporation Ltd., Bangkok, Thailand
2005 - 2008	Advisor, Alternate Investment Group	Standard Chartered Bank Hong Kong
Jul 1994 - May 2005	Executive Vice President, Group Special Assets Management	Standard Chartered Bank - Bangkok Branch

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Name of Executive/Position/ Date of Appointment		Education
MR. PORNCHAI PADMINDRA	Co-Head of Wholesale Banking and Head of Corporate Banking and Investment Banking	- Bachelor of Accounting, Kasetsart University - AFS Scholarship Student Exchange Programme
Age 45 years	Date of appointment: 1 September 2013	Training - 2008: Director Accreditation Program (DAP), Class 73/2008, Thai Institute of Directors - 2016: Capital Market Academy - Greater Mekong Sub-region 2 (CMA-GMS2), Stock Exchange of Thailand
Total shares held in Bank	Directorship and positions held in other companies/ organisations and work experience within last 5 years	
No. of shares held as of year-end 2017	Listed Companies	
- By himself: None	Period	Position
- By his spouse and minor children: None	-	-
	Non-Listed Companies and other Companies and Organisations	
	Period	Position
	-	-

Work experience within last 5 years

Period	Position	Company / Organisation
Sep 2011 - Aug 2013	Executive Vice President, Corporate Banking Team 2	Thanachart Bank PCL
Oct 2008 - Aug 2011	Executive Vice President, Origination & Client Coverage	Standard Chartered Bank (Thai)
Mar 2007 - Sep 2008	Managing Director	Citicorp Securities (Thailand) Ltd.

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Name of Executive/Position/ Date of Appointment		Education
MRS. BUSSAKORN PUTTINAN	Head of Information and Operations	- Bachelor of Science (Agriculture Economics), Chiang Mai University
Age 61 years	Date of appointment: 4 January 2017	Training - Core Operations, Managing people, Citibank, Singapore - Custody Services, E-Business, Citibank, Singapore and Hong Kong - Process Management, Quality ISO, Citibank, Singapore - Risk in Financial Market, Citibank, The Philippines - Executive Program, Columbia Business School, Columbia University

Total shares held in Bank

No. of shares held as of year-end 2017

- By herself: None
- By her spouse and minor children: None

Directorship and positions held in other companies/ organisations and work experience within last 5 years
Listed Companies

Period	Position	Company / Organisation
-	-	-

Non-Listed Companies and other Companies and Organisations

Period	Position	Company / Organisation
-	-	-

Work experience within last 5 years

Period	Position	Company / Organisation
Nov 2015 - Feb 2016	Advisor to President	Krungthai Bank PCL
2015	Senior Executive Vice President	Siam Commercial Bank PCL
2008 - 2014	First Executive Vice President, Corporate Operations Division	Siam Commercial Bank PCL

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**MS. SIRIPORN
SANUNPAIRAUE**

Age 53 years

**Name of Executive/Position/
Date of Appointment**

Head of Internal Audit

Date of appointment:
1 July 2015

Education

- Master of Business Administration, Thammasat University
- Bachelor of Accounting, Thammasat University

Training

- CIMB-INSEAD Leadership Programme
- CIA Preparation, Institute of Internal Auditors of Thailand
- Certified Professional Internal Auditor (CPIA), Institute of Internal Auditors of Thailand

Total shares held in Bank

No. of shares held as of year-end 2017

- By herself: None
- By her spouse and minor children: None

Directorship and positions held in other companies/ organisations and work experience within last 5 years
Listed Companies

Period	Position	Company / Organisation
-	-	-

Non-Listed Companies and other Companies and Organisations

Period	Position	Company / Organisation
-	-	-

Work experience within last 5 years

Period	Position	Company / Organisation
2007 - 2008	Head of Internal Audit Department, Senior Vice President	Standard Chartered Bank (Thai)
2006 - 2007	Senior Audit Manager, Group Internal Audit	Standard Chartered Bank

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**MRS. WAREEMON
NIYOMTHAI**

Age 51 years

**Name of Executive/Position/
Date of Appointment**

Head of Commercial Banking

Date of appointment:
8 February 2016**Education**

- Master of Business Administration (Finance), Saint Louis University, U.S.A.
- Master of Science, (Mass Communications), Iowa State University, U.S.A.
- Bachelor of Education, Srinakharinwirot University, Thailand

Training

- Columbia Senior Executive Programme, Columbia University, U.S.A.

Total shares held in BankNo. of shares held as
of year-end 2017

- By herself: None
- By her spouse and minor children: None

**Directorship and positions held in other companies/
organisations and work experience within last 5 years****Listed Companies**

Period	Position	Company / Organisation
-	-	-

Non-Listed Companies and other Companies and Organisations

Period	Position	Company / Organisation
-	-	-

Work experience within last 5 years

Period	Position	Company / Organisation
Oct 2013 – Jan 2016	First Executive Vice President, Advisor to the President	Krungthai Bank PCL
Dec 2008 – Sep 2013	Executive Vice President	Siam Commercial Bank PCL
Nov 2003 – Dec 2008	Executive Vice President	Standard Chartered Bank (Thai)

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**MRS. KANOKPAI
VONGSATITPORN**

Age 45 years

**Name of Executive/Position/
Date of Appointment**

Head of Human Resources

Date of appointment:
30 December 2016**Education**

- Master of Business Administration, Kasetsart University
- Bachelor of Business Administration (MIS/Finance), Thammasat University

Training

- 2013: CPP/Potentia, MBTI Certification Programme
- 2013: CPP/Potentia, MBTI Type and Coaching

Total shares held in BankNo. of shares held as
of year-end 2017

- By herself: None
- By her spouse and minor children: None

**Directorship and positions held in other companies/
organisations and work experience within last 5 years****Listed Companies**

Period	Position	Company / Organisation
-	-	-

Non-Listed Companies and other Companies and Organisations

Period	Position	Company / Organisation
-	-	-

Work experience within last 5 years

Period	Position	Company / Organisation
2012 - 2014	Chief Human Resources Officer	FWD Life Insurance PCL
2011	Acting Head of Human Resources	Hongkong and Shanghai Banking Corporation
2005 - 2011	Vice President, Human Resources	Hongkong and Shanghai Banking Corporation

11**MR. JASON LEONG
KOK YEW**

Age 45 years

Total shares held in BankNo. of shares held as
of year-end 2017

- By himself: None
- By his spouse and minor children: None

**Name of Executive/Position/
Date of Appointment**

Head of Finance

Date of appointment:
30 December 2016**Education**

- Bachelor of Economics,
Macquarie University, Australia

**Directorship and positions held in other companies/
organisations and work experience within last 5 years****Listed Companies**

Period	Position	Company / Organisation
-	-	-

Non-Listed Companies and other Companies and Organisations

Period	Position	Company / Organisation
2008 - Present	Director, Group Finance	CIMB Bank

Work experience within last 5 years

Period	Position	Company / Organisation
2005 - 2008	Accounting Department	Bangkok Bank PCL
2000 - 2005	Manager	PriceWaterhouseCoopers/IBM
1992 - 2000	Manager	Deloitte

12**MR. TAN KEAT JIN**

Age 43 years

**Name of Executive/Position/
Date of Appointment**

Head of Strategy

Date of appointment:
30 December 2016**Education**

- Master of Business Administration (Merit),
University of Bath, United Kingdom
- Bachelor of Engineering (1st Class Honours),
University College London, United Kingdom

Training

- CIMB-INSEAD Executive Development Programme,
Cohort 4

Total shares held in Bank

No. of shares held as of year-end 2017

- By himself: None
- By his spouse and minor children: None

Directorship and positions held in other companies/ organisations and work experience within last 5 years**Listed Companies**

Period	Position	Company / Organisation
-	-	-

Non-Listed Companies and other Companies and Organisations

Period	Position	Company / Organisation
-	-	-

Work experience within last 5 years

Period	Position	Company / Organisation
2013 - 2015	General Manager	CIMB Bank, London Branch
2011 - 2013	Portfolio Management Lead	Private Equity – Portfolio Management (CIMB Group)
2006 - 2011	Programme Lead with specialisation in areas of Corporate Banking, SME Banking, Treasury, Finance, Risk Management, IT and Operations	CASA Enhancement Programme (CIMB Niaga) Regional CASA Taskforce (CIMB Group) Bank-wide Business Turnaround (CIMB Thai) Single Largest Big-Bang Bank Merger in ASEAN (Bank Niaga – Bank Lippo Merger) Cross-border Synergy Programme (CIMB Group – Bank of Yingkou, China) Cross-border Synergy Programme (CIMB Group – Bank Niaga) Fastest Bank Merger in Malaysia (BCB – Southern Bank Merger) Bank Negara Malaysia (Central Bank of Malaysia)
2005 - 2006	Specialist	Accenture Malaysia
1997 - 2005	Team Leader (various disciplines)	

13**MR. PRAPAS THONGSUK**

Age 54 years

Name of Executive/Position/ Date of Appointment

Head of Corporate Communications

Date of appointment:
1 April 2010**Education**

- Master of Business Administration, National Institute of Development Administration (NIDA)
- Bachelor of Education, Chulalongkorn University

Training

- National Defence College Class 59 (2016-2017)
- “CIMB Leadership” Cohort 3, INSEAD University

Total shares held in Bank

No. of shares held as of year-end 2017

- By himself: None
- By his spouse and minor children: None

Directorship and positions held in other companies/ organisations and work experience within last 5 years**Listed Companies**

Period	Position	Company / Organisation
-	-	-

Non-Listed Companies and other Companies and Organisations

Period	Position	Company / Organisation
-	-	-

Work experience within last 5 years

Period	Position	Company / Organisation
2004 - 2010	Senior Vice President, Corporate Marketing	Krungthai Card PCL

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**MR. ZETHJAK
LEEYAKARS****Age 48 years****Name of Executive/Position/
Date of Appointment**Head of Compliance
Acting Executive Vice President
Office of the PresidentDate of appointment:
24 February 2017**Education**

- Master of Arts in Economic Development and Policy Analysis. University of Nottingham, U.K.
- Master of Business Administration in Finance, University of Texas at San Antonio, U.S.A.
- Bachelor of Business Administration in General Management, Chulalongkorn University

Training

- 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)

Total shares held in BankNo. of shares held as
of year-end 2017

- By himself: None

- By his spouse and minor
children: None**Directorship and positions held in other companies/
organisations and work experience within last 5 years****Listed Companies**

Period	Position	Company / Organisation
-	-	-

Non-Listed Companies and other Companies and Organisations

Period	Position	Company / Organisation
-	-	-

Work experience within last 5 years

Period	Position	Company / Organisation
Jul 2016 – Feb 2017	EVP, Compliance	Bangkok Bank PCL
Mar 2015 – Jun 2016	EVP, Compliance & Procedure Sector	Krungthai Bank PCL
Nov 2005 – Feb 2015	Executive Director, Head of Compliance	JP Morgan Chase Bank
Oct 2003 – Oct 2005	AVP, Compliance	Deutsche Bank

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**MR. JITTIWAT
KANTAMALA**

Age 56 years

**Name of Executive/Position/
Date of Appointment**

Head of Private Banking

Date of appointment:
12 June 2017**Education**

- Finance & Marketing at University of Illinois At Urbana-Champaign, USA – 1989
- Economics (Pure Theory) at Graduate School Chulalongkorn University, – 1987
- Economics at Chulalongkorn University – 1982

Training

- Annual Investment Suitability Training, Credit Suisse AG Singapore
- Advanced Alternative Investments, Credit Suisse AG Singapore
- Advanced Portfolio Management, Credit Suisse AG Singapore
- OTC Bond Options, Credit Suisse AG Singapore
- FA TCA Orientation (e-learning), Standard Chartered Singapore
- Reputational Risk (e-learning), Standard Chartered Singapore
- Anti-Money Laundering, Counterterrorist Financing and Sanctions, Standard Chartered Singapore
- Operational Risk (e-learning), Standard Chartered Singapore

Total shares held in BankNo. of shares held as
of year-end 2017

- By himself: None
- By his spouse and minor children: None

**Directorship and positions held in other companies/
organisations and work experience within last 5 years****Listed Companies**

Period	Position	Company / Organisation
-	-	-

Non-Listed Companies and other Companies and Organisations

Period	Position	Company / Organisation
-	-	-

Work experience within last 5 years

Period	Position	Company / Organisation
Aug 2015 – Dec 2016	Director, Private Bank	Credit Suisse AG, Singapore
May 2014 – Aug 2015	Director, Private Bank	Standard Chartered Private Bank, Singapore
Jun 2013 – Apr 2014	Director, Head of Private Wealth Department	UOB Asset Management (Thailand) Co.,Ltd.
May 2012 – May 2013	First Vice President, Private Bank	United Overseas Bank (UOB)
Sep 2010 – Mar 2012	Private Wealth Manager, Global Wealth Management	Bank of America Merrill Lynch (BofAML)

The Nomination, Remuneration, and Corporate Governance Committee Report

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

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

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

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



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

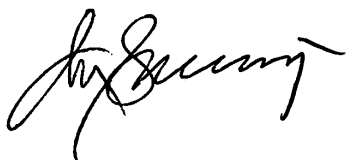
The Audit Committee of CIMB Thai Bank Public Company Limited (the Bank) is composed of three independent directors. On 25th April 2017, the Board of Directors approved to appoint Mr. Maris Samaram as Audit Committee Chairman in replacement of Mr. Sukont Kanjana-Huttakit who resigned. The members of the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

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

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

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

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



(Mr. Maris Samaram)
Chairman of Audit Committee

Report of Responsibility of the Board of Directors for Financial Statements

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

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

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

The Board of Directors is of the opinion that the Bank's overall internal control is at a satisfactory level and reasonably provides reliability of the Bank's and its subsidiaries' financial statements for the year ended 31 December 2017.



Mr. Chitrapongse Kwangsukstith
Director



Mr. Kittiphun Anutarasoti
President and Chief Executive Officer

To the shareholders of CIMB Thai Bank Public Company Limited

My opinion

In my opinion, the consolidated financial statements of CIMB Thai Bank Public Company Limited (the Bank) and its subsidiaries (the Group) and the separate financial statements of the Bank present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Bank as at 31 December 2017, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2017;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of my report. I am independent of the Group and the Bank in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matter was addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on the matter.

Key audit matter	How my audit addressed the key audit matter
Allowance for doubtful accounts on loans to customers	
Refer to Note 2.9 for the accounting policy of the Group and the Bank relating to allowance for doubtful accounts. For disclosures relating to loans to customers, refer to Note 10.	
Loans to customers are a significant portion constituting 67.05% of total assets. As at 31 December 2017 the total loans portfolio of the Group comprises of loans of commercial banking business which constitutes 86.26%, and hire-purchase receivables generated from the operations of the Group's subsidiaries 13.74%. Given that management applied both quantitative approach and qualitative factors to an estimation of the allowance for doubtful accounts on certain loans and portfolio of loans to customers, thus I focused on this area because the management make complex and subjective judgement over the estimation of the allowance for doubtful accounts.	I evaluated the design and implementation of control, and tested operating effectiveness of key controls over input data and calculation of allowances as follows:
Management set up allowances on the Group's individual customers, principally based on the Bank of Thailand's guidelines as well as management's assessment of the repayment capacity of individual customers. Management assessed the financial status of individual customers and may hold additional allowance wherever required. This included considering, in addition to objective criteria, other qualitative factors that include but aren't limited to payment history, financial position and the performance of the customer, key financial ratios, industry trends etc.	• I tested management's controls over data accuracy, assessed the application of appropriate methodologies and appropriateness of systems, processes and internal controls in relation to generating the reliable results. • I tested the key controls (both automated and manual). I involved my information technology specialists to test access controls to the system and controls over the computation of allowance for doubtful accounts, including the completeness and accuracy of customers' accounts used in the computation. I also tested controls over data input into the system, collateral valuation, transfer of data and reconciliations between the loans source systems to the general ledger. • I tested management's controls over review and approval of setting up an allowance for doubtful accounts. • I read minutes of key committee meetings - especially the audit committee, risk committee, management committees and Board of Director of companies in the Group.
For non-performing loans, management considered expected future cash flows from debt collection which required appropriate assumptions in accordance about economic conditions and from disposing of collateral which has been appraised by the professional valuers.	I didn't find any exception from my testing, with the result that I relied on controls of the Group in my audit. In addition, I also performed the following further procedures.
Considering the economic conditions and credit risk in overall loans to customers, management used judgements and hold overlays as general allowance for further losses, if any.	I independently performed a credit analysis where I selected loans based on risk exposures. I tested the classification of those loans and examined the allowance in accordance with the regulatory requirements. On certain loans, management set up an additional allowance, I understood the management's process and assessed the appropriateness of borrower's capacity to pay using internal and external evidence, and assessed the appropriateness of those allowances.
Based on the significance, level of subjectivity and estimation uncertainty, allowance for doubtful accounts on loans to customers is a key audit matter.	I critically assessed for any extra allowance which hadn't been identified by management. I found no material exceptions.
	For non-performing loans, I tested cash flow projections from repayment and appraisal value of collateral, in order to assess the appropriateness of allowance for doubtful accounts:

Key audit matter	How my audit addressed the key audit matter
	• I challenged the basic of cash flow projections prepared by management and assessed the appropriateness of projections by examining them against the relevant supporting evidence and had a detailed discussion with management on the future cash flows expected from customer. I also used professional judgement and external evidence, if any, to assess those projections. • For collateral valuations performed by the professional valuers, I checked their qualifications. Then, I sampled those valuations to check that the management used the latest valuations in the computation of allowance for doubtful accounts. I assessed the appropriateness of the valuation methodologies by considering that the valuers used the methodology allowed by the regulators. I also checked the accuracy of the collateral value deducted from loan outstanding. I tested the management's review and approval process for general provision. I assessed the appropriateness of general provision by using my industry experience and knowledge, in the light of current economic conditions. I also performed an assessment for the appropriateness of general provisions by comparing the proportion of the allowance to the loan of the Bank with other major banks in Thailand. Based on the work I performed I didn't find any difference which is material to overall financial statements.
Valuation of derivative financial instruments Refer to Note 2.18 for the accounting policy of the Group and the Bank relating to derivative financial instruments. For disclosures relating to derivatives refer to the Note 7. As at 31 December 2017, the Group's derivatives financial instruments mainly comprise of derivatives, assets and liabilities amounting to Baht 21,278 million and amounting to Baht 19,965 million, respectively. Valuation of these derivatives was performed by management by making judgments in determining the appropriate valuation methodology and use of relevant data which resulted in valuation risk. The valuation of derivatives was my key area of focus. For derivatives financial instruments valuation methodologies were complicated and I applied valuation techniques. Valuation of derivatives financial instruments depends highly on the valuation methodology and market data, inappropriate usage of any of them could have a significant impact on the financial statements.	
	I assessed the operating effectiveness of the following key controls over the valuation of derivatives financial instruments: • Controls over the computerised system used for the valuation of derivatives financial instruments. I defined the scope of work with the information technology specialist team during the audit planning phase and used the results of tests of information technology general controls and application controls performed. • Manual controls over the completeness, appropriateness and accuracy of data input into the system. I tested the controls over reconciliations for the data uploaded into the systems, and reconciliations between the derivatives source systems and financial reporting systems. I didn't find any exception from my tests and I could rely on these controls for the purpose of my audit.

Key audit matter	How my audit addressed the key audit matter
	I performed further procedures in addition to control testing. On a sample basis, I independently measured valuations based on market data as a benchmark, then assessed the reason for variance against the Group's and the Bank's valuation result. There was no material variance which wasn't explainable.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Bank or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Group and the Bank's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Bank's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the audit committee with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers ABAS Ltd.

A handwritten signature in black ink, appearing to read 'Boonlert Kamolchanokkul', with a stylized, cursive script.

Boonlert Kamolchanokkul

Certified Public Accountant (Thailand) No. 5339

Bangkok

23 February 2018

CIMB Thai Bank Public Company Limited

Consolidated And Separate Financial Statements

31 December 2017

Statements of Financial Position

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As at 31 December 2017

	Notes	31 December 2017 / Baht	Consolidated 31 December 2016 / Baht	31 December 2017 / Baht	Separate 31 December 2016 / Baht
Assets					
Cash		1,591,188,651	1,938,616,493	1,588,987,409	1,936,147,365
Interbank and money market items, net	6	18,167,812,758	8,527,657,244	18,099,695,389	8,463,665,047
Derivative assets	7	21,278,460,920	21,235,341,272	21,278,460,920	21,235,341,272
Investments, net	8	44,059,846,768	55,061,910,795	44,059,846,768	55,061,910,795
Investments in subsidiaries, net	9	-	-	1,708,315,115	1,324,920,707
Loans and accrued interest receivables	10				
Loans		218,058,207,223	211,437,378,135	205,242,484,739	202,939,467,801
Accrued interest receivables		516,911,663	589,798,750	522,709,406	593,582,295
Total loans and accrued interest receivables		218,575,118,886	212,027,176,885	205,765,194,145	203,533,050,096
Less Deferred revenue		(7,036,133,482)	(5,848,448,651)	(8,651,407)	(38,988,676)
Less Allowance for doubtful debts	11	(9,869,265,119)	(9,793,289,246)	(9,256,336,052)	(9,666,516,204)
Less Revaluation allowance for debt restructuring	12	(105,673,656)	(45,259,015)	(105,673,656)	(45,259,015)
Loans and accrued interest receivables, net		201,564,046,629	196,340,179,973	196,394,533,030	193,782,286,201
Customers' liability under acceptance		581,413,868	45,230,520	581,413,868	45,230,520
Properties for sale, net	13	1,033,943,008	1,285,079,244	888,480,141	1,195,702,862
Premises and equipment, net	14	3,588,378,733	3,670,638,674	3,529,189,193	3,609,493,321
Intangible assets, net	15	370,043,208	368,387,320	364,943,160	363,158,838
Deferred tax assets	16	1,372,672,738	1,289,224,887	1,023,345,737	1,075,692,045
Other assets, net	17	6,995,795,275	7,708,041,398	6,789,804,499	7,529,507,359
Total assets		300,603,602,556	297,470,307,820	296,307,015,229	295,623,056,332

The accompanying notes to the consolidated and bank financial statements from page 132 to 245 are an integral part of these financial statements.

Director



Director



As at 31 December 2017

	Notes	31 December 2017 / Baht	Consolidated 31 December 2016 / Baht	31 December 2017 / Baht	Separate 31 December 2016 / Baht
Liabilities and equity					
Liabilities					
Deposits	18	177,400,677,986	183,663,324,706	177,702,506,611	183,877,466,049
Interbank and money market items, net	19	15,648,105,797	11,595,328,411	15,648,105,797	11,595,328,411
Liability payable on demand		254,663,261	250,092,171	254,663,261	250,092,171
Financial liabilities designated at fair value through profit or loss	20	23,103,810,514	18,873,674,513	23,103,810,514	18,873,674,513
Derivative liabilities	7	19,965,010,587	21,381,015,668	19,965,010,587	21,381,015,668
Debt issued and borrowings	21	19,933,103,726	25,582,513,107	17,933,103,726	25,582,513,107
Bank's liability under acceptance		581,413,868	45,230,520	581,413,868	45,230,520
Provisions	22	1,946,444,925	1,997,419,699	1,855,519,989	1,919,842,460
Other liabilities	23	8,718,523,191	7,376,288,614	7,938,994,106	6,809,617,409
Total liabilities		267,551,753,855	270,764,887,409	264,983,128,459	270,334,780,308
Equity					
Share capital	24				
Registered					
30,280,227,607 ordinary shares of Baht 0.50 each		15,140,113,804		15,140,113,804	
24,774,731,679 ordinary shares of Baht 0.50 each			12,387,365,840		12,387,365,840
Issued and paid-up share capital					
30,280,227,607 ordinary shares of Baht 0.50 each		15,140,113,804		15,140,113,804	
24,774,731,679 ordinary shares of Baht 0.50 each			12,387,365,840		12,387,365,840
Premium on share capital		8,465,413,222	5,712,665,258	8,465,413,222	5,712,665,258
Other reserves	25	1,534,848,299	1,094,080,196	1,558,840,917	1,115,382,330
Accretion of equity interests in subsidiary		(42,753,751)	(42,753,751)	-	-
Retained earnings					
Appropriated - statutory reserve	26	398,680,000	397,800,000	398,680,000	397,800,000
Unappropriated		7,555,547,127	7,156,262,868	5,760,838,827	5,675,062,596
Total equity		33,051,848,701	26,705,420,411	31,323,886,770	25,288,276,024
Total liabilities and equity		300,603,602,556	297,470,307,820	296,307,015,229	295,623,056,332

The accompanying notes to the consolidated and bank financial statements from page 132 to 245 are an integral part of these financial statements.

Statements of Comprehensive Income

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For the year ended 31 December 2017

	Notes	2017 / Baht	Consolidated 2016 / Baht	2017 / Baht	Separate 2016 / Baht
Interest income	31	14,557,766,606	14,671,929,135	11,913,199,518	12,723,807,296
Interest expenses	32	(4,355,322,725)	(4,806,163,382)	(4,325,189,459)	(4,806,998,270)
Net interest income		10,202,443,881	9,865,765,753	7,588,010,059	7,916,809,026
Fees and service income		2,140,296,232	1,837,426,211	1,471,420,808	1,289,666,205
Fees and service expenses		(195,842,620)	(201,845,300)	(223,841,719)	(238,708,889)
Net fees and services income	33	1,944,453,612	1,635,580,911	1,247,579,089	1,050,957,316
Gains on tradings and foreign exchange transactions	34	2,238,222,821	1,402,493,444	2,238,222,821	1,402,493,444
Losses on financial instrument designated at fair value through profit or loss	35	(1,733,886,254)	(810,387,742)	(1,733,886,254)	(810,387,742)
Gains on investments	36	107,353,927	482,570,051	490,748,334	482,570,051
Other operating income	37	396,161,195	352,086,453	233,222,081	329,240,877
Total operating income		13,154,749,182	12,928,108,870	10,063,896,130	10,371,682,972
Other operating expenses					
Employee expenses		4,068,397,712	3,857,722,186	3,444,686,567	3,302,361,160
Directors' remuneration		12,792,000	12,598,400	12,456,000	12,262,400
Premises and equipment expenses		1,060,266,367	1,279,866,016	929,630,735	1,150,024,878
Taxes and duties		420,692,273	461,092,983	397,448,867	441,485,090
Others		2,050,806,859	1,812,232,818	1,334,179,030	1,259,456,059
Total other operating expenses		7,612,955,211	7,423,512,403	6,118,401,199	6,165,589,587
Bad and doubtful debts and impairment losses	38	5,053,034,607	6,279,268,383	3,944,113,706	5,785,126,100
Profit (loss) before income tax expenses		488,759,364	(774,671,916)	1,381,225	(1,579,032,715)
Income tax expenses	39	(103,861,136)	145,146,699	70,008,975	318,811,256
Net profit (loss) for the year		384,898,228	(629,525,217)	71,390,200	(1,260,221,459)

The accompanying notes to the consolidated and bank financial statements from page 132 to 245 are an integral part of these financial statements.

For the year ended 31 December 2017

Notes	Consolidated		Separate	
	2017 / Baht	2016 / Baht	2017 / Baht	2016 / Baht
Other comprehensive income				
Items that will be reclassified subsequently to profit or loss				
Gains (losses) on remeasuring available-for-sale investments	467,099,324	(644,156,155)	467,099,324	(644,156,155)
Losses arising from translating the financial statement of a foreign operation	(30,696,516)	(1,206,592)	(30,696,516)	(1,206,592)
Gains on cash flow hedges	62,042,015	58,446,328	62,042,015	58,446,328
Income tax relating to items that will be reclassified subsequently to profit or loss	(105,828,268)	117,141,965	(105,828,268)	117,141,965
Total items that will be reclassified subsequently to profit or loss	392,616,555	(469,774,454)	392,616,555	(469,774,454)
Items that will not be reclassified subsequently to profit or loss				
Changes in revaluation surplus	-	1,078,204,826	-	1,078,204,826
Remeasurements of post-employment benefit obligations	79,271,973	(24,267,343)	82,635,079	(18,093,944)
Income tax relating to items that will not be reclassified subsequently to profit or loss	(15,854,394)	(210,787,497)	(16,527,016)	(212,022,177)
Total items that will not be reclassified subsequently to profit or loss	63,417,579	843,149,986	66,108,063	848,088,705
Total other comprehensive income	456,034,134	373,375,532	458,724,618	378,314,251
Total comprehensive income (expenses) for the year	840,932,362	(256,149,685)	530,114,818	(881,907,208)

The accompanying notes to the consolidated and bank financial statements from page 132 to 245 are an integral part of these financial statements.

For the year ended 31 December 2017

Notes	Consolidated		Separate	
	2017 / Baht	2016 / Baht	2017 / Baht	2016 / Baht
Net profit (loss) attributable to:				
Equity holders of the Bank	384,898,228	(629,525,217)	71,390,200	(1,260,221,459)
Non-controlling interests	-	-	-	-
	384,898,228	(629,525,217)	71,390,200	(1,260,221,459)
Total comprehensive income (expenses) attributable to:				
Equity holders of the Bank	840,932,362	(256,149,685)	530,114,818	(881,907,208)
Non-controlling interests	-	-	-	-
	840,932,362	(256,149,685)	530,114,818	(881,907,208)
Earnings per share for profit (loss) attributable to the equity holders of the Bank				
41				
Basic earnings (loss) per share (Baht per share)	0.01	(0.02)	0.00	(0.05)
Weighted average number of ordinary shares (shares)	28,233,684,776	25,333,286,323	28,233,684,776	25,333,286,323

The accompanying notes to the consolidated and bank financial statements from page 132 to 245 are an integral part of these financial statements.

Statements of Changes in Equity

For the year ended 31 December 2017

		Consolidated									
		Attributable to owners of the Bank									
Notes		Other reserves									
		Issued and paid-up share capital	Share premium	Revaluation surplus on assets	Remeasurements of post-employment obligations	Revaluation surplus (deficit) on change in value of investments	Gains (losses) arising from translating the financial statement of a foreign operation	Gains (losses) on cash flow hedges	Income tax relating to components of other comprehensive expense	Accretion of equity interests in subsidiary	Retained earnings
		Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
	Balance as at 1 January 2017	12,387,365,840	5,712,665,258	2,048,157,685	(255,519,440)	(352,419,379)	35,095,427	(116,487,902)	(264,746,195)	(42,753,751)	397,800,000
24	Increase in ordinary shares	2,752,747,964	2,752,747,964	-	-	-	-	-	-	-	-
	Total comprehensive income	-	-	-	79,271,973	467,099,324	(30,696,516)	62,042,015	(121,682,662)	-	384,898,228
26	Appropriated - statutory reserve	-	-	-	-	-	-	-	-	-	880,000
	Transfer to retained earnings	-	-	(19,082,539)	-	-	-	-	3,816,508	-	15,266,031
	Balance as at 31 December 2017	15,140,113,804	8,465,413,222	2,029,075,146	(176,247,467)	114,679,945	4,388,911	(54,445,887)	(382,612,349)	(42,753,751)	398,680,000
	Balance as at 1 January 2016	12,387,365,840	5,712,665,258	969,952,859	(231,252,097)	291,736,776	36,302,019	(174,934,230)	(171,100,663)	(42,753,751)	365,950,000
27	Dividend paid	-	-	-	-	-	-	-	-	-	-
	Total comprehensive income	-	-	1,078,204,826	(24,267,343)	(644,156,155)	(1,206,592)	58,446,328	(93,645,532)	-	(629,525,217)
26	Appropriated - statutory reserve	-	-	-	-	-	-	-	-	-	31,850,000
	Transfer to retained earnings	-	-	-	-	-	-	-	-	-	39,370,188
	Balance as at 31 December 2016	12,387,365,840	5,712,665,258	2,048,157,685	(255,519,440)	(352,419,379)	35,095,427	(116,487,902)	(264,746,195)	(42,753,751)	397,800,000
											7,156,262,868
											26,705,420,411

The accompanying notes to the consolidated and bank financial statements from page 132 to 245 are an integral part of these financial statements.

Other reserves																			Separate
Issued and paid-up share capital		Share premium	Revaluation surplus on assets		Remeasurements of post-employment obligations		Revaluation surplus (deficit) on change in value of investments		Gains (losses) arising from translating the financial statement of a foreign operation		Gains (losses) on cash flow hedges		Income tax relating to components of other comprehensive expense		Legal reserve	Retained earnings	Total		
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	
Balance																			
as at 1 January 2017																			
Increase in ordinary shares	24																		
Total comprehensive income (expenses) for the year																			
Appropriated - statutory reserve	26																		
Transfer to retained earnings																			
Balance																			
as at 31 December 2017																			
Balance																			
as at 1 January 2016																			
Dividend paid	27																		
Total comprehensive income (expenses) for the year																			
Appropriated - statutory reserve	26																		
Transfer to retained earnings																			
Balance as at 31 December 2016																			

The accompanying notes to the consolidated and bank financial statements from page 132 to 245 are an integral part of these financial statements.

Statements of Cash Flows

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For the year ended 31 December 2017

	Notes	Consolidated		Separate	
		2017 / Baht	2016 / Baht	2017 / Baht	2016 / Baht
Cash flows from operating activities					
Profit (loss) before corporate income tax		488,759,364	(774,671,916)	1,381,225	(1,579,032,715)
Adjustments to reconcile net income before income tax to cash in (out) flows from operating activities:					
Depreciation and amortisation		367,291,254	440,170,964	344,091,704	414,246,806
Bad debts and doubtful accounts	38	5,053,034,607	6,279,268,383	3,944,113,706	5,785,126,100
(Reversal) provision for off-balance sheet items		(42,701,555)	302,644,995	(42,701,555)	302,644,995
Share-based payment		35,251,070	30,526,962	35,251,070	30,526,962
Provision for liabilities		207,888,248	151,748,809	197,903,657	142,650,148
Losses on impairment of properties for sale		47,970,983	5,250,682	20,391,212	1,388,641
Losses on impairment of other assets		-	11,684,173	-	11,684,173
Losses on impairment of investments		3,476,616	-	3,476,616	-
Reversal of losses on impairment of investment in subsidiaries	9	-	-	(383,394,408)	-
Unrealised gains on exchange and derivatives		(3,015,423,032)	(425,352,139)	(3,015,423,032)	(425,352,139)
Losses (gains) on properties for sale		380,078,551	322,090,738	(72,996,501)	(108,592,164)
Unrealised (gains) losses on revaluation of investments		(135,317,715)	96,264,552	(135,317,715)	96,264,552
Gains on sale of investments		(366,098,877)	(470,349,197)	(366,098,877)	(470,349,197)
Gains on disposal of premises and equipment		(36,746,849)	(29,016,065)	(34,334,525)	(26,932,026)
Gains on surplus from of revaluation of assets		-	(2,392,301)	-	(2,392,301)
Gains on impairment of premises and equipment		-	(10,064,738)	-	(10,064,738)
Losses from write off premises and equipment		13,044,307	48,312,019	12,487,613	48,312,019
Losses from write off leasehold rights		41,603,154	10,658,464	41,454,421	10,658,464
Losses (gains) on sale of non-performing loan		162,476,024	(771,810)	162,476,024	(771,810)
Losses on financial liabilities designated at fair value through profit or loss	35	1,733,886,254	810,387,742	1,733,886,254	810,387,742
Interest and dividend income		(14,571,636,046)	(14,691,524,064)	(11,927,068,959)	(12,785,751,455)
Interest expenses		3,393,120,258	3,815,050,461	3,362,986,992	3,815,885,348
Losses from operations before changes in operating assets and liabilities		(6,240,043,384)	(4,080,083,286)	(6,117,435,078)	(3,939,462,595)
(Increase) decrease in operating assets					
Interbank and money market items		(9,638,709,217)	5,762,463,266	(9,634,584,045)	5,763,323,834
Investments held for trading		(2,196,019,258)	(1,342,468,824)	(2,196,019,258)	(1,342,468,824)
Loans		(10,508,908,673)	(12,207,579,871)	(5,314,731,312)	(9,260,456,248)
Properties for sale		1,344,666,908	1,709,786,609	409,785,779	454,003,598
Other assets		659,376,394	1,899,646,123	662,550,529	1,915,526,015

The accompanying notes to the consolidated and bank financial statements from page 132 to 245 are an integral part of these financial statements.

Statements of Cash Flows (Cont'd)

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For the year ended 31 December 2017

Notes	Consolidated		Separate	
	2017 / Baht	2016 / Baht	2017 / Baht	2016 / Baht
Increase (decrease) in operating liabilities				
Deposits	(6,262,646,720)	13,446,187,779	(6,174,959,438)	13,375,379,100
Interbank and money market items	4,052,777,386	(8,423,088,537)	4,052,777,386	(8,399,088,537)
Liability payable on demand	4,571,090	(70,676,277)	4,571,090	(70,676,277)
Short-term borrowings	(6,046,902,521)	(14,314,372,766)	(6,046,902,521)	(14,314,372,766)
Provisions	(136,889,495)	(122,504,066)	(136,889,494)	(122,504,066)
Other liabilities	1,217,226,192	(1,911,540,150)	1,073,994,131	(1,921,335,943)
Cash flows used in operating activities	(33,751,501,298)	(19,654,230,000)	(29,417,842,231)	(17,862,132,709)
Cash received from interest income	13,450,792,981	13,236,817,311	10,804,211,696	11,288,812,167
Cash paid for interest expenses	(3,839,287,454)	(4,506,261,540)	(3,848,193,597)	(4,507,130,058)
Cash paid for income tax	(333,270,211)	(260,166,103)	(62,402,645)	(175,078,844)
Net cash flows used in operating activities	(24,473,265,982)	(11,183,840,332)	(22,524,226,777)	(11,255,529,444)
Cash flows from investing activities				
Cash paid for purchases of available-for-sale securities	(14,520,484,708)	(37,905,998,597)	(14,520,484,708)	(37,905,998,597)
Proceeds from disposals of available-for-sale securities	24,559,533,593	32,003,101,453	24,559,533,593	32,003,101,453
Proceeds from maturity of available-for-sale securities	60,000,000	1,607,800,000	60,000,000	1,607,800,000
Cash paid for purchases of held to maturity securities	(503,847,389)	(5,074,765,297)	(503,847,389)	(5,074,765,297)
Proceeds from disposals of held to maturity securities	480,340	480,340	480,340	480,340
Proceeds from maturity of held to maturity securities	4,305,000,000	9,830,560,000	4,305,000,000	9,830,560,000
Proceeds from repayment of investment in receivable	2,482,988	2,974,664	2,482,988	2,974,664
Cash paid for purchases of general investments	(792,307)	-	(792,307)	-
Proceeds from disposals of general investments	-	942,262	-	942,262
Proceeds from decrease in capital of general investments	22,710,000	31,750,000	22,710,000	31,750,000
Cash paid for purchases of premises and equipment	(178,507,407)	(248,780,868)	(158,616,076)	(218,862,488)
Proceeds from disposals of premises and equipment	39,159,489	39,224,327	36,697,603	36,746,101
Cash paid for purchases of intangible assets	(173,301,907)	(108,847,701)	(171,322,945)	(107,327,530)
Dividend received	13,869,440	19,594,927	13,869,440	61,944,159
Interest received	1,487,963,769	1,800,077,764	1,487,963,769	1,800,073,714
Net cash flows provided by investing activities	15,114,265,901	1,998,113,274	15,133,674,308	2,069,418,781

The accompanying notes to the consolidated and bank financial statements from page 132 to 245 are an integral part of these financial statements.

For the year ended 31 December 2017

	Notes	Consolidated		Separate	
		2017 / Baht	2016 / Baht	2017 / Baht	2016 / Baht
Cash flows from financing activities					
Dividend paid	27	-	(185,810,488)	-	(185,810,488)
Cash paid for interest expenses		(31,820,274)	-	-	-
Cash received from capital increase		5,505,495,928	-	5,505,495,928	-
Proceeds from issuing debentures		2,000,000,000	-	-	-
Proceeds from issuing subordinate debentures		-	5,007,729,300	-	5,007,729,300
Cash paid for redemption of subordinated debentures		(3,000,000,000)	(3,000,000,000)	(3,000,000,000)	(3,000,000,000)
Proceeds from issuance of structured debentures		9,467,646,107	1,778,000,000	9,467,646,107	1,778,000,000
Cash paid for redemption of structured debentures		(9,028,000,000)	(3,610,000,000)	(9,028,000,000)	(3,610,000,000)
Proceeds from issuance of structured bills of exchange		4,184,682,754	8,738,592,516	4,184,682,754	8,738,592,516
Cash paid for redemption of structured bills of exchange		(57,000,000)	-	(57,000,000)	-
Net cash flows provided by financing activities		9,041,004,515	8,728,511,328	7,072,824,789	8,728,511,328
Gains on foreign currency translation differences		(29,432,276)	(1,364,705)	(29,432,276)	(1,364,705)
Net decrease in cash and cash equivalents		(347,427,842)	(458,580,435)	(347,159,956)	(458,964,040)
Cash and cash equivalents at beginning of the year		1,938,616,493	2,397,196,928	1,936,147,365	2,395,111,405
Cash and cash equivalents at the end of the year		1,591,188,651	1,938,616,493	1,588,987,409	1,936,147,365

Supplemental disclosure of cash flows information

Non-cash transaction:

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

The accompanying notes to the consolidated and bank financial statements from page 132 to 245 are an integral part of these financial statements.

Notes to the Consolidated and Separate Financial Statements

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For the year ended 31 December 2017

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For the year ended 31 December 2017

1 General information

CIMB Thai Bank Public Company Limited (“the Bank”) is a public limited company which is listed on the Stock Exchange of Thailand and is incorporated and domiciled in Thailand. The Bank has operated as a commercial bank in Thailand since 8 March 1949. The address of the Company’s registered office is as follows:

44 Langsuan Road, Lumpini, Patumwan, Bangkok.

The Bank is listed on the Stock Exchange of Thailand. For reporting purposes, the Bank and its subsidiaries are referred to as the Group. Its parent company is CIMB Bank Berhad, which is a public company incorporated in Malaysia. CIMB Group Holdings Berhad is the parent company of the CIMB Group.

All subsidiaries were incorporated as limited companies under Thai laws, and all operate in Thailand, engaging mainly in hire purchase, leasing businesses and debt collection.

The Bank has received a banking license for CIMB Thai - Vientiane Branch (“Vientiane branch”) from the Bank of the Lao PDR (“BOL”) on 4 June 2014. Vientiane Branch operates banking business on 25 July 2014.

The consolidated and separate financial statements were authorised by the Board of Directors on 23 February 2018.

2 Accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below:

2.1 Basis of preparation of consolidated and separate financial statements

The consolidated and separate financial statements (“the financial statements”) have been prepared in accordance with Thai Generally Accepted Accounting Principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act. The primary financial statements (i.e., statements of financial position, statements of comprehensive income, changes in shareholder equity and cash flow) have been prepared in the format as required by the Notification of the Bank of Thailand (BoT) no. SorNorSor 21/2558, “The Preparation and Format of the Financial Statements of Commercial Bank and Holding Parent Company of Financial Group” dated 4 December 2015.

The consolidated and separate financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of interim financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated and separate financial statements, are disclosed in Note 4 to the financial statements.

The Bank has prepared the separate financial statements for the benefit of the public, which presents its investment in subsidiaries under the cost method.

An English version of the financial statements has been prepared from the statutory financial statements that are in Thai-language version. In the event of a conflict or a difference in interpretation between the two languages, the Thai language financial statements shall prevail.

2.2 Revised financial reporting standards, and related interpretations

2.2.1 Revised financial reporting standards and interpretations are effective on 1 January 2017 which are relevant and have a significant impact to the Group:

TAS 1 (revised 2016)	Presentation of financial statements
TAS 19 (revised 2016)	Employee benefits
TAS 27 (revised 2016)	Separate financial statements

TAS 1 (revised 2016), the amendments provide clarifications on a number of issues, including:

- Materiality - an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.
- Disaggregation and subtotals - line items specified in TAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals.
- Notes - confirmation that the notes do not need to be presented in a particular order.
- OCI arising from investments accounted for under the equity method - the share of OCI arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of other comprehensive income.

TAS 19 (revised 2016), the amendments clarify that when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important and not the country where they arise.

TAS 27 (revised 2016), the amendments allow an entity a policy choice to account for investments in subsidiaries, joint ventures and associates in its separate financial statements using the equity method as described in TAS 28 (revised 2016). While current TAS 27 allows entities to measure their investments in subsidiaries, joint ventures and associates either at cost or at fair value (when announced). The election can be made independently for each category of investment (subsidiaries, joint ventures and associates). Entities wishing to change to the equity method must do so retrospectively.

The Group's management assessed and considered that the above revised standards will not have a material impact on the Group except for disclosure.

2.2.2 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2018 which have significant changes and are relevant to the Group. The Group has not yet adopted these revised standards.

TAS 7 (revised 2017)	Statement of cash Flows
TAS 12 (revised 2017)	Income taxes
TFRS 12 (revised 2017)	Disclosure of interests in other entities

TAS 7 (revised 2017), the amendments require additional disclosure of changes in liabilities arising from financing activities. This includes changes arising from cash and non-cash.

TAS 12 (revised 2017), the amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. Specifically, the amendments confirm that:

- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.
- An entity can assume that it will recover an amount higher than the carrying amount of an asset to estimate its future taxable profit.
- Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.
- Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profits.

TFRS 12 (revised 2017), the amendments clarify that the disclosure requirements of TFRS 12 apply to interests in entities that are classified as held for sale in the scope of TFRS 5 (revised 2017), except for the summarised financial information.

The Group's management assessed and considered that the above revised standards will not have a material impact on the Group except for disclosure.

2.3 Revenue recognition

(a) Interest and discount on loans

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

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

(b) Interest and dividends on investments

Interest income from investments is recognised on a time-proportion basis using the effective interest method. Dividend income from investments is recognised when the right-to-receive payment is established.

Interest income from investments in receivables is recognised using the effective interest method for receivables from which loan repayment was received during the year. The effective interest rate was determined on assumptions as to the amount and the timing of future collections on such loans. Such assumptions concern events that have not yet taken place and accordingly may vary if unforeseen circumstances arise.

(c) Gains (losses) on sale of investments

Gains (losses) on sale of investments are recognised as income/expenses on the settlement date.

(d) Gains (losses) on sale of properties for sale

Gains (losses) on sale of properties for sale are recognised as income or expenses in statements of comprehensive income when the significant risks and rewards of ownership of properties for sale have been transferred to the buyer.

(e) Income from hire-purchase contracts

The subsidiaries calculate hire-purchase income using the effective interest rate method over the period of contracts.

The subsidiaries recognise hire-purchase income on the same basis used for interest income on loans.

(f) Other income

Other income is recognised as income on an accrual basis.

2.4 Expense recognition

(a) Interest expenses

Interests on borrowings and deposits are recognised as expenses on an accrual basis.

(b) Commission fee under hire-purchase agreements

The commission fee under hire-purchase agreements is recognised over the installment period, using the effective interest rate method.

(c) Other expense

Other expense is recognised as expense on an accrual basis.

2.5 Investments

The Group classifies investments, other than investments in subsidiaries, associates and joint ventures, into 4 categories: 1. Trading investments; 2. Held-to-maturity investments; 3. Available-for-sale investments; and 4. General investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

- (1) Trading investments are investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price not more than 3 months. Trading investments are traded in active markets and included in short-term investment.
- (2) Held-to-maturity investments are investments with fixed maturity that the management has the intent and ability to hold to maturity, and are classified as held-to-maturity and included in long-term investment, except for maturities within 12 months from the statements of financial position date which are classified as short-term investment.
- (3) Available-for-sale investments are investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, and are included in long-term investment unless management has expressed the intention of holding the investment for less than 12 months from the statements of financial position date, in which case they are included in short-term investment.
- (4) General investments are investments in non-marketable equity securities.

Purchases and sales of investments are recognised on the settlement date. Cost of investment includes transaction costs. Trading and available-for-sale investments are subsequently carried at fair value.

Available-for-sale investments are presented in the statements of financial position at fair value less allowance for impairment, if any. In the statements of comprehensive income, the unrealised gains and losses of trading investments are recognised in the gains (losses) on investment. Unrealised gain and losses arising from changes in the fair value of investments classified as available-for-sale are recognised in equity. When available-for-sale investments are sold or impaired, the accumulated fair value adjustments are included in the statements of comprehensive income as gains (losses) on investment. Fair values are calculated on the following basis:

- For marketable debt securities, fair values are calculated by referencing the last bid prices on the last business day of the period. The rates are announced by the Thai Bond Market Association (Thai BMA). Fair values of other debt securities are calculated by referencing the risk-free yield curve, adjusted by the appropriate risk premium.
- For marketable equity securities, fair values are calculated by referencing the last bid prices quoted on the Stock Exchange of Thailand on the last business day of the period.

Held-to-maturity investments are carried at amortised cost using the effective yield method less impairment loss.

General investments are carried at cost less impairment.

The Group tests for impairment when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to the statements of comprehensive income.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged to the statements of comprehensive income. When disposing of part of the Group's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

2.6 Investments in receivables

Investments in receivables purchased from financial institutions are valued at acquisition cost net of any allowance for impairment, if any. Loss on impairment of investments is included in statements of comprehensive income.

Investments in receivables which enter into troubled debt restructuring are transferred to loans and presented at fair value net of any allowance for doubtful debts. The fair value is based on the outstanding balance of investments in receivables purchased as at transferred date or as at the date of restructuring.

The Group determines allowance for impairment of investments in receivables based on the present value of expected future cash flows from collateral disposal or debt collection in accordance with the Bank of Thailand's provisioning guidelines.

2.7 Investments in subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measured are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.8 Cash

Cash includes cash on hand according to the BOT's Notification.

2.9 Loans/hire-purchase receivables and allowance for doubtful accounts

(a) For loans of commercial banking business

Loans are generally stated at the principal amounts outstanding. The allowance for doubtful accounts is provided for risks of losses incurred on loans. The allowance is increased by provisions charged to expense or recoveries and decreased by write-offs. The allowance is based on the management's review and assessment of the status of individual debtors as well as the Bank of Thailand's guidelines. In addition, the Bank takes into consideration the relationship of risks involved, value of collateral and the status of individual debtors including the relationship of allowance for doubtful debts against the loan balance through economic situations which may have an impact on customers' ability to pay.

(b) For hire-purchase receivables

Hire-purchase receivables are stated at net realisable value from the contractual amounts net of unearned hire-purchase income.

Allowance for doubtful accounts is set in accordance with the Bank of Thailand's guidelines.

The Group sets allowance on hire-purchase receivables classified as substandard, doubtful and doubtful of loss, at the rate of 100% of the difference between outstanding loan value and present value of expected cash flow from receivables or present value of expected cash flow from disposal of the collateralised assets. The discount rate and expected collateral disposal duration is referenced from the BOT's guideline. For receivables classified as normal and special mention, the Bank sets allowance for doubtful account at the rate of 1% and 2% of outstanding loan value net of collateralised assets.

2.10 Troubled debt restructuring and associated losses

The Group records troubled debt restructuring transactions and related losses according to the notifications of the Bank of Thailand.

The Bank records assets received in settlement of debts at the lower of the fair values of the assets, less any estimated selling expenses (if any), or the amount of investments in receivables (including accrued interest income).

In the case the debt restructuring involves modification of terms of receivables, the fair value of investments in receivables after restructuring is based on the net present value of the expected future cash flows, discounted by the Minimum Loan Rate ("MLR") or Customer Loan Rate ("CLR") prevailing at the restructuring date.

Losses arising from restructuring, loss allowance for doubtful accounts, are recorded as revaluation allowance for debt restructuring and recognised as expense in the statements of comprehensive income when incurred.

Legal fees and other direct costs incurred to effect the debt restructuring are expensed when incurred.

The Group adjusts the revaluation allowance for debt restructuring at the end of every year by re-calculating the net present value of expected cash flows, discounted by the MLR or CLR being quoted to the debtor at the end of the year.

Losses arising from debt restructuring through waiver of part of the principal or recorded accrued interest receivable after deduction the provided allowance (if any) will be charged against the statements of comprehensive income when the debt restructuring agreement is executed.

2.11 Properties for sale

Properties for sale consisting of immovable and movable assets are stated at the lower of cost or net realisable value less estimated selling expenses of the acquisition assets. Where the carrying value of for-sale assets incurred impairment, the Group will recognise the provision for impairment of properties for sale in total.

The Group will recognise gain (loss) on sales of properties for sale as income or expenses in the whole amount in accordance with the notifications of the Bank of Thailand.

2.12 Premises, equipment and depreciation

Land and buildings comprise mainly offices and are shown at fair value based on every 5 years valuations by external independent valuers, less subsequent depreciation for buildings. All other equipment is stated at cost less accumulated depreciation.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and building are credited to statement of comprehensive income and shown as gain on asset revaluation in shareholders' equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against gain on asset revaluation directly in equity; all other decreases are charged to profit or loss. Each period, the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost is transferred from 'gain on asset revaluation' to retained earnings.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to their residual values over their estimated useful lives, as follows:

Buildings	40 years
Equipment	5 years and 10 years

At the end of each reporting period, the assets' residual values and useful lives are reviewed, and adjusted if appropriate.

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2.14).

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised in the statements of comprehensive income.

When revalued assets are sold, the amounts included in gain on asset revaluation are transferred to retained earnings.

2.13 Intangible assets

(a) Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 5 years and 10 years.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of Identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- The expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

(b) Other intangible assets

Expenditures on acquired licences are capitalised and amortised using the straight-line basis over their useful lives, generally over 5 years. Intangible assets are not revalued.

2.14 Impairment of assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.15 Leasehold rights

The Bank amortises the cost of leasehold rights on buildings, which are presented as other assets, for the period of 2 - 30 years as an operating expense on a straight-line method over the life of the agreement.

2.16 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

Leases of property, plant or equipment where the lessee substantially has all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations and net of finance charges are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset and the lease term.

2.17 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Thai Baht, which is the Group's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in profit and loss.

2.18 Financial derivatives

The Group regards its obligations under financial derivatives contracts as off-statements of financial position items. The accounting treatments for financial derivatives transactions depend on the purpose of the transactions as follows:

(a) Trading transactions

The Group records its obligations under financial derivatives contracts originated for trading purposes at fair value. Gains/losses arising from changes in value are included in the statements of comprehensive income.

(b) Hedging transactions

The Group measures derivatives classified as hedging transactions according to the natures of items being hedged. The Bank designates certain derivatives as either:

(1) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the statements of comprehensive income, together with any changes in the fair value of the hedged assets or liabilities that are attributable to the hedged risk.

(2) Cash flow hedge

The effective portion of changes in fair value of derivatives that are designated and qualify as cash flow hedges are recognised in equity. The gain and loss relating to the ineffective portion is recognised immediately in the statements of comprehensive income. Amount accumulated in equity are recycled to the statements of comprehensive income in the periods in which the hedged item will affect the statements of comprehensive income.

When a hedged forecast transaction occurs and results in the recognition of a financial asset or financial liability, the gain or loss recognised in other comprehensive income does not adjust the initial carrying amount of the asset or liability but remains in equity and is reclassified from equity to profit or loss consistently with the recognition of gains and losses on the asset or liability as a reclassification adjustment.

For hedges of forecast transactions that result in the recognition of a non-financial asset or non-financial liability, the gains and losses previously deferred in equity are reclassified from equity and included in the initial measurement of the cost of the asset.

(3) Net investment in foreign operations hedge

Hedges of net investment in foreign operations are accounted for similarly to cash flow hedges.

At the inception of the hedge, the Group documents the relationship between hedging instruments and hedged items, as well as their risk management objective. The Group also assesses the hedge effectiveness in offsetting changes in fair values or cash flows of hedged items on an ongoing basis both at the hedge inception and every financial reporting date.

Disclosures about derivative financial instruments to which the Group is a party are provided in Note 46 to the financial statements.

2.19 Embedded derivatives

The Group records embedded derivatives in compliance with the Bank of Thailand's Notification as follows:

(a) If the economic characteristics and risks of an embedded derivative are not closely related to the economic characteristic and risk of host contract, the Group will separately account the embedded derivative from the host contract and measure the embedded derivative at fair value including a gain/loss in the statements of comprehensive income. The host contract will be accounted for under the related accounting standards. In case of the Group is unable to measure the embedded derivative separately, the Group will designate the entire hybrid contract as at fair value (based on arranger's price) included in the statements of comprehensive income.

(b) If the economic characteristics and risks of an embedded derivative are closely related to the economic characteristics and risks of the host contract, the Group will not separately account the embedded derivative from the host contract and classify the host contract under the related accounting standards.

2.20 Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are initially recognised at fair value and derecognised when extinguished.

Measurement is initially at fair value, Day 1 Profit from fair value will be amortised as income using straight-line method until maturity or at early termination. Changes in the fair value of financial liabilities, designated at fair value through profit or loss, are recognised in the statements of comprehensive income as gain or loss on financial liabilities designated at fair value through profit loss.

2.21 Borrowings

Borrowings are recognised initially at the fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective yield method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

2.22 Employee benefits and pension fund

Defined contribution plan

The Group operates a provident fund that is a defined contribution plan, the assets of which are held in a separate trust fund managed by external fund manager. The provident fund is funded by payments from employees and by the Group. Contributions to the provident fund are charged to the statements of comprehensive income in the period to which they relate.

Defined benefit plan

The Group has a policy to pay post-employment benefits to employees under the labour law applicable in Thailand.

The Group set provisions for employee benefits which comprises post-employment benefits under the labour law applicable in Thailand and pension fund.

The liability in respect of employee's benefits is measured, using the projected unit credit method which is calculated by an independent actuary in accordance with the actuarial technique. The present value of the defined benefit obligation is determined by discounting estimated future cash flows using yield on the government bonds which have terms to maturity approximating the terms of related liability. The estimated future cash flows shall reflect employee salaries, turnover rate, mortality, length of service and others. Actuarial gains and losses arise from experience adjustments and changes in actuarial assumptions. Actuarial gains and losses are charged or credited to equity in other comprehensive income in the year in which they arise. They are included in retained earnings in the statements of changes in equity / presented as a separate item in statements of changes in equity.

2.23 Provisions

The Group recognises provisions when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is highly likely.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.24 Share capital

Ordinary shares with discretionary dividends are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.25 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the Bank's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements.

However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.26 Share-based payment

In March 2011, the Group established an Equity Ownership Plan (EOP). At the grant date, the Group records prepayment for the whole amount with fair value refers to market price on the same day of the ordinary shares of CIMB Group Holdings Berhad, which is the parent company of CIMB Group, and registers in the stock market in Malaysia multiplies with the number of shares granted to the employees. The Bank paid the amount to the related company in Malaysia which will purchase, own the shares until the transfer date on behalf of the Bank and other companies in the group.

At the end of each reporting period, the Group sets up payment reserve as the proportion of time of the vesting period. The reserve presents as other liabilities.

The Bank reverses prepayment againsts share-based payment reserve with the preset amount when the related company in Malaysia transfers those ordinary shares to the employees at the end of vesting period.

2.27 Dividend distribution

Dividend distribution to the Bank's shareholders is recognised as a liability in the Bank's financial statements in the period in which the dividends are approved by the Bank's shareholders.

2.28 Segment reporting

Operating segments are presented in respect of the Group's business segments and reported to the chief operating decision-maker. The chief operating decision-maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Group has determined the Management Committee as its chief operating decision-maker.

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance. The Group uses derivative financial instruments to hedge certain exposures.

Risk management is carried out under policies approved by the Board of Directors. The Group's Treasury identifies, evaluates and hedges financial risks in close co-operation with its operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments, and investment excess liquidity.

3.1.1 Market risk

Market risk is the risk that the Group may suffer loss as a result of changes in the value of positions taken, both on and off statements of financial position, due to movements in interest rates, foreign exchange rates, equity prices and commodity prices.

The Group has a Market Risk Management Unit, which is responsible for assessment of market risk, and uses tools and systems that are widely accepted as efficient to help measure, monitor and manage market risk. This supports the Bank in ensuring that market risk is monitored and managed effectively, preventing the occurrence of unacceptable levels of market risk, and enabling the Group to take action to adjust market risk to appropriate levels in a timely manner.

3.1.1.1 Foreign exchange risk

Foreign exchange risk is the risk that changes in foreign exchange rates may result in changes in the value of financial instruments, and fluctuations in revenues and the value of financial assets and liabilities.

The Group's Treasury and Trading Division is responsible for managing foreign currency positions within risk limits set by the Risk Management Committee.

3.1.1.2 Interest rate risk

Interest rate risk is the risk that changes in market interest rates which may lead to changes in the value of financial instruments, and fluctuations in revenue and the values of financial assets and liabilities.

Interest rate risk arises from interest rate structure, the characteristics and structure of the Bank's assets, liabilities and capital. The Bank has set risk limits for interest rate risk under the banking accounts, with consent from the Assets and Liabilities Committee (ALCO), in order to manage risk at an appropriate level, while interest rate risk limits for the trading accounts are approved by the Risk Management Committee.

3.1.1.3 Equity position risk

Equity position risk is the risk that changes in the market prices of equity securities may result in changes in the value of investments, and fluctuations in revenues and the value of financial assets.

3.1.2 Credit risk

Credit risk is the risk that the Group will incur a loss because its customers, clients or counter parties failed to discharge their contractual obligations.

The Group's credit risk management processes are implemented under a credit risk management policy, and have been structured in order to maintain checks and balances and clear segregation of responsibilities between the marketing, credit approval, inspection and risk management functions. The Group manages credit risk at the customer standalone risk level and the portfolio level, developing different and appropriate credit risk rating tools to measure the risk at each level. For corporate customers and small-medium enterprise customers, risk grading tools and an SME rating, respectively, have been developed to grade customer credit risk levels. For individual retail customers, with multi-purpose credit, whether uncollateralised (personal cash) or collateralised (mortgage power), including home loans, the Group has developed a credit scoring system for use in risk evaluation.

In respect of the credit review and approval process, the Group has appointed a Credit Committee to consider the granting of credit facilities at different levels, based on the credit limit, focusing on borrowers' ability to make repayment, the type of credit, the financial status of the borrower, the economic situation and the status of the borrowers' industry. Furthermore, the Group has established an independent Credit Review Unit to ensure that the credit approval process is transparent and effective.

The maximum credit risk exposure is the carrying value of the financial assets after deducting allowance for losses as stated in the statements of financial position, and the risk of off-statements of financial position commitments, e.g., loan guarantees and other guarantees, and derivative contracts.

3.1.3 Liquidity risk

Liquidity risk is the risk that the Group will be unable to pay its debts and obligations when due because of an inability to convert assets into cash, or because of its failure to procure enough funds.

The Treasury group of the Bank is responsible for liquidity management, including procurement of both short and long-term sources of funds, and debt security investment management. The overall liquidity risk management is under the responsibility of the Asset and Liability Management Committee, who monitor and control risk, using tools to manage liquidity risk, such as minimum liquidity asset requirements, liquidity gap, liquidity ratio and liquidity risk limits.

4 Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(a) Allowance for doubtful accounts for loans

The Group considers an allowance for doubtful accounts to reflect impairment of loans relating to estimated losses resulting from the inability of customers to make required payments. The allowance for doubtful accounts is significantly impacted by the Group's assessment of future cash flows, such assessment being based on consideration of historical collection experience, known and identified instances of default and consideration of market trends.

(b) Fair value of financial derivative instruments

In determining the fair value of financial derivative instruments, the management has made judgment by using a variety of acceptable valuation techniques. The input parameter to the models used is taken from observable markets, and includes consideration of maturity, interest rate, correlation and volatility, etc.

(c) Impairment of investments

Investments are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. In determining the impairment losses, management believed that estimations are reasonable.

(d) Allowance for impairment of property for sale

The Group assesses allowance for impairment of property for sale when net realisable value falls below the carrying value. The management uses judgment to estimate impairment losses, taking into consideration the latest appraised value of assets, the type and nature of the assets. However, the use of different estimates and assumptions could affect the amounts of the allowance for impairment. Therefore, allowance for impairment may be adjusted in the future.

(e) Building, equipment and intangible assets

Management determines the estimated useful lives and residual values for the Group's building, equipment and intangible assets. Management will revise the depreciation charge where useful lives and residual values are different than previously estimated, or it will write off or write down technically obsolete or assets that have been abandoned or sold.

(f) Provision for post retirement benefits and pension fund

The Group has a commitment on provision of post-retirement benefits and pension funds for employees. The present value of employee benefit liabilities recognised in the statement of financial position is determined on the present value of estimated future cash outflows for staff. The assumptions used in determining the net year cost for employee benefits includes the salary and years of services of respective employees which are payable in the future and discount rate. Any changes in these assumptions will impact the net year cost recorded for employee benefits.

5 Capital risk management

The Group's objectives when managing capital are to safeguard the ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt obligations.

Moreover, the Bank is required to manage its capital funds in accordance with the Act on Undertaking of Banking Business B.E. 2551. The Bank's capital fund is presented in Note 28 to the financial statements.

6 Interbank and money market items, net (assets)

				Consolidated		
	2017			2016		
	At call Million Baht	Term Million Baht	Total Million Baht	At call Million Baht	Term Million Baht	Total Million Baht
Domestic:						
Bank of Thailand and the Financial Institutions Development Fund	2,328	-	2,328	2,402	-	2,402
Commercial banks	133	7,142	7,275	82	2,000	2,082
Specialised Financial Institutions	10	5,000	5,010	9	1,100	1,109
Other financial institutions	-	1,766	1,766	544	672	1,216
Total domestic items	2,471	13,908	16,379	3,037	3,772	6,809
Add Accrued interest receivables	-	6	6	-	-	-
Less Allowance for doubtful debts	-	(10)	(10)	-	(4)	(4)
Domestic items, net	2,471	13,904	16,375	3,037	3,768	6,805
Foreign:						
US dollar	892	65	957	836	33	869
Yen	28	-	28	18	-	18
Euro	31	-	31	8	-	8
Other currencies	624	153	777	541	289	830
Total foreign items	1,575	218	1,793	1,403	322	1,725
Add Accrued interest receivables	-	1	1	-	1	1
Less Allowance for doubtful debts	-	(1)	(1)	-	(3)	(3)
Foreign items, net	1,575	218	1,793	1,403	320	1,723
Domestic and foreign items, net	4,046	14,122	18,168	4,440	4,088	8,528

	2017			Separate 2016		
	At call Million Baht	Term Million Baht	Total Million Baht	At call Million Baht	Term Million Baht	Total Million Baht
Domestic:						
Bank of Thailand and the Financial Institutions Development Fund	2,328	-	2,328	2,402	-	2,402
Commercial banks	67	7,150	7,217	27	2,000	2,027
Specialised Financial Institutions	-	5,000	5,000	-	1,100	1,100
Other financial institutions	-	1,766	1,766	544	672	1,216
Total domestic items	2,395	13,916	16,311	2,973	3,772	6,745
Add Accrued interest receivables	-	6	6	-	-	-
Less Allowance for doubtful debts	-	(10)	(10)	-	(4)	(4)
Domestic items, net	2,395	13,912	16,307	2,973	3,768	6,741
Foreign:						
US dollar	892	65	957	836	33	869
Yen	28	-	28	18	-	18
Euro	31	-	31	8	-	8
Other currencies	624	153	777	541	289	830
Total foreign items	1,575	218	1,793	1,403	322	1,725
Add Accrued interest receivables	-	1	1	-	1	1
Less Allowance for doubtful debts	-	(1)	(1)	-	(3)	(3)
Foreign items, net	1,575	218	1,793	1,403	320	1,723
Domestic and foreign items, net	3,970	14,130	18,100	4,376	4,088	8,464

As at 31 December 2016, the Bank had promissory notes of Baht 544 million that were issued by financial institutions which were ordered to be closed, and are availed by the Financial Institution Development Fund (FIDF).

The FIDF recalled promissory notes amounting to Baht 544 million to cancel the aval as the FIDF is of the opinion that the Bank has no obligations in respect of the related liabilities. However, the Bank has not yet returned the promissory notes to the FIDF in order to retain its right to claim compensation from the FIDF should the Bank need to undertake responsibility for any obligations in the future.

As at 31 December 2017, since the right to claim on promissory note has expired, the Bank's claim on promissory note is reversed in the financial statement (Notes no 21).

7 Derivatives

7.1 Trading derivatives

Fair value and notional amount classified by type of risk

	2017			Consolidated and Separate		
	Asset	Liability	Fair value Notional amount	Asset	Liability	2016 Fair value Notional amount
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Exchange rate	13,418	13,527	1,208,482	13,786	14,416	990,115
Interest rate	7,325	4,343	1,173,675	6,508	4,803	1,329,051
Others	531	639	21,845	402	291	10,658
Total	21,274	18,509	2,404,002	20,696	19,510	2,329,824

Proportion of derivative transactions classified by type of counterparty and considering notional amount

	2017	2016
	Proportion	Proportion
Financial institutions	92	90
Companies under common control	4	8
External parties	4	2
Total	100	100

7.2 Derivative for hedging

7.2.1 Fair value hedge

	2017			Consolidated and Separate		
	Asset	Liability	Fair value Notional amount	Asset	Liability	2016 Fair value Notional amount
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Interest rate	4	-	200	11	-	470
Total	4	-	200	11	-	470

Fair value hedges are used to hedge the exposure to changes in fair value of financial assets and financial liabilities due to movements in market interest rates. The Group enters into interest rate swaps to hedge against interest rate risk of bill of exchange and negotiable certificate of deposit. The Bank recognises gains (losses) from changes in fair value of derivatives, derivative from hedging and hedged items in the statements of comprehensive income.

The net gains (losses) arising from fair value hedges for the years ended 31 December 2017 and 2016 can be summarised as follows:

	Consolidated and Separate	
	2017 Million Baht	2016 Million Baht
Losses on hedging instruments, net	(6)	(5)
Gains on hedged items, net	5	5

7.2.2 Cash flow hedge

	2017			Consolidated and Separate		
	Asset	Liability	Fair value Notional amount	Asset	Liability	2016 Fair value Notional amount
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Exchange rate	-	1,453		-	1,208	
Interest rate	-	3		528	663	
Total	-	1,456	22,365	528	1,871	19,939

Cash flow hedges are used to protect against exposure to variability in future cash flows attributable to movements in foreign exchange rates and interest rates of financial assets and financial liabilities. The Bank hedges cash flows from loan, credit linked bills of exchange and subordinated debentures against foreign exchange rates risk and interest rates risk using Cross Currency and Interest Rate Swap contract, and Interest Rate Swap contract with CIMB Bank Berhad and other parties (Notes no 21 (d), (e) and (h)).

The expected periods of cash flow from hedged items that shall affect profits (losses) as at 31 December 2017 and 2016 can be summarised as follows:

	Consolidated and Separate			
	2017			
	3 months or less Million Baht	More than 3 months to 1 year Million Baht	More than 1 year to 5 years Million Baht	More than 5 years Million Baht
Cash inflow	10	29	2,660	-
Cash outflow	(232)	(314)	(9,296)	(4,187)
Net cashflow	(222)	(285)	(6,636)	(4,187)

	Consolidated and Separate			
	2016			
	3 months or less Million Baht	More than 3 months to 1 year Million Baht	More than 1 year to 5 years Million Baht	More than 5 years Million Baht
Cash outflow	(230)	(275)	(9,494)	(3,537)

8 Investments, net

8.1 Classified by type of investment

	Consolidated and Separate	
	2017 Fair value Million Baht	2016 Fair value Million Baht
Securities held for trading		
Government and state enterprises securities	9,117	4,135
Private sector debt securities	484	2,910
Total securities held for trading	9,601	7,045
Available-for-sale securities		
Government and state enterprises securities	17,118	24,497
Private sector debt securities	3,612	5,834
Domestic marketable equity securities	81	102
Total available-for-sales securities	20,811	30,433

		Consolidated and Separate	
		2017	2016
		Cost/	Cost/
		Amortised	Amortised
		Cost	Cost
		Million Baht	Million Baht
Held-to-maturity debt securities			
Government and state enterprises securities		13,163	16,791
Private sector debt securities		422	702
Investments in receivables (Note 8.6)		76	78
Total		13,661	17,571
Less Allowance for impairment		(61)	(60)
Total held-to-maturity debt securities		13,600	17,511
		Cost	Cost
		Million Baht	Million Baht
General investments			
Domestic non-marketable equity securities		270	292
Overseas non-marketable equity securities		9	9
Total		279	301
Less Allowance for impairment		(231)	(228)
Total general investments		48	73
Investments, net		44,060	55,062

As at 31 December 2017 and 2016, the Bank had investments pledged as collateral, as mentioned in Note 42.1 to the financial statements.

8.2 Classified by the remaining period to maturity of the debt securities

	2017				Consolidated and Separate			
	Periods remaining				2016			
	1 year	1 - 5 years	Over 5 years	Total	1 year	1 - 5 years	Over 5 years	Total
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Available-for-sale securities								
Government and state enterprises securities	20	13,859	3,165	17,044	-	18,871	5,998	24,869
Private sector debt securities	439	2,892	256	3,587	61	5,350	440	5,851
Total	459	16,751	3,421	20,631	61	24,221	6,438	30,720
Add Allowance for revaluation	1	121	(22)	100	(1)	(171)	(217)	(389)
Allowance for impairment	(1)	-	-	(1)	-	-	-	-
Available-for-sale securities, net	459	16,872	3,399	20,730	60	24,050	6,221	30,331
Held-to-maturity securities								
Government and state enterprises securities	5,679	7,483	1	13,163	4,032	11,308	1,451	16,791
Private sector debt securities	288	134	-	422	278	424	-	702
Total	5,967	7,617	1	13,585	4,310	11,732	1,451	17,493
Less Allowance for impairment	-	-	-	-	-	-	-	-
Held-to-maturity securities, net	5,967	7,617	1	13,585	4,310	11,732	1,451	17,493
Total debt securities	6,426	24,489	3,400	34,315	4,370	35,782	7,672	47,824

8.3 Investments representing shareholdings in which the Group holds more than 10%

The following are equity securities in which the Group holds more than 10% of the paid-up share capital of the investee companies, but those companies were not classified as subsidiaries and associated companies. The investments classified by industry are as follows:

	Consolidated and Separate	
	2017 Million Baht	2016 Million Baht
Property development	1	1
Public utilities and services	17	17
Bank and finance	4	4
Total	22	22
Less Allowance for impairment	(19)	(16)
Investments representing shareholdings in which the Group hold more than 10%, net	3	6

8.4 Investments in investment units in which the Group hold more than 10%

Investments in investment units in which the Group holds more than 10% of the paid-up fund which are not treated as subsidiaries and associated companies. The investments classified by type of fund are as follows:

	Consolidated and Separate			
	2017		2016	
	Cost	Fair value	Cost	Fair value
	Million Baht	Million Baht	Million Baht	Million Baht
General investments				
Investment in property funds	81	60	104	93
Less Allowance for revaluation	(18)		(8)	
Less Allowance for impairment	(3)		(3)	
General investments, net	60		93	

8.5 Investments in companies having problems relating to financial position and operating results

As at 31 December 2017 and 2016, the Group had the following investments in companies, having problems relating to financial positions and operating results:

	Consolidated and Separate			
	2017		2016	
	Number of companies	Cost	Allowance for revaluation/impairment	Book value
		Million Baht	Million Baht	Million Baht
Business continuity and/or weak financial status and operating performance	49	42	(42)	-
Defaulted debt securities	18	1	(1)	-
	67	43	(43)	-

8.6 Investments in receivables

	Consolidated and Separate	
	2017	2016
	Million Baht	Million Baht
Investments in receivables	76	78
Less Allowance for impairment	(61)	(60)
Investments in receivables, net	15	18

As at 31 December 2017 and 2016, the outstanding balances of loan receivables can be summarised as follows:

	Consolidated and Separate							
	2017				2016			
	Number of debtors	Principal Million Baht	Purchase price Million Baht	Estimated rate of return (yield) %	Number of debtors	Principal Million Baht	Purchase price Million Baht	Estimated rate of return (yield) %
Total accumulated investments in receivables	5,857	22,948	6,996	19.0	5,857	22,948	6,996	19.0
Outstanding investments in receivables as at the statements of financial position date	67	1,107	76	1.0	79	1,223	78	7.5

9 Investments in subsidiary, net

Company name	Nature of business	Type of securities	Percentage of holding		Separate	
			2017	2016	2017	Cost method
			%	%	Million Baht	2016
						Million Baht
Subsidiaries - included in consolidated financial statements						
CT Coll Co., Ltd.	Debt collection	Common stock	100	100	38	38
Center Auto Lease Co., Ltd.	Leasing/hire-Purchase of automobile	Common stock	100	100	1,203	1,203
World Lease Co., Ltd.	Hire-purchase and motorcycles motorcycle trading	Common stock	100	100	467	467
Total					1,708	1,708
Less Allowance for impairment					-	(383)
Investments in subsidiaries, net					1,708	1,325

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held. The parent company further does not have any shareholdings in the preference shares of subsidiary undertaking included in the Group.

As at 31 December 2017, the Bank recorded the reversal of allowance for impairment in subsidiaries of Baht 383 million in statement of comprehensive income. Since the subsidiaries have better performance over the past periods, the Bank re-assessed and reversed all allowance for impairment.

10 Loans and accrued interest receivables, net**10.1 Classified by loan type**

	Consolidated		Separate	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Bank overdrafts	6,108	6,275	6,108	6,284
Loans	145,160	145,049	154,718	150,792
Bills	31,208	29,933	44,393	45,858
Hire-purchase receivables	35,532	30,148	-	-
Others	50	32	24	5
Total loans	218,058	211,437	205,243	202,939
Less Deferred revenue	(7,036)	(5,849)	(9)	(39)
Total loans net of deferred revenue	211,022	205,588	205,234	202,900
Add Accrued interest receivables	517	590	523	594
Total loans net of deferred revenue and accrued interest receivables	211,539	206,178	205,757	203,494
Less Allowance for doubtful debts (Note 11)				
Minimum allowance for doubtful accounts required based on BoT's guidelines				
- Individual approach	(6,165)	(6,251)	(5,942)	(6,125)
General provision for further losses	(3,704)	(3,542)	(3,314)	(3,542)
Less Revaluation allowance for debt restructuring (Note 12)	(106)	(45)	(106)	(45)
Loans and accrued interest receivables, net	201,564	196,340	196,395	193,782

10.2 Classified by currency and residency of debtors

	Consolidated			Consolidated		
	2017			2016		
	Domestic	Foreign	Total	Domestic	Foreign	Total
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Baht	195,447	644	196,091	191,291	608	191,899
US dollar	11,493	1,370	12,863	10,774	1,686	12,460
Other currencies	754	1,314	2,068	1,214	15	1,229
Total loans net of deferred revenue	207,694	3,328	211,022	203,279	2,309	205,588

				Separate		
	2017			2016		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Baht	189,659	644	190,303	188,603	608	189,211
US dollar	11,493	1,370	12,863	10,774	1,686	12,460
Other currencies	754	1,314	2,068	1,214	15	1,229
Total loans net of deferred revenue	201,906	3,328	205,234	200,591	2,309	202,900

10.3 Classified by types of business and loan classification

	Consolidated					
	2017					
	Pass Million Baht	Special mention Million Baht	Sub- standard Million Baht	Doubtful Million Baht	Doubtful of loss Million Baht	Total Million Baht
Agricultural and mining	5,605	-	-	-	1	5,606
Manufacturing and commerce	38,497	4,305	1,243	1,370	3,395	48,810
Real estate and construction	10,625	1,097	161	22	211	12,116
Public utilities and services	26,030	733	354	563	549	28,229
Personal cash	12,536	563	214	-	192	13,505
Housing loans	57,545	1,638	662	791	335	60,971
Hire-purchase receivable and financial lease receivable	24,231	3,856	325	54	38	28,504
Others	12,873	186	91	95	36	13,281
Total loans net of deferred revenue	187,942	12,378	3,050	2,895	4,757	211,022

	Consolidated					
	2016					
	Pass Million Baht	Special mention Million Baht	Sub- standard Million Baht	Doubtful Million Baht	Doubtful of loss Million Baht	Total Million Baht
Agricultural and mining	4,783	-	-	8	-	4,791
Manufacturing and commerce	38,849	3,970	2,549	3,601	1,023	49,992
Real estate and construction	10,753	1,420	58	220	9	12,460
Public utilities and services	26,531	2,318	797	194	608	30,448
Personal cash	11,922	657	230	-	250	13,059
Housing loans	53,476	1,340	641	547	1,235	57,239
Hire-purchase receivable and financial lease receivable	21,279	2,769	232	42	16	24,338
Others	12,617	185	71	149	239	13,261
Total loans net of deferred revenue	180,210	12,659	4,578	4,761	3,380	205,588

	Separate					
	2017					
	Pass Million Baht	Special mention Million Baht	Sub- standard Million Baht	Doubtful Million Baht	Doubtful of loss Million Baht	Total Million Baht
Agricultural and mining	5,605	-	-	-	1	5,606
Manufacturing and commerce	38,497	4,305	1,243	1,370	3,395	48,810
Real estate and construction	10,625	1,097	161	22	211	12,116
Public utilities and services	26,030	733	354	563	549	28,229
Personal cash	12,536	563	214	-	192	13,505
Housing loans	57,545	1,638	662	791	335	60,971
Others	35,589	186	91	95	36	35,997
Total loans net of deferred revenue	186,427	8,522	2,725	2,841	4,719	205,234

	Separate					
	2016					
	Pass Million Baht	Special mention Million Baht	Sub- standard Million Baht	Doubtful Million Baht	Doubtful of loss Million Baht	Total Million Baht
Agricultural and mining	4,783	-	-	8	-	4,791
Manufacturing and commerce	38,849	3,970	2,549	3,601	1,023	49,992
Real estate and construction	10,753	1,420	58	220	9	12,460
Public utilities and services	26,531	2,318	797	194	608	30,448
Personal cash	11,922	657	230	-	250	13,059
Housing loans	53,476	1,340	641	547	1,235	57,239
Others	34,267	185	71	149	239	34,911
Total loans net of deferred revenue	180,581	9,890	4,346	4,719	3,364	202,900

10.4 Classification of loans

The Group classified loans by type and/or based on the overdue date as summarised below.

(a) Loans of the Group

	2017				Consolidated 2016			
	Loans and accrued interest receivables Million Baht	Net amount used for set allowance for doubtful account ⁽¹⁾ Million Baht	Minimum percentage %	Allowance provided in the accounts Million Baht	Loans and accrued interest receivables Million Baht	Net amount used for set allowance for doubtful account ⁽¹⁾ Million Baht	Minimum Percentage %	Allowance provided in the accounts Million Baht
Minimum allowance for doubtful accounts based on BOT guidelines								
- Pass	188,370	69,880	1	695	180,669	63,221	1	642
- Special mention	12,450	3,598	2	66	12,774	3,471	2	73
- Sub-standard	3,067	1,669	100	1,666	4,593	1,919	100	1,917
- Doubtful	2,895	1,321	100	1,321	4,761	2,474	100	2,474
- Doubtful-of-loss	4,757	2,407	100	2,417	3,381	1,141	100	1,145
General provision for further losses				3,704				3,542
Total	211,539	78,875		9,869	206,178	72,226		9,793

(1) For provision for sub-standard, doubtful and doubtful-of-loss loans, which is set up in accordance with BoT's notification no. Sor Nor Sor 5/2559, the debt balance used for set allowance for doubtful account is the debt balance remaining after deducting the present value of expected future cash flows from debt collection or from collateral disposal, as the case may be.

	2017				2016			
	Loans and accrued interest receivables Million Baht	Net amount used for set allowance for doubtful account ⁽¹⁾ Million Baht	Minimum percentage %	Allowance provided in the accounts Million Baht	Loans and accrued interest receivables Million Baht	Net amount used for set allowance for doubtful account ⁽¹⁾ Million Baht	Minimum Percentage %	Allowance provided in the accounts Million Baht
Minimum allowance for doubtful accounts based on BOT guidelines								
- Pass	186,861	87,026	1	868	181,044	79,661	1	794
- Special mention	8,594	2,368	2	40	10,005	2,217	2	43
- Sub-standard	2,742	1,389	100	1,389	4,362	1,726	100	1,727
- Doubtful	2,841	1,267	100	1,267	4,719	2,432	100	2,432
- Doubtful-of-loss	4,719	2,368	100	2,378	3,364	1,125	100	1,129
General provision for further losses				3,314				3,542
Total	205,757	94,418		9,256	203,494	87,161		9,667

(1) For provision for sub-standard, doubtful and doubtful-of-loss loans, which is set up in accordance with BoT's notification no. Sor Nor Sor 5/2559, the debt balance used for set allowance for doubtful account is the debt balance remaining after deducting the present value of expected future cash flows from debt collection or from collateral disposal, as the case may be.

As at 31 December 2017, the Group and the Bank had defaulted loans amounting to Baht 9,572 million and Baht 9,154 million, respectively (31 December 2016: Baht 10,657 million and Baht 10,367 million, respectively), were ceased recognition of interest income.

(b) Hire-purchase receivables and financial lease receivables of the subsidiaries

As at 31 December 2017 and 2016, hire-purchase receivables and financial lease receivables of the subsidiaries were classified based on overdue dates as follows:

	Debt balance - net unearned income		Allowance for doubtful accounts	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Current or overdue less than 1 installment	24,231	21,279	54	64
Overdue 2-3 installments	3,856	2,769	26	30
Overdue 4-6 installments	325	232	277	191
Overdue 7-12 installments	54	42	54	42
Overdue more than 12 installments	34	11	34	12
Debtors under litigation	5	5	5	5
Total	28,505	24,338	450	344
General provision	-	-	390	-
Total	28,505	24,338	840	344

10.5 Non-performing loans

As at 31 December 2017 and 2016, the Group had the following non-performing loans, according to the criteria set up by the Bank of Thailand.

	Consolidated		Separate	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Non-performing loans (principal only)				
- Banking business	10,285	12,429	10,285	12,429
- Other businesses	417	290	-	-

As at 31 December 2017 and 2016, the above non-performing loans under the BoT's criteria were presented in accordance with the notification of the BoT's, defining non-performing loans to be debts classified as sub-standard, doubtful and doubtful-of-loss, and excluding outstanding loans for which debt restructuring agreements have been made and conditions to upgrade to pass class or special mention class in accordance with BoT criteria have already been fulfilled.

10.6 Hire-purchase and finance lease receivables

As at 31 December 2017, subsidiaries had receivables under hire-purchase agreements and financial leases totalling Baht 27,665 million (31 December 2016: Baht 23,994 million) mostly comprising hire-purchase agreements and financial leases for cars and motorcycles. The term of the agreements are generally between three and six years and interest is mostly charged at a fixed rate.

	Consolidated				
	2017				
	Amounts due under lease agreement				
	Less than 1 year Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	Non - performing loans Million Baht	Total Million Baht
Gross investment in the lease	11,249	22,804	916	563	35,532
Less Unearned finance income	(2,960)	(3,883)	(39)	(145)	(7,027)
Present value of minimum lease payments receivable	8,289	18,921	877	418	28,505
Less Allowance for doubtful accounts					(840)
Net receivables under hire-purchase agreements and financial leases					27,665

	Consolidated				
	2016				
	Amounts due under lease agreement				
	Less than 1 year Million Baht	1 – 5 years Million Baht	Over 5 years Million Baht	Non - performing loans Million Baht	Total Million Baht
Gross investment in the lease	9,635	19,436	691	385	30,147
Less Unearned finance income	(2,523)	(3,159)	(32)	(95)	(5,809)
Present value of minimum lease payments receivable	7,112	16,277	659	290	24,338
Less Allowance for doubtful accounts					(344)
Net receivables under hire-purchase agreements and financial leases					23,994

10.7 Troubled debt restructuring

As at 31 December 2017, the Group has outstanding receivables which have been restructured as follows;

	Consolidated and Separate	
	Number of loans	Outstanding balance before restructuring Million Baht
Restructured before 2017	4,182	2,925
Restructured during the year ended 31 December 2017	1,230	2,441

Details of customers whose debts have been restructured during the year ended 31 December 2017 compared with total loan customers in the consolidated financial statements and separate financial statements are as follows:

	Consolidated		Separate	
	Number of loans	Outstanding balance before restructuring Million Baht	Number of loans	Outstanding balance before restructuring Million Baht
Restructured debts	1,230	2,441	1,230	2,441
Total loan customers	402,277	211,022	173,731	205,234

Details of the restructured debts during the years ended 31 December 2017 and 2016, classified into the restructuring methods are as follows;

Restructuring method	Consolidated and Separate			
	2017			
	Number of loans	Before restructuring Million Baht	Fair value of assets Million Baht	After restructuring Million Baht
Modifications of terms of payments	1,230	2,441	-	2,441
Total	1,230	2,441	-	2,441

Restructuring method	Consolidated and Separate			
	2016			
	Number of loans	Before restructuring Million Baht	Fair value of assets Million Baht	After restructuring Million Baht
Transfer of properties	2	311	308	3
Modifications of terms of payments	1,837	3,343	-	3,343
Total	1,839	3,654	308	3,346

The debts restructured referred to above can be classified by the terms of repayment under the restructuring agreements as follows:

Period of debts restructuring contracts	2017			Consolidated and Separate		
	Debt balances			2016		
	Number of loans	Before restructuring Million Baht	After restructuring Million Baht	Number of debtors	Before restructuring Million Baht	After restructuring Million Baht
Not more than 5 years	218	674	674	296	875	875
5 - 10 years	525	745	745	919	1,214	1,214
10 - 15 years	60	97	97	66	134	134
More than 15 years	427	925	925	556	1,120	1,120
Total	1,230	2,441	2,441	1,837	3,343	3,343

Supplemental information relating to the restructured debts for the years ended 31 December 2017 and 2016 are as follows:

	Consolidated and Separate	
	2017 Million Baht	2016 Million Baht
Interest income	358	341

As at December 2017 and 2016, the troubled debtors for which the Group completed their debt restructuring can be summarised as follows:

	Consolidated and Separate	
	2017	2016
Number of debtors	5,323	5,897
Debt balances after restructuring (Million Baht)	4,681	4,354

In cases where the troubled debt restructuring involves modifications of the terms and the repayment conditions, the fair value of the loans after restructuring is determined based on the net present value of expected future cashflows, discounted by the market interest rate. As at 31 December 2017, the Bank had losses from the revaluation of restructured debts (PV Loss) of Baht 106 million (31 December 2016: Baht 45 million) for which the it provided an allowance for revaluation as a result of debt restructuring.

11 Allowance for doubtful debts

	Consolidated						
	2017						
	Pass Million Baht	Special mention Million Baht	Sub- standard Million Baht	Doubtful Million Baht	Doubtful of loss Million Baht	General provision Million Baht	Total Million Baht
Balance as at 1 January 2017	642	73	1,917	2,474	1,145	3,542	9,793
Add (Deduction) addition during the year	(10)	(4)	539	13	192	4,329	5,059
Transfer from revaluations allowance for debt restructuring	-	-	-	-	-	8	8
Bad debt recoveries	-	-	-	-	-	351	351
Less Bad debts written off	-	-	(456)	(2)	(1,837)	(17)	(2,312)
Reduction from sale of NPL	-	-	(3)	(1,427)	(1,520)	-	(2,950)
Transfer to revaluations allowance for debt restructuring	-	-	-	-	-	(69)	(69)
Increase (decrease) due to change in classification, collateral value or transfer general allowance to specific allowance	63	(3)	(331)	263	4,437	(4,440)	(11)
Balance as at 31 December 2017	695	66	1,666	1,321	2,417	3,704	9,869

	Consolidated						
	2016						
	Pass Million Baht	Special mention Million Baht	Sub- standard Million Baht	Doubtful Million Baht	Doubtful of loss Million Baht	General provision Million Baht	Total Million Baht
Balance as at 1 January 2016	577	80	1,345	940	1,209	2,579	6,730
Add (Deduction) addition during the year	(9)	(1)	331	18	182	5,779	6,300
Transfer from revaluations allowance for debt restructuring	-	-	-	-	-	18	18
Bad debt recoveries	-	-	-	-	-	209	209
Transfer from interbank and money market items	-	-	-	-	-	2	2
Less Bad debts written off	-	(11)	(356)	(2)	(3,024)	(36)	(3,429)
Transfer to revaluations allowance for debt restructuring	-	-	-	-	-	(10)	(10)
Increase (decrease) due to change in classification, collateral value or transfer general allowance to specific allowance	74	5	597	1,518	2,778	(4,999)	(27)
Balance as at 31 December 2016	642	73	1,917	2,474	1,145	3,542	9,793

	Separate						
	2017						
	Pass Million Baht	Special mention Million Baht	Sub- standard Million Baht	Doubtful Million Baht	Doubtful of loss Million Baht	General provision Million Baht	Total Million Baht
Balance as at 1 January 2017	794	43	1,727	2,432	1,129	3,542	9,667
Add (Deduction) addition during the year	-	-	-	-	-	3,939	3,939
Transfer from revaluations allowance for debt restructuring	-	-	-	-	-	8	8
Bad debt recoveries	-	-	-	-	-	351	351
Less Bad debts written off	-	-	(4)	(1)	(1,668)	(17)	(1,690)
Reduction from sale of NPL	-	-	(3)	(1,427)	(1,520)	-	(2,950)
Transfer to revaluations allowance for debt restructuring	-	-	-	-	-	(69)	(69)
Increase (decrease) due to change in classification, collateral value or transfer general allowance to specific allowance	74	(3)	(331)	263	4,437	(4,440)	-
Balance as at 31 December 2017	868	40	1,389	1,267	2,378	3,314	9,256

	Separate						
	2016						
	Pass Million Baht	Special mention Million Baht	Sub- standard Million Baht	Doubtful Million Baht	Doubtful of loss Million Baht	General provision Million Baht	Total Million Baht
Balance as at 1 January 2016	695	50	1,133	913	1,202	2,579	6,572
Add (Deduction) addition during the year	-	-	-	-	-	5,779	5,779
Transfer from revaluations allowance for debt restructuring	-	-	-	-	-	18	18
Bad debt recoveries	-	-	-	-	-	209	209
Transfer from interbank and money market items	-	-	-	-	-	2	2
Less Bad debts written off	-	(11)	(5)	-	(2,851)	(36)	(2,903)
Transfer to revaluations allowance for debt restructuring	-	-	-	-	-	(10)	(10)
Increase (decrease) due to change in classification, collateral value or transfer general allowance to specific allowance	99	4	599	1,519	2,778	(4,999)	-
Balance as at 31 December 2016	794	43	1,727	2,432	1,129	3,542	9,667

12 Revaluation allowance for debt restructuring

	Consolidated and Separate	
	2017	2016
	Million Baht	Million Baht
Balance - beginning of the year	45	55
Add Revaluation allowance transferred from allowance for doubtful debts	69	10
Less Bad debt written off	-	(2)
Less Revaluation allowance transferred to allowance for doubtful debts	(8)	(18)
Balance - end of the year	106	45

The write-off transactions and/or the adjustments of revaluation allowance for debt restructuring are transferred to allowance for doubtful debts.

13 Properties for sale, net

Properties for sale represent properties from debtors as a result of debt restructuring, properties obtained as a result of a successful bid for the mortgaged assets of debtors at auction, or unused assets transferred as a result of a merger and awaiting disposal.

	Consolidated			
	As at 1 January 2017 Million Baht	Additions Million Baht	Disposals Million Baht	As at 31 December 2017 Million Baht
Asset from debt repayment				
Immovable - Assessed by external appraiser	1,280	523	(1,000)	803
Movable	146	1,471	(1,388)	229
Total	1,426	1,994	(2,388)	1,032
Others	116	39	-	155
Total properties for sale	1,542	2,033	(2,388)	1,187
Less Allowance for impairment	(257)	(553)	657	(153)
Properties for sale, net	1,285	1,480	(1,731)	1,034

	Consolidated			
	As at 1 January 2016 Million Baht	Additions Million Baht	Disposals Million Baht	As at 31 December 2016 Million Baht
Asset from debt repayment				
Immovable - Assessed by external appraiser	1,355	318	(393)	1,280
Movable	137	1,695	(1,686)	146
Total	1,492	2,013	(2,079)	1,426
Others	70	116	(70)	116
Total properties for sale	1,562	2,129	(2,149)	1,542
Less Allowance for impairment	(368)	(623)	734	(257)
Properties for sale, net	1,194	1,506	(1,415)	1,285

	Separate			
	As at 1 January 2017 Million Baht	Additions Million Baht	Disposals Million Baht	As at 31 December 2017 Million Baht
Asset from debt repayment				
Immovable - Assessed by external appraiser	1,280	523	(1,000)	803
Total	1,280	523	(1,000)	803
Others	116	39	-	155
Total properties for sale	1,396	562	(1,000)	958
Less Allowance for impairment	(200)	(21)	151	(70)
Properties for sale, net	1,196	541	(849)	888

	Separate			
	As at 1 January 2016 Million Baht	Additions Million Baht	Disposals Million Baht	As at 31 December 2016 Million Baht
Asset from debt repayment				
Immovable - Assessed by external appraiser	1,355	318	(393)	1,280
Total	1,355	318	(393)	1,280
Others	70	116	(70)	116
Total properties for sale	1,425	434	(463)	1,396
Less Allowance for impairment	(316)	(1)	117	(200)
Properties for sale, net	1,109	433	(346)	1,196

The Bank provides allowance for impairment of properties for sale by reference to appraisal value. The Bank appraises or reviews the fair value of properties for sale annually in accordance with the Notification of the Bank of Thailand. However, the actual selling price may differ from the appraisal value. In addition, the Bank is subjected to restrictions on the allowable periods it may hold such properties, as stipulated by the Bank of Thailand. If the Bank is unable to dispose of the properties within allowable periods, the Bank has to set aside additional provision in accordance with the Bank of Thailand guidelines. The Bank's management believes that the carrying value of such properties is suitable to the current situation and the current disposal plan of its properties for sale.

Consolidated													
	Cost/appraisal value						Accumulated depreciation						Allowance for impairment
	As at 1 January 2017	Additions	Transfer In/(out)	Transfer to properties for sale	Disposals/ written off	As at 31 December 2017	As at 1 January 2017	Additions	Transfer to properties for sale	Disposals/ written off	As at 31 December 2017	for impairment	
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Net book value
Land													
Cost	453	-	-	(7)	-	446	-	-	-	-	-	-	446
Revaluation surplus (revaluation in 2016)	1,699	-	-	(22)	-	1,677	-	-	-	-	-	-	1,677
Devaluation of asset (revaluation in 2016)	(18)	-	-	-	-	(18)	-	-	-	-	-	-	(18)
Buildings													
Cost	1,849	3	25	(34)	-	1,843	(1,129)	(55)	31	-	(1,153)	-	690
Revaluation surplus (revaluation in 2016)	1,147	-	-	(13)	-	1,134	(889)	(19)	7	-	(901)	-	233
Devaluation of asset (revaluation in 2016)	(22)	-	-	-	-	(22)	11	-	-	-	11	-	(11)
Equipment	2,654	144	80	-	(290)	2,588	(2,090)	(192)	-	273	(2,009)	(11)	568
Assets under installation and/or construction	17	54	(68)	-	-	3	-	-	-	-	-	-	3
Total	7,779	201	37	(76)	(290)	7,651	(4,097)	(266)	38	273	(4,052)	(11)	3,588

14 Premises and equipment, net (Cont'd)

	Consolidated												
	Cost/appraisal value						Accumulated depreciation						
	As at 1 January 2016 Million Baht	Additions Million Baht	Transfer In/(out) Million Baht	Transfer to properties for sale Million Baht	Disposals/ written off Million Baht	As at 31 December 2016 Million Baht	As at 1 January 2016 Million Baht	Additions Million Baht	Transfer to properties for sale Million Baht	Disposals/ written off Million Baht	As at 31 December 2016 Million Baht	Allowance for impairment Million Baht	Net book value Million Baht
Land													
Cost	486	-	-	(33)	-	453	-	-	-	-	-	-	453
Revaluation surplus (revaluation in 2016)	717	1,049	-	(67)	-	1,699	-	-	-	-	-	-	1,699
Devaluation of asset (revaluation in 2016)	(30)	12	-	-	-	(18)	-	-	-	-	-	-	(18)
Buildings													
Cost	1,949	-	16	(116)	-	1,849	(1,176)	(59)	106	-	(1,129)	-	720
Revaluation surplus (revaluation in 2016)	1,894	(667)	-	(80)	-	1,147	(1,686)	726	71	-	(889)	-	258
Devaluation of asset (revaluation in 2016)	(65)	15	-	28	-	(22)	60	(22)	(27)	-	11	-	(11)
Equipment	2,993	213	21	-	(573)	2,654	(2,356)	(248)	-	514	(2,090)	(12)	552
Assets under installation and/or construction	6	43	(32)	-	-	17	-	-	-	-	-	-	17
Total	7,950	665	5	(268)	(573)	7,779	(5,158)	397	150	514	(4,097)	(12)	3,670

Separate													
	Cost/appraisal value					Accumulated depreciation							
	As at 1 January 2017 Million Baht	Additions Million Baht	Transfer In/(out) Million Baht	Transfer to properties for sale Million Baht	Disposals/ written off Million Baht	As at 31 December 2017 Million Baht	As at 1 January 2017 Million Baht	Additions Million Baht	Transfer to properties for sale Million Baht	Disposals/ written off Million Baht	As at 31 December 2017 Million Baht	Allowance for impairment Million Baht	Net book value Million Baht
Land													
Cost	453	-	-	(7)	-	446	-	-	-	-	-	-	446
Revaluation surplus (revaluation in 2016)	1,699	-	-	(22)	-	1,677	-	-	-	-	-	-	1,677
Devaluation of asset (revaluation in 2016)	(18)	-	-	-	-	(18)	-	-	-	-	-	-	(18)
Buildings													
Cost	1,849	3	25	(34)	-	1,843	(1,129)	(55)	31	-	(1,153)	-	690
Revaluation surplus (revaluation in 2016)	1,147	-	-	(13)	-	1,134	(889)	(19)	7	-	(901)	-	233
Devaluation of asset (revaluation in 2016)	(22)	-	-	-	-	(22)	11	-	-	-	11	-	(11)
Equipment	2,430	124	80	-	(277)	2,357	(1,927)	(171)	-	261	(1,837)	(11)	509
Assets under installation and/or construction	17	54	(68)	-	-	3	-	-	-	-	-	-	3
Total	7,555	181	37	(76)	(277)	7,420	(3,934)	(245)	38	261	(3,880)	(11)	3,529

Separate

14 Premises and equipment, net (Cont'd)

15 Intangible assets, net

		Consolidated				
	Amortising period	As at 1 January 2017 Million Baht	Increase Million Baht	Transfer/ in/(out) Million Baht	Write off Million Baht	As at 31 December 2017 Million Baht
Expenditures in connection with development and improvement of computer systems						
- under development	-	78	169	(89)	(3)	155
Computer software	5 - 10 years	289	14	52	(38)	215
Licence fee	5 years	1	-	-	-	-
Total		368	183	(37)	(41)	370
Less Allowance for impairment		-				-
Net intangible assets		368				370

		Consolidated				
	Amortising period	As at 1 January 2016 Million Baht	Increase Million Baht	Transfer/ in/(out) Million Baht	Write off Million Baht	As at 31 December 2016 Million Baht
Expenditures in connection with development and improvement of computer systems						
- under development	-	104	102	(128)	-	78
Computer software	5 - 10 years	274	15	123	(9)	289
Licence fee	5 years	1	-	-	-	1
Total		379	117	(5)	(9)	368
Less Allowance for impairment		-				-
Net intangible assets		379				368

		Separate				
	Amortising period	As at 1 January 2017 Million Baht	Increase Million Baht	Transfer/ in/(out) Million Baht	Write off Million Baht	As at 31 December 2017 Million Baht
Expenditures in connection with development and improvement of computer systems						
- under development	-	78	169	(89)	(3)	155
Computer software	5 - 10 years	284	12	52	(38)	210
Licence fee	5 years	1	-	-	-	-
Total		363	181	(37)	(41)	365
Less Allowance for impairment		-				-
Net intangible assets		363				365

		Separate				
	Amortising period	As at 1 January 2016 Million Baht	Increase Million Baht	Transfer/ in/(out) Million Baht	Write off Million Baht	As at 31 December 2016 Million Baht
Expenditures in connection with development and improvement of computer systems						
- under development	-	104	102	(128)	-	78
Computer software	5 - 10 years	268	13	123	(8)	284
Licence fee	5 years	1	-	-	-	1
Total		373	115	(5)	(8)	363
Less Allowance for impairment		-				-
Net intangible assets		373				363

16 Deferred income taxes

The gross movement of deferred income tax account is as follows:

	Consolidated		Separate	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Beginning of the years	1,289	1,040	1,076	862
Charged to profit or loss	201	352	66	319
Tax credited relation to components of the comprehensive income	(121)	(103)	(123)	(105)
Charged directly to equity	4	-	4	-
End of the year	1,373	1,289	1,023	1,076

The movement in deferred tax assets and liabilities during the period is as follows:

	Consolidated									
	Provision Million Baht	Tax losses Million Baht	Interest suspense account Million Baht	Allowance for impairment of properties foreclosed Million Baht	Allowance for doubtful accounts Million Baht	Deferred income front-end fee and entry fee insurance Million Baht	Deferred income premium Million Baht	Fair value gain from investment Million Baht	Others Million Baht	Total Million Baht
Deferred tax assets										
At 1 January 2017	399	91	128	52	688	60	59	71	157	1,705
Charged (credited) to profit or loss	6	44	18	(21)	136	(12)	11	-	29	211
Tax credited relation to components of the comprehensive income	(15)	-	-	-	-	-	-	(71)	(12)	(98)
At 31 December 2017	390	135	146	31	824	48	70	-	174	1,818
At 1 January 2016	328	-	81	75	580	73	23	-	137	1,297
Charged (credited) to profit or loss	66	91	47	(23)	108	(13)	36	-	32	344
Tax charged (credited) to components of the comprehensive income	5	-	-	-	-	-	-	71	(12)	64
At 31 December 2016	399	91	128	52	688	60	59	71	157	1,705

	Consolidated			
	Fair value gain from investment Million Baht	Gain from revaluation of assets Million Baht	Temporary differences Million Baht	Total Million Baht
Deferred tax liabilities				
At 1 January 2017	2	410	4	416
Charged (credited) to profit or loss	9	-	1	10
Tax charged relation to components of the comprehensive income	23	-	-	23
Credit to equity	-	(4)	-	(4)
At 31 December 2017	34	406	5	445
At 1 January 2016	60	195	2	257
(Credited) charged to profit or loss	-	(10)	2	(8)
Tax (credited) charged relation to components of the comprehensive income	(58)	225	-	167
At 31 December 2016	2	410	4	416

	Separate									
	Provision Million Baht	Tax losses Million Baht	Interest suspense account Million Baht	Allowance for impairment of properties foreclosed Million Baht	Allowance for doubtful accounts Million Baht	Deferred income front-end fee and entry fee insurance Million Baht	Deferred income premium Million Baht	Fair value gain from investment Million Baht	Others Million Baht	Total Million Baht
Deferred tax assets										
At 1 January 2017	384	91	122	41	619	60	59	71	45	1,492
Charged (credited) to profit or loss	3	44	16	(26)	37	(12)	11	-	3	76
Tax credited relation to components of the comprehensive income	(16)	-	-	-	-	-	-	(71)	(13)	(100)
At 31 December 2017	371	135	138	15	656	48	70	-	35	1,468
Deferred tax assets										
At 1 January 2016	317	-	76	65	508	73	23	-	57	1,119
Charged (credited) to profit or loss	64	91	46	(24)	111	(13)	36	-	-	311
Tax charged (credited) relation to components of the comprehensive income	3	-	-	-	-	-	-	71	(12)	62
At 31 December 2016	384	91	122	41	619	60	59	71	45	1,492

	Separate			
	Fair value gain from investment Million Baht	Gain from revaluation of assets Million Baht	Temporary differences Million Baht	Total Million Baht
Deferred tax liabilities				
At 1 January 2017	2	410	4	416
Charged (credited) to profit or loss	9	-	1	10
Tax charged relation to components of the comprehensive income	23	-	-	23
Credit to equity	-	(4)	-	(4)
At 31 December 2017	34	406	5	445
At 1 January 2016	60	195	2	257
(Credited) charged to profit or loss	-	(10)	2	(8)
Tax (credited) charged relation to components of the comprehensive income	(58)	225	-	167
At 31 December 2016	2	410	4	416

17 Other assets, net

	Consolidated		Separate	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Accrued interest and dividend receivables	300	406	300	406
Credit support assets on derivatives	4,138	5,823	4,138	5,823
Advances	34	22	34	22
Others assets awaiting account transfer	106	89	106	89
Commission receivables	77	47	77	47
Withholding tax receivable	157	98	156	93
Marginal deposits	85	82	75	70
Prepaid expenses	297	122	291	117
Others	1,831	1,048	1,642	892
Total	7,025	7,737	6,819	7,559
Less Allowance for impairment	(29)	(29)	(29)	(29)
Other assets, net	6,996	7,708	6,790	7,530

18 Deposits

18.1 Classified by type of deposits

	Consolidated		Separate	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
At call	2,072	2,353	2,074	2,353
Savings	59,518	82,377	59,802	82,575
Fixed	112,217	95,614	112,233	95,630
Negotiable certificate of deposit	3,594	3,319	3,594	3,319
Total deposits	177,401	183,663	177,703	183,877

18.2 Classified by currency and residency of depositors

	Consolidated			Consolidated		
	Domestic Million Baht	Foreign Million Baht	2017 Total Million Baht	Domestic Million Baht	Foreign Million Baht	2016 Total Million Baht
Baht	174,065	1,537	175,602	180,580	1,577	182,157
US dollar	1,253	203	1,456	825	216	1,041
Other currencies	274	69	343	281	184	465
Total	175,592	1,809	177,401	181,686	1,977	183,663

	Consolidated			Separate		
	Domestic Million Baht	Foreign Million Baht	2017 Total Million Baht	Domestic Million Baht	Foreign Million Baht	2016 Total Million Baht
Baht	174,367	1,537	175,904	180,794	1,577	182,371
US dollar	1,253	203	1,456	825	216	1,041
Other currencies	274	69	343	281	184	465
Total	175,894	1,809	177,703	181,900	1,977	183,877

19 Interbank and money market items (liabilities)

				Consolidated and Separate		
	At call	Term	2017	At call	Term	2016
	Million Baht	Million Baht	Total	Million Baht	Million Baht	Total
			Million Baht			Million Baht
Domestic: :						
The Bank of Thailand	-	2	2	-	210	210
Commercial banks	126	2,000	2,126	1,189	315	1,504
Specialised Financial Institutions	8	292	300	9	290	299
Finance, finance and securities, securities, and credit foncier companies	6,987	2,050	9,037	4,461	1,750	6,211
Other financial institutions	1,169	508	1,677	465	408	873
Total domestic items	8,290	4,852	13,142	6,124	2,973	9,097
Foreign:						
US dollar	98	1,308	1,406	1,376	1	1,377
Other currencies	956	144	1,100	875	246	1,121
Total foreign items	1,054	1,452	2,506	2,251	247	2,498
Total domestic and foreign items	9,344	6,304	15,648	8,375	3,220	11,595

20 Financial liabilities designated at fair value through profit or loss

	Consolidated and Separate	
	2017	2016
	Million Baht	Million Baht
Debentures	5,228	6,451
Bills of Exchange	17,876	12,423
Total	23,104	18,874

Proportion of transactions classified by type of counterparty and considering notional amount

	Consolidated and Separate	
	2017	2016
	Million Baht	Million Baht
Financial institutions	74	63
External parties	26	37
Total	100	100

As at 31 December 2017 and 2016, financial liabilities designated at fair value through profit or loss consisted of:

- The Bank issued bills of exchange which will mature in 11 years with embedded callable range accrual swap. The bills of exchange bear interest rate at 6.10% per annum (31 December 2016: 6.10% per annum) with a payment of interest every six months. The Bank entered into callable range accrual swaps with opposite conditions (back-to-back) with CIMB Bank Berhad, the parent company.
- As at 31 December 2016, the Bank issued debentures which will mature in 5 years with embedded callable range accrual swap. The debentures bear interest rate at 0 - 3.60% per annum minus reference index of THBFIX 6 month with a payment of interest every six months. The Bank entered into interest rate swaps with other parties. However, these debentures were early terminated during the year 2017.
- The Bank issued debentures which will mature in 5 years with embedded callable inverse floater derivatives. The debentures bear interest rate at 6.20% - 6.60% per annum minus reference index of THBFIX 6 month (31 December 2016: 6.45% - 6.65% per annum minus reference index of THBFIX 6 month) with a payment of interest every six months. The Bank entered into interest rate swaps with other parties.
- The Bank issued accreting structured bills of exchange embedded interest rate swap with predetermined return rate and conditions. The maturity date is between 7 - 23 years (31 December 2016: 7 - 23 years). They bear interest rate at between 2.68% - 5.18% per annum (31 December 2016: 2.68% - 5.18% per annum) with a payment of interest at maturity date. The Bank entered into interest rate swaps with other parties.

21 Debt issued and borrowings

	Consolidated					
	2017			2016		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Debentures						
Short term debentures maturing in 2017, coupon rate of 1.35% - 1.55% per annum	-	-	-	3,935	-	3,935
Short term debentures maturing in 2018, coupon rate of 1.28 %-1.45% per annum	3,048	-	3,048	-	-	-
Debentures maturing in 2020, coupon rate of 2.44% per annum	2,000	-	2,000	-	-	-
Subordinated debentures						
Subordinated debentures maturing in 2003	-	-	-	544	-	544
Subordinated debentures of RM 400 million, maturing in 2024, coupon rate of 5.60% per annum	-	3,224	3,224	-	3,196	3,196
Subordinated debentures of RM 570 million, maturing in 2026, coupon rate of 5.35% per annum	-	4,593	4,593	-	4,554	4,554
Subordinated debentures of Baht 3,000 million, maturing in 2022, coupon rate of 4.80% per annum	-	-	-	3,000	-	3,000
Structured debentures						
Structured debentures	1,104	-	1,104	50	-	50
	6,152	7,817	13,969	7,529	7,750	15,279
Strutured bills of exchange						
Strutured bills of exchange	1,800	3,464	5,264	1,800	2,723	4,523
Fixed-rate notes						
Bill of exchange maturing at call, coupon rate of 1.18% per annum	700	-	700	5,780	-	5,780
	2,500	3,464	5,964	7,580	2,723	10,303
Total	8,652	11,281	19,933	15,109	10,473	25,582
Less Current portion of long-term borrowings	(4,263)	-	(4,263)	(10,309)	-	(10,309)
Long-term borrowings, net	4,389	11,281	15,670	4,800	10,473	15,273

				Separate		
	2017			2016		
	Domestic	Foreign	Total	Domestic	Foreign	Total
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Debentures						
Short term debentures maturing in 2017, coupon rate of 1.35% - 1.55% per annum	-	-	-	3,935	-	3,935
Short term debentures maturing in 2018, coupon rate of 1.28 %-1.45% per annum	3,048	-	3,048	-	-	-
Subordinated debentures						
Subordinated debentures maturing in 2003	-	-	-	544	-	544
Subordinated debentures of RM 400 million, maturing in 2024, coupon rate of 5.60% per annum	-	3,224	3,224	-	3,196	3,196
Subordinated debentures of RM 570 million, maturing in 2026, coupon rate of 5.35% per annum	-	4,593	4,593	-	4,554	4,554
Subordinated debentures of Baht 3,000 million, maturing in 2022, coupon rate of 4.80% per annum	-	-	-	3,000	-	3,000
Structured debentures						
Structured debentures	1,104	-	1,104	50	-	50
	4,152	7,817	11,969	7,529	7,750	15,279
Strutured bills of exchange						
Strutured bills of exchange	1,800	3,464	5,264	1,800	2,723	4,523
Fixed-rate notes						
Bill of exchange maturing at call, coupon rate of 1.18% per annum	700	-	700	5,780	-	5,780
	2,500	3,464	5,964	7,580	2,723	10,303
Total	6,652	11,281	17,933	15,109	10,473	25,582
Less Current portion of long-term borrowings	(4,263)	-	(4,263)	(10,309)	-	(10,309)
Long-term borrowings, net	2,389	11,281	13,670	4,800	10,473	15,273

(a) As at 31 December 2017, the Bank had short term debentures of Baht 3,048 million (31 December 2016: Baht 3,935 million) with fixed interest rates, interest will be paid on maturity date.

(b) On 8 May 2017, Center Auto Lease Co., Ltd, which is the Bank's subsidiary, issued debentures. The subscription unit is at 2,000,000 units at Baht 1,000 each and issued price of Baht 1,000 each for an aggregate amount of Baht 2,000 million carrying constant interest rate of 2.44% per annum with a payment of interest every six months. The debenture has a tenor of 3 years and is due on 8 May 2020.

(c) As at 31 December 2017, since the right on subordinated debentures of Baht 544 million has expired, the Bank obligation on subordinated debentures is reverse in the financial statement (Notes no 6) (31 December 2016: Baht 544 million).

(d) On 7 July 2014, the Bank issued MYR 400 million of subordinated debentures pursuant to tier II subordinated debenture programme to overseas investors, 4,000,000 units of MYR 100 each, interest rate of 5.60% per annum with a payment of interest every six months. The debenture has a tenor of 10 years and is due in 2024. The Bank may exercise its right to early redeem the debenture after 5 years subject to approval by the Bank of Thailand.

The Bank has an approval from the Bank of Thailand to count the subordinated debenture as tier II capital according to the correspondence For Kor Kor.(02) 453/2557.

(e) On 11 July 2016, the Bank issued MYR 570 million of subordinated debentures pursuant to tier II subordinated debenture programme to overseas investors, 5,700,000 units of MYR 100 each, interest rate of 5.35% per annum with a payment of interest every six months. The debenture has a tenor of 10 years and is due in 2026. The Bank may exercise its right to early redeem the debenture after 5 years subject to approval by the Bank of Thailand.

The Bank has an approval from the Bank of Thailand to count the subordinated debenture as tier II capital according to the correspondence For Kor Kor.(02) 414/2559.

(f) On 9 November 2012, the Bank issued unsecured subordinated debentures to financial institutions and high net worth investors. The subscription unit is at 3,000,000 units at Baht 1,000 each and issued price of Baht 1,000 each for an aggregate amount of Baht 3,000 million carrying constant interest rate of 4.80% per annum with a payment of interest every six months. The debenture has a tenor of 10 years and is due on 9 November 2022. The Bank may exercise its right to early redeem the debenture after 5 years subject to approval by the Bank of Thailand.

On 9 November 2017, the Bank exercised its option to early redeem all unsecured subordinated debentures amounting to Baht 3,000 million, maturing on 9 November 2022, which the Bank was able to early redeem (under the specified conditions). This early redemption was approved by BoT notification For Kor Kor 439/2560 The approval of redemption of subordinated debentures.

The Bank has an approval from the Bank of Thailand to count the subordinated debenture as tier II capital according to the correspondence For Kor Kor (02) 1269/2555.

(g) As at 31 December 2017, the Bank has structured debentures of Baht 1,104 million (31 December 2016: Baht 50 million) as follows:

As at 31 December 2017, the Bank issued structured debentures (Maxi X-Change Single Barrier Bullish) of Baht 174 million (31 December 2016: Baht 50 million) with 6 months from respective issuance dates. The Bank will pay interest at maturity date according to the movement of the underlying.

As at 31 December 2017, the Bank has short term structured debentures (Equity Linked Note) of Baht 341 million, typically with tenure of 1 to 9 months. Its return on investment is based to the underlying asset. The investor will earn coupon periodically until maturity unless the product goes to a condition that the Bank has to terminate the product. Otherwise, at maturity, the investor will either be required to purchase the underlying asset(s) or to redeem the note, depending on conditions of the product and the market price of the underlying asset(s) on the expiration date.

The Bank issued structured debenture (Fund Link Note) of Baht 589 million, The return is based on movement of the price of mutual fund.

(h) As at 31 December 2017, the Bank had credit linked bill of exchange (CLN) of Baht 5,264 million (31 December 2016: Baht 4,523 million) as follows:

The Bank issued CLN of Baht 1,800 million (31 December 2016: Baht 1,800 million) which will mature in 10 years. The holder will receive all coupon amounts on respective coupon payment date and the redemption amount on the maturity date, subject to no credit event determination occurring with respect to the reference entity. The credit linked bills of exchange bear interest rate at 3.75% - 4.01% per annum (31 December 2016: 3.75% - 4.01% per annum) with a payment of interest every six months.

The Bank issued CLN of USD 106 million or equivalence Baht 3,464 million (31 December 2016: USD 76 million or equivalence Baht 2,723 million) which will mature in 8 - 14 years (31 December 2016: 10 - 15 years). The holder will receive all coupon amounts on respective coupon payment date and the redemption amount on the maturity date, subject to no credit event determination occurring with respect to the reference entity. The credit linked note bills of exchange bear interest rate at 6M LIBOR + 1.6743% to 6M LIBOR + 2.39250% per annum (31 December 2016: 6M LIBOR + 2.24170% to 6M LIBOR + 2.39250% per annum) with a payment of interest every six-months.

(i) As at 31 December 2017, the Bank had bill of exchange at call of Baht 700 million (31 December 2016: Baht 5,780 million) with fixed interest rates, interest will be paid on redemption date.

22 Provisions

	Consolidated		Separate	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Provision for contingent loss from legal cases	138	30	138	30
Reserve for off-statements of financial position items	395	494	395	494
Provision for employee benefits	1,413	1,473	1,322	1,396
Total provisions	1,946	1,997	1,855	1,920

Provision for employee benefits

As at 31 December 2017, the pension benefits were only provided to 357 employees (31 December 2016: 390 employees) who were former employees of the Union Bank of Bangkok Public Company Limited which are unfunded obligations. The pension benefits are part of provisions for employee benefits as follows:

	Consolidated		Separate	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Present value of post-employment benefit obligations	1,413	1,473	1,322	1,396
Provision for employee benefits	1,413	1,473	1,322	1,396

Movements of provision for pension funds are as follows:

	Consolidated		Separate	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Beginning balance	1,473	1,405	1,396	1,343
Current service costs	125	114	115	107
Interest costs	33	37	31	36
Remeasurements:				
Demographic assumptions	14	-	12	-
(Gain) losses from changes in financial assumptions	(62)	60	(56)	55
Experience gains	(32)	(35)	(39)	(37)
Less Pension benefits paid for the year	(138)	(108)	(137)	(108)
Ending balance	1,413	1,473	1,322	1,396

Expenses for employee benefits were recognised in the statements of comprehensive income as follows:

	Consolidated		Separate	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Current service costs	125	114	115	107
Interest costs	33	37	31	36
Total	158	151	146	143

Significant assumptions used in the actuarial calculation are summarised as follows:

	Consolidated and Separate	
	For the years ended 31 December	
	2017	2016
Discount rate	2.75%	2.25%
Salary increase rate	5.00%	5.00%
Pre-retirement mortality rate	75.00% of Thai Mortality Ordinary Table 2017	75.00% of Thai Mortality Ordinary Table 2008
Disability rate	10% of Mortality	10% of Mortality
Pre-retirement withdrawal rate	Employees who are eligible for pension benefit: Flat 1.91% of Thai Withdrawal Table, Other employees 75% of Thai Withdrawal Table	Employees who are eligible for pension benefit: Flat 1.91% of Thai Withdrawal Table, Other employees 75% of Thai Withdrawal Table
Retirement age	60 years old	60 years old

Sensitivity analysis for each significant assumptions :

	Consolidated					
	Impact on defined benefit obligation					
	Change in assumption		Increase in assumption		Decrease in assumption	
	2017	2016	2017	2016	2017	2016
Weighted average discount rate	0.5%	0.5%	Decrease by 4.08%	Decrease by 4.24%	Increase by 4.36%	Increase by 4.54%
Weighted average rate of salary increase	1.0%	1.0%	Increase by 9.33%	Increase by 9.68%	Decrease by 8.29%	Decrease by 8.58%

	Separate					
	Impact on defined benefit obligation					
	Change in assumption		Increase in assumption		Decrease in assumption	
	2017	2016	2017	2016	2017	2016
Weighted average discount rate	0.5%	0.5%	Decrease by 3.98%	Decrease by 4.14%	Increase by 4.25%	Increase by 4.43%
Weighted average rate of salary increase	1.0%	1.0%	Increase by 9.13%	Increase by 9.46%	Decrease by 8.14%	Decrease by 8.41%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the employee benefit obligations recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

As at 31 December 2017, the weighted average duration of the defined benefit obligation is 8 years (31 December 2016: 10 years).

Expected maturity analysis of undiscounted benefits:

	Consolidated			
	2017			
	Less than a year Million Baht	Between 1 - 5 years Million Baht	Over 5 years Million Baht	Total Million Baht
Retirement benefits	91	336	1,384	1,811

	Consolidated			
	2016			
	Less than a year Million Baht	Between 1 - 5 years Million Baht	Over 5 years Million Baht	Total Million Baht
Retirement benefits	95	347	1,373	1,815

	Separate			
	2017			
	Less than a year Million Baht	Between 1 - 5 years Million Baht	Over 5 years Million Baht	Total Million Baht
Retirement benefits	80	325	1,278	1,683

	Separate			
	2016			
	Less than a year Million Baht	Between 1 - 5 years Million Baht	Over 5 years Million Baht	Total Million Baht
Retirement benefits	88	338	1,285	1,711

23 Other liabilities

	Consolidated		Separate	
	2017	2016	2017	2016
	Million Baht	Million Baht	Million Baht	Million Baht
Credit support liabilities on derivatives	4,827	3,923	4,827	3,923
Amount due to Department of Alternative Energy Development and Efficiency	50	111	50	111
Other liabilities awaiting accounts transfer	576	466	576	466
Accrued interest	681	662	674	662
Deferred commission	90	146	97	146
Accrued expense	1,702	1,258	1,374	1,133
Others	793	810	341	369
Total	8,719	7,376	7,939	6,810

24 Share capital

	Consolidated and Separate			
	2017		2016	
	Number	Amount	Number	Amount
	Million shares	Million Baht	Million shares	Million Baht
Registered				
Beginning of the year				
- Ordinary shares	24,775	12,387	27,410	13,705
Issuance/(reduction) of shares	5,505	2,753	(2,635)	(1,318)
End of the year	30,280	15,140	24,775	12,387
Issued and paid up				
Beginning of the year				
- Ordinary shares	24,775	12,387	24,775	12,387
Issuance of new share	5,505	2,753	-	-
End of the year	30,280	15,140	24,775	12,387

On 19 January 2017 and 24 February 2017, the Board of Director's meeting and the Extraordinary General Meeting of Shareholders passed a resolution approving the increase of the Bank's registered capital in an amount of Baht 2,752,747,964.00 from the current registered capital of Baht 12,387,365,839.50 to Baht 15,140,113,803.50 by means of the issuance of 5,505,495,928 new ordinary shares at the par value of Baht 0.50 per share to the existing shareholders proportionate to their shareholding at a ratio of 2 right shares for every 9 existing CIMB Thai shares, at the offering price of Baht 1 per share. The paid-up share capital and premium on share capital totalling Baht 2,752,747,964 and Baht 2,752,747,964, respectively.

The Bank registered an increase in its paid-up share capital with the Ministry of Commerce on 8 June 2017.

On 19 April 2016, the Annual General Meeting of Shareholders approved decrease in the Bank's registered capital totaling Baht 1,317,804,876.50 from Baht 13,705,170,716 to Baht 12,387,365,839.50 with a par value of Baht 0.50 per share. The Bank registered the reduction in its capital with the Ministry of Commerce on 21 April 2016.

25 Other reserves

	Consolidated	
	2017 Million Baht	2016 Million Baht
Revaluation surplus on assets	2,029	2,048
Revaluation surplus (deficit) on change in value of investments	115	(352)
Remeasurements of post-employment benefit Obligations	(176)	(256)
Foreign currency translation	4	35
Deficit from measuring fair value of hedging instrument for cash flow hedge	(54)	(116)
Income tax relating to components of other reserves comprehensive expenses	(383)	(265)
Total	1,535	1,094

	Separate	
	2017 Million Baht	2016 Million Baht
Revaluation surplus on assets	2,029	2,048
Revaluation surplus (deficit) on change in value of investments	115	(352)
Remeasurements of post-employment benefit Obligations	(146)	(229)
Foreign currency translation	4	35
Deficit from measuring fair value of hedging instrument for cash flow hedge	(54)	(116)
Income tax relating to components of other reserves comprehensive expenses	(389)	(271)
Total	1,559	1,115

(a) Revaluation surplus on assets

This represents surplus on assets arising from revaluation of land and premises. The surplus is amortised to retained earnings on a straight-line basis over the remaining life of the related assets and transferred directly to retained earnings.

	Consolidated and Separate	
	2017 Million Baht	2016 Million Baht
Balance - beginning of the year	2,048	970
Add Appraisal during the year	-	1,122
Less Amortisation	(19)	(44)
Balance - end of the year	2,029	2,048

The revaluation surplus on assets can neither be offset against deficit nor used for dividend payment.

(b) Revaluation surplus (deficit) on change in value of investments

	Consolidated and Separate	
	2017 Million Baht	2016 Million Baht
Revaluation surplus on investments:		
Debt securities	143	18
Equity securities	33	44
Total	176	62
Revaluation deficit on investments:		
Debt securities	(43)	(406)
Equity securities	(18)	(8)
Total	(61)	(414)
Revaluation surplus (deficit) on change in value of investments, net	115	(352)

26 Statutory reserve

Under the Public Company Limited Act B.E. 2535, the Bank is required to set aside a statutory reserve of at least 5% of its net profit for the year, after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of its registered share capital. This reserve cannot be used to pay dividend.

On 19 April 2016, the Annual General Meeting of Shareholders of the Bank approved an appropriation of net profit of Baht 35.4 million as a statutory reserve for the year 2015. However, the bank has set aside net profit to be reserve Baht 8.55 million during the year 2015. Therefore, the Bank set aside addition net profit to be reserve of Baht 26.85 million.

On 25 August 2016, the Board of Directors Meeting of the Bank approved an appropriation of net profit of Baht 5 million as a statutory reserve.

On 25 August 2017, the Board of Directors Meeting of the Bank approved an appropriation of net profit of Baht 0.88 million as a statutory reserve.

As at 31 December 2017, the Bank had total statutory reserve of Baht 398.68 million (31 December 2016: Baht 397.80 million).

27 Dividend payment

On 19 April 2016, the Annual General Meeting of Shareholders of the Bank approved to pay dividend from the operating results of 2015 at the rate of Baht 0.0075 per share, totaling Baht 185.81 million, which was paid on 19 May 2016. The Bank has no dividend announcement during 2017.

28 Capital funds

The primary objectives of the Bank's capital management are to maintain the Bank's ability to continue as a going concern and to maintain a capital adequacy ratio in accordance with the Act on Undertaking of Banking business B.e. 2551. The capital funds comprise:

Capital fund	2017		2016	
	Million Baht	Total capital to risk assets %	Million Baht	Total capital to risk assets %
Tier I				
Issued and paid up share capital	15,140		12,387	
Share premium	8,465		5,713	
Statutory reserve	398		398	
Unappropriated surplus	7,181		7,863	
Other reserves	1,566		1,294	
Deduction on Tier I capital fund	(1,810)		(2,346)	
Total Tier I capital fund	30,940	12.94	25,309	10.73
Tier II				
Long-term subordinated debentures	9,086		12,087	
Reserve for loan classified as pass	703		643	
Total Tier II capital fund	9,789	4.09	12,730	5.40
Total capital funds	40,729	17.03	38,039	16.13

Capital funds (Separate)	2017		2016	
	Million Baht	Total capital to risk assets %	Million Baht	Total capital to risk assets %
Tier I				
Issued and paid up share capital	15,140		12,387	
Share premium	8,465		5,713	
Statutory reserve	398		398	
Unappropriated surplus	5,699		7,013	
Other reserves	1,608		1,337	
Deduction on Tier I capital fund	(1,432)		(2,739)	
Total Tier I capital fund	29,878	12.47	24,109	10.16
Tier II				
Long-term subordinated debentures	9,086		12,086	
Reserve for loan classified as pass	880		799	
Total Tier II capital fund	9,966	4.16	12,885	5.42
Total capital funds	39,844	16.63	36,994	15.58

As at 31 December 2017, the Bank's regulatory capital after deducting capital add-on arising from single lending was Baht 39,844 million (31 December 2016: Baht 36,994 Million).

The Bank has maintained capital fund under BoT notification of international capital requirement standards under the Basel III regulatory framework and will disclose capital maintenance information as at 31 December 2017 in accordance with the Notification of the Bank of Thailand Re: Public Disclosure of Capital Maintenance Information for Commercial Banks and Consolidated Supervision on its website at www.cimbthai.com within four months after the statements of financial position date.

29 Share-based payments

Equity Ownership Plan (EOP)

The EOP was introduced in March 2011 where the Bank will grant ordinary shares of CIMB Group Holdings Berhad to eligible employees.

The eligibility of participation in the EOP shall be at the discretion of the Group Compensation Review Committee of CIMB Group, and the granted shares will be released in stages at predetermined dates subject to continued employment.

Upon termination of employment other than retirement, disability or death, any unreleased shares will be disposed of at market price. For shares granted pre - 2014, proceeds received will be donated to the CIMB Foundation in Malaysia on behalf of the employee, while for shares granted from 2014 onwards, proceeds from disposal will be returned to the Bank. In the event of retirement, disability or death of the eligible employee, the release of shares will be accelerated to the date of termination of employment and the shares will be assigned to the employee or designated beneficiary.

The weighted average fair value of shares granted in this financial period, which were purchased over a specified period before awarding to the eligible employees of the Bank, was MYR 5.21 per share (31 December 2016: MYR 4.17 per share).

Movement in the number of ordinary shares under the EOP are as follows:

	Number of ordinary shares under the EOP as at	
	2017 units '000	2016 units '000
Beginning of financial years	1,342	649
Awarded during financial years	852	1,044
Released during financial years	(776)	(351)
End of financial years	1,418	1,342

For the year ended 31 December 2017, the Bank set up share-based payment reserves and expenses amounting to Baht 37 million (for the year ended 31 December 2016: Baht 31 million).

30 Important positions and performance classified by type of domestic or foreign transactions

30.1 Position classified by type of transaction

	2017			Consolidated 2016		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Total assets	294,079	6,525	300,604	291,294	6,176	297,470
Interbank and money						
market items , net	16,375	1,793	18,168	6,805	1,723	8,528
Derivative assets	19,670	1,608	21,278	18,881	2,354	21,235
Investments, net and						
investments in subsidiaries, net	44,054	6	44,060	55,056	6	55,062
Loans to customers and accrued						
interest receivables, net	198,447	3,117	201,564	194,248	2,092	196,340
Deposits	175,592	1,809	177,401	181,686	1,977	183,663
Interbank and money						
market items	13,142	2,506	15,648	9,097	2,498	11,595
Financial liabilities designated						
at fair value through						
profit or loss	23,104	-	23,104	18,874	-	18,874
Derivative liabilities	16,855	3,110	19,965	16,596	4,785	21,381
Debt issued and borrowings	8,652	11,281	19,933	15,110	10,473	25,583

	2017			Separate 2016		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Total assets	289,782	6,525	296,307	289,447	6,176	295,623
Interbank and money						
market items, net	16,307	1,793	18,100	6,741	1,723	8,464
Derivative assets	19,670	1,608	21,278	18,881	2,354	21,235
Investments, net and						
investments in subsidiaries, net	45,762	6	45,768	56,381	6	56,387
Loans to customers and accrued						
interest receivables, net	193,278	3,117	196,395	191,690	2,092	193,782
Deposits	175,894	1,809	177,703	181,900	1,977	183,877
Interbank and money						
market items	13,142	2,506	15,648	9,097	2,498	11,595
Financial liabilities designated						
at fair value through						
profit or loss	23,104	-	23,104	18,874	-	18,874
Derivative liabilities	16,855	3,110	19,965	16,596	4,785	21,381
Debt issued and borrowings	6,652	11,281	17,933	15,110	10,473	25,583

30.2 Performance classified by type of transaction

	2017			Consolidated 2016		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Interest income	14,442	116	14,558	14,557	115	14,672
Interest expenses	(3,881)	(474)	(4,355)	(4,443)	(363)	(4,806)
Net interest income (expenses)	10,561	(358)	10,203	10,114	(248)	9,866
Net fees and services income	1,944	-	1,944	1,636	-	1,636
Other operating income	1,008	-	1,008	1,426	-	1,426
Other operating expenses	(7,613)	-	(7,613)	(7,424)	-	(7,424)
Bad and doubtful debts and						
impairment losses	(5,075)	22	(5,053)	(6,074)	(205)	(6,279)
Profit (loss) from continuing						
operation before income						
tax expense	825	(336)	489	(322)	(453)	(775)

	2017			Separate 2016		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Interest income	11,797	116	11,913	12,609	115	12,724
Interest expenses	(3,851)	(474)	(4,325)	(4,444)	(363)	(4,807)
Net interest income (expenses)	7,946	(358)	7,588	8,165	(248)	7,917
Net fees and services income	1,247	-	1,247	1,051	-	1,051
Other operating income	1,228	-	1,228	1,404	-	1,404
Other operating expenses	(6,118)	-	(6,118)	(6,166)	-	(6,166)
Bad and doubtful debts and impairment losses	(3,966)	22	(3,944)	(5,580)	(205)	(5,785)
Profit (loss) from continuing operation before income tax expense	337	(336)	1	(1,126)	(453)	(1,579)

31 Interest income

	Consolidated		Separate	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Interbank and money market items	165	69	165	69
Investments and trading transactions	195	153	195	153
Investments in debt securities	950	1,160	950	1,160
Loans	9,878	10,588	10,558	11,320
Hire-purchase and financial lease income	3,325	2,680	-	-
Others	45	22	45	22
Interest income	14,558	14,672	11,913	12,724

32 Interest expenses

	Consolidated		Separate	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Deposits	2,386	2,611	2,388	2,612
Interbank and money market items	219	282	219	282
Contribution fees to the Deposit Protection Agency	18	18	18	18
Contribution fees to FIDF	944	973	944	973
Debt securities issued				
- Subordinated debentures	578	569	578	569
- Others	133	302	133	302
Borrowings	32	-	-	-
Others	45	51	45	51
Interest expenses	4,355	4,806	4,325	4,807

33 Net fees and services income

	Consolidated		Separate	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Fees and services income				
Acceptances, aval and guarantees	94	101	108	101
ATM, debit card and credit card fees	88	104	88	104
Brokerage income	873	873	760	585
Management fees	108	111	108	111
Others	977	649	407	389
Fees and services income	2,140	1,838	1,471	1,290
Fees and services expenses				
Collection fees	(53)	(57)	(96)	(107)
ATM fees	(36)	(40)	(36)	(40)
Others	(107)	(105)	(92)	(92)
Fees and services expenses	(196)	(202)	(224)	(239)
Net fees and services income	1,944	1,636	1,247	1,051

34 Gains on tradings and foreign exchange transactions, net

	Consolidated and Separate	
	2017	2016
	Million Baht	Million Baht
Gains (losses) on tradings and foreign exchange transactions		
Foreign currency and foreign exchange rate derivatives	350	664
Interest rate derivatives	1,633	504
Debt securities	193	(1)
Equity securities	12	-
Others	36	235
Total	2,224	1,402
Gains from hedging	14	-
Gains on tradings and foreign exchange transactions, net	2,238	1,402

35 Losses on financial instrument designated at fair value through profit or loss

Losses on financial instruments designated at fair value through profit or loss consist of the following items:

	Consolidated and Separate	
	2017	2016
	Million Baht	Million Baht
Net change in fair value		
Bills of exchange	(1,310)	(314)
Debentures	(50)	(175)
Interest expenses	(374)	(321)
Total	(1,734)	(810)

36 Gains on investments, net

	Consolidated		Separate	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Gains on sales				
Available-for-sale	110	481	110	481
Held-to-maturity	1	1	1	1
General investments	-	1	-	1
Gains on sales, net	111	483	111	483
Impairment (loss) reversal				
General investments	(3)	-	(3)	-
Investment in subsidiaries	-	-	383	-
(Loss) reversal of impairment, net	(3)	-	380	-
Gains on investments, net	108	483	491	483

37 Other operating income

	Consolidated		Separate	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Gains on sales of premises and equipment	37	29	34	27
Gains on sales of properties for sales	-	-	73	109
Income from reversal of bad debts	216	150	-	-
Dividend income	14	20	14	62
Other income	129	153	112	131
Other operating income	396	352	233	329

38 Bad and doubtful debts and impairment losses

	Consolidated		Separate	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Interbank and money market items	4	6	4	6
Held-to-maturity debt securities	1	-	1	-
Loans	5,048	6,273	3,939	5,779
Total	5,053	6,279	3,944	5,785

39 Corporate income tax

	Consolidated		Separate	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Current tax:				
Current tax on profits for the year	309	207	-	-
Total current tax	309	207	-	-
Deferred tax:				
Decrease in deferred tax assets (Note 16)	(211)	(344)	(76)	(311)
(Increase) decrease in deferred tax liabilities (Note 16)	6	(8)	6	(8)
Total deferred tax	(205)	(352)	(70)	(319)
Total tax charge	104	(145)	(70)	(319)

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the home country of the Bank as follows:

	Consolidated		Separate	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Profit (loss) before tax	489	(775)	1	(1,579)
Tax calculated at a tax rate of 20%	98	(155)	-	(316)
Tax effect of:				
Income not subject to tax	(9)	(17)	(86)	(17)
Expenses not deductible for tax purpose	24	21	23	19
Adjustment in respect of prior year	(7)	3	(7)	(5)
Allowance for doubtful debt from subsidiaries	(2)	3	-	-
Total tax charge	104	(145)	(70)	(319)

The weighted average applicable tax rate in the consolidated and separate financial statements as at 31 December 2017 was 21% and 5,068% respectively, as result of the Bank recorded the reversal of allowance for impairment in subsidiaries (31 December 2016: 19% and 20% respectively).

The tax (charge) credit relating to component of other comprehensive income is as follows:

	2017			Consolidated 2016		
	Before tax Million Baht	Tax (charge) credit Million Baht	After tax Million Baht	Before tax Million Baht	Tax (charge) credit Million Baht	After tax Million Baht
Fair value gains:						
Land and buildings	-	-	-	1,033	(207)	826
Properties for sale	-	-	-	45	(9)	36
Cash flow hedges	62	(12)	50	58	(12)	46
Remeasurements of post-employment benefit obligation	80	(17)	63	(24)	5	(19)
Available-for-sale financial asset	467	(93)	374	(644)	129	(515)
Other comprehensive income (expenses)	609	(122)	487	468	(94)	374
Current tax		309			207	
Deferred tax		(205)			(352)	
		104			(145)	

	2017			Separate 2016		
	Before tax Million Baht	Tax (charge) credit Million Baht	After tax Million Baht	Before tax Million Baht	Tax (charge) credit Million Baht	After tax Million Baht
Fair value gains:						
Land and buildings	-	-	-	1,033	(207)	826
Properties for sale	-	-	-	45	(9)	36
Cash flow hedges	62	(12)	50	58	(12)	46
Remeasurements of post-employment benefit obligation	83	(17)	66	(18)	4	(14)
Available-for-sale financial asset	467	(93)	374	(644)	129	(515)
Other comprehensive income (expenses)	612	(122)	490	474	(95)	379
Current tax		-			-	
Deferred tax		(70)			(319)	
		(70)			(319)	

The tax (charged)/credited directly to equity during the year is as follows:

	Consolidated and Separate	
	2017	2016
	Million Baht	Million Baht
Deferred tax:		
Land and buildings	10	-
Properties for sale	(6)	-
	4	-

In addition, deferred income tax of Baht 3.8 million (31 December 2016: Baht 10 million) was transferred from other reserves to retained earnings. This represents deferred tax on the difference between the actual depreciation on buildings and the equivalent depreciation based on the historical cost of buildings.

40 Provident fund

The Group and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The employees contribute to the fund - managed by CIMB Principal Asset Management Company Limited - at rate of 3% - 15% of their basic salaries, and the Bank and its subsidiaries contribute at rate of 5%, and disburse to staff when their employment is terminated under the terms and conditions of the fund. For the year ended 31 December 2017, Baht 92 million and Baht 74 million was contributed to the fund by the Group and the Bank (for the year ended 31 December 2016: Baht 113 million and Baht 98 million, respectively).

41 Earnings per share

Earnings per share as presented in the consolidated and separate statements of comprehensive income are calculated by dividing net income for the period by the weighted average number of ordinary shares held by outside shareholders in issue during the period (Note 24).

There are no potential dilutive ordinary shares in issue for the years ended 31 December 2017 and 2016.

42 Encumbrance of assets

42.1 Assets used as collateral

The Group placed assets such as deposits, government and state enterprise bonds as collateral against the following:

	Consolidated and Separate	
	2017	2016
	Million Baht	Million Baht
Utilities usage	7	8
Total	7	8

42.2 Assets subject to obligation

The Bank has obligated properties for sale, which have sales restriction conditions within 3 years from the debt restructuring agreement dates. As at 31 December 2017, the properties for sale had net book value of Baht 319 million (31 December 2016: Baht 651 million).

As at 31 December 2017 and 2016, the investments subject to such obligations are as follows:

Year of maturity	Consolidated and Separate			
	2017		2016	
	Numbers	Cost Million Baht	Numbers	Cost Million Baht
2019 onwards	2	319	5	651
Assets subject to obligation	2	319	5	651

43 Commitments and contingent liabilities

43.1 Commitments

As at 31 December 2017 and 2016, significant commitments of the Bank consist of:

	2017			Consolidated 2016		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Avals to bills and guarantees of loans:						
Avals to bills	81	-	81	28	-	28
Guarantees of loans	9	-	9	9	-	9
Total avals to bills and guarantees of loans	90	-	90	37	-	37
Liability under unmatured import bills:						
Liability under unmatured import bills	-	299	299	23	467	490
Letters of credit:						
Letters of credit	131	1,552	1,683	22	1,309	1,331

	2017			Consolidated		
	Domestic	Foreign	Total	Domestic	Foreign	Total
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Other commitments:						
Forward and spot contracts						
- Bought	-	498,047	498,047	-	387,446	387,446
- Sold	-	478,403	478,403	-	364,404	364,404
Cross currency and interest rate swap contract						
- Bought	-	146,019	146,019	-	142,870	142,870
- Sold	-	104,973	104,973	-	113,050	113,050
Interest rate swap contracts						
- Fixed rate payee	478,715	74,618	553,333	552,141	80,430	632,571
- Floating rate payee	514,304	127,587	641,891	579,814	134,576	714,390
Foreign exchange option						
- Call option sales contracts	-	61	61	-	57	57
- Put option sales contracts	-	450	450	-	995	995
- Call option purchase contracts	-	433	433	-	1,074	1,074
- Put option purchase contracts	-	11	11	-	157	157
Commodity						
- Bought	-	128	128	-	107	107
- Sold	-	127	127	-	106	106
Credit derivatives						
- Bought	1,800	3,464	5,264	1,800	2,723	4,523
- Sold	1,800	3,464	5,264	1,800	2,723	4,523
Swaption						
- Sold	1,500	-	1,500	-	-	-
Fund Option						
- Bought	-	998	998	-	-	-
- Sold	-	998	998	-	-	-
Equity option						
- Bought	308	-	308	-	-	-
- Sold	308	-	308	-	-	-
Bond forward						
- Sold	8,450	-	8,450	1,399	-	1,399

	Consolidated			2016		
	Domestic	Foreign	Total	Domestic	Foreign	Total
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Investments						
- Bought	460	-	460	2,880	-	2,880
- Sold	710	-	710	3,788	-	3,788
Undrawn bank overdrafts	17,674	-	17,674	18,404	-	18,404
Undrawn credit line	19,874	5,199	25,073	15,110	10,095	25,205
Other guarantees	9,634	183	9,817	10,194	469	10,663
Other commitments	1,055,537	1,445,163	2,500,700	1,187,330	1,241,282	2,428,612
Total commitments	1,055,758	1,447,014	2,502,772	1,187,412	1,243,058	2,430,470

	Separate			2016		
	Domestic	Foreign	Total	Domestic	Foreign	Total
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Avals to bills and guarantees of loans:						
Avals to bills	81	-	81	28	-	28
Guarantees of loans	2,159	-	2,159	9	-	9
Total avals to bills and guarantees of loans	2,240	-	2,240	37	-	37
Liability under unmatured import bills:						
Liability under unmatured import bills	-	299	299	23	467	490
Letters of credit:						
Letters of credit	131	1,552	1,683	22	1,309	1,331

				Separate		
	Domestic	Foreign	2017	Domestic	Foreign	2016
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Other commitments:						
Forward and spot contracts						
- Bought	-	498,047	498,047	-	387,446	387,446
- Sold	-	478,403	478,403	-	364,404	364,404
Cross currency and interest rate swap contract						
- Bought	-	146,019	146,019	-	142,870	142,870
- Sold	-	104,973	104,973	-	113,050	113,050
Interest rate swap contracts						
- Fixed rate payee	478,715	74,618	553,333	552,141	80,430	632,571
- Floating rate payee	514,304	127,587	641,891	579,814	134,576	714,390
Foreign exchange option						
- Call option sales contracts	-	61	61	-	57	57
- Put option sales contracts	-	450	450	-	995	995
- Call option purchase contracts	-	433	433	-	1,074	1,074
- Put option purchase contracts	-	11	11	-	157	157
Commodity						
- Bought	-	128	128	-	107	107
- Sold	-	127	127	-	106	106
Credit derivatives						
- Bought	1,800	3,464	5,264	1,800	2,723	4,523
- Sold	1,800	3,464	5,264	1,800	2,723	4,523
Swaption						
- Sold	1,500	-	1,500	-	-	-
Fund Option						
- Bought	-	998	998	-	-	-
- Sold	-	998	998	-	-	-
Equity option						
- Bought	308	-	308	-	-	-
- Sold	308	-	308	-	-	-
Bond forward						
- Sold	8,450	-	8,450	1,399	-	1,399

	2017			Separate		
	Domestic	Foreign	Total	Domestic	Foreign	Total
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Investments						
- Bought	460	-	460	2,880	-	2,880
- Sold	710	-	710	3,788	-	3,788
Undrawn bank overdrafts	17,674	-	17,674	18,404	-	18,404
Undrawn credit line	19,874	5,199	25,073	15,110	10,095	25,205
Other guarantees	9,634	183	9,817	10,194	469	10,663
Other commitments	1,055,537	1,445,163	2,500,700	1,187,330	1,241,282	2,428,612
Total commitments	1,057,908	1,447,014	2,504,922	1,187,412	1,243,058	2,430,470

43.2 Contingent liabilities

As at 31 December 2017 and 2016, the Group had the following contingent liabilities in connection with court cases in which the Group have been sued as defendants in court. The lawsuits were mainly lodged to claim compensation and the management believes that they will have no significant impact on the Group once they are finalised:

	Consolidated and Separate	
	2017	2016
	Million Baht	Million Baht
Sum claimed in cases where the Group is sole defendant	211	296
Sum claimed in cases where the Group is co-defendant		
- Sum of claims that can be specifically attributed to the Group	631	766
- Sum of claims that cannot be specifically attributed to the Group	304	357
Total	1,146	1,419

As at 31 December 2017, included in the above-mentioned amounts are cases in which the court was judged in favor of the plaintiffs where the Bank is the direct defendant and where the Bank is a co-defendant with others with sums claimed totaling Baht 16 million and Baht 276 million, respectively. However, the Bank is in the process of appealing the decisions (31 December 2016: Baht 9 million and Baht 71 million, respectively). The Bank recognised provisions for contingent loss from legal cases of approximately Baht 139 million (31 December 2016: Baht 30 million). The management concluded and believed that such provisions were adequate to cover any possible loss from these legal cases.

In addition, the Bank recognised reserves of Baht 395 million (31 December 2016: Baht 494 million) for off-statement of financial position items related to guarantees for which the Group have been sued as defendants.

43.3 Commitments under long-term leases

As at 31 December 2017 and 2016, the Group had entered into a number of agreements to lease land, buildings and vehicles for periods of longer than 6 months, under which future rental fees can be summarised as follows:

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

43.4 Other commitments

As at 31 December 2017, the Bank has other commitments in the form of various agreements relating to computer system and software development. The Bank is obligated to pay a further Baht 119.6 million, MYR 2.7 million and USD 58.4 thousand and SGD 444.2 thousand under such agreements (31 December 2016: Baht 83 million, MYR 3.57 million and USD 6.1 million and SGD 715 thousand).

44 Related-party transactions

Enterprises and individuals that directly or indirectly through one more intermediaries, control, or are controlled by, or are under common control with the Bank and subsidiaries, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Bank and subsidiaries. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Bank and subsidiaries that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Bank and subsidiaries and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related-party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

During the year the Group had significant business transactions with its related parties. These transactions have been conducted based on agreed upon contracts. Below is a summary of those transactions.

	Consolidated		Separate	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Subsidiaries				
Revenue:				
Interest income	-	-	682	733
Fee income	-	-	28	5
Dividend income	-	-	-	42
Expenses:				
Interest expenses	-	-	1	1
Fee expenses	-	-	43	51
Premises and equipments expenses	-	-	(7)	(6)
Parent company				
Revenue:				
Interest income	14	-	14	-
Expenses:				
Interest expenses	205	97	205	97
Fee expenses	62	42	62	42
Premises and equipment expenses	3	6	3	6
Other expenses	1	-	1	-
Related companies				
Revenue:				
Fee income	525	215	525	215
Other income	1	-	1	-
Expenses:				
Interest expenses	18	14	18	14
Fee expenses	13	36	13	36
Premises and equipment expenses	(12)	(9)	(12)	(9)
Other expenses	101	-	101	-

The outstanding balances of significant related-party transactions as at 31 December 2017 and 2016 are as follows:

	Consolidated						
	2017						
	Average loans outstanding Million Baht	Outstanding loans Million Baht	Obligations Million Baht	Other assets Million Baht	Deposits Million Baht	Borrowings Million Baht	Other liabilities Million Baht
Parent company							
CIMB Bank Berhad	-	-	13	1,251	-	3,802	1,479
	-	-	13	1,251	-	3,802	1,479
Companies under common control							
CIMB Bank Plc, Cambodia	-	-	61	-	-	-	44
CIMB ISLAMIC Bank Berhad	-	-	-	-	-	-	93
PT Bank CIMB Niaga Tbk	-	-	-	-	-	-	2
CIMB Securities (Singapore)	-	-	-	-	8	-	-
CIMB Securities (Thailand) Co., Ltd	-	-	-	-	874	-	-
CIMB-Principal Asset Management Co., Ltd.	-	-	-	-	261	-	-
Sathorn Asset Management Co., Ltd.	-	-	-	752	302	-	18
	-	-	61	752	1,445	-	157
Other related companies	29	30	-	-	8	-	-
	29	30	-	-	8	-	-
Related persons	15	11	-	-	473	-	-
	15	11	-	-	473	-	-

	Consolidated						
	2016						
	Average loans outstanding Million Baht	Outstanding loans Million Baht	Obligations Million Baht	Other assets Million Baht	Deposits Million Baht	Borrowings Million Baht	Other liabilities Million Baht
Parent company							
CIMB Bank Berhad	-	-	44	2,132	-	3,755	1,194
	-	-	44	2,132	-	3,755	1,194
Companies under common control							
CIMB Bank Plc, Cambodia	-	-	-	-	-	-	1
CIMB ISLAMIC Bank Berhad	-	-	-	-	-	-	22
CIMB NIAGA	-	-	-	1	-	-	4
CIMB Securities (Singapore)	-	-	-	-	49	-	-
CIMB-Principal Asset Management Co., Ltd.	-	-	-	-	371	-	-
Sathorn Asset Management Co., Ltd.	-	-	-	1	581	-	8
	-	-	-	2	1,001	-	35
Other related companies							
	-	-	-	-	9	-	-
	-	-	-	-	9	-	-
Related persons							
	26	41	-	-	847	-	1
	26	41	-	-	847	-	1

	Separate						
	2017						
	Average loans outstanding Million Baht	Outstanding loans Million Baht	Obligations Million Baht	Other assets Million Baht	Deposits Million Baht	Borrowings Million Baht	Other liabilities Million Baht
Subsidiary companies							
Center Auto Lease Co., Ltd.	19,141	19,730	2,150	1	184	-	8
World Lease Co., Ltd.	2,786	3,018	-	1	69	-	-
CT Coll Co., Ltd.	8	-	-	1	49	-	7
	21,935	22,748	2,150	3	302	-	15
Parent company							
CIMB Bank Berhad	-	-	13	1,251	-	3,802	1,479
	-	-	13	1,251	-	3,802	1,479
Companies under common control							
CIMB Bank Plc, Cambodia	-	-	61	-	-	-	44
CIMB ISLAMIC Bank Berhad	-	-	-	-	-	-	93
PT Bank CIMB Niaga Tbk	-	-	-	-	-	-	2
CIMB Securities (Singapore)	-	-	-	-	8	-	-
CIMB Securities (Thailand) Co., Ltd	-	-	-	-	874	-	-
CIMB-Principal Asset Management Co., Ltd.	-	-	-	-	261	-	-
Sathorn Asset Management Co., Ltd.	-	-	-	752	302	-	18
	-	-	61	752	1,445	-	157
Other related companies	29	30	-	-	8	-	-
	29	30	-	-	8	-	-
Related persons	13	8	-	-	470	-	-
	13	8	-	-	470	-	-

	Separate						
	2016						
	Average loans outstanding Million Baht	Outstanding loans Million Baht	Obligations Million Baht	Other assets Million Baht	Deposits Million Baht	Borrowings Million Baht	Other liabilities Million Baht
Subsidiary companies							
Center Auto Lease Co., Ltd.	17,702	19,028	-	-	134	-	-
World Lease Co., Ltd.	2,758	2,644	-	-	24	-	-
CT Coll Co., Ltd.	6	8	-	1	56	-	8
	20,466	21,680	-	1	214	-	8
Parent company							
CIMB Bank Berhad	-	-	44	2,132	-	3,755	1,194
	-	-	44	2,132	-	3,755	1,194
Companies under common control							
CIMB Bank Plc, Cambodia	-	-	-	-	-	-	1
CIMB ISLAMIC Bank Berhad	-	-	-	-	-	-	22
CIMB NIAGA	-	-	-	1	-	-	4
CIMB Securities (Singapore)	-	-	-	-	49	-	-
CIMB-Principal Asset Management Co., Ltd.	-	-	-	-	371	-	-
Sathorn Asset Management Co., Ltd.	-	-	-	1	581	-	8
	-	-	-	2	1,001	-	35
Other related companies	-	-	-	-	9	-	-
	-	-	-	-	9	-	-
Related persons	23	38	-	-	846	-	-
	23	38	-	-	846	-	-

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

As at 31 December 2017 and 2016, the Group and the Bank has commitments in financial derivatives with related parties as follows :

	2017		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Parent company			
Interest rate swap contracts			
- Fixed rate payee	17,110	88	17,198
- Floating rate payee	54,527	1,306	55,833
Forward and spot contracts			
- Bought	-	2,657	2,657
- Sold	-	217	217
Cross currency and interest rate swap contracts			
- Bought	-	8,622	8,622
- Sold	-	1,634	1,634
Commodity			
- Bought	-	128	128
Swaption			
- Sold	1,500	-	1,500
Credit derivatives			
- Sold	1,800	3,464	5,264
Equity option			
- Sold	308	-	308

			2016
	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Parent company			
Interest rate swap contracts			
- Fixed rate payee	71,708	97	71,805
- Floating rate payee	100,134	2,082	102,216
Forward and spot contracts			
- Bought	-	510	510
Cross currency and interest rate swap contracts			
- Bought	-	8,507	8,507
- Sold	-	1,792	1,792
Commodity			
- Bought	-	56	56
- Sold	-	50	50
Credit derivatives			
- Sold	1,800	2,723	4,523

Director and management remuneration

The Bank has not extended extraordinary monetary and/or non-monetary benefits to Bank directors and executives at the level of executive vice president and higher, as well as to financial controllers. The benefits were beyond those normally granted, such as director's fees, director's bonuses (if any), income tax, executives' salary and bonus (if any) and share based payment.

	Consolidated		Separate	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Short-term employee benefits	485	461	457	432
Long-term employee benefits	17	22	16	22
Share-based payments (Note 29)	37	31	37	31
Director and management remuneration	539	514	510	485

The details of share-based payment are as follows:

	Consolidated and Separate	
	2017 thousand units	2016 thousand units
Shares of CIMB Group Holdings Berhad	852	1,044

45 Financial information by segment

Business segment reporting is consisted of:

Consumer banking

Consumer banking provides financial services to individuals and commercial customers. The products include consumer sales & distribution, retail financial services, commercial banking and personal financing.

Wholesale banking

Wholesale banking comprises of investment banking, corporate banking, and treasury and market.

- Investment banking service provides financial advisory, trade securities transactions, and asset management businesses.
- Corporate banking and treasury and market are responsible for corporate lending and deposit taking, transaction banking, treasury and market activities.

Others

Other services comprise of all middle and back office processes, cost centers and nonprofit generating divisions of companies whose results are not material to the Group.

Financial information presented in the consolidated financial statements as at 31 December 2017 and 2016 and for the years ended 31 December 2017 and 2016 are as follows:

	Consolidated				
	2017				
	Consumer banking Million Baht	Wholesale banking Million Baht	Others Million Baht	Elimina- tions Million Baht	Total Million Baht
Net interest income					
External	8,070	1,905	227	-	10,202
Net fees and service income	1,607	325	32	(19)	1,945
Other operating income	485	251	657	(385)	1,008
Other operating expenses	(6,005)	(1,592)	(22)	6	(7,613)
Bad and doubtful debts and impairment losses	(4,397)	(105)	(561)	10	(5,053)
Income tax expenses	54	(167)	9	-	(104)
Net (loss) profit for the year	(186)	617	342	(388)	385

	Consolidated				
	2016				
	Consumer banking Million Baht	Wholesale banking Million Baht	Others Million Baht	Elimina- tions Million Baht	Total Million Baht
Net interest income					
External	7,457	1,931	478	-	9,866
Net fees and service income	1,374	271	(9)	-	1,636
Other operating income	367	855	248	(44)	1,426
Other operating expenses	(5,374)	(1,686)	(365)	1	(7,424)
Bad and doubtful debts and impairment losses	(4,234)	(1,098)	(974)	27	(6,279)
Income tax expenses	77	(51)	119	-	145
Net (loss) profit for the year	(333)	222	(503)	(16)	(630)

	Bank business				Hire-purchase business				Other businesses				Eliminations				Consolidated			
	2017	2016	Million	Baht	2017	2016	Million	Baht	2017	2016	Million	Baht	2017	2016	Million	Baht	2017	2016	Million	Baht
Total assets	296,307	295,623			28,777	24,783			69	77			(24,549)	(23,013)			300,604	297,470		
Interbank and money market items, net (assets)	18,100	8,464			321	222			49	56			(302)	(214)			18,168	8,528		
Investments, net	44,060	55,062			-	-			-	-			-	-			44,060	55,062		
Loans and accrued interest receivables, net	196,395	193,782			27,681	24,013			9	9			(22,521)	(21,464)			201,564	196,340		
Deposits	177,703	183,877			-	-			-	-			(302)	(214)			177,401	183,663		
Interbank and money market items (liabilities)	15,648	11,595			22,742	21,669			-	8			(22,742)	(21,677)			15,648	11,595		
Financial liabilities designated at fair value through profit or loss	23,104	18,874			-	-			-	-			-	-			23,104	18,874		
Debt issued and borrowings	17,933	25,583			2,000	-			-	-			-	-			19,933	25,583		

46 Financial instruments

The Bank's financial instruments, as defined under Thai Accounting Standard No.107 (previously No.48) "Financial Instruments: Disclosure and Presentation", principally comprise cash, interbank and money market items, loans, investments, deposits, liabilities payable on-demand and borrowings. The financial risks associated with these financial instruments and how they are managed is described below.

46.1 Credit risk

As at 31 December 2017 and 2016, the Bank had the following off-balance statement of financial position. These are calculated according to the period to maturity starting from the contract dates given in the financial statements:

	Counting from 2017			Consolidated Counting from 2016		
	Less than 1 year Million Baht	Over 1 year Million Baht	Total Million Baht	Less than 1 year Million Baht	Over 1 year Million Baht	Total Million Baht
Aval to bills	81	-	81	28	-	28
Guarantees of loans	9	-	9	9	-	9
Liabilities under						
unmatured import bills	299	-	299	490	-	490
Letters of credit	1,683	-	1,683	1,331	-	1,331
Other guarantees	8,397	1,420	9,817	9,739	924	10,663

	Counting from 2017			Separate Counting from 2016		
	Less than 1 year Million Baht	Over 1 year Million Baht	Total Million Baht	Less than 1 year Million Baht	Over 1 year Million Baht	Total Million Baht
Aval to bills	81	-	81	28	-	28
Guarantees of loans	9	2,150	2,159	9	-	9
Liabilities under						
unmatured import bills	299	-	299	490	-	490
Letters of credit	1,683	-	1,683	1,331	-	1,331
Other guarantees	8,397	1,420	9,817	9,739	924	10,663

46.2 Market risk**(a) Interest rate risk**

As at 31 December 2017 and 2016, financial assets and liabilities classified by type of interest rate were as follows:

	Consolidated			
	2017			
Descriptions	Floating interest rate Million Baht	Fixed interest rate Million Baht	Non-interest bearing Million Baht	Total Million Baht
Financial assets				
Cash	-	-	1,591	1,591
Interbank and money market items, net	595	14,134	3,443	18,172
Investments, net	15	43,916	129	44,060
Loans net of deferred revenue	135,795	75,227	-	211,022
Accounts receivable - bill of exchange	-	750	827	1,577
Total financial assets	136,405	134,027	5,990	276,422
Financial liabilities				
Deposits	56,329	119,000	2,072	177,401
Interbank and money market items	6,355	7,759	1,534	15,648
Liabilities payable on demand	-	-	255	255
Financial liabilities designated at fair value through profit or loss	23,104	-	-	23,104
Debt issued and borrowings	5,853	13,739	341	19,933
Total financial liabilities	91,641	140,498	4,202	236,341

	Consolidated			
	2016			
Descriptions	Floating interest rate Million Baht	Fixed interest rate Million Baht	Non-interest bearing Million Baht	Total Million Baht
Financial assets				
Cash	-	-	1,939	1,939
Interbank and money market items, net	440	4,594	3,494	8,528
Investments, net	19	54,868	175	55,062
Loans net of deferred revenue	138,887	66,702	-	205,589
Accounts receivable - bill of exchange	-	775	-	775
Total financial assets	139,346	126,939	5,608	271,893
Financial liabilities				
Deposits	72,514	108,796	2,353	183,663
Interbank and money market items	4,554	6,053	988	11,595
Liabilities payable on demand	-	-	250	250
Financial liabilities designated at fair value through profit or loss	18,874	-	-	18,874
Debt issued and borrowings	-	25,039	544	25,583
Total financial liabilities	95,942	139,888	4,135	239,965

	Separate			
	2017			
Descriptions	Floating interest rate Million Baht	Fixed interest rate Million Baht	Non-interest bearing Million Baht	Total Million Baht
Financial assets				
Cash	-	-	1,589	1,589
Interbank and money market items, net	545	14,135	3,424	18,104
Investments, net	15	43,916	129	44,060
Loans net of deferred revenue	135,769	69,465	-	205,234
Accounts receivable - bill of exchange	-	750	827	1,577
Total financial assets	136,329	128,266	5,969	270,564
Financial liabilities				
Deposits	56,612	119,017	2,074	177,703
Interbank and money market items	6,355	7,759	1,534	15,648
Liabilities payable on demand	-	-	255	255
Financial liabilities designated at fair value through profit or loss	23,104	-	-	23,104
Debt issued and borrowings	5,853	11,739	341	17,933
Total financial liabilities	91,924	138,515	4,204	234,643

Descriptions	Separate			
	2016			
	Floating interest rate Million Baht	Fixed interest rate Million Baht	Non-interest bearing Million Baht	Total Million Baht
Financial assets				
Cash	-	-	1,936	1,936
Interbank and money market items, net	385	4,594	3,485	8,464
Investments, net	19	54,868	175	55,062
Loans net of deferred revenue	138,860	64,040	-	202,900
Accounts receivable - bill of exchange	-	775	-	775
Total financial assets	139,264	124,277	5,596	269,137
Financial liabilities				
Deposits	72,712	108,812	2,353	183,877
Interbank and money market items	4,554	6,053	988	11,595
Liabilities payable on demand	-	-	250	250
Financial liabilities designated at fair value through profit or loss	18,874	-	-	18,874
Debt issued and borrowings	-	25,038	544	25,582
Total financial liabilities	96,140	139,903	4,135	240,178

	Consolidated							
	2017							
	Repricing or maturity date							
	At call	0 - 3	3 - 12	1 - 5	Over 5	No	Total	Weighted
	Million	months	months	years	years	maturity	Million	average
Transactions	Baht	Baht	Baht	Baht	Baht	Baht	Baht	interest rates
								%
Financial assets								
Interbank and money								
market items, net	150	12,401	1,430	153	-	-	14,134	1.66
Investments, net	-	113	6,459	24,762	12,582	-	43,916	2.85
Loans net of								
deferred revenue	1,494	23,129	11,864	36,394	2,346	-	75,227	10.23
Accounts receivable								
- bill of exchange	-	138	531	81	-	-	750	2.50
Total financial assets	1,644	35,781	20,284	61,390	14,928	-	134,027	
Financial liabilities								
Deposits	3,189	63,083	50,628	2,100	-	-	119,000	1.48
Interbank and money								
market items	1,456	4,495	1,572	30	206	-	7,759	1.30
Debt issued and								
borrowings	700	1,148	2,074	2,000	7,817	-	13,739	3.85
Total financial liabilities	5,345	68,726	54,274	4,130	8,023	-	140,498	

							Consolidated	
							2016	
Transactions	Repricing or maturity date						Total Million Baht	Weighted average interest rates %
	At call Million Baht	0 - 3 months Million Baht	3 - 12 months Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	No maturity Million Baht		
Financial assets								
Interbank and money								
market items, net	289	4,305	-	-	-	-	4,594	1.77
Investments, net	-	2,510	1,974	39,803	10,581	-	54,868	2.92
Loans net of								
deferred revenue	2,242	21,114	11,118	29,224	3,004	-	66,702	10.67
Accounts receivable								
- bill of exchange	-	60	715	-	-	-	775	2.73
Total financial assets	2,531	27,989	13,807	69,027	13,585	-	126,939	
Financial liabilities								
Deposits	9,863	52,944	45,001	988	-	-	108,796	1.57
Interbank and money								
market items	2,832	1,304	1,481	226	210	-	6,053	1.22
Debt issued and								
borrowings	5,780	3,738	247	-	15,274	-	25,039	2.87
Total financial liabilities	18,475	57,986	46,729	1,214	15,484	-	139,888	

								Separate
								2017
	Repricing or maturity date						Total	Weighted
Transactions	At call Million Baht	0 - 3 months Million Baht	3 - 12 months Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	No maturity Million Baht	Million Baht	average interest rates %
Financial assets								
Interbank and money								
market items, net	150	12,401	1,430	154	-	-	14,135	1.66
Investments, net	-	113	6,459	24,762	12,582	-	43,916	2.85
Loans net of								
deferred revenue	1,494	31,985	9,449	24,866	1,671	-	69,465	6.20
Accounts receivable								
- bill of exchange	-	138	531	81	-	-	750	2.50
Total financial assets	1,644	44,637	17,869	49,863	14,253	-	128,266	
Financial liabilities								
Deposits	3,190	63,088	50,639	2,100	-	-	119,017	1.47
Interbank and money								
market items	1,456	4,495	1,572	30	206	-	7,759	1.30
Debt issued and								
borrowings	700	1,148	2,074	-	7,817	-	11,739	4.09
Total financial liabilities	5,346	68,731	54,285	2,130	8,023	-	138,515	

							Separate	
							2016	
Transactions	Repricing or maturity date						Total Million Baht	Weighted average interest rates %
	At call Million Baht	0 - 3 months Million Baht	3 - 12 months Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	No maturity Million Baht		
Financial assets								
Interbank and money market items, net	289	4,305	-	-	-	-	4,594	1.77
Investments, net	-	2,510	1,974	39,803	10,581	-	54,868	2.92
Loans net of deferred revenue	2,242	26,555	15,126	17,623	2,494	-	64,040	6.89
Accounts receivable - bill of exchange	-	60	715	-	-	-	775	2.73
Total financial assets	2,531	33,430	17,815	57,426	13,075	-	124,277	
Financial liabilities								
Deposits	9,863	52,950	45,011	988	-	-	108,812	1.57
Interbank and money market items	2,832	1,304	1,481	226	210	-	6,053	1.22
Debt issued and borrowings	5,780	3,738	247	-	15,273	-	25,038	2.87
Total financial liabilities	18,475	57,992	46,739	1,214	15,483	-	139,903	

The outstanding balances of loans which have floating interest rates or fixed interest rates include loans on which interest recognition is discontinued (presented before deducting allowance for doubtful account losses).

The average balances of the financial assets and liabilities of the Bank generating revenues and expenses, calculated based on the average balances outstanding during the period, and the average interest and dividend rate for the years ended 31 December 2017 and 2016, can be summarised as follows:

	2017			Consolidated 2016		
	Average balances Million Baht	Interest and dividend Million Baht	Average rate (%)	Average balances Million Baht	Interest and dividend Million Baht	Average rate (%)
Performing financial assets						
Interbank and money market items, net	10,491	165	1.57	5,703	69	1.21
Investments, net	49,159	1,145	2.33	55,810	1,313	2.35
Loans	203,835	13,203	6.48	202,475	13,268	6.55
Total performing financial assets	263,485	14,513		263,988	14,650	
Performing financial liabilities						
Deposits	172,028	2,386	1.39	166,032	2,610	1.57
Interbank and money market items	16,295	219	1.34	20,303	282	1.39
Financial liabilities designated at fair value through profit or loss	21,933	374	1.70	18,001	810	4.50
Debt issued and borrowings	19,531	743	3.81	29,533	871	2.95
Total performing financial liabilities	229,787	3,722		233,869	4,573	

	2017			Separate 2016		
	Average balances Million Baht	Interest and dividend Million Baht	Average rate (%)	Average balances Million Baht	Interest and dividend Million Baht	Average rate (%)
Performing financial assets						
Interbank and money market items, net	10,440	165	1.58	8,572	69	0.80
Investments, net	49,159	1,145	2.33	55,810	1,313	2.35
Loans	199,138	10,558	5.30	200,132	11,320	5.66
Total performing financial assets	258,737	11,868		264,514	12,702	
Performing financial liabilities						
Deposits	172,249	2,388	1.39	166,304	2,612	1.57
Interbank and money market items	16,299	219	1.34	21,864	282	1.29
Financial liabilities designated at fair value through profit or loss	21,933	374	1.70	18,001	810	4.50
Debt issued and borrowings	18,198	711	3.91	29,533	871	2.95
Total performing financial liabilities	228,679	3,692		235,702	4,575	

(b) Foreign exchange risk

In addition to the financial assets and liabilities denominated in foreign currencies already disclosed in the relevant notes to the financial statements as at 31 December 2017 and 2016, the Bank has the following net foreign currency positions categorised by major foreign currencies:

	2017			Consolidated and Separate 2016		
	USD	EURO*	Other currencies*	USD	EURO*	Other currencies*
Spot	198.71	19.07	(204.84)	345.03	31.25	(223.58)
Forward						
- Forward contract	(182.75)	(19.17)	213.90	(410.10)	(31.34)	217.45
Total	15.96	(0.10)	9.06	(65.07)	(0.09)	(6.13)

* EURO and other currencies are stated in USD equivalents.

46.3 Liquidity risk

The period to maturity calculated from the statements of financial position date of financial instruments outstanding as at 31 December 2017 and 2016 were as follows:

Descriptions	Consolidated				
	2017				
	At call Million Baht	Less than 1 year Million Baht	More than 1 year Million Baht	No maturity Million Baht	Total Million Baht
Financial assets					
Cash	1,591	-	-	-	1,591
Interbank and money market items, net	4,038	13,976	154	-	18,168
Investments, net	-	6,943	37,344	144	44,431
Loans net of deferred revenue	17,859 ⁽¹⁾	40,627	153,053	-	211,539
Accounts receivable - bill of exchange	-	1,434	158	-	1,592
Total financial assets	23,488	62,980	190,709	144	277,321
Financial liabilities					
Deposits	61,590	114,106	2,100	-	177,796
Interbank and money market items	9,344	6,094	236	-	15,674
Liabilities payable on demand	255	-	-	-	255
Financial liabilities designated at fair value through profit or loss	-	-	23,104	-	23,104
Debt issued and borrowings	700	3,816	15,670	-	20,186
Total financial liabilities	71,889	124,016	41,110	-	237,015

(1) As at 31 December 2017, portions of loans classified as maturity-at-call in the consolidated and separate financial statements, of Baht 10,702 million and Baht 10,285 million respectively, (31 December 2016: Baht 12,720 million and Baht 12,430 million, respectively) are outstanding balances of defaulted loans classified as sub-standard or higher. However, repayment schedules of these loans are dependent upon new restructuring conditions.

Descriptions	Consolidated				
	2016				
	At call Million Baht	Less than 1 year Million Baht	More than 1 year Million Baht	No maturity Million Baht	Total Million Baht
Financial assets					
Cash	1,936	-	-	3	1,939
Interbank and money market items, net	4,440	3,798	290	-	8,528
Investments, net	-	4,957	50,384	194	55,535
Loans net of deferred revenue	20,369 ⁽¹⁾	44,131	141,679	-	206,179
Accounts receivable - bill of exchange	-	799	-	-	799
Total financial assets	26,745	53,685	192,353	197	272,980
Financial liabilities					
Deposits	84,731	98,305	988	-	184,024
Interbank and money market items	8,375	2,804	435	-	11,614
Liabilities payable on demand	250	-	-	-	250
Financial liabilities designated at fair value through profit or loss	-	-	18,874	-	18,874
Debt issued and borrowings	6,324	4,263	15,273	-	25,860
Total financial liabilities	99,680	105,372	35,570	-	240,622

(1) As at 31 December 2017, portions of loans classified as maturity-at-call in the consolidated and separate financial statements, of Baht 10,702 million and Baht 10,285 million respectively, (31 December 2016: Baht 12,720 million and Baht 12,430 million, respectively) are outstanding balances of defaulted loans classified as sub-standard or higher. However, repayment schedules of these loans are dependent upon new restructuring conditions.

Descriptions	Separate				
	2017				
	At call Million Baht	Less than 1 year Million Baht	More than 1 year Million Baht	No maturity Million Baht	Total Million Baht
Financial assets					
Cash	1,589	-	-	-	1,589
Interbank and money market items, net	3,970	13,976	154	-	18,100
Investments, net	-	6,943	37,344	144	44,431
Loans net of deferred revenue	17,859 ⁽¹⁾	47,074	140,824	-	205,757
Accounts receivable - bill of exchange	-	1,434	158	-	1,592
Total financial assets	23,418	69,427	178,480	144	271,469
Financial liabilities					
Deposits	61,876	114,122	2,100	-	178,098
Interbank and money market items	9,344	6,094	236	-	15,674
Liabilities payable on demand	255	-	-	-	255
Financial liabilities designated at fair value through profit or loss	-	-	23,104	-	23,104
Debt issued and borrowings	700	3,809	13,670	-	18,179
Total financial liabilities	72,175	124,025	39,110	-	235,310

(1) As at 31 December 2017, portions of loans classified as maturity-at-call in the consolidated and separate financial statements, of Baht 10,702 million and Baht 10,285 million respectively, (31 December 2016: Baht 12,720 million and Baht 12,430 million, respectively) are outstanding balances of defaulted loans classified as sub-standard or higher. However, repayment schedules of these loans are dependent upon new restructuring conditions.

Descriptions	Separate				
	2016				
	At call Million Baht	Less than 1 year Million Baht	More than 1 year Million Baht	No maturity Million Baht	Total Million Baht
Financial assets					
Cash	1,936	-	-	-	1,936
Interbank and money market items, net	4,376	3,798	290	-	8,464
Investments, net	-	4,957	50,384	194	55,535
Loans net of deferred revenue	20,378 ⁽¹⁾	53,576	129,540	-	203,494
Accounts receivable - bill of exchange	-	799	-	-	799
Total financial assets	26,690	63,130	180,214	194	270,228
Financial liabilities					
Deposits	84,929	98,321	988	-	184,238
Interbank and money market items	8,375	2,804	435	-	11,614
Liabilities payable on demand	250	-	-	-	250
Financial liabilities designated at fair value through profit or loss	-	-	18,874	-	18,874
Debt issued and borrowings	6,324	4,263	15,273	-	25,860
Total financial liabilities	99,878	105,388	35,570	-	240,836

(1) As at 31 December 2017, portions of loans classified as maturity-at-call in the consolidated and separate financial statements, of Baht 10,702 million and Baht 10,285 million respectively, (31 December 2016: Baht 12,720 million and Baht 12,430 million, respectively) are outstanding balances of defaulted loans classified as sub-standard or higher. However, repayment schedules of these loans are dependent upon new restructuring conditions.

46.4 Fair value

The Bank has estimated the fair value of financial instruments as follows:

Descriptions	2017		Consolidated 2016	
	Book value Million Baht	Fair value Million Baht	Book value Million Baht	Fair value Million Baht
Financial assets				
Cash	1,591	1,591	1,939	1,939
Interbank and money market items, net	18,168	18,168	8,528	8,528
Derivatives assets	21,278	21,278	21,235	21,235
Investments, net	44,060	44,232	55,062	55,248
Loans to customers and accrued interest receivables, net	201,564	198,700	196,340	196,340
Accounts receivable - bill of exchange	1,577	1,574	775	775
Total financial assets	288,238	285,543	283,879	284,065
Financial liabilities				
Deposits	177,401	177,408	183,663	183,667
Interbank and money market items	15,648	15,648	11,595	11,595
Liabilities payable on demand	255	255	250	250
Financial liabilities designated at fair value through profit or loss	23,104	23,104	18,874	18,874
Derivatives liabilities	19,965	19,965	21,381	21,381
Debt issued and borrowings	19,933	20,010	25,583	25,386
Total financial liabilities	256,306	256,390	261,346	261,153

Descriptions	2017		Separate 2016	
	Book value Million Baht	Fair value Million Baht	Book value Million Baht	Fair value Million Baht
Financial assets				
Cash	1,589	1,589	1,936	1,936
Interbank and money market items, net	18,100	18,100	8,464	8,464
Derivatives assets	21,278	21,278	21,235	21,235
Investments, net	44,060	44,232	55,062	55,248
Loans to customers and accrued interest receivables, net	196,395	194,411	193,782	193,782
Accounts receivable - bill of exchange	1,577	1,574	775	775
Total financial assets	282,999	281,184	281,254	281,440
Financial liabilities				
Deposits	177,703	177,710	183,877	183,881
Interbank and money market items	15,648	15,648	11,595	11,595
Liabilities payable on demand	255	255	250	250
Financial liabilities designated at fair value through profit or loss	23,104	23,104	18,874	18,874
Derivatives liabilities	19,965	19,965	21,381	21,381
Debt issued and borrowings	17,933	17,999	25,583	25,386
Total financial liabilities	254,608	254,681	261,560	261,367

46.5 Financial derivatives

The Bank engages in financial derivative activities as required in the normal course of business to meet its clients' needs and to manage risks arising from fluctuations in foreign exchange rates and interest rates.

As at 31 December 2017 and 2016, financial derivatives as classified by their maturities were as follows:

	Consolidated and Separate					
	2017			2016		
	Less than 1 year Million Baht	Over 1 year Million Baht	Total Million Baht	Less than 1 year Million Baht	Over 1 year Million Baht	Total Million Baht
Forward and spot contracts						
- Bought	497,967	80	498,047	383,591	3,855	387,446
- Sold	471,843	6,560	478,403	356,157	8,247	364,404
Cross-currency and interest rate swap contracts						
- Bought	30,640	115,379	146,019	38,801	104,069	142,870
- Sold	20,708	84,265	104,973	35,727	77,323	113,050
Interest rate swap contracts						
- Fixed-rate payee	199,815	353,518	553,333	255,328	377,243	632,571
- Floating-rate payee	230,052	411,839	641,891	302,362	412,029	714,391
Foreign exchange options						
- Call-option sales contract	61	-	61	57	-	57
- Put-option sales contract	450	-	450	569	426	995
- Call-option purchase contract	433	-	433	614	460	1,074
- Put-option purchase contract	11	-	11	157	-	157
Commodity						
- Bought	128	-	128	107	-	107
- Sold	127	-	127	106	-	106
Credit derivatives						
- Bought	-	5,264	5,264	-	4,523	4,523
- Sold	-	5,264	5,264	-	4,523	4,523
Swaption						
- Sold	-	1,500	1,500	-	-	-
Fund option						
- Bought	-	998	998	-	-	-
- Sold	-	998	998	-	-	-
Equity option						
- Bought	308	-	308	-	-	-
- Sold	308	-	308	-	-	-
Bond forward						
- Sold	1,600	6,850	8,450	1,099	300	1,399

The Bank sets up policies and relevant risk limits by which it requires risk reporting and control procedures as a control over financial derivative activities. The Bank realises that financial derivatives involve credit risk and considers credit limits for its customers in general. The same credit approval process used when granting loans to a customer is adopted for financial derivative customers, so that the Bank is able to maintain risk at acceptable levels. However, financial derivatives may cause the Bank to incur gains or losses as they are sensitive to foreign exchange rates or interest rates, which can fluctuate materially as the market situation changes.

47 Fair value

47.1 Fair value estimation

The fair value of the financial instruments are defined into the following three different levels by valuation method as follows;

(a) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. The quoted market prices used for financial assets held by the Group are the last bid prices from the Stock Exchange of Thailand, the closing price from the Stock Exchange in overseas and settlement prices from Futures Exchange. These instruments are included in level 1.

(b) Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market (over-the-counter) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

(c) Financial instruments in level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The following table presents the assets and liabilities that are measured at fair value at 31 December 2017 and 2016.

	Consolidated and Separate			
	2017			
	Level 1 Million Baht	Level 2 Million Baht	Level 3 Million Baht	Total Million Baht
Assets				
Securities held for trading	-	9,601	-	9,601
Available-for-sale securities	81	20,730	-	20,811
Derivative assets	-	21,278	-	21,278
Total assets	81	51,609	-	51,690
Liabilities				
Financial liabilities designated at fair value through profit or loss	-	23,104	-	23,104
Derivatives liabilities	-	19,965	-	19,965
Total liabilities	-	43,069	-	43,069

	Consolidated and Separate			
	2016			
	Level 1 Million Baht	Level 2 Million Baht	Level 3 Million Baht	Total Million Baht
Assets				
Securities held for trading	-	7,045	-	7,045
Available-for-sale securities	102	30,331	-	30,433
Derivative assets	-	21,235	-	21,235
Total assets	102	58,611	-	58,713
Liabilities				
Financial liabilities designated at fair value through profit or loss	-	18,874	-	18,874
Derivatives liabilities	-	21,381	-	21,381
Total liabilities	-	40,255	-	40,255

The following table presents the Group's financial assets and liabilities that are not measured at fair value at 31 December 2017 and 2016.

	Consolidated			
	2017			
	Level 1 Million Baht	Level 2 Million Baht	Level 3 Million Baht	Total Million Baht
Assets				
Cash	1,591	-	-	1,591
Interbank and money market items, net	4,258	13,910	-	18,168
Held-to-maturity debt securities	-	13,772	-	13,772
General investments	-	-	48	48
Loans and accrued interest receivables, net	-	198,700	-	198,700
Total assets	5,849	226,382	48	232,279
Liabilities				
Deposits	-	177,408	-	177,408
Interbank and money market items, net	-	15,648	-	15,648
Liability payable on demand	-	255	-	255
Debt issued and borrowings	-	20,010	-	20,010
Total liabilities	-	213,321	-	213,321

	Consolidated			
	2016			
	Level 1 Million Baht	Level 2 Million Baht	Level 3 Million Baht	Total Million Baht
Assets				
Cash	1,939	-	-	1,939
Interbank and money market items, net	3,895	4,633	-	8,528
Held-to-maturity debt securities	-	17,678	-	17,678
General investments	-	-	73	73
Loans and accrued interest receivables, net	-	196,340	-	196,340
Total assets	5,834	218,651	73	224,558
Liabilities				
Deposits	-	183,667	-	183,667
Interbank and money market items, net	-	11,595	-	11,595
Liability payable on demand	-	250	-	250
Debt issued and borrowings	-	25,386	-	25,386
Total liabilities	-	220,898	-	220,898

	Separate			
	2017			
	Level 1 Million Baht	Level 2 Million Baht	Level 3 Million Baht	Total Million Baht
Assets				
Cash	1,589	-	-	1,589
Interbank and money market items, net	4,190	13,910	-	18,100
Held-to-maturity debt securities	-	13,772	-	13,772
General investments	-	-	48	48
Loans and accrued interest receivables, net	-	194,411	-	194,411
Total assets	5,779	222,093	48	227,920
Liabilities				
Deposits	-	177,710	-	177,710
Interbank and money market items, net	-	15,648	-	15,648
Liability payable on demand	-	255	-	255
Debt issued and borrowings	-	17,999	-	17,999
Total liabilities	-	211,612	-	211,612

	Separate			
	2016			
	Level 1 Million Baht	Level 2 Million Baht	Level 3 Million Baht	Total Million Baht
Assets				
Cash	1,936	-	-	1,936
Interbank and money market items, net	3,831	4,633	-	8,464
Held-to-maturity debt securities	-	17,678	-	17,678
General investments	-	-	73	73
Loans and accrued interest receivables, net	-	193,782	-	193,782
Total assets	5,767	216,093	73	221,933
Liabilities				
Deposits	-	183,881	-	183,881
Interbank and money market items, net	-	11,595	-	11,595
Liability payable on demand	-	250	-	250
Debt issued and borrowings	-	25,386	-	25,386
Total liabilities	-	221,112	-	221,112

Methods and assumptions used by the Group for fair value estimation of financial instruments as disclosure are as below:

Cash and Interbank and money market items, net (assets)

The carrying amounts of cash and interbank and market items, net (assets) presented in the statement of financial position approximate fair values.

Investments, net

The determination of fair value for investments, net, is as disclosed in Note 2.5 to the financial statements except the estimated fair value for held to maturity debt securities and general investment are based on quoted and observable market price. Where there is no ready market in certain securities, the Group are initially recognised at purchase price plus transaction costs and subsequently accounted for at amortised cost using effective interest method, less allowance for decrease in value, if any, and general investment is stated at cost, less allowance for decrease in value, if any.

Loans to customers, net

For floating rate loans, the fair value is equal to the carrying amount.

For fixed rate loans which are classified as normal or special mentioned, the fair value is equal to the present value of future cash flows discounted by the prevailing market rates of loans with similar features.

For non-performing fixed rate loans, the fair value is equal to the carrying amount.

Accounts receivable - bill of exchange

The carrying amounts of account receivable - bill of exchange, the fair value is equal to the present value of future cash flows discounted by the effective interest of loans with similar features.

Deposits

For deposits with maturities of less than one year, the carrying amounts are a reasonable estimate of their fair value. For deposit with maturities of one year or more, fair values are estimated using discounted cash flows based on prevailing market rates for similar deposits from customers.

Interbank and money market items , net (liabilities)

The carrying amounts of interbank and money market items, net (liabilities) presented in the statement of financial position approximate fair values.

Liability payable on demand

The carrying amounts of liability payable on demand presented in the statement of financial position approximate fair values.

Debt issued and borrowings

The fair value of debt issued and borrowings are estimated based on market price or amortised cost.

47.2 Valuation techniques used to derive Level 2 fair values

Level 2 trading and hedging derivatives comprise forward foreign exchange contracts and interest rate swaps. These forward foreign exchange contracts have been fair valued using forward exchange rates that are quoted in an active market. Interest rate swaps are fair valued using forward interest rates extracted from observable yield curves. The effects of discounting are generally insignificant for Level 2 derivatives.

Level 2 debt investments are fair valued using a discounted cash flow approach, which discounts the contractual cash flows using discount rates derived from observable market prices of other quoted debt instruments of the counterparties.

47.3 Fair value measurements using significant unobservable inputs (Level 3)

	Consolidated and Separate	
	General Investments	
	2017	2016
	Million Baht	Million Baht
Opening balance	73	105
Gains recognised in profit and loss	-	1
Provision	(3)	-
Purchase	1	-
Sale	-	(1)
Decrease in capital of general investments	(23)	(32)
Closing balance	48	73

Investment classified under Level 3 is general investment which is presented at costs less allowance for impairment (if any). Fair value is calculated based on the net assets value of the invested company according to the proportion that the Bank invested. Management believe that the book value is not significantly different from fair value.

48 Subsequent events

On 22 January 2018, the Extraordinary Shareholders Meeting of No. 1/2018 of Center Auto Lease Company Limited, a subsidiary, approved the amendment of the Company's name from Center Auto Lease Company Limited to be CIMB THAI AUTO COMPANY LIMITED. The Company registered the amendment to the Department of Business Development, Ministry of Commerce which was effective from 6 February 2018 onwards.

Corporate Information

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Company Name : **CIMB Thai Bank Public Company Limited**
Registration Number : 0107537002338 (formerly BorMorJor. 480)
Business Type : Commercial Banking
Head Office : Langsuan Building, 44 Langsuan Road, Lumpini,
Patumwan, Bangkok 10330, Thailand

Telephone Number : +66-2638-8000 and +66-2626-7000
Facsimile Number : +66-2633-9026

CIMB Thai Care Center :
Telephone Number: +66-2626-7777
E-mail Address : cimbthai.carecenter@cimbthai.com

Investor Relations :
Telephone Number +66-2626-7738
E-mail Address : ir@cimbthai.com

Company Secretary :
Telephone Number +66-2638-8287 and +66-2638-8274
E-mail Address cs@cimbthai.com
Website : <http://www.cimbthai.com>

REFERENCES

Registrar : **Thailand Securities Depository Co., Ltd.**
Address : 93 Rachadapisek Road, Dindaeng, Dindaeng, Bangkok 10400, Thailand
Telephone Number : +66-2009-9000
Facsimile Number : +66-2009-9991
SET Contact Center : +66-2009-9999
Website : <http://www.set.or.th/tsd>
E-mail Address : SETContactCenter@set.or.th

Auditor : **PricewaterhouseCoopers ABAS Ltd.**
Address : 15th Floor, Bangkok City Tower, 179/74-80, South Sathorn Road,
Bangkok 10120, Thailand

Telephone Number : +66-2344-1000, +66-2286-9999
Facsimile Number : +66-2286-5050
By : Mr. Boonlert Kamolchanokkul, Certified Public Accountant License No. 5339
Ms. Sinsiri Thangsombat, Certified Public Accountant License No. 7352
Mr. Paiboon Tunkoon, Certified Public Accountant License No. 4298

STOCK INFORMATION

Registered Capital :

THB 15,140,113,803.50 (fifteen billion one hundred forty million one hundred thirteen thousand eight hundred and three baht and fifty satang), which comprises :

- 30,280,227,607 (thirty billion two hundred eighty million two hundred twenty seven thousand six hundred and seven) ordinary shares, with a par value of THB 0.50 (fifty satang)
- No preference shares

Issued and Paid-up Share Capital :

THB 15,140,113,803.50 (fifteen billion one hundred forty million one hundred thirteen thousand eight hundred and three baht and fifty satang), which comprises :

- 30,280,227,607 (thirty billion two hundred eighty million two hundred twenty seven thousand six hundred and seven) ordinary shares, with a par value of THB 0.50 (fifty satang)
- No preference shares

CONTACT US!

Investor Relations

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Find Us!

Bloomberg (bloomberg.com) ticker: CIMBT

SET (set.or.th) symbol: CIMBT

Entities in which CIMB Thai Bank invests 10% or more of total issued shares (as of 31 December 2017)

Company name / Address	Type of business	Type of share	Paid-up capital (No. of shares)	Number of shares held	%
1. Center Auto Lease Co., Ltd. 43 Thai CC Tower, 25th and 32nd Floor, South Sathon Road, Yannawa, Sathon, Bangkok Tel. +66-2673-9111, 0-2684-6500	Leasing	Ordinary	350,000,000	349,999,994	99.99
2. CT COLL Co., Ltd. 128/229-234 Phayathai Plaza Building, 21st Floor, Phayathai Road, Thung Phayathai, Ratchathevi, Bangkok 10400 Tel. +66-2626-7070	Debt collection service	Ordinary	385,000	384,993	99.99
3. WorldLease Co., Ltd. 43 Thai CC Tower, 34th Floor, South Sathon Road, Yannawa, Sathon, Bangkok Tel. +66-2675-6300	Leasing	Ordinary	60,000,000	59,999,998	99.99
4. Srithepchai 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, 1st Floor, Charoennakorn Road., Banglumphu, Klongsan, Bangkok 10600	SPV	Ordinary	10,000	1,282	12.82
6. Tawana Hotel Co., Ltd. 80 Surawongse Road, Siphra, Bangrak, Bangkok Tel. +66-2236-0361	Hotel	Ordinary	33,909	3,390	10.00
7. Sanwa Interfood Co., Ltd. 2219-2223 New Petchburi Road, Bangkok, Huaykwang, Bangkok	Instant foods	Ordinary	10,000,000	1,000,000	10.00
8. Samchai Plc. 522 Ratchada Complex, Ratchadaphisek Road, SamsenNok, Huaykhuang, Bangkok	Electrical appliance	Ordinary	40,000,000	4,000,000	10.00
9. P.C. Patanasub Co., Ltd. (dissolved) 1600 New Petchaburi Road, Makkasan, Ratchathevi, Bangkok	Commerce	Ordinary	10,000	9,993	99.93
10. Executive Management Services Manpower Ltd. (bankrupt) 295 Rama III Road, Bangkoklaem, Bangkok Tel. +66-2689-2626	Office equipment and furniture rental	Ordinary	2,000	340	17.00
11. Global Leasing Co., Ltd. (under official receivership) 518/5 Maneeya Center, 8th Floor, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330 Tel. +66-2652-0730	Leasing	Ordinary	2,000,000	200,000	10.00
12. TPF Leasing Co., Ltd. (bankrupt) 82 Sangthongthani Tower, 25th 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, 11th Floor, Sukhumvit 12-14 Road, Khongtoey, 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, 3rd Floor, Rama III Road, Bangkoklo, Bangkolaem, Bangkok	Appraiser	Ordinary	20,000	2,000	10.00

Issuance of debt securities of the Bank (as of 31 December 2017)

Classified by type	Interest rate	Maturity	Collateral	Restrictions and Requirements	Value of debt securities in issue as at 31 Dec 2017 (THB)	Credit ratings (Moody's / Fitch Ratings)	Bond holder representative
1. Subordinated debenture ¹	None	22 December 2003	None	None	544,502,520	None	None
2. Tier 2 subordinated debt ²	5.60% per annum	5 July 2024	None	For early redemption for each tranche of the subordinated debt where call option is applicable, the issuer may, at its sole discretion and subject to prior approval of the Bank of Thailand and submission to the Bank of Thailand redemption and substitution plans at least 30 days prior to the call date, redeem and cancel the subordinated debt in whole but not in part on the call date in the principal amount together with all deferred and accrued but unpaid interest (if any), under the subordinated debt. The optional redemption by the issuer of the subordinated debt of one tranche does not trigger the redemption of the subordinated debt of other tranches. This is provided that, if required by the Bank of Thailand, 1) the redemption and substitution plans will include the issuance, either immediately or before the redemption, of financial instruments of equivalent or superior quality in substitution for the subordinated debt to be redeemed; and 2) the issuance of these substitute instruments will not affect the issuer's ability to perform its business operation.	3,371,180,000 (MYR 400,000,000)	Issue rating AA3 by RAM Rating Services Berhad	None

Classified by type	Interest rate			Restrictions and Requirements			Value of debt securities in issue as at 31 Dec 2017 (THB)		Credit ratings (Moody's / Fitch Ratings)		Bond holder representative	
	Interest rate	Maturity	Collateral									
3. Tier 2 subordinated debt ²	5.35% per annum	11 July 2026	None	For early redemption for each tranche of the subordinated debt where call option is applicable, the issuer may, at its sole discretion and subject to prior approval of the Bank of Thailand and submission to the Bank of Thailand redemption and substitution plans at least 30 days prior to the call date, redeem and cancel the subordinated debt in whole but not in part on the call date in the principal amount together with all deferred and accrued but unpaid interest (if any), under the subordinated debt. The optional redemption by the issuer of the subordinated debt of one tranche does not trigger the redemption of the subordinated debt of other tranches. This is provided that, if required by the Bank of Thailand, 1) the redemption and substitution plans will include the issuance, either immediately or before the redemption, of financial instruments of equivalent or superior quality in substitution for the subordinated debt to be redeemed; and 2) the issuance of these substitute instruments will not affect the issuer's ability to perform its business operation.			(MYR 570,000,000)		Issue rating AA3 by RAM Rating Services Berhad		None	

Notes: 1.Referring to a subordinated debt instrument transferred from a financial institution under regulatory intervention, i.e. Union Asia Finance Plc., in the amount of THB 544.50 million.
2.Referring to a subordinated debt instrument with cash flow hedge in the amount of MYR 400 million and MYR 570 million .

Change in shareholding of directors and senior executives of the Bank

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

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

Directors' and senior executives' share ownership in subsidiary companies

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

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

CIMB Thai Bank Network

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BANGKOK AND GREATER BANGKOK	Telephone		FAX	
Kluaynamthai	0-2712-3185-8		0-2712-3189	
Chakkrawat	0-2622-5660-1, 0-2622-9049		0-2622-5662	
Century Plaza	0-2640-0235-8		0-2640-0239	
Central Plaza Rama 3	0-2673-7035-6		0-2673-7037	
Thatien	0-2222-4323, 0-2224-8165		0-2224-8164	
Thewet	0-2280-0481-2, 0-2281-5453, 0-2282-3568		0-2282-4085	
Bangrak	0-2234-6209, 0-2234-6435, 0-2234-9884		0-2233-5020	
Mahanak	0-2223-2650, 0-2223-6624, 0-2224-7021		0-2224-7022	
Yannawa	0-2289-3872-3		0-2289-0560	
Jawarad	0-2233-8696, 0-2234-4002, 0-2234-2552, 0-2234-4527, 0-2234-6713		0-2266-4309	
Rajawongse	0-2221-1333, 0-2224-8162-3		0-2222-3190	
Lumpini	0-2286-0149, 0-2286-5388, 0-2286-5761		0-2286-0223	
Vorachak	0-2223-5058, 0-2223-4988		0-2224-9011	
Siam Paragon	0-2610-9742-5		0-2610-9746	
Head Office	0-2626-7101-3		0-2626-7104	
Silom Office	0-2018-5151/ 0-2018-5101-9		0-2770-4304	
Empire Tower	0-2670-1621-2		0-2670-1623	
Charansnitwongse	0-2411-0339, 0-2411-3603-4		0-2411-2245	
GMM Grammy Place	0-2665-8181, 0-2665-9906-7		0-2665-9908	
Central City Bangna	0-2745-7314-5		0-2745-7316	
Central Pinklao	0-2884-6725-7		0-2884-6728	
Central Plaza Rama 2	0-2872-4307-8		0-2872-4309	
The Mall Tha Phra	0-2477-7287-8		0-2477-7289	
The Mall Bangkokkhae	0-2455-3515, 0-2413-0739, 0-2803-0608		0-2803-8609	
Thonglor	0-2391-4789-91		0-2391-4790	
Bangbon	0-2416-8277-8, 0-2894-4075-6		0-2416-8279	
Big C Bangphli	0-2312-9695-6		0-2312-9596	
Paradise Park Srinakarin	0-2746-0330-1		0-2746-0332	
Mega Bangna	0-2105-1205-8		0-2105-1209	
Samuthprakarn	0-2387-1806, 0-2387-1849, 0-2702-8618-9		0-2389-1349	
Suksawad	0-2463-2130, 0-2463-5345-6		0-2463-5344	
Nong Khaem	0-2421-1122, 0-2421-1460, 0-2421-1991		0-2421-3788	
Imperial World Samrong	0-2380-6883-4		0-2380-6894	
Ekkamai Power Centre	0-2714-7370-2		0-2714-7347	
Suntowers Thanon Vibhavadirangsit	0-2617-7617-8		0-2617-7619	
The Mall Bangkokapi	0-2704-9156-8		0-2704-9159	
Talat Ying Charoen	0-2972-3363-5		0-2972-3366	
Thanon Rattanathibet	0-2527-8643-4		0-2527-8723	
Bangkhen	0-2511-4353, 0-2512-1716, 0-2512-1719		0-2511-4320	
Bang Yai	0-2903-3120, 0-2903-3125		0-2903-3127	
Phaholyothin	0-2278-1079, 0-2279-5088, 0-2279-8662		0-2279-0737	
Future Park Rangsit	0-2958-5310-2		0-2958-5313	

Note: Updated as of 31 December 2017

BANGKOK AND GREATER BANGKOK

	Telephone	FAX
Fashion Island	0-2947-5188, 0-2947-5189	0-2947-5190
Rangsit	0-2531-5893, 0-2567-2232, 0-2959-1990	0-2531-3020
Ladphrao	0-2530-1372, 0-2538-2493-4	0-2530-1371
Wongsawang Town Centre	0-2913-9783-5	0-2913-9786
Wang Hin	0-2942-6206-8	0-2942-6218
Huey Kwang	0-2277-0554, 0-2277-2863, 0-2277-9955	0-2277-0903
Huamark	0-2377-1362-3, 0-2377-2555	0-2377-1365
IT Square	0-2576-0476-7, 0-2576-0374	0-2576-0428
Sitabutr Mini Branch	0-614-060677	0-2214-7445
Ratchaphruek	0-632-319650	0-2147-5423

SOUTHERN ZONE

	Telephone	FAX
Krabi	0-7563-0572-5	0-7563-0576
Ko Samui	0-7744-7529-32	0-7744-7533
Central Festival Phuket	0-7636-7008-9	0-7636-7010
Nakhon Si Thammarat	0-7531-3201-4	0-7531-3707
Phuket	0-7621-1501, 0-7621-7153, 0-7625-8411	0-7621-1502
Songkhla	0-7431-1906, 0-7432-4050-1	0-7431-4391
Surat Thani	0-7721-3177, 0-7727-3574-5	0-7727-3575
Hat Yai	0-7423-5777, 0-7422-5606-8	0-7422-5151

CENTRAL ZONE

	Telephone	FAX
Nakhon Pathom	0-3428-0198-9, 0-3425-4233-4	0-3425-1028
Phetchaburi	0-3242-5148, 0-3242-5302	0-3242-8227
Samut Songkhram	0-3471-1142, 0-3471-2429, 0-3472-3568	0-3472-4046
Samut Sakhon	0-3481-0955-6, 0-3481-0242	0-3481-0957
Hua Hin	0-3253-1461-2	0-3253-1463
Om Noi	0-2810-5211-2	0-2810-5213

Note: Updated as of 31 December 2017

EASTERN ZONE

	Telephone	FAX
Chanthaburi	0-3934-0212-5	0-3934-0216
Chon Buri	0-3878-2161-4	0-3878-2166
Thanon Pattaya Sai 3	0-3848-8140-1	0-3848-8142
Amata Nakhon Industrial Estate	0-3845-7574-7	0-3845-7578
Pacific Park Sriracha	0-3877-1480-1, 0-3877-0187	0-3877-1482
Rayong	0-3861-1220, 0-3861-1588-9	0-3861-4870
Thanon Sukprayun	0-6323-19615	0-3820-6035

NORTHERN ZONE

	Telephone	FAX
Chiang Rai	0-5371-4029-30, 0-5371-9376	0-5371-5905
Chiang Mai	0-5341-8338-9, 0-5328-7070	0-5328-7078
Central Airport Chiang Mai	0-5328-4447-8	0-5328-4449
Nakhon Sawan	0-5622-6354, 0-5622-7473	0-5622-4182
Phitsanulok	0-5525-2179, 0-5524-4060	0-5524-4061
Meechok	0-5323-0240-3	0-5323-0244
Mae Sot	0-5554-6141-4	0-5554-6145
Mae Sai	0-5364-2495-7	0-5364-2498
Lumpang	0-5432-3883-4, 0-5432-3902-3	0-5432-3907

NORTH EASTERN ZONE

	Telephone	FAX
Khon Kaen	0-4332-2677-8	0-4322-1731
Nakhon Ratchasima	0-4424-4133, 0-4424-4153	0-4425-8161
Udon Thani	0-4222-3248-9, 0-4234-4097	0-4224-7184
Ubon Ratchathani	0-4528-4224-5, 0-4531-3395	0-4531-3467

Note: Updated as of 31 December 2017

FOREIGN EXCHANGE BOOTHS

IN BRANCH

Yannawa

Telephone

0-2289-3872-3

FAX

0-2289-0560

STAND ALONE

Jungceylon 2

0-7629-5027

0-7629-5028

Soi Nana

0-2656-7016

0-2656-7017

Thanon Naresdamri Hua Hin

0-3253-3018

0-3253-3019

Thanon Rambuttri

0-2629-0171

0-2629-0172

Siam Center

0-2658-1530

0-2658-1531

Dhammalert

0-2255-1453

0-2255-1454

Assasa Hotel

0-3253-2273

0-3253-2274

Silom

0-2236-4747-8

0-2236-4749

Hua Hin

0-3253-1461-2

0-3253-1463

Note: Updated as of 31 December 2017

Business Centre	Telephone	FAX
Yannawa Business Centre	02-291-2874, 02-291-2650	02-289-0560
Bangbon Business Centre	02-894-4075-6, 02-416-8277-9	02-416-8279
Nong Khaem Business Centre	02-421-1122, 02-421-2266	02-421-3788
Lad Phrao Business Centre	02-936-9116	02-530-1371
Rangsit Business Centre	02-959-2212-4, 02-959-0046-8	02-531-3020
Nakhon Ratchasima Business Centre	044-258-162, 044-262-447	044-258-161
Khon Kaen Business Centre	043-220-925, 043-220-812	043-221-731
Udon Thani Business Centre	042-343-846, 042-343-856-7	042-247-184
Ubon Ratchathani Business Centre	045-284-225, 045-313-395	045-313-467
Chon Buri Business Centre	038-781-365-6	038-782-166
Nakhon Sawan Business Centre	056-222-939, 056-311-611	056-227-474
Phitsanulok Business Centre	055-252-199 ext. 24-25	
Chiang Mai Business Centre	053-211-633, 053-214-035	053-287-078
Nakhon Pathom Business Centre	034-280-170, 034-280-173, 034-280-177	034-251-028
Samut Sakhon Business Centre	034-428-812-4	034-810-957
Phuket Business Centre	076-214-651-2	076-211-502
Surat Thani Business Centre	077-213-640, 077-213-643	077-273-575
Hat Yai Business Centre	074-233-037, 074-245-011	074-225-151

Note: Update as of 31 December 2017

**www.
cimbthai.
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