CIMB THAI
ธนาคาร ซีไอเอ็มบี ไทย

Exceed T18

ASEAN CATALYST

Business Strategy

Operating Model

Culture

Annual Report 2018



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.

Contents

Financial Highlights — 10
12 — Message from the Chairman of the Board of Directors
Message from the President and
Chief Executive Officer — 14
16 — Letter from Group Chief Executive Officer,
CIMB Group

Board of Directors — 18
20 — Management Committee
Organisation Chart — 22
24 — CSR Projects and Activities

ASEAN 2025: Forging Ahead Together — 28
31 — Thai Economy in 2018 and Outlook for 2019
Analysis of Financial Standing and Operating Performance — 43
52 — Risk Management Overview

Corporate Governance Report — 61
85 — CIMB Thai Management Structure
The Nomination, Remuneration,
and Corporate Governance Committee Report — 133
134 — Audit Committee Report

Report of Responsibility of the Board of Directors
for Financial Statements — 136
137 — Independent Auditor's Report
Consolidated and Separate Financial Statements — 143

156 — Notes to the Consolidated
and Separate Financial Statements
CIMB Thai Bank Network — 292





SAY / DO

Amidst the headwind of changes in social, technological and consumer behavior, we face challenges in reaching our targets that we promised our customers, partners, employees, and other stakeholders.

Due to this, #teamCIMBThai ensures all our staff works efficiently and in synergy. We aim to provide innovation and to streamline our process in a transparent and examinable way.

The trust our stakeholders have placed in us enables us to fulfill our promise to you. The wind beneath our wings will propel us to reach a level beyond our targets.





SAY "Good Experience" / DO "Exceed Expectation"



Our commitment to understanding our customer's needs is unchanging. We do not compromise on customer care despite the changes in social, technological, and consumer behavior.

We adapt to the changes to ensure our services are unique and ahead of our competitors.







SAY "Execution" / DO "Solution"

With new challenges, come new opportunities to be creative and to discover new ways to work more efficiently.

A visionary team and a focus on capital optimisation will lead us to meet our aspirational target, reaching the result in an innovative and outstanding manner.







SAY "Team" / DO "Family"

↗ Facing challenges in our work leads you to discover the Hero in You. We find that the value we add, the thought we FORWARD, and the positive energy we resonate are endless.

We aim for success in our work but above all… we aim for success of our people.









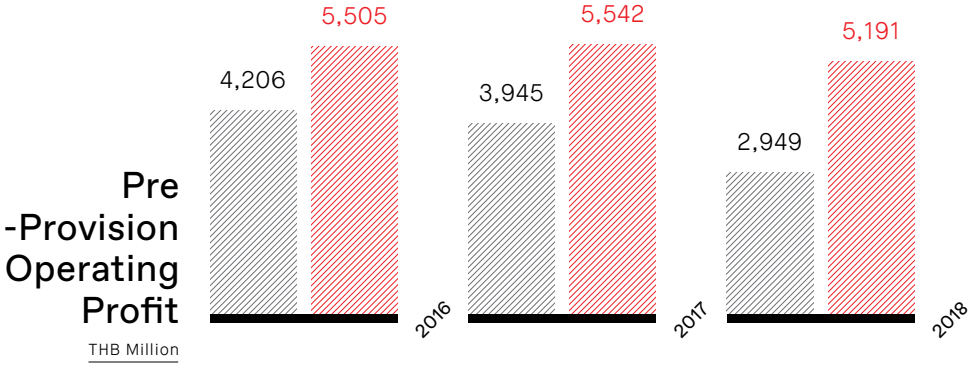
Financial Highlights

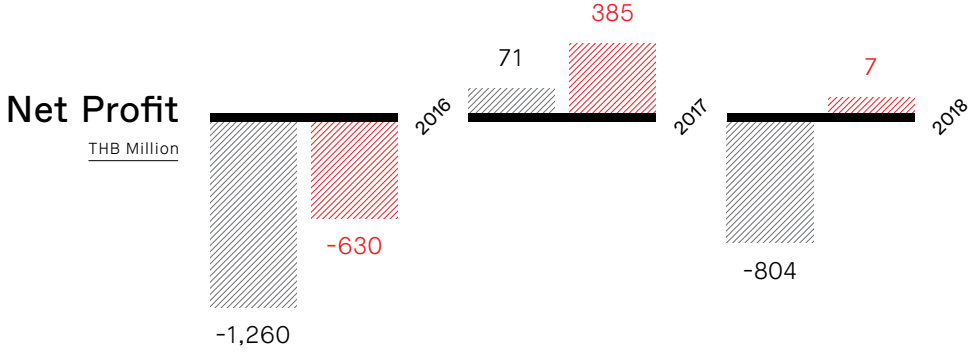
NET PROFIT
→ -98.2%

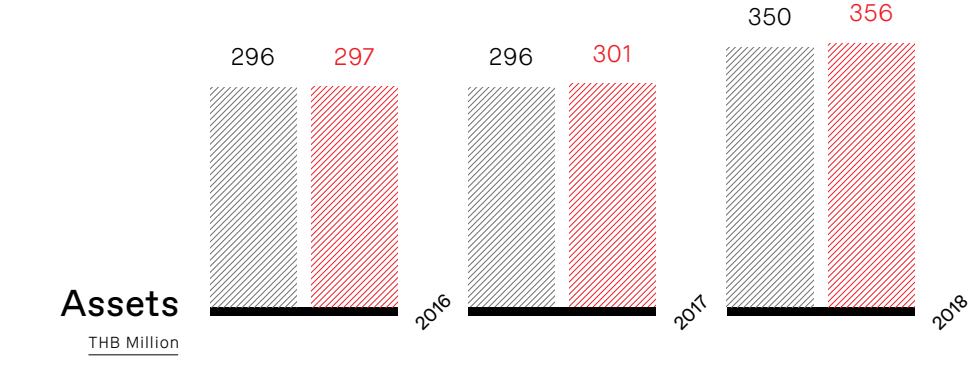
BIS RATIO
→ 19.3%

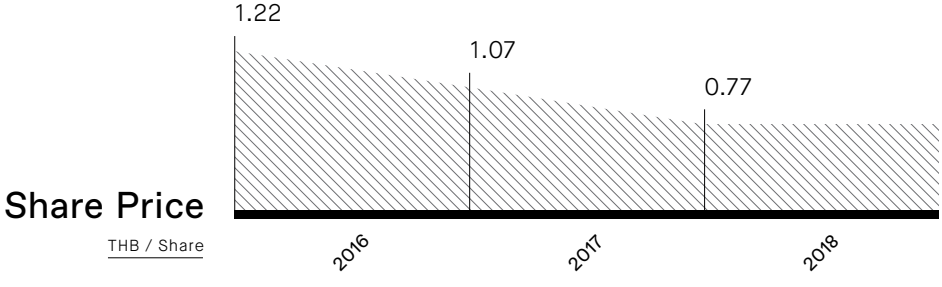
NIM
→ 3.71%

GROSS LOAN GROWTH*
→ 7.24%









* Net deferred revenue

Bank Only Consolidated

In THB Million	Consolidated			Bank Only		
At Year End	2016	2017	2018	2016	2017	2018
Total liabilities	270,765	267,552	318,927	270,335	264,983	315,997
Shareholders' equity	26,705	33,052	36,922	25,288	31,324	34,380
Net interest income	9,866	10,202	10,747	7,917	7,588	7,826
Non - interest income	3,062	2,952	2,790	2,455	2,476	1,662
Total income	12,928	13,155	13,536	10,372	10,064	9,489
Basic earning per share (Baht)	-0.02	0.01	0.00	-0.05	0.00	-0.03
Book value per share (Baht)	1.11	1.10	1.10			
Share price (Baht)	1.22	1.07	0.77			

THB Million

Gross Loans*

2016	203	206
2017	205	211
2018	219	226

ROE

2016	-4.8%	-2.3%
2017	0.2%	1.3%
2018	-2.5%	0.0%

THB Million

Deposits

2016	184	184
2017	178	177
2018	185	185

ROA

2016	-0.4%	-0.2%
2017	0.0%	0.1%
2018	-0.2%	0.0%

THB Million

BIS Ratio

2016	15.6%	16.1%
2017	16.6%	17.0%
2018	18.7%	19.3%

Gross NPL Ratio

2016	6.0%	6.1%
2017	4.7%	4.8%
2018	4.3%	4.3%

Message from the Chairman of the Board of Directors



Dear Shareholders,

We live in an interesting yet challenging time. We are facing economic uncertainty domestically, while managing intensifying risk from international markets. The world today is changing faster and more unpredictably. With the rise of digitisation and other game changers, consumers and businesses alike are changing the way they operate - the bigger the change, the bigger the disruption. What we once believed was a fixed way of working is now being challenged and to address this challenge, here at CIMB Thai, we are undergoing a strategic Bank-wide transformation themed Fast Forward, covering realignment of business operation direction and strategy, product innovation, and work process and system rationalisation.



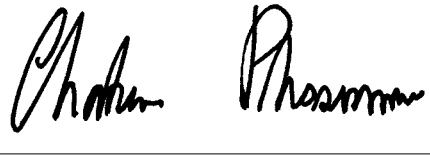
Chakramon Phasukavanich

Chairman of the Board of Directors

In 2018, CIMB Thai reported a consolidated net profit of THB 6.9 million, a year-on-year (YoY) decrease of 98.2%. The decline in performance was mainly driven by an increase in operating expense of 9.6%, additional general provisions set aside to bring our loan loss coverage to 107%, and applying a 97% effective tax rate – a prudent approach in deferred tax management. Nonetheless, our operating income grew by THB 381.7 million or 2.9% from 2017, and we have recorded the highest growth in new bookings from the past four years. Furthermore, our non-performing loan (NPL) is on a downward track, as the Bank's NPL ratio dropped to 4.3% from 4.8% in 2017. Our core fundamentals remain healthy and our asset quality management active. The Board, together with the Management Committee, is confident that the steps taken this year will set a strong foundation in which the Bank can grow sustainably and deliver value to shareholders in return. The Board continues to fully support the Bank's aspiration of becoming an 'ASEAN Bank' in Thailand with the scale of a mid-tier bank within five years.

Moreover, embracing good governance is the cornerstone of our culture. Operating our business with transparency, practicing anti-corruption policy, upholding our code of ethics, and our overall commitment towards corporate responsibility, ensures that we can drive for sustainable value creation for all our stakeholders. We highly value the trust our shareholders place in us.

On behalf of the Board of Directors, I would like to thank the Management Committee and all employees for their hard work and contributions this year. To our shareholders, I wholeheartedly extend my gratitude for your continuous support and trust in CIMB Thai Bank.



Dear Shareholders,

We started the year strong with our Bank-wide transformation themed Fast Forward. Against the backdrop of economic growth of 4.1%, the strengthening Thai Baht, as well as intensifying internal and external risk, our Management Committee remains steadfast to deliver on our aspiration to become an 'ASEAN Bank' in Thailand with the scale of a mid-tier bank within five years.

CIMB Thai posted a consolidated profit before tax of THB 271.2 million and a consolidated net profit of THB 6.9 million, a year on year (YoY) decrease of 44.5% and 98.2% respectively. Despite the decrease in net profit, the Bank recorded an operating income of THB 13,536.5 million, an increase of 2.9% YoY. We made tremendous strides in establishing the foundation for future growth and profitability this year. We recalibrated our current business and also invested for the future, hence our performance is in line with the Bank's expansion strategy.

I recognized that some of the same factors that affected our performance over the last year will continue to weigh on our profitability in 2018. Asset quality management has remained a focal point and we continue to take prudent steps to safeguard the long-term sustainability of the Bank. We set aside additional general provision resulting in a total provision of THB 10.5 billion, an excess of THB 5.0 billion over Bank of Thailand's reserve requirement, bringing our loan loss coverage to 107% from 93.2%. This additional provision will prepare the Bank for the eventual adoption of IFRS9 accounting standard. Our NPL ratio reduced to 4.3% compared to 4.8% in the previous year due to more efficient risk management policies, improved asset quality management, tighter loan collection processes, and sale of NPLs.

President and Chief Executive Officer

Furthermore, operating expenses and income tax expenses had a material impact to the Bank's 2018 financials. Operating expenses increased by THB 733.0 million or 9.6% YoY, mainly from higher personnel cost in line with the Fast Forward expansion strategy. This resulted in a higher cost to income ratio of 61.7% compared to 57.9% in the previous year. The Bank's effective tax rate rose to 97%, from the expected 21% corporate tax rate, due to the decision to take a prudent approach in deferred tax management. On a positive note, the Bank recorded strong loan growth of 7.2% YoY mainly from our Corporate and Consumer businesses. This is the highest growth recorded in the past four years. Also, we have further strengthen our capital position – as at end December 2018, our BIS and Tier-1 capital stood at 19.3% and 14.1% respectively, both well above the regulatory requirement and internal capital targets.

We have been going through a major transformation over the past year and it is not easy to assess the transformation impact from one single year's results, however reflecting on 2018, there have been some noteworthy changes. Our Consumer Banking segment continues to show strong performance despite the impact from market conduct. The segment has successfully grown its new bookings and fee income. The Bank reorganized its Commercial Banking segment to focus on real SME business, re-engineered its credit underwriting platform, set up a new credit center, and asset quality is now under control. Wholesale Banking's profitability marginally improved from active asset quality management. We strengthened our wealth management proposition across Consumer Preferred and Private Banking. Lastly, the Bank is well on its way to digitization with the launch of myCIMB, digital lending, and robotic process automation.

Looking Forward into 2019, I am confident that the improvements we have made throughout our business will move CIMB Thai towards sustainable profitability and future growth. Our focus will remain on executing our Fast Forward transformation, growing in high quality segments, building the Consumer digital bank, and continuing active asset quality management. We will also focus on investing in talent management, empowering our people to always do better, and pushing our shared ambitions to greater heights.



Kittiphun Anutarasoti



Message from the President and Chief Executive Officer



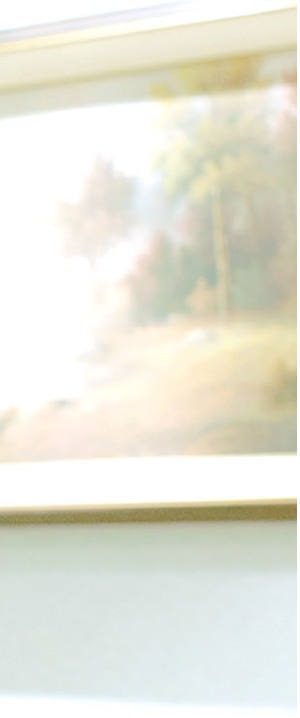
An important component of delivering value to our shareholders and earning their trust is to act with integrity. At CIMB Thai Bank, our people are committed to act with the highest ethical standards to foster honesty and trust. Our corporate culture places importance in treating our customers, clients, employees, and all our stakeholders with respect. We always operate in a consistent and transparent way.

On behalf of the Management Committee and all CIMB Thai employees, I would like to sincerely thank our shareholders, clients, customers, and business partners for their continued trust and unwavering dedication to CIMB Thai.

Letter from Group Chief Executive Officer, CIMB Group



"2018 was also the end of CIMB Group's T18 strategy, which strengthened our foundations across the dimensions of Customer, Capital, Cost, Culture and Compliance. Last year, CIMB Thai embarked on a new mid-term growth strategy called Fast Forward, with the goal of transforming the Bank into an 'ASEAN Bank' with the scale of a mid-tier bank."



Dear Shareholders,

What a rollercoaster year 2018 was! Just as CIMB Group entered the final stretch of our T18 transformation, escalating US-China trade tensions threatened to throw us off-track. At various ASEAN-level fora, the main concerns revolved around further negative impact on ASEAN's trade and role in the global supply chains should there be a prolonged impasse between the two trading superpowers.

Despite such developments, the Thai economy grew 4.1% in 2018, slightly higher than the previous year, and well above the country's long-term potential growth rate of just over 3%. Additionally, the Thai baht and the Stock Exchange of Thailand were some of the best performers in the region. This was mainly attributable to the high current account surplus and confidence of investors in Thailand's macroeconomic stability and in the prudence of its policy makers.

In 2018, CIMB Thai recorded a consolidated net profit of THB 6.9 million, a decline of 98.2% year-on-year (YoY), mainly due to lower-than-expected income and an increase in expenses. Although the Bank's operating income increased by THB 381.7 million, or 2.9% YoY, we saw a decrease of THB 26.0 million due to lower gains on trading and FX transactions. Heavy investments in foundation building resulted in operating expenses increasing by 9.6%. The Bank made good progress in managing non-performing loans (NPL) whose ratio fell to 4.3% from 4.8%. Although provisions declined by 2.6%, it remains high due to additional general provisions required to bring loan loss coverage up in preparation of the adoption of IFRS9 accounting standards. Last year, CIMB Group also injected THB 3,952 million into CIMB Thai to strengthen its BIS and CET-1 to 19.3% and 14.1% respectively to support the Bank's operations and strategic growth plans.

Group Chief Executive Officer, CIMB Group

In formulating the Fast Forward strategy, we considered the evolution of banking with the adoption of technology in this Fourth Industrial Revolution. The Bank invested heavily into building new foundations and strengthening existing ones, e.g. through expanding our workforce as well as digital and IT infrastructure. Fast Forward will dovetail into the Group's new five-year strategic plan called "Forward23" which will be centred on five strategic pivots, i.e. Customer Centricity, Sustainability, Going Beyond Banking, Technology & Data and our People.

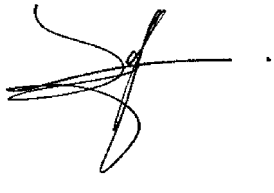
In 2019, we expect growth in Thailand to moderate in the first quarter, as General Elections are scheduled to be held in late March. Slower global economic growth and the US-China trade dispute should also soften Thai export growth. For CIMB Thai, the Fast Forward plan will continue to be a primary focus whilst also diligently monitoring and managing its asset quality.

CIMB Group remains committed to CIMB Thai, ASEAN and Thailand's future growth. By leveraging on the Group's expertise and network across the region, CIMB Thai is well-equipped to deliver best-in-class products and unparalleled customer experience to our customers in Thailand.

On behalf of CIMB Group, I would like to express my gratitude to the Chairman, Board of Directors, Bank of Thailand, customers, shareholders and all stakeholders for their continued confidence and support. Lastly, I would like to thank my colleagues in #teamCIMBThai for your valuable contributions throughout this past year. With your support, commitment and dedication, I am confident that we will be able to make Forward23 and Fast Forward a huge success.

Thank you.

Tengku Dato' Sri Zafrul Aziz



Board of Directors



Mr. Chakramon Phasukavanich
Chairman /
Independent Director



Dato' Robert Cheim Dau Meng
Vice Chairman / Member and
Alternate Chairman of Nomination,
Remuneration and
Corporate Governance Committee



Mr. Maris Samaram
Independent Director /
Chairman of
Audit Committee



Mrs. Watanan Petersik
Independent Director /
Chairperson of Nomination,
Remuneration and Corporate
Governance Committee



Mr. Chitrapongse Kwangsukstith
Director / Member
and Alternate Chairman of
Board Risk Committee



Dato' Lee Kok Kwan
Director /
Chairman of Board
Risk Committee



Dr. Rom Hiranpruk
Independent Director /
Member of
Audit Committee



Ms. Serena Tan Mei Shwen
Director /
Member of Board
Risk Committee



Mr. Chanmanu Sumawong
Independent Director /
Member of Audit Committee /
Member of Nomination,
Remuneration and Corporate
Governance Committee



Datuk' Joseph Dominic Silva
Director /
Member of Nomination,
Remuneration and Corporate
Governance Committee



Mr. Kittiphun Anutarasoti
President and
Chief Executive Officer

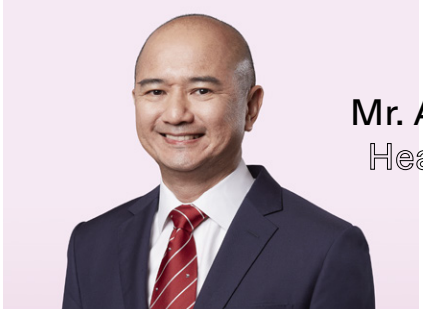
Management Committee



Mr. Kittiphun Anutarasoti
President and
Chief Executive Officer



Mr. Sutee Losoponkul
Co-Head Wholesale Banking
and Head Treasury



Mr. Adisorn Sermchaiwong
Head Consumer Banking



Mr. Arthit Masathirakul
Head Risk Management



Mr. Pornchai Padmindra
Co-Head Wholesale Banking
and Head Corporate Banking
and Investment Banking



Mr. Jittiwat Kantamala
Head Private Banking



Ms. Siriporn Sanunpairaue
Head Internal Audit



Mr. Tan Keat Jin
Head Strategy



Mrs. Bussakorn Puttinan
Head Technology
and Operations



Mrs. Wareemon Niyomthai
Head Commercial Banking



Mr. Jason Leong Kok Yew
Head Finance



Mr. Zethjak Leeyakars
Head Compliance
and Acting Head Office
of the President



Mrs. Kanokpai Vongsatitporn
Head Human Resources



Mr. Prapas Thongsuk
Head Corporate
Communication

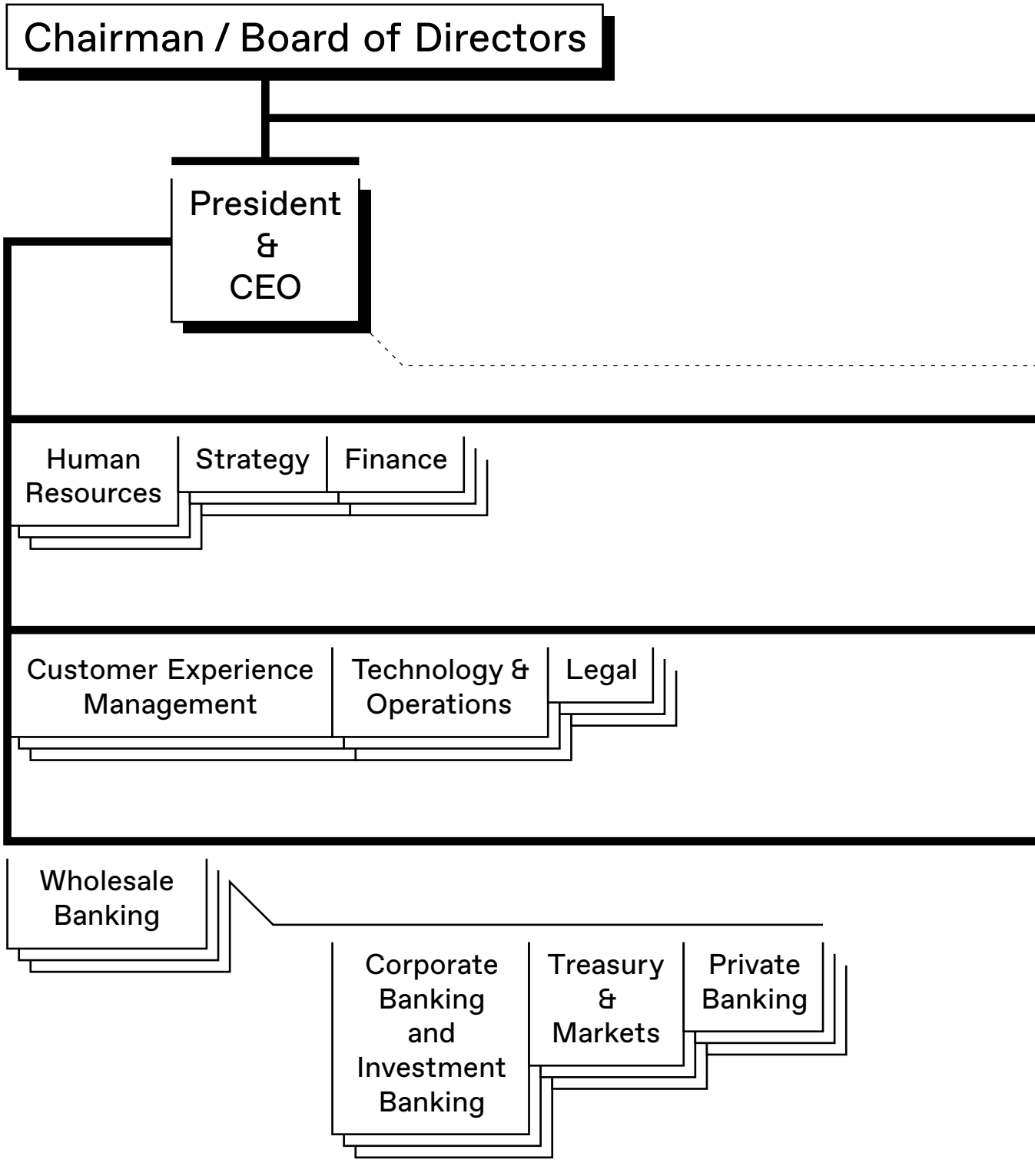


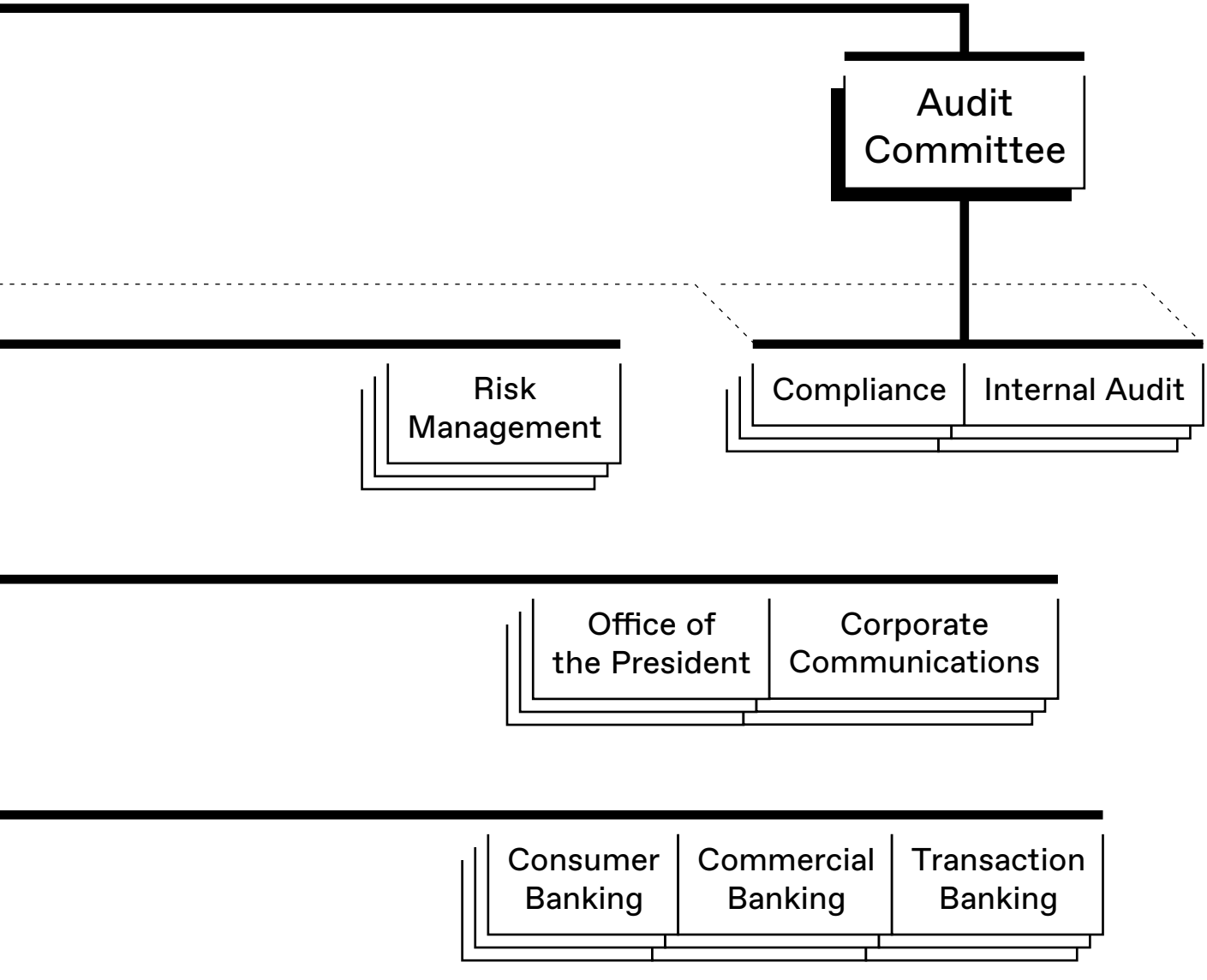
Ms. Pajaree Thongvanit
Head Legal



Ms. Uthaiwan Sukphanpim
Head Customer
Experience Management

Organisation Chart





Effective
from 1 January 2019

CSR Projects and Activities





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



In regards to social projects, the Bank collaborated with government agencies, such as Queen Sirikit Sericulture Center Nakhon Ratchasima under The Queen Sirikit Department of Sericulture Region 4 - Nakhon Ratchasima to arrange a workshop for students and local people of Baan Nong Muang Waan to learn every step of silk weaving from experts, from growing mulberry and raising



silkworms to dyeing silk from natural materials. The project has been very successful so far as silk fabrics weaven by three students have attained Classic Thai Silk standard of Queen Sirikit Sericulture Center Nakhon Ratchasima, making Baan Nong Muang Waan School the first school to receive the certification together with another two locals. This has reflected the success of cooperation between the school and the community. The Bank also pursued its commitment to developing projects coordinated with schools in previous years to carry on the success of those projects, such as “Let Children Colour Their Dreams... Pig Bank Project” and so forth aimed at strengthening the communities towards sustainable development in respect to both technical and life skills.

Moreover, the Bank has focused on ensuring employees are aware of social responsibility and promoting good relationship among work units through volunteering and social contribution activities. Various projects have consistently been opened for volunteering staff to participate. Staff in provincial areas have also been encouraged to explore and propose names of remote area schools in need of support. They will directly contact the schools and communities with the Bank only giving advice and assistance. This fosters good relationships between the Bank and local communities.

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

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



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

Educational projects

1
Baan Sop Sa School,
Mae Hong Son Province

2
Baan Song Yang Song Ploei
School, Kalasin Province

3
Baan Thin School,
Udon Thani Province

4
Baan Mueang Rae School,
Mae Hong Son Province

5
Nong Bua Jod Dong Ling
Wittaya School, Kalasin Province

6
Baan Pa Taan School,
Chiang Mai Province

7
Baan Nong Khaem School,
Suphan Buri Province

8
Baan Pong Daeng
Nam Cha Samakkhi School,
Nakhon Ratcahsima Province

9
Baan Nong Muang Waan School,
Nakhan Ratchasima Province

10
Wat Rattana Wararam
School, Songkhla Province

11
Wat Samran School,
Lop Buri Province

12
Sawasdee Wittaya
School, Si Saket Province

Social and environmental projects

1
Every 3 months' blood donation project in collaboration with National Blood Centre, Thai Red Cross Society, held consecutively every year

2
"Good Deeds for Good Sight" donation for Ban Paew Eye Hospital, Samut Sakhon Province

3
"Thai Aid for Laos Flood Victims"

4
3rd "Let Children Colour Their Dreams" project

5
"Thai Aid for Indonesia Tsunami Victims"

6
"Let Children Colour Their Dreams... Mulberry and Silkworm Learning," Baan Nong Muang Waan Community, Nakhon Ratchasima Province

Anti-Corruption

To ensure that the Bank has appropriate guidelines and procedures to counter corruption, we have established 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. Anti-corruption operation has accordingly been supported in a more concrete manner by campaigning and encouraging employees to participate in creating a transparent organisation culture.

We have put in place and communicated No Gift Policy and Procedures via every channel to prevent and lower potential rise of risks relating corruption and 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. As a way to enhance staff's awareness and understanding, e-learning on the Anti-Corruption Policy and No Gift Policy has been implemented requiring all staff members to study and take the test on a yearly basis,

In addition, as the Board of Directors is well aware of its accountability for all stakeholders, it has the Whistleblowing Policy established aiming to encourage employees to directly report Chairman of the Board, Chairman of the Audit Committee, or President and Chief Executive Officer of concern or complaint on any employee's wrongful act in duty performance, internal fraud and non-compliance with the Bank's work rules. Under the Policy, the employees who are whistleblowers will be protected and treated with fairness. Besides, a channel on the Bank's website is also available through which outside party whistleblowers may also report such incidents.

ASEAN 2025:
Forging Ahead Together

With the official establishment of ASEAN Economic Community (AEC) in 2015 which marked a historic milestone for ASEAN, ASEAN member states have taken steps to forge economic cohesion and integration for their mutual benefits. The AEC Blueprint 2025 has been worked out to provide economic cooperation directions and frameworks for a stronger ASEAN Community towards ASEAN Community Vision 2025, supported by five main elements with the progress made so far as follows:

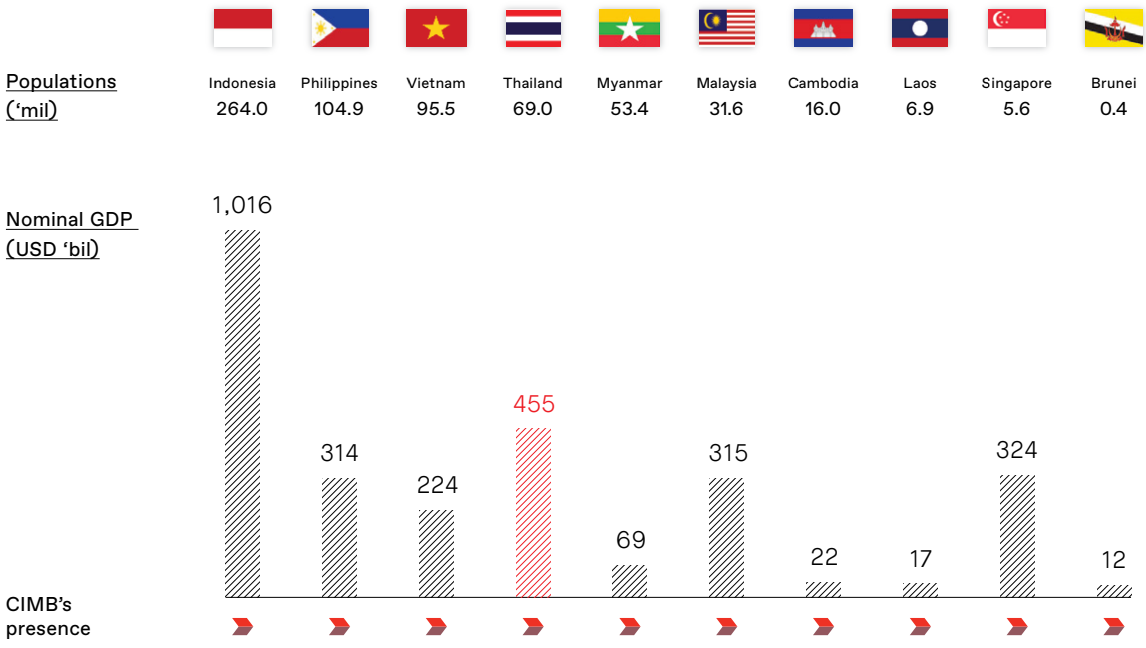
1. An integrated and highly cohesive economy with liberalisation of trade of goods and services, investment and financial services, simplified cross-border trading process, rationalisation of customs clearance process, additional tariffs reduction, lifting or relief of non-tariff measures, and expansion of product sectors for standardisation, by linking systems for exchange of certificates of origin under the Trade in Goods Agreement (e-ATIGA Form D) through electronic customs clearance system at a single point in the region (ASEAN Single Window), signing of agreements on mutual recognition in three sectors; namely, electrical and electronics appliances, pharmaceutical products and food processing, and undergoing intensive negotiations on the new General Agreement on Trade in Services.

2. A competitive, innovative and dynamic community with competitiveness enhancement, consumer protection, strengthened intellectual property rights cooperation, innovation and technology promotion, etc., by developing a roadmap to foster competition law and policy performance, establishing legal framework for a high level of consumer protection in the region, participating in the Madrid Protocol, and planning to mainstream good regulatory practices into the region.

3. Enhanced economic connectivity and sector integration with focus on integrated transportation and infrastructure networks, telecommunication, e-commerce, finance, energy, foods, agriculture, tourism, science and technology to ensure higher efficiency, such as ASEAN e-Commerce plan, ASEAN tourism marketing strategic plan, preparation of the ASEAN Charter in innovation, and so on.

4. A resilient, inclusive and people-centered community with the strengthened role of SMEs and private sector, and public-private partnership by certifying participatory business operation framework, endorsing good registration practice for ASEAN business, and consistently discussing with the ASEAN Business Advisory Council to bring benefits to the private sector through preparation of aligned initiatives.

CIMB Group's Operation in ASEAN Countries



Source : GDP Report from World bank as of Dec 2017

5. Global ASEAN through review and improvement of ASEAN's Free Trade Agreements (FTAs) with counterparties, and forward-looking economic partnership agreements with regional and global partners, such as Hong Kong - ASEAN Free Trade Agreement and intensive dialogue under the Regional Comprehensive Economic Partnership (RCEP), among others.

The achievement of ASEAN Community has been anchored on comprehensive initiatives and plans that take into account the interests of all member countries and their focused efforts that align with the concept "ASEAN 2025: Forging Ahead Together." This is thus a challenge for the country designated to chair ASEAN in each year.

Thailand will assume the chairmanship of ASEAN in 2019, hosting the ASEAN Summit attended by leaders and meetings of high-ranking officials and ministers, altogether more than 170 sessions. The official theme for Thailand's chairmanship is "Advancing Partnership for Sustainability," in which each term has the meaning linking the strategy of Thailand as the ASEAN Chair and indicating that ASEAN will advance under close partnership towards sustainability. Thailand's ASEAN chairmanship in 2019 aims to boost cooperation for the strengthening of the ASEAN Community so as to propel ASEAN to move forward together as one people-centered community with priority given to sustainable development, and promotion of connectivity and mutual forward-looking mindset. This will eventually bring peace and prosperity to the people across the region.

LOOKING FORWARD

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

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. Such outward investments are aimed at maintaining or building competitive advantage, in terms of access to raw materials, prices of raw materials, especially those from agricultural sector, and labour cost advantage for labour-intensive industries, as well as entitlement to the generalised systems of preferences (GSP) from several developed countries.

Thai Economy in 2018 and Outlook for 2019

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

The first engine is private consumption (C) which has a notable growth of around 4.6% in 2018. It is not normal, though possible, for private consumption to grow at a more rapid pace than GDP. However, taking components of private consumption into account, its growth should come from such temporary factor as purchase of cars. Car consumption has been in an about 6.8% proportion and enjoyed a healthy YoY growth of 12.9%. This may be because it has been the time for consumers to replace their cars after the first car scheme ended five years ago, or purchasing powers of middle to high income consumers remain in good shape. Nonetheless, consumers do not change cars every year. Car sales will eventually slow down, with sales peak expected in 1Q2019. It is also difficult to rely on other components to compensate for car sales which would grow at a decelerating rate, as the sectors related to way of living of middle to low income consumers have grown only slightly or even declined. These include foods, beverages and garments. Sectors of hope are tourism-related businesses, such as restaurants, hotels and transportation. However, so far as number of tourists is concerned and despite expected recovery in 2019, tourism may not grow so significantly as in 1H2018 before the Phuket tourist boat capsizing which has discouraged Chinese tourist inflows.

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

The third engine is government spending (G), though staying at a low growth of around 1.8%, has started to aim at promoting the welfare of the elderly and the poor and transfer of state funds to these people has grown substantially. However, distribution of money can merely help relieve low income people's economic problems to some extent. For the past several years, farm income has contracted, and despite a turnaround expectation to positive in 2019, income in the agricultural sector is still not well distributed, while prices of most agricultural

products remain on a decline. Government spending may thus be unable to fuel the economy unless the government seeks to concurrently improve income generating capability of people in this sector, such as provision of occupational training or seeking new markets for farm produce to increase their income, reduction of expenses, or eradication of middlemen, etc.

The last engine is net export (X-M), a hero in 1H2018, which ran out of steam in 3Q2018 following export shrinkage in September and slowing tourism income. Looking forward to 2019, we expect export to grow around 3-4% in line with continued growth of global economy. Despite some slowdown due to the trade war and Chinese economic decline, there have been clearer signs of resolution which will further help drive global trade. Another risk factor is high stockpiling in the last year ahead of the trade war may put pressure on trade partners' imports of goods in 2019, hence possible slow growth of Thai export. In view of tourism, we expect Chinese tourist inflows will rebound and grow in 2019 as Chinese tourists still have positive attitudes toward Thailand and the recent decline may only be caused by their safety concerns. However, Chinese tourist inflow growth next year may not be as strong as in the past.

OUTLOOK FOR 2019

All in all, Thai economic growth reached 4.1% in 2018 and is predicted to slow to 3.7% in 2019, which is still higher than that in the previous years though lower than the country's long-term growth potential. In view of currencies, Thai baht is expected to slightly strengthen against US dollar, mainly attributable to the prevailing high current account surplus and greater confidence of investors in emerging markets following clarity on the US's interest rate hikes. We think the increase in the Fed funds rate will be less than market expectation on the back of moderate inflation. The baht should stay at 32.00 against the dollar by the end of this year from 32.34 baht per US dollar at the end of 2018.

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

CONSUMER BANKING

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

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

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

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

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

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

TRANSACTION BANKING

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

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

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

With CIMB Group's strong ASEAN platform and network, we are well positioned to support and deliver transactional flow across ASEAN and beyond to meet the needs of aspiring and expanding

enterprises and customers. We will continue to innovate and roll out new digital customer servicing tools and products, such as payment via QR gateway, mobile banking, and supply chain management to "Forward Customers' Aspirations."

WHOLESALE BANKING – CORPORATE BANKING AND INVESTMENT BANKING

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

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

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

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

Most of our revenues came from significant client groups who entrust us as their main bank, including those with ASEAN aspirations in line with our strategy and motto: "Be More Relevant to Important Clients & Accelerate Our ASEAN Initiatives."

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

Corporate Banking and Financial Institutions Thailand & CLMV

CIMB Thai's Corporate Banking (CPB) offers a comprehensive range of financial services, such as working capital loans for general business, term loans, project financing, and trade finance as well as other various financial services like cash management and foreign exchange to large corporate clients in a diverse range of business sectors, for example, commercial, manufacturing, property development, and transportation, while FI provides financial services to financial institutional customers, both banks and non-bank entities such as leasing, securities, asset management, and insurance companies. As most clients have had a long-time relationship with the Bank, we work alongside them as their strategic business partner that supports them towards a strong and sustainable business growth. We also offer them business and investment opportunities throughout and within the CIMB Group's regional network.

CPB and FI have collaborated with Research Office in keeping abreast of business and economic trends, and with Risk Management in expanding our exposure and business to low risk sectors. We have also targeted large clients with strong financial position and investment plans into ASEAN and those with cross-selling opportunities. These include big projects which generate comprehensive income, e.g. interest, fee and financial advisory income, and other income from transactional banking and hedging products, as well as equity and debt underwriting to serve all the clients' financial needs.

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

In view of the business plan from 2019 onwards, CPB and FI will focus on generating firm and consistent income with priority given to key account management and planning to achieve recurring income along with cross-selling opportunities. Our strategy is to reach out to selected major client groups as well as acquisition of new clients with strong potential to continuously improve our asset quality. Furthermore, we will keep expanding our business and service across ASEAN and foster business and relationships with foreign clients to promote foreign direct investment in Thailand with cooperation from other CIMB Group members.

Investment Banking

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

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

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

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

Key successful deals in 2018 included:

Debt Markets	Role	Issue Size (THB mil)
Government Housing Bank	Sole Lead Underwriter	9,200.00
TPI Polene Public Company Limited	Sole Lead Underwriter	8,000.00
True Move H Universal Communication Company Limited	Joint Lead Underwriter	4,628.32
TPI Polene Power Public Company Limited	Sole Lead Underwriter	4,000.00
Toyota Leasing (Thailand) Company Limited	Joint Lead Underwriter	3,500.00
Mitr Phol Sugar Corporation Company Limited	Joint Lead Underwriter	3,065.00
Provincial Electricity Authority	Sole Lead Underwriter	3,000.00
Small and Medium Enterprise Development Bank of Thailand	Sole Lead Underwriter	3,000.00
SC Asset Corporation Public Company Limited	Sole Lead Underwriter/ Joint Lead Underwriter	2,400.00
Ananda Development Public Company Limited	Sole Lead Underwriter/ Joint Lead Underwriter	2,000.00
Origin Property Public Company Limited	Joint Lead Underwriter	1,715.00
Ticon Industrial Connection Public Company Limited	Joint Lead Underwriter	1,666.67
Srisawad Corporation Public Company Limited	Joint Lead Underwriter	1,666.66
Central Pattana Public Company Limited	Joint Lead Underwriter	1,450.00
AEON Thana Sinsap (Thailand) Public Company Limited	Joint Lead Underwriter	1,400.00
True Corporation Public Company Limited	Joint Lead Underwriter	1,265.00
Sena Development Public Company Limited	Joint Lead Underwriter	1,100.00
State Railway of Thailand	Sole Lead Underwriter	1,000.00
Muangthai Capital Public Company Limited	Joint Lead Underwriter	882.40
Krungthai Car Rent and Lease Public Company Limited	Sole Lead Underwriter	600.00
Univentures Public Company Limited	Joint Lead Underwriter	500.00
Ratchthani Leasing Public Company Limited	Sole Lead Underwriter	450.00
Thai Airasia Company Limited	Joint Lead Underwriter	250.00

COMMERCIAL BANKING

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

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

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

COMPETITIVE ENVIRONMENT - MARKET SHARES

Unit: THB million

Banks	Assets	Market share	Deposits	Market share	Loans	Market share
Siam Commercial Bank	3,187,340	18.3%	2,159,631	17.0%	2,140,561	17.2%
Kasikornbank	3,155,091	18.2%	1,995,001	15.7%	1,914,073	15.4%
Bangkok Bank	3,116,750	17.9%	2,326,470	18.3%	2,083,160	16.7%
Krung Thai Bank	2,739,203	15.8%	2,039,602	16.1%	2,023,938	16.3%
Bank Of Ayudhya	2,173,622	12.5%	1,426,348	11.2%	1,672,018	13.4%
Thanachart Capital	1,046,612	6.0%	752,160	5.9%	753,498	6.1%
TMB Bank	891,713	5.1%	649,568	5.1%	685,707	5.5%
CIMB Thai Bank	355,849	2.0%	185,101	1.5%	226,300	1.8%
Kiatnakin Bank	306,329	1.8%	181,694	1.4%	227,896	1.8%
Tisco Financial Group	302,562	1.7%	193,108	1.5%	240,654	1.9%
Others*	96,868	0.6%	783,411	6.2%	477,166	3.8%
Total	17,371,939		12,692,093		12,444,971	

Source: *1) Commercial bank's consolidated financial statement as of December 2018 (Unaudited)*
2) Commercial banks' assets and liabilities base on report of Bank of Thailand (FI_CB_002_S4)

Note: Others : United Overseas Bank (Thai) Public Company Limited, Land And Houses Bank Public Company Limited, Standard Chartered Bank (Thai) Public Company Limited, Bank Of China (Thai) Public Company Limited Industrial And Commercial Bank Of China (Thai) Public Company Limited, Mega International Commercial Bank Public Company Ltd, Thai Credit Retail Bank, Sumitomo Mitsui Trust Bank (Thai) Public Company Limited Anz Bank (Thai) Public Company Limited*

PROCUREMENT OF PRODUCTS AND SERVICES

Source of Funding

As at 31 December 2018, deposits managed by the Bank stood at THB 195.3 billion (including interbank and money market deposits), whilst borrowings (including interbank and money market borrowings) amounted to THB 84.2 billion. Of the total, 78.5% was used for gross loans including accrued interest, and the balance was applied towards interbank and money market items and investments. The Bank has closely monitored its liquidity gap in each period in line with the policy in place to acquire and utilise funds in an efficient and effective manner.

Comparing the Bank's loans and deposits, total gross loans with maturity of not more than one year stood at THB 56.5 billion and loans with maturity of more than one year amounted to THB 164.8 billion. Meanwhile, deposits with maturity of not more than one year stood at THB 185.1 billion and those with maturity of over one year amounted to THB 10.2 billion.

Capital Adequacy Ratio

As at 31 December 2018, CIMB Thai group's capital adequacy ratio (CAR), common equity tier 1 (CET1) capital and tier 1 capital were 19.3%, 14.1% and 14.1%, respectively, while those of the Bank were 18.7%, 13.3% and 13.3%, respectively. The Bank has maintained a robust capital with CAR, CET1 and tier 1 capital ratios well above the Bank of Thailand's minimum requirements.

Unit: THB billion

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

TREASURY & MARKETS

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

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

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

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

The Asset Research

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

Furthermore, CIMB Thai is one of the key players in the debt capital market, ranking no. 6 with a 6.18% market share in THB corporate bond underwriting league table published by Bloomberg, and ranking among the top 3 in state-owned enterprise bond underwriting with a 24.34% market share announced by Thai Bond Market Association. Regarding secondary market, CIMB Thai has ranked no. 3 with a 13.28% market share in terms of trading value according to a league table reported by Thai Bond Market Association.

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

LIQUIDITY RISK MANAGEMENT POLICY

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

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

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

The Bank will continue to emphasise and improve its retail customer acquisition to match its asset expansion. Its liquidity management strategy is to drive the accumulation of current accounts and saving accounts (CASA), as well as retail term deposits as more economical and stable sources of funding, while using the more price sensitive corporate deposits, bills of exchange, short-term debentures, and structured products as a means to balance out the funding and liquidity of the Bank. The Bank has designated functional teams to be responsible

for the proper marketing strategy for each segment and to strengthen the Bank's relationship with the clients to sustain long-term deposit growth. In addition, the Bank has in place an early warning system which is closely monitored, together with a contingency funding plan, to alert and enable the management to take effective and efficient measures during a liquidity crunch and in prevailing adverse market conditions.

CREDIT APPROVAL

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

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

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

COLLATERAL POLICY

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

DEBT MONITORING GUIDELINES AND FOLLOW-UP PROCEDURES

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

AQC has been set up to closely monitor development of those watch list accounts, NPL accounts and any other accounts requiring close attention, provide guidance, approve or recommend recovery actions to be taken for those watch list and NPL accounts so that the Bank can

effectively manage both potential problem loans and problem loans including debt classification, provisioning, and recovery actions to minimise loss and maximise recovery for the Bank.

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

DEBT RESTRUCTURING POLICY

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

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

POLICY ON ASSET CLASSIFICATION AND LOAN LOSS PROVISION

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

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

POLICY FOR INTRA-GROUP TRANSACTION OF THE FINANCIAL GROUP

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

The policy is also to ensure that intra-group transactions of the Bank's financial business group are in compliance with the Bank of Thailand's regulations, e.g. the same procedures for normal customer transactions also apply to intra-group transactions, legally enforceable documents

executed and terms and conditions imposed are the same as those applicable to normal customers with the same risk level, etc.

HIGHLIGHTS OF CORPORATE BRANDING ACTIVITIES IN 2018

In 2018, CIMB Thai pursued execution of our "FORWARD" brand promise and positioning according to CIMB Group policy. It has reflected our determination giving a high priority to the way our customers think and what they need so that we can offer our financial support and solution towards the target. We have launched our new commercial campaign "Brighter Side" aiming to promote rendering of moral support from families and friends that can encourage people to overcome obstacles they face according to the theme 'Just like the friendship we value as a guiding light in time of need to overcome difficulties, CIMB Thai Bank is ready to work and walk alongside you towards your goal.' The commercial was shown both online and through traditional media like TV, during the top-hit Thai drama series "Bupphesanniwart (Pre-destined Love)" was on air, as well as such out-of-home media as digital signage at SHOW DC mega complex and BTS's in-train LCD screens, etc.

As an extension of the concept of "Brighter Side" underlining the importance of offering of moral support and readiness of the Bank to solve their problems and achieve the targets set forth, which is in line with our "FORWARD" brand promise, we organised the first triathlon activity titled "CIMB THAI Triathlon for ASEAN Day" in celebration of ASEAN Day on 5 August 2018 as a big tournament for the general public with focus on CIMB Preferred customers who had undergone a preparation training in the 2nd "Exclusive Triathlon Training by CIMB Preferred" programme. The tournament brought an impressive experience for more than 500 athletes and built CIMB Thai brand awareness among the general public.

In addition, CIMB Thai continued to use both online and traditional media channels in proactive marketing promotion of our financial products to better meet target customers' demand for such products as personal loans and refinanced housing loans, with offering of special interest rates to cater to individual needs, as well as a diverse range of deposit and investment products with favourable returns under advice from our investment experts. The year saw us launch CIMB THAI Wealth Academy to create Wealth Stars as professional financial advisors. The programme drew more than 1,000 participants selected by the Bank to undergo theoretical and practical training for self-development so that they are prepared for the professional financial advisory career. This has served as a good start for those who would like to be quality personnel in the financial arena being ready to provide financial and investment advice that effectively respond to individual customers' needs. We also joined five Money Expo events in Bangkok, Nakhon Ratchasima, Udonthani, Chiang Mai and Songkhla (Hat Yai) under the theme "CIMB Thai Wealth Paradise" aimed to expand customer base in each region with customers invited to set their targets beyond their financial returns, that is, bringing about happiness from their financial wealth and having our financial advisors help them increase their wealth so that they have more time for their personal life.

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

Analysis of Financial Standing and Operating Performance

1. Consolidated operating results

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

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

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

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

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

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

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

For the year ended 31 December 2018, operating expenses went up by THB 733.0 million or 9.6% YoY, mainly from higher personnel cost in line with the Bank's business

expansion strategy under the Fast Forward program and loss on sale of properties for sale. This resulted in an increase in cost to income ratio to 61.7% in 2018 from 57.9% in 2017.

(c) **Net profit**

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

(d) **Return on equity**

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

2. CONSOLIDATED FINANCIAL STANDING

Assets

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

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

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

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

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

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

Asset quality

(a) **Loans and loan concentration**

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

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

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

(b) Classification of assets

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

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

(c) Non-performing loans (NPLs)

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

(d) Income recognition

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

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

Liabilities

As at 31 December 2018, CIMB Thai group's total liabilities amounted to THB 318.9 billion, up by THB 51.4 billion or 19.2% YoY as follows:

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

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

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

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

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

Equity

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

Off balance sheets: Commitments

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

(Unit: THB million)

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

Liquidity

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

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

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

Net cash flows provided by financing activities were THB 19.8 billion, comprising proceeds from net cash received from structured debentures and cash received from capital increase.

Relationship between sources and applications of funds

Two major sources of funds for the Bank were deposits and borrowings, while the applications of funds covered the extension of loans. As at 31 December 2018, the Bank had deposits, borrowings and loans classified by maturity as follows:

(Unit: THB billion)

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

*Including interbank and money market items.

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

(Unit: THB billion)

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

*Including interbank and money market items.

Credit Rating

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

Fitch Ratings	August 2018
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)

Moody's Investors Service	June 2018
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

RAM Ratings	August 2018
Financial institution ratings	AA2/Stable/P1
Tier-2 subordinated debt	AA3/Stable

Financial Ratios

Capital funds and capital adequacy ratio

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

Liquidity and loan to deposit ratio

The Bank has maintained the average cash reserve ratio at 1% of the total deposits and borrowings in accordance with the BOT regulations. As at 31 December 2018, the Bank's cash in hand, cash at cash center and cash at BOT totaled THB 3.4 billion. Its modified loan to deposit ratio was 94.0%, compared with 93.9% a year earlier, which was in line with its business plan.

Appointment of external auditor and consideration of audit fees

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

Remuneration for external auditor

For the year ended 31 December 2018, fees paid to the external auditor were as follows:

(1) Audit fee

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

(2) Non-audit fee

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

REVENUE STRUCTURE

1. CIMB Thai Bank Public Company Limited

1.1 Total operating income

(Unit: THB million)

For the years ended 31 December

		2018	%	2017	%	2016	%
	Interest income						
1.	Interest on loans	10,435.6	110.0	10,558.0	104.9	11,320.1	109.1
2.	Interest on interbank and money market items	127.4	1.3	165.0	1.6	68.7	0.7
3.	Investments	1,664.3	17.5	1,144.4	11.4	1,313.4	12.7
4.	Others	114.3	1.2	45.8	0.5	21.6	0.2
	Total interest income	12,341.6	130.0	11,913.2	118.4	12,723.8	122.7
	Interest expenses						
1.	Deposits	2,342.4	24.6	2,387.7	23.7	2,611.6	25.2
2.	Interest on interbank and money market items	351.3	3.7	218.7	2.2	281.8	2.7
3.	Contribution fee to Deposit Protection Agency and FIDF	1,007.8	10.6	962.2	9.6	991.1	9.6
4.	Debt securities issued and borrowings	712.4	7.5	711.6	7.1	871.0	8.4
5.	Others	101.4	1.1	45.0	0.4	51.5	0.5
	Total interest expenses	4515.3	47.5	4,325.2	43.0	4,807.0	46.4
	Net interest income	7,826.3	82.5	7,588.0	75.4	7,916.8	76.3
	Operating income	1,662.4	17.5	2,475.9	24.6	2,454.9	23.7
	Total income	9,488.7	100.0	10,063.9	100.0	10,371.7	100.0

1.2 Non-interest income and expenses

(Unit: THB million)

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

2. CIMB Thai's Subsidiaries

(Unit: THB million)

	For the years ended 31 December					
	2018	%	2017	%	2016	%
1. CIMB Thai Auto Co., Ltd.						
Interest income	2,519.3	97.2	2,289.0	97.5	1,734.0	102.9
Interest expense	698.5	26.9	617.7	26.3	551.0	32.7
Net interest income	1,820.8	70.3	1,671.3	71.2	1,183.0	70.2
Operating income	771.6	29.7	676.0	28.8	502.7	29.8
Total income	2,592.4	100.0	2,347.3	100.0	1,685.7	100.0
2. WorldLease Co., Ltd.						
Interest income	1,182.2	73.7	1,038.6	88.9	948.5	97.0
Interest expense	104.4	6.5	109.9	9.4	183.0	18.7
Net interest income	1,077.8	67.2	928.7	79.5	765.5	78.3
Operating income	525.2	32.8	240.2	20.5	211.8	21.7
Total income	1,603.0	100.0	1,168.9	100.0	977.3	100.0
3. CT COLL Co., Ltd.						
Interest income	0.4	10.1	0.6	1.6	0.7	1.5
Interest expense	0.0	0.0	0.2	0.5	0.2	0.4
Net interest income	0.4	10.1	0.4	1.1	0.5	1.1
Operating income	3.5	89.9	37.3	98.9	45.3	98.9
Total income	3.9	100.0	37.7	100.0	45.8	100.0

Business Assets

(1) Premises and equipment

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

(2) Commitments under long-term leases

As at 31 December 2018 and 2017, CIMB Thai group had entered into a number of agreements to rent land, buildings and vehicles for contractual periods of six months or more. Rental fees to be paid as specified in the agreements can be summarised as follows:

	Consolidated		Separate	
Lease periods	2018 THB million	2017 THB million	2018 THB million	2017 THB million
Not over than 3 years	261	326	197	231
3 - 5 years	25	10	4	5
5 - 10 years	3	4	3	4
Total	289	340	204	240

(3) Other commitments

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

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

Risk Management
Overview

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

Key components of the EWRM framework are presented below:

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

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

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

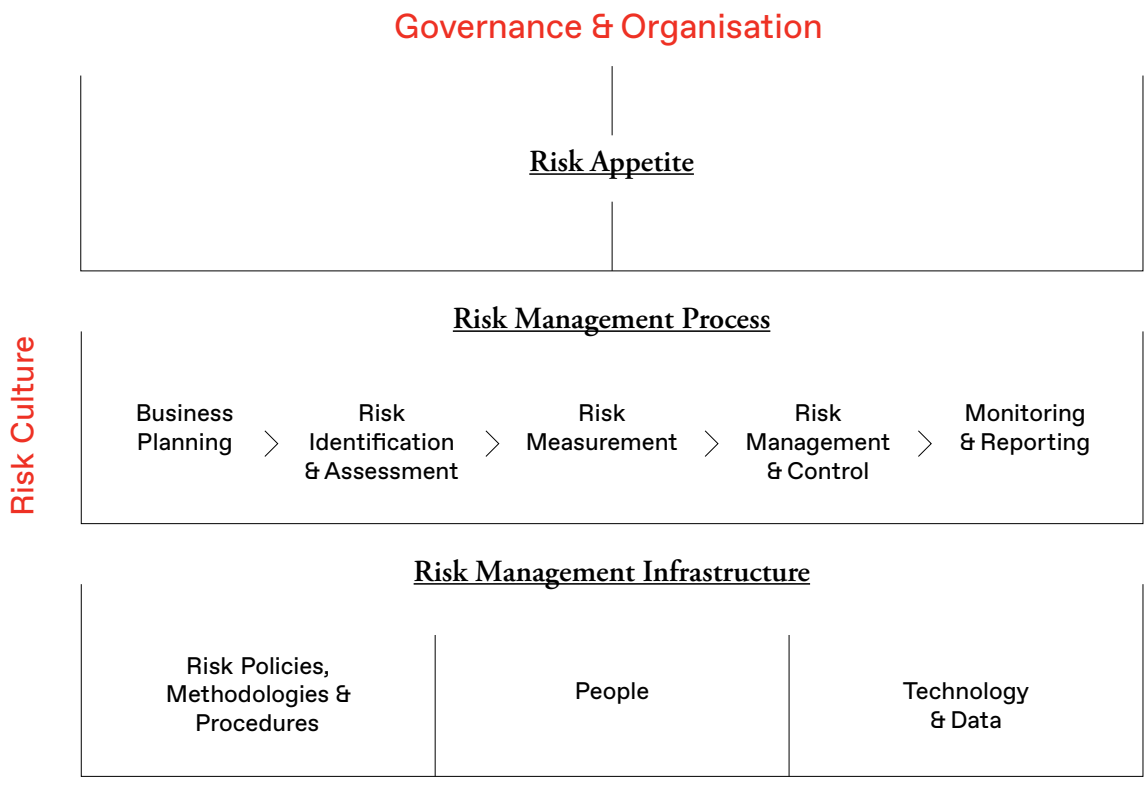
RISK MANAGEMENT PROCESS

- Business Planning: Risk management is central to the business planning process, including setting frameworks for risk appetite, risk posture and new product/new business activities.

- Risk Identification & Assessment: Risks are systematically identified and assessed through the robust application of the Bank's risk policies, methodologies/standards, work procedures/process guidelines.

- Risk Measurement: Risks are measured and aggregated using Bank-wide methodologies across each of the risk types, including stress testing.

- Risk Management and Control: Risk management limits and controls are used to



manage risk exposures within the risk appetite approved by the Board of Directors. Risk management limits and controls are regularly monitored and reviewed in the face of evolving business needs, market conditions and regulatory changes. Corrective actions are taken to mitigate risks.

- Risk Monitoring and Reporting: Risks on an individual and portfolio basis are regularly monitored and reported to ensure they remain within the Bank's risk appetite.

RISK MANAGEMENT INFRASTRUCTURE

- Risk Policies, Methodologies/Standards and Procedures/Process Guidelines: Well-defined risk policies by risk type provide the principles by which the Bank manages its risks. Methodologies/Standards provide specific directions that help support and enforce policies. Procedures/Process Guidelines provide more detailed guidance to assist with the implementation of policies.

- People: Attracting the right talents and skills are key in ensuring a well-functioning EWRM framework. The organisation continuously evolves and proactively responds to the increasing complexity of the Bank's operations, as well as the economic and regulatory environment.

- Technology and Data: Appropriate technology and sound data management support risk management activities.

CIMB Thai focuses on sound and effective risk management principles to ensure not only the financial soundness and integrity but also sustainability of the organisation and that the returns must commensurate with the risks taken. The risks to which a bank is particularly exposed in the conduct of businesses are credit risk, market risk, liquidity risk, operational risk and strategic risk.

With regard to the risk management governance and oversight, the Board Risk Committee (BRC) has been appointed by the Board of Directors (BOD) to ensure independent and greater risk governance and accountability for all types of risks and to report directly to BOD. BRC is

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

Risk Management has been established to act as a catalyst for the development and maintenance of sound risk management policies, strategies and procedures within the Bank. It provides functional support to BRC, RMC, Credit Committee, Risk Management sub-committees and assists the Management in managing risks inherent to the Bank and its businesses. Risk Management is independent from other business units involved in risk taking transactions or activities. Special Assets Management has also been formed under Risk Management with responsibilities to manage credit quality concern assets as well as to provide strategy and advice to early manage clients with signs of deterioration in credit quality.

STRATEGIC RISK

Strategic risk is the risk of losses as a result of insufficient consideration of possible threats to the Bank's activities, insufficiently substantiated prospective business where the Bank could gain advantage over its competitors, or lacking or incomplete provision of necessary resources and organisational measures that are required to achieve strategic objectives.

The major goal of strategic risk management is to maintain the risks taken by the Bank at the levels determined in accordance with its strategic tasks and to ensure safety of assets and capital by minimisation of possible losses. The Bank defines risk appetite subject to approval by the BOD. It uses the following strategic risk management methods: business planning, financial planning, monitoring of approved plan implementation, market analysis, SWOT analysis and readjustment of plans where necessary. Senior management and the BOD are closely involved and engaged throughout the formulation process. Subsequent to the implementation stage, the BOD and designated Management Committee regularly monitor and review actual results against the targets and plans.

CREDIT RISK

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

The Bank has continuously reviewed and improved risk assessment tools for different types of clients and in line with the growth of portfolios. The tools include corporate rating model that has been developed and implemented for corporate clients, SME rating model for SME clients, life insurance model and general insurance model for life & non-life bancassurance customers, specialised lending rating models such as project finance (PF) model, income producing real estate (IPRE) for specialised customer groups, new credit underwriting tools for small SME clients to be implemented in 2019, and credit scoring tools and system for retail, secured and unsecured loans as well as hire purchase. Credit rating and credit scoring tools are implemented in work systems to ensure efficiency of rating/scoring and model performance monitoring. Moreover, the Bank has also put in place Acquisition Quality Trigger (AQT) to closely monitor the quality of new acquisition of retail customers more effectively.

Non-performing loan (NPL) is one of the key risks affecting profitability and capital adequacy of the Bank. As such, we closely and prudently monitor and manage NPL, thus allowing for maintaining of adequate provisions for bad debts. In addition, as a pre-emptive measure, problem accounts are proactively monitored and managed before they turn into NPL. For portfolio risk management, particular attention is given to credit concentration risks by imposing appropriate risk limits, i.e. country risk limits, internal lending limits and business sector limits with RAG (Red, Amber & Green) indicators used to monitor concentration risk as well as to provide a better visual guidance to credit granting decision, i.e. Red – "Restricted," Amber – "Selective," and Green – "Grow." The Bank also performs stress tests on credit risk to evaluate the impact on the Bank in the event of unfavourable economic and financial conditions, in both plausible scenario and extreme scenario.

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

MARKET RISK

Market risk is defined as any fluctuation in the market value of the trading transaction or investment exposure. Therefore, market risk occurs when the Bank undertakes transactions which are exposed to fluctuation in market parameters such as interest rates, foreign exchange rates, securities prices in capital and commodity markets, and may negatively affect both the revenue and capital position of the Bank. The Bank employs the market risk policy to ensure that the rules and procedures are in compliance with both the regulatory requirements and the Bank's policy. The Bank has a work unit, independent from risk originating units, to monitor and control market risk. It also regularly assesses and determines the capital reserves to buffer against market risk, which is compliant with the Bank of Thailand's regulations.

Market risks include the following:

1. Interest rate risk

Interest rate risks of transactions in the trading book are under the supervision of RMC within the framework prescribed by the BOD. The calculation of fair value for trading transactions is performed on a daily basis in order to monitor the mark-to-market profits and losses. Daily risk status reports are also independently produced by Risk Management work unit. The one basis point shift (PV01) limit, Greek limit, Value-at-Risk (VaR) limit and stop loss limit are set to control the risks associated with movements in interest rates which might affect the revenue and capital reserves of the Bank.

2. Foreign exchange risk

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

3. Market risk of equity securities and commodity related transactions

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

4. Market risk of other market risk underlyings

The Bank offers structured products to be alternative investments for clients. However, if the market risk underlyings are those other than interest rate risk or foreign exchange risk, the Bank will fully hedge against such market risk underlyings. Therefore, no market risk exposure from other market risk underlyings has materialised.

LIQUIDITY RISK

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

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

Liquidity risk factors mainly comprise the structure of the sources and use of funds, the shift in deposit mobilisation of commercial banks towards a larger share in low-cost deposits amidst a low interest rate environment, and the influence of liquidity coverage ratio (LCR) guidelines, which focus on growing transactional current and saving accounts and net stable funding ratio (NSFR), focusing on the liquidity adequacy over the time horizon of one year. Additionally, the monetary policies adopted by the Bank of Thailand and central banks of major countries may directly affect the movement of international capital flows and lead to money market fluctuations, which may subsequently affect liquidity and increase funding costs.

The responsibility for liquidity risk management and control is delegated to Asset and Liability Management Committee (ALCO) which meets at least once a month to discuss the liquidity risk and funding profile/plan of the Bank. ALCO is responsible for the overall management and oversight of liquidity and review/recommendation of liquidity risk management policy before seeking approval from the BOD. ALCO is also in charge of approving liquidity risk tolerance.

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

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

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

INTEREST RATE RISK IN BANKING BOOK

Interest rate risk in banking book (IRRBB) normally arises when the repricing and/or maturity schedule of assets, liabilities and off balance sheet positions are not matched, or when the movements of reference interest rates on assets and liabilities are not correlated, negatively affecting net interest income (NII) and/or economic value of equity (EVE).

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

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

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

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

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

OPERATIONAL RISK

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

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

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

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

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

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

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

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

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

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

5. New product approval process

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

Complaint management process

The Bank is aware of reputation and customer satisfaction. It has set up Customer Experience Management (CX) who will work closely with CIMB Thai Care Centre and other customers' contact points to efficiently handle client complaints and queries made via the Bank's contact channels e.g. online channel (via Facebook), branches, etc. CX will act as an independent centralised complaint management unit to ensure that all customer complaints are handled objectively by relevant subject matter experts in a timely and fair manner.

CX is also responsible for collating customer complaints data and trends including their respective solutions to Customer Experience Work Group for acknowledgement and consideration of proper remedial actions. This process aims to improve customer satisfaction and enhance customer experience with the Bank, as well as to seek preventive actions against recurrence of such incidents. Customer complaints trend and solutions will regularly be reported to Management Committee and Audit Committee (AC) on a monthly basis.

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.

Internal audit and compliance

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

Risk related to foreign investment

The current exposure of foreign equity investment as a result of the amalgamation is in an insignificant amount. In addition, the Bank has a policy not to increase any exposure in foreign equity investment.

Corporate Governance Report

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

CORPORATE GOVERNANCE PRINCIPLES

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

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

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

CORPORATE GOVERNANCE

1. RIGHTS OF SHAREHOLDERS

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

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

Before the AGM, from 1 October 2017 to 31 December 2017, shareholders were invited to propose matters for inclusion in the meeting agenda and propose names of qualified candidates for election as directors of the Bank in accordance with the Bank's rules and criteria. For the 2018 AGM, a group of shareholders nominated a candidate for election as the Bank's director at the 2018 AGM. However, the nomination of the person to be elected as the director by the shareholders was not in compliance with the Bank's criteria for granting shareholders the right to nominate a candidate for election as a director of the Bank. NRCC thus did not propose the nominated candidate to the Board for further proposal to the shareholders' meeting for consideration.

To convene the 2018 AGM, the Bank sent an invitation notice in which each agenda item was clearly identified whether it was for acknowledgement or consideration, together with background, rationale, and recommendations of the Board, as well as supporting documents which comprised criteria of meeting attendance and voting, proxy grants by shareholders, and the 2017 annual report in hard copy. The Bank has assigned Thailand Securities Depository Co., Ltd., the Bank's share registrar, to send the notice to shareholders for consideration 14 days before the meeting. This allowed shareholders to have time to study the information beforehand. The Bank also published the notice and other supporting documents on its website at least 14 days before the meeting. The notice was also made available to public via the disclosure channel of the Stock Exchange of Thailand (SET). Furthermore, in accordance with regulatory requirements, the notice was published in newspapers for three consecutive days at least three days before the meeting. On the AGM date, various measures were taken to facilitate participation by the shareholders or proxy holders, including assigning staff to verify their related credentials to preserve their rights and ensure equitable treatment is offered to all shareholders. Registration of attendees was conducted through a bar code system with separate voting slips provided for each agenda item. The shareholders and proxy holders had the opportunity to register at least two hours before the meeting began. Also, during the meeting, the shareholders could register their attendance to exercise their voting rights for any agenda item for which resolutions had not yet been passed. The Bank prepared proxy forms and details on proxy granting for shareholders who had appointed proxies to attend the meeting on their behalf. The proxy form and details on proxy granting were submitted together with the invitation notice to all shareholders. The Bank also provided an additional option to shareholders by providing the names and backgrounds of independent directors whom shareholders could consider for their proxy appointment. At the 2018 AGM, six shareholders appointed a member of the Audit Committee who is an independent director to attend the AGM and vote on the shareholders' behalf.

At the 2018 AGM, 90% of the Board members and 319 shareholders and proxies attended the meeting, with total shares held of 29,334,795,657 shares representing 96.8777% of the total issued shares. Before the meeting began, the Chairman had assigned the Company Secretary to give an explanation regarding voting rights and procedures to the attendees. The Chairman assured the shareholders that they would have equal opportunity to ask questions, raise any issues or make recommendations without language restriction as simultaneous English translation would be provided for foreign shareholders. In addition, the Bank gave multimedia presentation of the proposed information for the meeting. At the meeting, members of the Board and relevant executive officers answered or clarified related issues clearly and comprehensively. Issues raised and recommendations given were recorded in the meeting minutes. Voting was conducted in an open and transparent manner whereby vote casting for each agenda item followed the order specified in the notice and no modifications were made to the original agenda. Voting results on each agenda item were tallied through the bar code system and ballots of shareholders who disagreed and abstained from voting were kept. After the meeting, the minutes of the meeting were prepared in an accurate and comprehensive manner, including a summary of issues raised and clarifications or views provided as well as detailed votes for each agenda item which showed the number of votes cast for and against the motion, etc. The draft minutes of the 2017 AGM were submitted to the relevant supervisory authorities within 14 days from the meeting date as prescribed by law, and posted on the Bank's website, www.cimbthai.com, for shareholders' reference.

2. EQUITABLE TREATMENT OF SHAREHOLDERS

The Bank recognises the importance of fair treatment of all shareholders including its duty on protection of shareholders' interests. Measures are in place to prevent the use of internal information for personal gains by the Board members, executives and employees. The Board has set a policy and procedure to prohibit unauthorised disclosure of material, non-public information which may affect the Bank's securities. Such policy and procedure require members of the Board, executives and employees, including spouses and underage children thereof, to refrain from using information that has become privately known to them for purchase, sale, transfer or receipt of transfer of securities of the Bank during a one-month period before such information goes to public. Moreover, members of the Board and executives from levels of Senior Executive Vice President or the equivalents upward, and those holding executive positions or heads of work units or the equivalents upward in the Accounting or Finance function line are duty-bound to report every of their sale or purchase of securities of the Bank and any change of the holding thereof, to the Office of the SEC, and keep copies of such reports at the Office of the President as evidence. In addition, to ensure an efficient and transparent management, the Bank has formulated Code of Ethics and Conduct and guidelines for the Board, executives and employees on the use of internal information and operation guidelines with avoidance of conflicts of interest.

3. ROLE OF STAKEHOLDERS

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

CIMB Thai Code of Conduct

1) Clients

The Bank takes its commitment seriously to provide clients with high-quality products and services while safeguarding their interests and treating them fairly in all aspects of their dealings with

the Bank. To pursue with this objective, the Bank has set up Customer Experience Management (CX) as a work unit to work closely with CIMB Thai Care Centre and other customers' contact points to efficiently handle client complaints and queries. The Customer Complaint Handling Policy has been established to set out the standard framework and mechanism when dealing with customers' complaints in accordance with local regulatory requirements and CIMB Group standards. The Policy enables CX to act as an independent centralisd complaint management unit to ensure that all customer complaints are handled objectively by relevant subject matter experts in a fair and timely manner. This is to ensure prompt and constructive responses are given to customers, which will in turn build customers' loyalty and trust in CIMB Thai. In addition, customers' confidentiality is strictly observed at all times unless the disclosure is required by law or authorised in writing by the customers.

2) Shareholders

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

3) Employees

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

4) Creditors and Business Partners

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

5) Competitors

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

6) Responsibility towards the Community and the Environment

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

4. DISCLOSURE AND TRANSPARENCY

The Bank places great importance to ensuring that accurate, timely and clear information, both in English and Thai, is communicated to the shareholders and other concerned parties across a variety of media channels, including those provided by the SET and the Bank's website. In addition, as required by regulatory criteria, the Bank discloses relevant information in such annual reports as Forms 56-1 and 56-2. Various projects have been launched and activities held

to boost investor confidence in the Thai capital market. Communication of clear and accurate information on the Bank's activities has been made to regulatory bodies, investors, shareholders, analysts and the general public. These initiatives include:

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

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

1. Welcome of altogether six investors and analysts to meet with the management team for inquiry on operating results, altogether 12 meetings.
2. Press release issued whenever the Bank had significant investment or business activities.
3. Availability of channels for inquiries via email at ir@cimbthai.com, phone at +66-2626-7738, or website at http://www.cimbthai.com/CIMB/investor_relations/.

- Dissemination of information to the general public via the media when financial results and business directions are to be announced to interested parties. This allows local and foreign investors and analysts to keep abreast of the Bank's performance and growth.

5. RESPONSIBILITIES OF THE BOARD OF DIRECTORS

A. Board Structure

Members of the Board comprise professionals with diversified backgrounds in finance, banking, business management, marketing, legal, auditing, accounting and government affairs. At present, there are 11 Board members. Election of Board members follows the resolution of the shareholders' meetings and as set out in the Bank's Articles of Association thereby 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
5 independent directors (accounting for 45.45% of the entire Board)

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

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

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

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

- Directors, managers, persons with managing power, and advisors of the Bank may assume either chairmanship or executive directorship or both in other companies of no more than three business sectors, excluding directorship in financial institutions.

- Directors, managers, persons with managing power, and advisors of the Bank may hold directorship in no more than five listed companies, both at home and overseas (with directorship at the Bank counted as one of five), excluding listed companies the Bank has acquired from debt restructuring.

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

- Give preliminary advice and suggestions to Board members on legal issues, and rules, regulations and practices of the Bank to ensure performance under good corporate governance principles.

- Make arrangements for holding of Board meeting and shareholders' meeting in line with the law and Articles of Association of the Bank, and take minutes of such meetings, as well as follow up the execution in accordance with the resolutions passed at such meetings.

- Prepare and maintain directors' register, invitation notices and minutes of Board meetings, invitation notices and minutes of shareholders' meetings, and annual reports.

- Prepare documents and information that will benefit performance of duties of new directors, and brief them about the Bank's nature of business and business framework.

- Make available training courses and seminars to enhance directors' knowledge and develop their skills and experience that will benefit the directors' performance of duties.

- Ensure the disclosure of information and information memorandum on the part under responsibility to the supervisory bodies under the relevant rules and regulations.

- Contact and communicate with shareholders in general to ensure they are aware of their rights and have access to the news and information of the Bank.

- Undertake other tasks as announced/prescribed by the Capital Market Supervisory Board.

- Company Secretary undergoes ongoing knowledge and skills training and development in the areas of law, accounting, or performance of duties of company secretary.

B. Board Committees

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

C. Roles, Duties and Responsibilities of the Board

1. Leadership and Vision

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

2. Code of Ethics and Conduct and Conflict of Interests

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

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

- Policy for consideration of the granting of credits and investments to, and undertaking contingent liabilities or other credit-like transactions with, the Bank's major shareholders or businesses with beneficial interest to directors or persons with managing authority of the Bank, which must adhere to the ratio stipulated by the BOT. Any such grant must be approved unanimously by the Board, and no director or person with managing authority who benefits from the granting of credits and investments, and the undertaking of contingent liabilities or other credit-like transactions can take part in the decision-making process.

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

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

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

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

3. Related Party Transactions
   As of 31 December 2018, the Bank recorded significant business transactions with its subsidiary and affiliated companies (related by way of having common shareholders), including related persons (directors or executives from the level of heads of work units upwards). These transactions were concluded on commercial terms and based on mutually agreed upon criteria in the ordinary course of business between the Bank and such persons or entities. Details are as disclosed in the Notes to Financial Statements item 43 of Financial Statements for the year ended 31 December 2018.

- Connected transactions with persons who may have conflicts of interest

<table>
<tr><th>Name and Relationship</th><th>Transaction Characteristics and Value</th><th>Necessity and Reasonableness with Audit Committee's Opinion</th></tr>
<tr><td>CIMB Group, the indirect major shareholder of the Bank</td><td>CIMB Group has changed the 1P chargeback per actual new account opened from MYR 39.72 to MYR 60.50 (excluding VAT) effective from 25 January 2018.

This transaction is considered the Bank's normal business support.</td><td>The Board of Directors' meeting no. 1/2018 held on 18 January 2018 (excluding CIMB Bank's representative directors with conflict of interest who abstained from participating in the consideration and voting on this matter) deemed it proper to approve the transaction since it was the Bank's normal business support.</td></tr>
<tr><td>Sathorn Asset Management Co., Ltd. (STAMC), a subsidiary of CIMB Group which is the indirect major shareholder of the Bank</td><td>The Bank has revised the legal fee payable to STAMC for purpose of filing civil lawsuit in case of consumer secured loans to be in line with the rates on which the Bank agrees with other outsourced lawyers as follows:

<table>
<tr><th rowspan="2">Type of case / loan</th><th colspan="2">Existing</th><th colspan="2">Proposed</th></tr>
<tr><th>Professional fee</th><th>Conditions of payment</th><th>Professional fee</th><th>Conditions of payment</th></tr>
<tr><td>Civil – Retail secured loan (loan lent by Consumer Banking) by borrower basis</td><td>THB 7,500</td><td>1) THB 4,500 when complaint filed.
2) THB 3,000 when court issued writ of execution or settlement agreement executed, as the case may be</td><td>THB 15,000</td><td>1) THB 9,000 when complaint filed.
2) THB 6,000 when court issued writ of execution or settlement agreement executed, as the case may be</td></tr>
<tr><td>Civil – Retail secured loan (loan lent by Consumer Banking) one account</td><td>THB 7,500 per account</td><td>1) 30% at complaint filing stage
2) 30% upon completion of first's party witnesses production
3) 40% when court issued writ of execution or settlement agreement executed, as the case may be</td><td>Cancelled</td><td>Cancelled</td></tr>
</table>

This transaction is considered the Bank's normal business support.</td><td>The Board of Directors' meeting no. 1/2018 held on 18 January 2018 (excluding CIMB Bank's representative directors with conflict of interest who abstained from participating in the consideration and voting on this matter) deemed it proper to approve the transaction since it was the Bank's normal business support under general trading terms.</td></tr>
</table>

<table>
<tr><th>Name and Relationship</th><th>Transaction Characteristics and Value</th><th>Necessity and Reasonableness with Audit Committee's Opinion</th></tr>
<tr><td>CGS-CIMB Securities (Thailand) (CGSCT), an affiliated company having CIMB Group as the major shareholder</td><td>The Bank has continued carrying on its equity derivatives business (EDB) under the new service agreement with CGSCT, with scope of collaboration between CIMB Thai's Treasury and CGSCT clearly defined.

This transaction is subject to service fee model as follows:
- Base fee: 0.25% of product notional sold
- Advisory fee: 50% of cumulative income of EDB less personnel cost and DW marketing cost
- Maintaining the spirit of 50:50 sharing

This transaction is considered the Bank's normal business support.</td><td>The Board of Directors' meeting no. 2/2018 held on 23 February 2018 (excluding CIMB Bank's representative directors with conflict of interest who abstained 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.</td></tr>
<tr><td>CIMB-Principal Asset Management Co., Ltd. (CPAM), a subsidiary of CIMB Group which is the indirect major shareholder of the Bank</td><td>The Bank has approved a renewal of insourcing service agreement regarding human resources and technology functions for CPAM for another three years, from 15 April 2018 to 14 April 2021, with service fees to be at the same rates chargeable in 2016 as below.

<table><tr><th>Service to CPAM</th><th>Monthly Charge Rate (Baht)</th><th>Remark</th></tr><tr><td>- HR Service</td><td>267.50</td><td>Charge per user per month</td></tr><tr><td>- ESS Service</td><td>408.75</td><td>Charge per user per month</td></tr></table>
This transaction is considered the Bank's normal business support.</td><td>The Board of Directors' meeting no. 3/2018 held on 29 March 2018 (excluding CIMB Bank's representative directors with conflict of interest who abstained from participating in the consideration and voting on this matter) deemed it proper to approve the transaction since it was the Bank's normal business support and brought benefits to the Bank.</td></tr>
<tr><td>CGS-CIMB Securities (Thailand) (CGSCT), an affiliated company having CIMB Group as the major shareholder</td><td>The Bank has increased the DSR facility for CGSCT by THB 1,000 million, from THB 500 million to THB 1,500 million, with the pricing in line with the market rate.

This transaction is considered the Bank's normal business support.</td><td>The Board of Directors' meeting no. 4/2018 held on 20 April 2018 (excluding CIMB Bank's representative directors with conflict of interest who abstained from participating in the consideration and voting on this matter) deemed it proper to approve the transaction since it was the Bank's normal business support.</td></tr>
<tr><td>CIMB Bank Berhad (CIMB Bank), CIMB Investment Bank Berhad (CIMBIB), PT Bank CIMB Niaga Tbk (CIMB Niaga), CIMB Bank (L) Ltd. (CIMB Labuan), CIMB Bank Plc. (CIMB Cambodia) and CIMB Vietnam, subsidiaries having CIMB Group as the major shareholder</td><td>The Bank has performed an annual credit review for CIMB Group members, consisting of CIMB Bank, CIMBIB, CIMB Niaga, CIMB Labuan, CIMB Cambodia, and CIMB Vietnam in the proposed total amount of THB 37,740 million, with the pricing in line with the market rate.

This transaction is considered the Bank's normal course of business.</td><td>The Board of Directors' meeting no. 6/2018 held on 26 June 2018 (excluding CIMB Bank's representative directors with conflict of interest who abstained from participating in the consideration and voting on this matter) deemed it proper to approve the transaction since it was the Bank's normal course of business.</td></tr>
</table>

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

Name and Relationship	Transaction Characteristics and Value	Necessity and Reasonableness with Audit Committee's Opinion
CGS-CIMB Securities (Thailand) Co., Ltd (CGSCT), an affiliated company having CIMB Group as the major shareholder	The Bank has conducted an annual review and increased the DSR limit for CGSCT, from THB 1,500 million to THB 2,200 million to support higher FX settlement transaction, with pricing in line with the market rate. This transaction is considered the Bank's normal course of business.	The Board of Directors' meeting no. 8/2018 held on 29 August 2018 (excluding CIMB Bank's representative directors with conflict of interest who abstained from participating in the consideration and voting on this matter) deemed it proper to approve the transaction since it was the Bank's normal course of business under general trading terms.
CIMB-Principal Asset Management Co., Ltd. (CPAM), an affiliated company having CIMB Group as the major shareholder	The Bank has conducted an annual review of L/G (performance) limit, totaling THB 4 million until 31 August 2019, with pricing in line with the market rate. This transaction is considered the Bank's normal course of business.	The Board of Directors' meeting no. 8/2018 held on 29 August 2018 (excluding CIMB Bank's representative directors with conflict of interest who abstained from participating in the consideration and voting on this matter) deemed it proper to approve the transaction since it was the Bank's normal course of business under general trading terms.
iCIMB (Malaysia) Sdn Bhd, an affiliated company having CIMB Group as the major shareholder	The Bank has entered into the Group Finance Management System (GFMS) service agreement with iCIMB (Malaysia) Sdn Bhd, with service fee (excluding taxes) as described below: This transaction is considered the Bank's normal business support.	The Board of Directors' meeting no. 12/2018 held on 14 December 2018 (excluding CIMB Bank's representative directors with conflict of interest who abstained from participating in the consideration and voting on this matter) deemed it proper to approve the transaction since it was the Bank's normal business support and brought benefits to the Bank.

	Y2020	Y2021	Y2022	Y2023	Y2024
CAPEX	8,152	6,390	6,390	6,390	6,390
OPEX	712	738	766	782	782
ITO	2,963	5,927	4,906	4,906	4,906
Total	11,828	13,055	12,062	12,078	12,078

- Loans, deposits and contingent liabilities

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

(Unit: THB million)

	31 December 2018									
Company name	Obligations	Outstanding loans	Interbank and money market items (assets)	Other assets	Deposits	Interbank and money market items (liabilities)	Borrowings	Other liabilities	Share holding (%)	Common management
Parent Company										
CIMB Bank Berhad	-	-	370	1,298	-	217	6,185	-	94.83	
Interest rate swap contracts										
- Fixed rate received	46,998	-	-	-	-	-	-	-		
- Floating rate received	53,145	-	-	-	-	-	-	-		
Forward and spot contracts										
- Bought	8,111	-	-	-	-	-	-	-		
- Sold	55	-	-	-	-	-	-	-		
Cross currency and interest rate swap contracts										
- Bought	11,301	-	-	-	-	-	-	-		
- Sold	306	-	-	-	-	-	-	-		
Commodity										
- Sold	20	-	-	-	-	-	-	-		
Foreign exchange option										
- Put option sales contracts	111	-	-	-	-	-	-	-		
Swaption										
- Sold	7,000	-	-	-	-	-	-	-		
Credit derivatives										
- Sold	5,337	-	-	-	-	-	-	-		
Subsidiary companies										
CIMB Thai Auto Co., Ltd.	2,150	22,893	-	1	40	-	-	8	99.99	Mr. Adisorn Sermchaiwong Ms. Sasima Thongsamak Ms. Onanong Udomkantong Mr. Goh Therd Siang
CT COLL Co., Ltd.	-	-	-	-	62	-	-	-	99.99	Ms. Sasima Thongsamak Mr. Adisorn Sermchaiwong Ms. Onanong Udomkantong Mr. Goh Therd Siang

(Unit: THB million)

Company name	31 December 2018									
	Obligations	Outstanding loans	Interbank and money market items (assets)	Other assets	Deposits	Interbank and money market items (liabilities)	Borrowings	Other liabilities	Share holding (%)	Common management
WorldLease Co., Ltd.	-	2,923	-	1	12	-	-	-	99.99	Ms. Piyawan Thianphranon Ms. Sasima Thongsamak Mr. Adisorn Sermchaiwong Ms. Onanong Udomkantong Mr. Goh Therd Siang
Companies under common control										
CIMB Bank Plc., Cambodia	52	-	-	-	-	16	-	-		
CIMB Islamic Bank Berhad	-	-	-	-	-	95	-	-		
PT Bank CIMB Niaga TBK	-	-	-	1	-	6	-	-		
CIMB Securities (Singapore)	-	-	-	-	4	-	-	-		
CGS-CIMB Securities (Thailand) Co., Ltd.	-	-	-	-	559	-	-	-		Mr. Sutee Losoponkul
Foreign exchange forward and spot contracts - Bought - Sold	7 3	- -	- -	- -	- -	- -	- -	- -		
iCIMB (MSC) Sdn Bhd - Computer system and software development agreement	3	-	-	-	-	-	-	-		
CIMB-Principal Asset Management Co., Ltd	-	-	-	-	429	-	-	-		Mr. Adisorn Sermchaiwong
Sathorn Asset Management Co., Ltd.	-	-	-	3	621	-	-	11		Mr. Tan Keat Jin Mr. Goh Therd Siang
Related persons	-	8	-	-	133	-	-	-		

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

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

- Justification of related party transactions
  Loans and contingent liabilities associated with directors or executives from the level of executive vice president upwards or the equivalent 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 or the equivalent holding 10% or more of their paid-up capital were those transferred to the Bank under the merger process, or having 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' interests
  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 general business functions and are subject to the formal approval process in place and the criteria of the relevant regulatory bodies. There is a 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, it has mechanisms in place to consistently monitor, assess and audit its internal control system to ensure adequacy, effectiveness and appropriateness.

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

- Risk management
  The Bank has realised the significance of risk management covering both internal and external risk factors. Board Risk Committee and Risk Management Committee have been appointed by the Board of Directors with relevant roles, duties and responsibilities defined and operations of which assessed to ensure conformity with the risk governance framework in place. Board Risk Committee and Risk Management unit are in charge of formulating the Bank's compre-

hensive risk management policy and procedures and setting up the risk control and monitoring mechanisms, as well as continuously fostering its risk culture.

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

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

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

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

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

D. Board Meetings

Board meetings are scheduled in advance for the entire year, with at least one held every quarter. In addition to the scheduled Board meetings, further Board meetings can also be held as and when they are required. The Board Secretary is responsible for providing all directors with the agenda, supporting papers and relevant information for each meeting at least seven days before the meeting to give the directors adequate time for studying business agendas and to ensure time spent efficiently during the meeting. The Board Secretary is also responsible for taking and preparing the minutes of each meeting, which is adopted by the Board and filed for possible examination by the Board and relevant agencies. In 2018, the Bank held 12 Board meetings (details as disclosed under "Meeting Attendance of Directors").

E. Board/Board Committee Performance Review

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

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

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

F. Remuneration of Directors and Senior Executives

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

- **Remuneration of Directors**

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

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

  The 2018 annual general meeting of shareholders no. 24 held on 20 April 2018 passed a resolution approving the remuneration for the Board and Board Committee members for 2018, as detailed below:

1. Meeting and entertainment allowances for Board members

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

Directors are responsible for paying their own income tax.

2. Remuneration for Board Committee members
Directors appointed by the Board to serve on Board Committees are entitled to receive additional monthly allowance and meeting allowance per attendance as below:

Remuneration (Position)	Year 2018	
	Allowance (Monthly)	Allowance (Per attendance)
1. Audit Committee		
Chairman	39,600 THB/person	32,400 THB/person
Committee member	22,000 THB/person	18,000 THB/person
2. Other Committees		
Chairman	28,600 THB/person	23,400 THB/person
Committee member	22,000 THB/person	18,000 THB/person

Directors are responsible for paying their own income tax.

- Directors who are required to serve on Board committees are entitled to receive additional fees based on the increase in responsibilities, as the Board sees fit.

- The Board has access to independent expert advice where needed, including determination of appropriate remuneration.

- The Board is duty-bound to disclose information on remuneration packages in compliance with the Public Limited Companies Act and relevant regulatory requirements.

G. Executive Development Programme

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

In 2018, there were three new directors appointed by the shareholders' meeting and Board meeting. The new directors have undergone an in-house induction programme that gives an overview of the Bank and its business plans. An information pack has been provided explaining the Bank's corporate governance policies and practices and the roles and responsibilities of directors and the Board as a whole, including various laws and regulations each director needs to know.

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

H. Succession Plan

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

I. Organisation and Personnel

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

		No. of employees
1.	President and Chief Executive Officer	1
2.	Wholesale Banking, Corporate Banking and Investment Banking	
2.1	Corporate Banking and Investment Banking	108
2.2	Treasury & Markets	76
2.3	Private Banking	30
3.	Consumer Banking	1,555
4.	Commercial Banking	184
5.	Transaction Banking	40
6.	Risk Management	96
7.	Finance	140
8.	Technology and Operations	574
9.	Legal	16
10.	Strategy	13
11.	Human Resources	52
12.	Office of the President	10
13.	Corporate Communications	23
14.	Internal Audit	56
15.	Compliance	41
16.	Customer Experience Management	9
	Total	3,024

Staff Development Policy and Human Resource Management Plan

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

Employee Benefits

The Bank has provided employee benefits such as provident fund, social security fund, life insurance, medical treatment, annual health check-up, staff clinic, housing loan, car/motorcycle loan, staff education loan and general purpose loan, that are competitive against other leading banks to attract and retain talented and competent staff. The total fixed salary paid to Bank employees for the fiscal year was THB 2,381.63 million. To be an employer of choice, the Bank will continue to improve its staff benefits to attract and retain quality staff.

Training Courses and Human Resources Development

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

In 2018, there were several new people development initiatives to support future business strategies and goals. In response to the rapid change in digital disruption environment, the 3D Academy has been introduced to equip staff with new skill sets in response to disruptive technologies and correspond with the Bank's business strategies looking forward. In addition, the training roadmap is designed and developed through identifying required skill set of each job role to support career advancement. It has developed integrated learning approaches through various programmes, i.e. mentoring and coaching, peer to peer learning and learning on mobile (e-learning modules), etc. to promote learning anytime and anywhere.

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

Staff Health and Safety Information

Proportion of average leave days of staff classified by type	2018 %	2017 %
Sick leave	18.50	19.26
Work related injury and sickness	0.0	0.0
Others	81.50	80.74
No. of average sick leave days (days/person)	2.93	3.39
Work related accident death (persons)	0	0

Policy on Remuneration for Directors, Executives and Staff

The Board has assigned the Nomination, Remuneration and Corporate Governance Committee to consider and determine the criteria for payment of remuneration and other benefits to the directors and executives at appropriate rates commensurate with the scope of duties and responsibilities assigned and in line with or on a par with those paid by other banks of similar ranks. The remuneration shall also be in line with the Bank's long-term strategy and target, experience, duties, accountability and responsibility and benefits the Bank expects to receive from each director. A director with additional assignment of duties and responsibilities, i.e. having

been appointed as a member of a Board committee, should receive an appropriate increase in the remuneration. The shareholders are to approve remuneration structure and rate for Board and Board Committee members, in both monetary and non-monetary forms. The Nomination, Remuneration and Corporate Governance Committee is in charge of determining payment of remuneration of each form as deemed appropriate.

Remuneration Policy for the Bank's executives and staff

The Remuneration Policy is formulated under transparent principles based on scopes of responsibilities of the job position and competitive edge of the Bank relative to other financial institutions and leading companies in Thailand to assure that the Bank can attract talents as well as retain and motivate high-performers to create sustainable success of the organisation. The Policy is applicable to all CIMB Thai employees.

Composition of remuneration

The Bank has defined remuneration for all employees, comprising monetary remuneration (such as salary, living allowance, overtime pay and holiday pay) and other remuneration in terms of benefits on medical treatment, health check-up, life insurance and accident insurance, provident fund, and welfare loans that are applicable at present or to be amended through the Bank's announcement in the future.

Remuneration for executives

The Nomination, Remuneration and Corporate Governance Committee is responsible for formulating a policy on payment and amount of remuneration and other benefits for executives (from a corporate title of Executive Vice President (U2) and upper), including the President and CEO, before proposal for the Board of Directors' approval. In this regard, the said payment will be linked to short- and long-term performance of the Bank and the work performance of each respective executive against financial, customer, work process improvement and personnel development indicators. The Bank's executives will receive remuneration in monetary form and otherwise as determined by the Bank.

Remuneration for staff

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

Annual merit increase

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

Bonus payment

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

Policy on Nomination of Directors and Executives

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 and relevant laws.

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

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 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 beneficial interests of directors and executives (reports of beneficial interests). Directors and executives of the Bank shall submit their reports and those of related persons within seven business days from the end of semi-annual period 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.

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 26 October 2018:

No.	Names of Shareholders	Number of Shares Held	% of Total
1	CIMB Bank Berhad	33,021,971,285	94.83
2	Bank Julius Baer & Co., Ltd., Singapore	760,756,147	2.18
3	Thai NVDR Co., Ltd.	143,490,491	0.41
4	Mr. Pisit Prukpaiboon	43,026,382	0.12
5	SCB SET Banking Sector Index	36,483,008	0.10
6	Mr. Prawit Phansaichue	13,997,591	0.04
7	Mr. Somchart Namsricharoensuk	13,684,881	0.04
8	Mr. Pracha Chaisuwan	12,162,933	0.03
9	Mrs. Jaroonluk Panichsheewa	11,761,750	0.03
10	East Fourteen Limited-Emerging Markets Small Cap Series	7,604,900	0.02
	Other shareholders	757,322,380	2.17
	Total 8,093 shareholders holding	34,822,261,748	100.00
	8,025 Thai shareholders	1,011,232,732	2.90
	68 Foreign shareholders	33,811,029,016	97.10
	Total number of shares	34,822,261,748	100.00

Major shareholder with significant influence over planning and directing the Bank's operations is CIMB Bank Berhad with 94.83% 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.

Details of fine payment of the Bank and companies in its financial business group as of 31 December 2018:

		Fines imposed by Regulators					
		Year 2018				Three most frequent non-compliance cases in past five years	
			First three highest fine amounts				
Regulators		Total amount (THB)	Amount (THB)	Section	Relevant laws	Section	Relevant laws
1.	Bank of Thailand	1,200,000	1,200,000	Sections 66 and 71	Financial Institution Act B.E. 2551 (2008)	Sections 5, 6 and 10	Emergency Decree on Granting Financial Assistance to People Sustaining Damage from Flooding B.E. 2555 (2012)
						Sections 66 and 71	Financial Institution Act B.E. 2551 (2008) as amended
2.	Office of the Securities and Exchange Commission	-	-	-	-	Section 113	Securities and Exchange Act B.E. 2535 (1992) as amended
3.	Office of Insurance Commission	-	-	-	-	-	-
	Conclusion	In 2018, the Bank recorded one case of fine payment.				For past 5 years, the Bank recorded three cases of fine payment.	

CIMB Thai Management Structure

A. BOARD OF DIRECTORS

1. Non-executive director

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

2. Executive director

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

3. Director Who Is Delegated Authorised Signatory

Means one or several director(s) authorised by the Board to execute contracts or other written instruments on behalf of the Bank.

4. Independent director

Each independent director of CIMB Thai Bank Public Company Limited (the Bank) must have qualifications as follows:

(a) Hold shares not exceeding 0.5 per cent of the total number of shares with voting rights of the Bank, its parent company, subsidiary company, associated company, major shareholder or controlling person of the Bank, including shares held by related persons of such independent director;

(b) Neither be nor have been an executive director, employee, staff, advisor who receives a salary, or controlling person of the Bank, its parent company, subsidiary company, associated company, same-level subsidiary company, major shareholder or controlling person, unless the foregoing status has ended not less than two years prior to the date of filing the application with the Office of the Securities and Exchange Commission (SEC). Such prohibited characteristic shall not include the case where the independent director used to be a government official or advisor of a government agency which is a major shareholder or controlling person of the Bank;

(c) Not be a person related by blood or legal registration as father, mother, spouse, sibling, and child, including spouse of a child, of executive, major shareholder, controlling person, or a person nominated as an executive or controlling person of the Bank or its subsidiary company;

(d) Neither have nor have had a business relationship with the Bank, its parent company, subsidiary company, associated company, major shareholder or controlling person of the Bank, in the manner which may interfere with his/her independent judgment, and neither be nor have been a significant shareholder or controlling person of any person having a business relationship with the Bank, its parent company, subsidiary company, associated company, major shareholder or controlling person of the Bank, unless the foregoing relationship has ended not less than two years prior to the date of filing the application with the SEC;

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

(e) Neither be nor have been an auditor of the Bank, its parent company, subsidiary company, associated company, major shareholder or controlling person of the Bank, and not be a significant shareholder, controlling person, or partner of an audit firm which employs the auditor of the Bank, its parent company, subsidiary company, associated company, major shareholder or controlling person of the Bank, unless the foregoing relationship has ended not less than two years prior to the date of filing the application with the SEC;

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

(g) Not be a director appointed as representative of directors of the Bank, major shareholder or shareholder who is related to the major shareholder;

(h) Not undertake any business in the same nature as and in material competition with the business of the Bank or its subsidiary company, or not be a significant partner in a partnership, or not be a director involved in management, employee, staff, advisor who receives a salary or holds shares exceeding one percent of the total number of shares with voting rights of another company which undertakes business in the same nature as and in material competition with the business of the Bank or its subsidiary company;

(i) Have no other characteristics which would disable expression of independent opinions on the Bank's business operations. Upon appointment as independent director with qualifications as stated from (a) to (i) in the first paragraph, the independent director may be assigned by the Board to take part in the business decisions of the Bank, its parent company, subsidiary company, associated company, same-level subsidiary company, major shareholder or controlling person of the Bank, on a collective decision basis;

(j) Have no business, participation, or benefit of any financial institutions, nor any other natures that could cause inability to independently opine, decide, or vote on matters regarding business operation of a financial institution;

(k) Neither be nor have been an executive director, manager, controlling person, advisor who receives a salary, employee, or staff of any financial institution or its subsidiary unless the foregoing status has ended not less than two years prior to the date of filing the application with Bank of Thailand;

(l) An independent director is eligible to hold the position not longer than nine years including the period of holding an independent director position of the financial institution's subsidiary.

In case an independent director has already been in the independent director position for nine years but wishes to return to the independent director's position afterwards, the person's foregoing status of executive director, employee, staff, advisor who receives a salary, or controlling person of the financial institution must have ended not less than two years prior to the date of filing the application with Bank of Thailand.

For an independent director who has yet to reach nine years in position when tenure ends, if the person's status of an independent director of a financial institution and its subsidiary has ended less and two years, and the person has not assumed any position of executive director, employee, staff, advisor who receives a salary, or controlling person of the financial institution and its subsidiary during such time, the person is qualified to return to the position of independent director. The person's tenure will continue to be counted from the previous time holding independent director position.

Name-list of the Board of Directors totalling 11 members as of 31 December 2018:

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

Notes

/1 The Annual General Meeting of Shareholders No. 24 held on 20 April 2018 resolved to appoint Datuk Joseph Dominic Silva as Director in place of Dato' Shaarani Bin Ibrahim.

/2 The Annual General Meeting of Shareholders No. 24 held on 20 April 2018 resolved to appoint Mr. Chanmanu Sumawong as Director.

/3 The Board of Directors meeting held on 29 October 2018 resolved to appoint Mr. Rom Hiranpruk as Director / Independent director in place of Mr. Pravej Ongartsittigul, effective on 13 December 2018, and the Board of Directors meeting no. 12/2018 held on 14 December 2018 resolved to appoint Mr. Rom Hiranpruk as member of Audit Committee in place of Mr. Chakramon Phasukavanich, effective on 14 December 2018.

Directors Nominated by Major Shareholder

CIMB Bank Berhad (CIMB Bank) has appointed two representatives to CIMB Thai 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, who will jointly sign in binding the Bank with the Bank seal affixed.

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 the Board reasonably believes to be in the best interests of the Bank and in compliance with the applicable laws and regulatory rules, the Bank's Articles of Association, and resolutions of the shareholders' meetings, as detailed below:

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

10. Supervise and monitor the management's business administration to ensure the Bank's operations comply with the laws and provisions in the relevant agreements.
11. Supervise to ensure that the Bank and its subsidiaries in the financial business group have in place risk factors determination, risk assessment, risk management measures, risk monitoring and examination, and review of risk management system on a regular basis, including building of risk culture within the organisation as well as having the remuneration structure that is effective and promotes risk culture.

Duties of the Board of Directors in relation to risk governance framework are as below:

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

28. Oversee that the Bank and its subsidiaries prepare complete minutes of the Board of Directors' meeting, where each individual director's comments on important agenda/issues must be recorded.
29. Oversee to ensure that senior executives have skills needed for performing functions of the Bank and its subsidiaries, including the appointment of qualified persons with managing power, and that there is a succession plan for senior executives to ensure that the Bank and its subsidiaries can operate their business on an ongoing basis.
30. Set guidelines for evaluation of executives' performance to support annual consideration and adjustment of salaries and bonuses taking into account duties and responsibilities and associated risks, as well as enhancement of shareholder value in the long run.
31. Consider structure and criteria of bonus and compensation payments to employees, contract employees or any person doing business for the Bank, whether full-time or part-time, as proposed by the management.
32. Appoint any person as an advisor to the Board or request any professional opinions from an external advisor to assist and advise on the Bank's operations at the Bank's own expense, and determine remuneration and bonuses as deemed appropriate.
33. Appoint a number of Board members to sit on other committees or subcommittees to take charge of any one or several activities, determine remuneration and bonuses for them as deemed appropriate, and render support to them with delegation of authority so that they can fully function and engage consultants/advisors with specialised expertise to give additional opinions at the Bank's own expense, as well as make available full-time staff to follow up, seek information and coordinate in support of the operations of the committees/subcommittees.
34. Oversee that there is the appropriate balance of power between the Bank's Board members by attaching importance to the proportion or number of independent directors and the efficient performance of duties by the Board members for balance of power.
35. Ensure the Bank's complete, adequate, reliable and timely disclosure of information.
36. Revise the segregation of duties among Board of Directors, President and CEO, and management on a regular basis to be consistent with the organisation's direction.
37. Take into consideration the business operation impact on the society and the environment besides financial profits.
38. Put in place policies as written operation guidelines for directors, executives and staff members, i.e. Corporate Governance Policy and Code of Ethics and Conduct, which define roles and responsibilities of the Board of Directors so that they can use as reference, ensure that there is enough communication for directors, executives and employees' understanding, with enough mechanism that enables their compliance with such policies, and monitor compliance results as well as review the policies and actual operation on a regular basis.
39. Supervise and monitor objective, target and strategy of each business function to be in line with main targets and objectives of the business, with adoption of new innovations and technologies to enhance the Bank's competitiveness and respond to the needs of stakeholders in a secure and appropriate manner and with social and environmental responsibility.
40. Ensure that there is data security system, and put in place policies and procedures regarding confidentiality, integrity and availability of information, and management of market sensitive information.
41. Ensure that management has efficiently and effectively managed and allocated resources, taking into consideration impacts and development of resources to enable the Bank to achieve its main targets and objectives.
42. Establish an IT governance and management framework at organisational level that is aligned with the business needs and priorities, and ensure use of IT to maximise business opportunities, develop operational performance, and strengthen risk management in support of the business objectives.
43. Oversee that the Bank and its subsidiaries in financial business group have fair market conduct according to the Bank of Thailand's Notification Re: Market Conduct Guidelines.

44. Oversee that the Bank and its subsidiaries have an efficient Whistleblowing Policy and Procedure.
45. Oversee that there is an annual assessment of the performance of the Bank's Board of Directors and each individual director in the forms of (1) self-evaluation and (2) cross evaluation or third-party evaluation and there is an assessment of the performance of the Bank's top executives, and that the directors must continuously obtain skills training needed for their duties.

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

Sufficiency:

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

Prudence:

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

Integrity:

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

Selection, Appointment and Removal of Directors

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

1. According to the shareholders' resolution, the Board of Directors shall comprise no fewer than five and no more than 12 members, with at least half the board members having domicile in Thailand.

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. 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 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 the 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. Such bank is then 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 Committees comprise:

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

1. Audit Committee

The Audit Committee (AC) is composed of:

1.	Mr. Maris Samaram	Independent Director	as Chairman
2.	Mr. Chanmanu Sumawong	Independent Director	as Member
3.	Mr. Rom Hiranpruk	Independent Director	as Member
4.	Ms. Siriporn Sanunpairaue	Head of Internal Audit	as Secretary for Internal Audit 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 listing requirements of the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).
2. Review the effectiveness of Internal Audit function.
3. Recommend to the Board and shareholders the appointment of external auditors, including the appropriate remuneration as well as review the effectiveness of external auditors.
4. Review the effectiveness of compliance function and monitor Compliance work unit to ensure compliance with relevant regulations.
5. Review the findings and compliance issues identified by regulators and to ensure that appropriate and prompt remedial actions are taken by management.

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

2. Nomination, Remuneration and Corporate Governance Committee

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

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

Powers, Duties and Responsibilities

1. Nomination:

- To formulate policies, criteria and methods of nominating candidates as the Bank's directors or persons with management power (Executive Vice President – EVP upwards) for further proposal to the Board for consideration and approval, and to submit such policies, criteria and methods to the Bank of Thailand (BOT) upon its request.

- To select and nominate names of qualified candidates for the following positions to the Board of Directors for approval:
  a) Member of the Board of Directors,
  b) Member of the Board of Directors appointed to sit on any board committee, and
  c) EVP upwards

- To ensure that the size and composition of the Board of Directors is appropriate for the organisation and the dynamic business environment. Board members shall possess appropriate expertise and experience.
- To disclose the nomination policy and process in the Bank's annual report.
- To consider the appointment and appropriate remuneration of the Bank subsidiaries' directors and recommend to the Board of subsidiaries for approval.

2. Remuneration:

- To develop the policies on remuneration and other benefits payment, as well as remunerations and benefits for directors and persons with management power (EVP upwards) under clear, transparent criteria for proposal to the Board of Directors for consideration and approval, and to submit such policies to the BOT upon its request. (Policies on remunerations, benefits and welfares shall cover every aspect of remunerations, including director fees, salaries, allowances, bonuses, and relevant options and benefits.)
- To ensure that remunerations of directors and persons with management power (EVP upwards) are commensurate with their duties and responsibilities. Board members who take extra assignments should receive remunerations that commensurate with their designated duties and responsibilities.
- To determine performance assessment criteria for Board members and persons with management power (EVP upwards) for use in annual remuneration review, taking into account their responsibilities and relevant risks, as well as increase of shareholders' equity in the long run.
- To disclose the policy on remuneration determination and remunerations in various forms, and to prepare a report on remuneration determination that at least covers the objectives, activities and opinions of the Remuneration Committee in the Bank's annual report.
- To review the remuneration and compensation schemes for CIMB Thai employees in line with the industry practices and remuneration framework of the CIMB Group.
- To recommend the annual salary adjustments and bonus framework for CIMB Thai group to the Board of Directors for approval.
- To approve any matter relating to staff remuneration and benefits involving an amount up to THB 50 million.

3. Corporate governance:

- To review the Corporate Governance Policy and Code of Conduct for directors and employees of the Bank to ensure consistency with the corporate governance criteria of relevant regulatory authorities, and to submit to the Board of Directors for approval.
- To approve corporate governance guidelines for relevant units to align with and present to the Board of Directors for acknowledgement on a yearly basis so as to enhance the Bank's good corporate governance.

4. The Committee may consider other matters as assigned by the Board.

3. Board Risk Committee

The Board Risk Committee (BRC) is composed of:

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

Powers, Duties and Responsibilities

1. To approve the appointment of risk committees and the appointment of new members and changes of members as well as powers, duties and responsibilities of the following risk committees:

1.1. Risk Management Committee (RMC)
1.2. Asset and Liability Management Committee (ALCO)
1.3. Thailand Underwriting Committee (TUC)
1.4. Credit Committee (CC)
1.5. Any other risk committees appointed to report directly to BRC

2. To concur or approve risk management frameworks, policies, limits and MATs (e.g. market risk, credit risk, operational risk, strategic risk, etc.) of CIMB Thai and its financial business group as follows:

Frameworks/policies/limits and MATs of CIMB Thai

2.1. To approve new or changes in risk frameworks/policies which may result in material increase in risk levels, as permitted by regulator(s) for such matter to be approved by delegated committee of the Board of Directors (BOD); and

2.2 To approve all risk limits and MATs permitted by regulator(s) to be approved by the BOD delegated committee.

Frameworks/policies/limits and MATs of CIMB Thai financial group

2.3 To concur on new (only required for the financial group) or changes which may result in material increase in risk to the existing risk frameworks/policies prior to submission to the respective Board of Directors of the companies within the financial group for approval.

2.4 To concur on all risk limits and MATs prior to submission to the respective Board of Directors of the companies within the financial group for approval.

3. To oversee the entire risk and capital management functions of CIMB Thai and its financial group as follows:

3.1. To ensure capital management frameworks, policies and strategies as well as other relevant frameworks, policies and strategies are complied with and implemented efficiently.

3.2. To review and approve the stress testing scenario and risk posture.

4. To review and concur or approve proposals recommended by risk committees including but not limited to the following:

New 3rd party of CIMB Thai and its financial group

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

5. To provide strategic guidance and review decisions made by the various risk committees.

6. To ensure that infrastructures, resources, systems including risk measurement tools and other capabilities of CIMB Thai and its financial group are in place for risk management in order to maintain a satisfactory level of risk management and discipline and the risk awareness culture is pervasive throughout the organisation.

7. To appoint external consultants to review and advise BRC on risk management matters as necessary.

8. To approve and ensure the followings are in line with regulatory requirements:

8.1. Risk-related disclosures; and

8.2. Internal control on risk-related disclosure process.

Coverage: Companies in CIMB Thai financial group (where appropriate)

4. Shariah Sub-Committee

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

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

Powers, Duties and Responsibilities

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

Meeting Attendance of Directors

In 2018, meeting attendance of Board members and Board committee members was as follows:

Unit: Attendance

No	Director Name (number of meetings attended/ total meetings)	(1) Board	(2) Audit Committee	(3) Nomination, Remuneration and Corporate Governance Committee	(4) Board Risk Committee
1.	Mr. Chakramon Phasukavanich/1	12/12	5/12	-	-
2.	Dato' Robert Cheim Dau Meng	12/12	-	12/12	-
3.	Mr. Maris Samaram	11/12	12/12	-	-
4.	Mrs. Watanan Petersik	9/12	-	8/12	-
5.	Datuk Joseph Dominic Silva/2 (resigned effective on 16 January 2019)	7/12	-	7/12	-
	Dato' Shaarani Bin Ibrahim (resigned efficeitive on 20 April 2018)	4/12	4/12	4/12	-
6.	Mr. Chitrapongse Kwangsukstith	11/12	-	-	11/12
7.	Ms. Serena Tan Mei Shwen	10/12	-	-	11/12
8.	Dato' Lee Kok Kwan	9/12	-	-	11/12
9.	Mr. Rom Hiranpruk/3	1/12	-	-	-
	Mr. Pravej Ongartsittigul (resigned effective on 18 May 2018)	4/12	5/12	-	-
10.	Mr. Chanmanu Sumawong	8/12	8/12	-	-
11.	Mr. Kittiphun Anutarasoti	12/12	-	-	10/12

Notes

/1 The Board of Directors meeting no. 7/2018 held on 20 July 2018 resolved to appoint Mr. Chakramon Phasukavanich as member of Audit Committee.

/2 The Annual General Meeting of Shareholders No. 24 held on 20 April 2018 resolved to appoint Datuk Joseph Dominic Silva as Director in place of Dato' Shaarani Bin Ibrahim.

/3 The Board of Directors meeting no. 10/2018 held on 29 October 2018 resolved to appoint Mr. Rom Hiranpruk as Independent director in place of Mr. Pravej Ongartsittigul, and the Board of Directors meeting no. 12/2018 held on 14 December 2018 resolved to appoint Mr. Rom Hiranpruk as member of Audit Committee in place of Mr. Chakramon Phasukavanich.

C. MANAGEMENT COMMITTEE

The Management Committee is composed of:

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

By invitation

Head of Internal Audit

Powers, Duties and Responsibilities

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

15. Appoint insurance broker for the Bank;
16. Other matters as directed by the Board/President & CEO.
    Coverage: CIMB Thai financial group

Executive Management

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

1.	Mr. Kittiphun Anutarasoti	President and Chief Executive Officer
2.	Mr. Sutee Losoponkul	Co-Head 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 Wholesale Banking and Head of Corporate Banking and Investment Banking
6.	Mrs. Bussakorn Puttinan	Head of Information and Operations
7.	Mrs. Wareemon Niyomthai	Head of Commercial Banking
8.	Ms. Siriporn Sanunpairaue	Head of Internal Audit
9.	Mrs. Kanokpai Vongsatitporn	Head of Human Resources
10.	Mr. Jason Leong kok Yew	Head of Finance
11.	Mr. Tan Keat Jin	Head of Strategy
12.	Mr. Prapas Thongsuk	Head of Corporate Communications
13.	Mr. Akash Rathke	Head of Transaction Banking
14.	Mr. Jittiwat Kantamala	Head of Private Banking
15.	Mr. Zethjak Leeyakars	Head of Compliance and Acting Head of Office of the President
16.	Ms. Uthaiwan Sukphanpim	Head of Customer Experience Management
17.	Ms. Pajaree Thongvanit	Head of Legal

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

1.	Mr. Kittiphun Anutarasoti	President and Chief Executive Officer
2.	Mr. Sutee Losoponkul	Co-Head 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 Wholesale Banking and Head of Corporate Banking and Investment Banking
6.	Mrs. Bussakorn Puttinan	Head of Information and Operations
7.	Mrs. Wareemon Niyomthai	Head of Commercial Banking
8.	Ms. Siriporn Sanunpairaue	Head of Internal Audit
9.	Mrs. Kanokpai Vongsatitporn	Head of Human Resources
10.	Mr. Jason Leong kok Yew	Head of Finance
11.	Mr. Tan Keat Jin	Head of Strategy
12.	Mr. Prapas Thongsuk	Head of Corporate Communications
13.	Mr. Akash Rathke	Head of Transaction Banking
14.	Mr. Zethjak Leeyakars	Head of Compliance and Acting Head of Office of the President
15.	Mr. Pao Chatakanonta	Head of Deputy Treasurer
16.	Ms. Waewalai Wattana	Head of Financial Control

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

1. Ensure that the Bank's business operation is in line with its strategies, policies, Articles of Association, and targets as assigned by the Board of Directors.
2. Manage the Bank's operation in accordance with the action plan or budget approved by the Board of Directors.
3. Ensure that staff and employees at all levels perform their duties in accordance with the policies approved by the Board of Directors.
4. Contact, build relationship, and coordinate with other banks and organisations, both domestically and internationally.
5. Represent the Bank or perform as the Bank's authorised person in dealing with external agencies or supervisory bodies, or perform any legally binding acts as assigned by the Board of Directors and within the scope of the Bank's objectives and Articles of Association.
6. Consider other matters as assigned by the Board of Directors.

Director and Management Remuneration as of 31 December 2018

(1) Monetary remuneration

a. Remuneration for Board members
This report describes the current components of the Bank's remuneration policy and details of the remuneration for each director during his/her directorship in 2018. The aggregate remuneration for directors comprising meeting and entertainment allowances for Board members and remuneration for Board committee members amounted to THB 12,891,200 in 2018 (compared with THB 12,216,000 in 2017), as described below:

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

Unit: THB

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

Note

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

b. Remuneration for senior executives

The Board is responsible for determining the procedures for evaluating the performance of senior executives based on the responsibilities, challenges and risks faced by each of them, and how their personal contributions help deliver sustainable shareholder value. The Board is also responsible for determining the appropriate remuneration packages for permanent and contract employees or any other persons having done business for the Bank, as recommended by executive management. In 2018, the aggregate remuneration for 16 Senior Executive Vice Presidents and above including the executives of Finance and Accounting (in accordance with the SEC definition of the term 'executives') was THB 135.19 million. In addition, the aggregate remuneration for 52 Executive Vice Presidents and above (in accordance with the BOT definition of the term 'executives') was THB 317.25 million.

(2) **Other benefits**

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

Board of Directors' Profile as of 31 December 2018

1 Mr. Chakramon Phasukavanich

Name of Director/ Age / Position/Date of appointment

Chairman
of Board of Directors

Independent Director

Date of appointment:
19 April 2016

Education **Age 71 years**

- 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 (AACP)
- 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 Bank

No. of shares held
as of year-end 2018

- 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 Member	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
2003 – 2004	Secretary General	Board of Investment of Thailand
2004 – 2006	Secretary General	Office of the National Economic and Social Development Board
2004 – 2017	Member	Office of the Council of State

2 Dato' Robert Cheim Dau Meng

Name of Director/ Age / Position/Date of appointment

Vice Chairman

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

Date of appointment: 5 November 2008

Education — **Age 67 years**

- Fellow of the Institute of Chartered Accountants in England and Wales
- Member of the Malaysian Institute of Accountants

Training

- Bank Negara Malaysia Annual Report 2017 / Financial Stability and Payments Systems Report 2017 Briefing Session by Bank Negara Malaysia (28 March 2018)
- Technology Risk Briefing by Oliver Wyman (27 June 2018)
- Sustainable Finance Training for Board of Directors by CIMB (1 August 2018)
- Khazanah Megatrends Forum 2018 (8-9 October 2018)
- Asean Roundtable Series by CIMB Asean Reseach Institute (CARI) & LSE IDEAS (30 October 2018)
- CIMB Annual Management Summit (23-24 November 2018)
- BNM-FIDE Board Conversations (Banks and DFIs) (27 November 2018)

Total shares held in Bank

No. of shares held as of year-end 2018

- 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
2012 - Present	Trustee	Yu Cai Foundation
Jul 2015 - Present	Chairman	CIMB Investment Bank Bhd

Work experience within last 5 years

Period	Position	Company / Organisation
Aug 2015 - Dec 2018	Trustee	CIMB Foundation
Nov 2015 - May 2018	Chairman	CIMB - Principal Asset Management Bhd
2006 - Feb 2015	Non-executive Director	CIMB Group Holdings Bhd
2006 - Feb 2015	Advisor	CIMB Investment Bank Bhd
2005 - 2016	Chairman	Tanjong PCL
2005 - 2014	Director	CIMB Securities International Pte Ltd.
1999 - 2006	Executive Director	CIMB Investment Bank Bhd
1993 - 1999	Chief Executive Officer	CIMB Investment Bank Bhd

3 Mr. Maris Samaram

Name of Director/ Age / Position/Date of appointment

Independent Director

Chairman of Audit Committee

Date of appointment: 8 May 2017

Education — **Age 76 years**

- Program for Management Development, Harvard Business School, U.S.A.
- B.S.B.A., Accounting, University of The East, 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 nstitute of Directors, Thailand
- Monitoring the Internal Audit Function Class No.3/2008, Thai Institute of Directors, Thailand Monitoring the System of Internal Control and Risk Management Class No.4/2008, Thai Institute of Directors, Thailand
- Handling Conflicts of Interest: What the Board Should Do?, Thai Institute of Directors, Thailand
- Board Failure and How to Fix it, Thai Institute of Directors, Thailand
- The Responsibilities and Liabilities of Directors and Executives under the New SEC ACT (May 2008), Thai Institute of Directors, Thailand
- Risk Management Program for Corporate Leaders (RCL) Class No.13/2018
- IT Governance and Cyber Resilience Program (ITG) Class No.8/2018

Total shares held in Bank

No. of shares held as of year-end 2018

- 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
2010 - Present	Independent Director, Member of Audit Committee and Member of the Sustainability and Risk Management Committee	Indorama Ventures PCL

Non-Listed Companies and other Companies and Organisations

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	Position	Company / Organisation
2003 - August 2017	Independent Director, Chairman of Audit Committee and Member of Corporate Governance and Nomination Committee	Tata Steel (Thailand) PCL
2013 - 2015	Independent Director and Chairman of Audit Committee,	Akara Resources PCL
2003 - 2015	Independent Director and Chairman of Audit Committee	Siam Commercial Bank PCL
2008 - 2011	Independent Director and Member of Audit Committee	Indorama Polymers PCL
2004 - 2010	Independent Director	Sub Sri Thai Warehouse PCL

4 Mrs. Watanan Petersik

Name of Director/ Age / Position/Date of appointment

Independent Director

Chairperson of Nomination, Remuneration and Corporate Governance Committee

Date of appointment: 25 April 2007

Education — **Age 58 years**

- AB Bryn Mawr College, PA, U.S.A.

Training

- Bursatra Sdn Bhd: Mandatory Accreditation Program (MAP) for Directors of Public Listed Companies (17-18 March 2010)
- Director Accreditation Program (DAP) Class 83/2010 English Programme, Thai Institute of Directors (27 April 2010)
- Certificate, Singapore Institute of Directors Course: Role of Directors

Total shares held in Bank

No. of shares held as of year-end 2018

- 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
2014 - Present	Independent Director	PTT Global Chemical PCL

Non-Listed Companies and other Companies and Organisations

Period	Position	Company / Organisation
Present	Non-executive Director	Jetanin Institute for Assisted Reproduction
2011 - Present	Director	Lien Centre for Social Innovation, Singapore Management University
2010 - Present	Independent Director Non-executive Director	CIMB Group Holdings Bhd
2010 - Present	Independent Director Non-executive Director	CIMB Group Sdn Bhd
2008 - Present	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 Advisor/Consultant	TPG Capital Asia

5 Mr. Rom Hiranpruk

Name of Director/ Age / Position/Date of appointment

Independent Director

Member of Audit Committee

Date of appointment: 13 December 2018

Education — **Age 64 years**

- Ph.D. (Computer Science), University of Kansas, U.S.A.
- M.S. (Computer Science), University of Kansas, U.S.A.
- B.A. (Statistics), Macquarie University, Australia (Colombo Plan Scholarship)

Training

- IT Governance (ITG) Invited as observer for ITG 1/2016, Thai Institute of Direcotors
- Corp. Governance for Capital Market Intermediaries (CGCMI 1/2015), Thai Institute of Direcotors
- Advanced Audit Committee Program (AACP 14/2014), Thai Institute of Direcotors
- Financial Institutions Governance Program (FIGP 6/2013), Thai Institute of Direcotors
- Director Certification Program (DCP 172/2013) (BOT Sponsored), Thai Institute of Direcotors
- Executive Grid Seminar (invitation only)
- The Four Roles of Leadership Program (sponsored by National Science and Technology Development Agency - NSTDA)
- Capital Market Course, Class I, Capital Market Academy (funded by SET)
- Visiting Scholar to Computing Laboratories of the University of North Carolina, Microelectronics Corporation of North Carolina (MCNC), and North Carolina Supercomputer Center (NCSC)

Total shares held in Bank

No. of shares held as of year-end 2018

- 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
2009 - Present	Independent Director	TSFC Securities PCL

Non-Listed Companies and other Companies and Organisations

Period	Position	Company / Organisation
2017 - Present	Director (Qualifed)	The Electronic Transactions Commission
2016 - Present	Independent Director Audit Committee Member	Chic Republic Co., Ltd.
2015 - Present	Advisor to Foundation Chairman	Mae Fah Luang Fundation Under Royal Patronage
2008 - Present	Co-Manager	Wor Tor Tor for Sangkom Co., Ltd.

Work experience within last 5 years

Period	Position	Company / Organisation
2015 - 2018	Director (Qualifed)	Office of Knowledge Mangement and Development (Public Organisation)
2012 - 2018	Director (IT expert)	Payment Systems Committee, Bank of Thailand
2015 - 2017	Director (Qualifed)	Software Industry Promotion Agency (Public Organisation)
2014 - 2017	Director (Qualifed)	Broadcasting and Telecommunications Research and Development Fund for the Public Interest
2010 - 2012	Director (Qualifed)	Board of Special Case, Department of Special Investigation, Ministry of Justice

6 Mr. Chitrapongse Kwangsukstith

Name of Director/ Age / Position/Date of appointment

Director (Authorised Signatory)

Member and Alternate Chairman of Board Risk Committee

Date of appointment: 11 April 2014

Education — Age 69 years

- 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

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

Total shares held in Bank

No. of shares held as of year-end 2018

- By himself: 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

- By his spouse and minor children: None

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.
Present	Director	Premier Tank Corportation 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

7 Dato' Lee Kok Kwan

Name of Director/ Age / Position/Date of appointment

Director

Chairman of Board Risk Committee

Date of Appointment: 24 December 2015

Education — **Age 53 years**

- 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

No. of shares held as of year-end 2018

- 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	CIMB Group Holdings Bhd

Non-Listed Companies and other Companies and Organisations

Period	Position	Company / Organisation
Present	Director	CIMB Bank Bhd
Present	Director	Cagamas Holdings Bhd
Present	Advisor	Securities Commission Malaysia
Present	President	Financial Markets Association of Malaysia
Present	Director	Megmoni Sdn Bhd
Present	Director	Sterns Knight Corp
Present	Director	Ukaydev38 Sdn Bhd

Work experience within last 5 years

Period	Position	Company / Organisation
2012 - 2015	Group Deputy CEO & Head of Treasury, Corporate Banking & Transaction Banking	CIMB Group Holding Bhd
2008 - 2012	Group Deputy CEO & Treasurer	CIMB Group Holding Bhd
2006 - 2008	Group Treasurer	CIMB Group Holding Bhd
1997 - 2006	General Manager of Treasury & Debt Capital Markets	CIMB Investment Bank
1996 - 1997	Head of Risk Management	CIMB Investment Bank

8 Ms. Serena Tan Mei Shwen

Name of Director/ Age / Position/Date of appointment

Director

Member of Board Risk Committee

Date of Appointment: 6 May 2014

Education

Age 40 years

- Master of Business Administration, Massachusetts Institute of Technology, U.S.A.
- Bachelor of Commerce, Accounting & Finance, Macquarie University, Sydney, Australia
- 7th Form Bursary Certificate - (Economics, Statistics, English, History), Aranui High School, Christchurch, New Zealand

Total shares held in Bank

No. of shares held as of year-end 2018

- 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
1 Dec 2017 - Present	Director	CIMB Bank Bhd
2005 - Present	Executive Director	Investments, Khazanah Nasional Berhad, Kuala Lumpur, Malaysia
Jan 2019 - Present	Alternate Director to John Kelly Thompson	ACR Capital Holdings Pte Ltd.

Work experience within last 5 years

Period	Position	Company / Organisation
6 Apr 2018 - 13 Jun 2018	Director	ACR Capital Holdings Pte Ltd.
13 Nov 2013 – 11 Sep 2017	Director	Acibadem Saglik ve Hayat Sigorta
Apr 2008 - Oct 2009	Principal	Olivant Advisors (Seconded from Khazanah), Singapore
Mar 2006 - April 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

9 Datuk Joseph Dominic Silva

Name of Director/ Age / Position/Date of appointment

Director

Member of Nomimation, Remuneration and Corporate Governance Committee

Member of Board Risk Committee

Date of appointment: 20 April 2018

Education

Age 55 years

- Masters in Research (Business), 2017, University of Liverpool, United Kingdom
- Senior Management Program, 1996, Henley Management College (University of Reading), United Kingdom
- Master of Arts, Banking & Finance, 1990, University of Wales, United Kingdom

Training

- 2014: Financial Institutions Directors Education (Bank) and Financial Institutions Directors Education (Insurance)
- 2014: Mandatory Accrediation Program (MAP) for Directors

Total shares held in Bank

No. of shares held as of year-end 2018

- 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
2018 - Present	Director	SCICOM (MSC) Bhd
2017 - Present	Director (Authorised Signatory)	DMY Capital Sdn Bhd (Malaysia)
2015 - Present	Director	Avicennia Capital Sdn Bhd (Malaysia)

Work experience within last 5 years

Period	Position	Company / Organisation
2014 - Present	Co-Founder and Director	DMY Capital (Malaysia)
2008 - 2017	Head of Invesments	Khazanah Nasional Berhad (Malaysia)
1996 - 2007	Head of Commercial, Asia	Royal Bank of Scotland / ABN AMRO Bank N.V. (Singapor, Malaysia, Nertherlands, London, Hong Kong)
1994 - 1995	Senior Relationship Manager	Mitsubishi UFJ Financial Group (Malaysia and Singapore)
1992 - 1993	Originator-Fixed Income	KAF Seagroatt & Campbell (Malaysia)
1990 - 1992	Corporate Lending Officer	Malayan Banking Bhd

10 Mr. Chanmanu Sumawong

Name of Director/ Age / Position/Date of appointment

Independent Director

Member of Audit Committee

Date of appointment: 20 April 2018

Education **Age 63 years**

- Bachelor of Laws (second-class honor), Thammasart University
- Thai Barrister of Law
- Master of Comparative Law (A.P.), George Washington University (U.S.A.)
- Master of Law, George Washington University (U.S.A.)

Training

- 2013: Director Accreditation Program (DAP) Class 104/2013

Total shares held in Bank

No. of shares held as of year-end 2018

- 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
Mar 2017 - Present	Chief Legal Officer	Thonburi Healthcare Group PCL
May 2017 - Present	Independent Director and Member of Audit Committee	Finansa PCL

Non-Listed Companies and other Companies and Organisations

Period	Position	Company / Organisation
May 2017 - Present	Independent Director and Member of Audit Committee	Finansa Securities Ltd.

Work experience within last 5 years

Period	Position	Company / Organisation
Nov 2011 - Dec 2016	Executive Vice President	Siam Commercial Bank PCL
Nov 2011 - Dec 2016	Director of Subsidiary	Siam Commercial Bank PCL
Apr 1996 - Nov 2011	Counsellor	Hunton & Williams (Thailand) Ltd.
Apr 1996 - Nov 2011	Partner	Hunton & Williams (Thailand) Ltd.
Apr 1989 - Apr 1996	Senior Associate	International Legal Counsellors Thailand Ltd.
Apr 1989 - Apr 1996	Partner	International Legal Counsellors Thailand Ltd.
Oct 1982 - Oct 1984	Judge Trainee	Surin District Court
Oct 1984 - Oct 1985	Judge	Surin District Court
Oct 1985 - Oct 1986	Judge	Nakonrachsrima Juvenile Court
Oct 1986 - June 1987	Judge	Nakornrachsrima Provincial Court
Jun 1987 - Apr 1989	Secretary	The Central Labor Court

11 Mr. Kittiphun Anutarasoti

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 **Age 49 years**

- 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 2018

- 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

Advisors' Profile as of 31 December 2018

12 Assoc.Prof. Dr. Ismaae Alee

Name of Director/ Age / Position/Date of appointment

Shariah Advisor

Date of appointment:
1 August 2011

Education — **Age 68 years**

- 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 2018

- 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
2014 - Present	Chairman	Orphans Foundation
2007 - Present	Member, Chairman of Halal Affairs	Central Islamic Council of Thailand (CICOT)

Work experience within last 5 years

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)

13 Prof. Dr. Maroning Salaming

Name of Director/ Age / Position/Date of appointment

Shariah Advisor

Date of appointment:
1 August 2011

Education **Age 53 years**

- 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

Total shares held in Bank

No. of shares held as of year-end 2018

- 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
2016 - Present	Haj Affairs Committee B.E. 2559	Central Islamic Council of Thailand
2016 - Present	President, Shariah transactions	Dhipaya Takaful
2016 - Present	President, Office AmirunHajj	Sheikhul Islam
2015 - Present	Adviser of Director College of Islamic Studies	College of Islamic Studies, Prince of Songkla University, Pattani Campus
2013 - Present	Expert Sheikhul Islam	Sheikhul Islam
2011 - Present	Member of Shariah Advisory Council	Provinces Administration Center Koperasi Bina Berhad
2010 - Present	Consultant and Working Committee Member	Sheikhul Islam
2008 - Present	Advisor on Ph.D. Thesis	College of Islamic Studies, Prince of Songkla University, Pattani Campus
2006 - Present	Advisor on Master's Degree Thesis	College of Islamic Studies, Prince of Songkla University, Pattani Campus
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
2011 - 2013	Specialised Council Member	Council for Yala Primary Educational Service Area 1
2009 - 2015	Member of Management Committee of Ph.D Programme	College of Islamic Studies, Prince of Songkla University, Pattani Campus
2008 - 2010	Adoption of Islamic Laws in Southern Border Provinces	Pursuant to the order of Sub Committee on Policy and Coordination of Judicial Process in Southern Border Provinces

Management Committee's Profile as of 31 December 2018

1 Mr. Kittiphun Anutarasoti

Name of Executive / 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 **Age 49 years**

- 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 2018

- 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

2 Mr. Sutee Losoponkul

Name of Executive / Age / Position/Date of appointment

Co-Head of Wholesale Banking
Head of Treasury

Date of appointment:
1 April 2011

Education — **Age 58 years**

- MBA, National Institute of Development Administration (NIDA)
- B.Sc. (Industrial Engineering), Prince of Songkla University

Training

- The National Defence College of Thailand
- Market Risk for Treasury Products, New York Institute of Finance (Financial Times)
- Asset and Liability Management, Chase Manhattan Bank, Singapore
- Treasury Training Scheme, Institute of Banking and Finance (IBF), Singapore
  - Offshore Deposit Market
  - Foreign Exchange Arithmetic
  - Financial Future
  - Options
  - Citibank Bourse Game

Total shares held in Bank

No. of shares held as of year-end 2018

- 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
23 Apr 2013 - Present	Director	The Thai Bond Market Association
4 Mar 2011 - Present	Director	CIMB Securities (Thailand) Co., Ltd.

Work experience within last 5 years

Period	Position	Company / Organisation
-	-	-

3 Mr. Adisorn Sermchaiwong

Name of Executive / Age / Position/Date of appointment

Head of
Consumer Banking

Date of appointment :
11 September 2012

Education **Age 53 years**

- Master of Business Administration,
  Sasin Graduate Institute of Business
  Administration of Chulalongkorn University
- Bachelor of Engineering,
  Chulalongkorn University

Training

- Director Certification Programme (DCP), Thai Institute of Directors
- Advanced Management Programme, Oxford University
- Capital Market Academy Leadership Programme,
  Capital Market Academy (CMA) Class 1
- Corporate Governance for Capital Market Intermediaries (CGI),
  Class 17/2016, Thai Institute of Directors

Total shares held in Bank

No. of shares held
as of year-end 2018

- 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
2012 - Present	Director	CIMB-Principal Asset Management Co., Ltd.
2015 - Present	Director	Finansa Asset Management Ltd.
2015 - Present	Chairman	CT COLL Co., Ltd.
2015 - Present	Chairman	WorldLease Co., Ltd.
2016 - Present	Chairman	CIMB Thai Auto Co., Ltd.

Work experience within last 5 years

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

4 Mr. Arthit Masathirakul

Name of Executive / Age / Position/Date of appointment

Head of
Risk Management

Date of appointment:
1 January 2017

Education **Age 52 years**

- 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
- Leading into the Future CIMB Thai Bank Public Company Limited
- Onboarding Session for CIMB Leader CIMB Thai Bank Public Company Limited

Total shares held in Bank

No. of shares held
as of year-end 2018

- 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 Company Limited

Work experience within last 5 years

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

5 Mr. Pornchai Padmindra

Name of Executive / Age / Position/Date of appointment

Co-Head of Wholesale Banking

Head of Corporate Banking and Investment Banking

Date of appointment: 1 September 2013

Education — **Age 46 years**

- Bachelor of Accounting, Kasetsart University
- AFS Scholarship Student Exchange Programme

Training

- 2008: Director Accreditation Program (DAP), Class 73/2008, Thai Institute of Directors
- 2016: Capital Market Academy - Greater Mekong Sub-region 2 (CMA-GMS2), Stock Exchange of Thailand

Total shares held in Bank

No. of shares held as of year-end 2018

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

6 Mrs. Bussakorn Puttinan

Name of Executive / Age / Position/Date of appointment

Head of Information and Operations

Date of appointment: 4 January 2017

Education — **Age 62 years**

- Bachelor of Science (Agriculture Economics), Chiang Mai University

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 2018

- 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

7 Ms. Siriporn Sanunpairaue

Name of Executive / Age / Position/Date of appointment

Head of Internal Audit

Date of appointment: 1 July 2015

Education

Age 54 years

- 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 2018

- 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
2006	Head of Compliance	Calyon Bank, Bangkok Branch
2003 - 2005	Head of ASEAN Hub Audit (Excl. Indonesia and Singapore)	Deutsche Bank, Bangkok Branch
1992 - 2005	Country Head of Audit - Thailand	Deutsche Bank, Bangkok Branch
1986 - 1992	Bank Examiner Bank Supervision and Examination Department	Bank of Thailand

8 Mrs. Wareemon Niyomthai

Name of Executive / Age / Position/Date of appointment

Head of Commercial Banking

Date of appointment: 8 February 2016

Education — **Age 52 years**

- 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 Bank

No. of shares held as of year-end 2018

- 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)

9 Mrs. Kanokpai Vongsatitporn

Name of Executive / Age / Position/Date of appointment

Head of Human Resources

Date of appointment: 30 December 2016

Education — **Age 45 years**

- 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 Bank

No. of shares held as of year-end 2018

- 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

10 Mr. Jason Leong Kok Yew

Name of Executive / Age / Position/Date of appointment

Head of Finance

Date of appointment: 30 December 2016

Education — **Age 45 years**

- Bachelor of Economics, Macquarie University, Australia

Total shares held in Bank

No. of shares held as of year-end 2018

- 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
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

11 Mr. Tan Keat Jin

Name of Executive / Age / Position/Date of appointment

Head of Strategy

Date of appointment: 30 December 2016

Education

Age 44 years

- 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 2018

- 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)
2005 - 2006	Specialist	Bank Negara Malaysia (Central Bank of Malaysia)
1997 - 2005	Team Leader (various disciplines)	Accenture Malaysia

12 Mr. Prapas Thongsuk

Name of Executive / Age / Position/Date of appointment

Head of Corporate Communications

Date of appointment: 1 April 2010

Education — **Age 55 years**

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

Training

- A Business Creativity (ABC) Class 8 (2018) Sripatum University
- National Defence College Class 59 (2016-2017)
- "CIMB Leadership" Cohort 3, INSEAD University

Total shares held in Bank

No. of shares held as of year-end 2018

- 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

13 Mr. Akash Rathke

Name of Executive / Age / Position/Date of appointment

Head of Transaction Banking

Date of appointment: 1 January 2018

Education

- Fellow of Institute of Chartered Accountants of India (1988)
- Bachelor of Commerce, Panjab University, India (1986)
- Indian Certificate of Secondary Education, ST.Francis High School, India (1982)

Age 52 years

Total shares held in Bank

No. of shares held as of year-end 2018

- 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
Jan 2016 - Dec 2017	Non-Executive Director	Cromdx Solutions Pvt. Ltd.

Work experience within last 5 years

Period	Position	Company / Organisation
Jan 2015 - Jun 2016	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

14 Mr. Jittiwat Kantamala

Name of Executive / Age / Position/Date of appointment

Head of Private Banking

Date of appointment:
12 June 2017

Age 57 years

Education

- Finance & Marketing,
  University of Illinois At Urbana-Champaign, U.S.A. (1989)
- Economics (Pure Theory),
  Graduate School, Chulalongkorn University (1987)
- Economics, 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
- FATCA 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 Bank

No. of shares held as of year-end 2018

- 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)

15 Mr. Zethjak Leeyakars

Name of Executive / Age / Position/Date of appointment

Head of Compliance

Acting Head of Office of the President

Date of appointment: 24 February 2017

Education **Age 49 years**

- 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 Bank

No. of shares held as of year-end 2018

- 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	Executive Vice President, Compliance	Bangkok Bank PCL
Mar 2015 - Jun 2016	Executive Vice President, Compliance & Procedure Sector	Krungthai Bank PCL
Nov 2005 - Feb 2015	Executive Director, Head of Compliance	JP Morgan Chase Bank
Oct 2003 - Oct 2005	Assistant Vice President, Compliance	Deutsche Bank

16 Ms. Uthaiwan Sukphanpim

Name of Executive / Age / Position/Date of appointment

Head of Customer Experience Management

Date of appointment: 1 August 2018

Education **Age 50 years**

- Master of Business Administration, Finance & International Business, Saint Louis Unitiversity, Missouri, USA
- Bachelor of Business Administration, Accounting, Thammasat University

Training

- Situational Leadership Programme
- Coaching for Trusted Leader
- Crisis Communication Framework
- Kindness Service Recovery Programme
- 9 Gears Business Performance
- One-Minute Manager

Total shares held in Bank

No. of shares held as of year-end 2018

- 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
2013 - 2018	Senior Vice President, Customer Advocacy & Service Quality	United Overseas Bank Thai PCL
2002 - 2008	Deputy Director, Operations Support, Customer Management	True Corporation PCL
2000 - 2002	Manager, Risk Management, Personal Financial Services	HSBC Thailand
1998 - 1999	Manager, Personal Telephone Banking	HSBC Thailand
1993 - 1995	Assistant Manager, Credit	Siam Sanwa Credit PCL

17 Ms. Pajaree Thongvanit

Name of Executive / Age / Position/Date of appointment

Head of Legal

Date of appointment:
1 May 2018

Education **Age 38 years**

- Master of Law (Merit),
  University of Warwick, United of Kingdom
- Bachelor of Law (Honor),
  Chulalongkorn University

Training

- Women Leadership Course (Standard Chartered Bank (Jakarta), Indonesia)
- Effective Coaching (Standard Chartered Bank)
- Senior Lawyer Development Course (Clifford Chance)

Total shares held in Bank

No. of shares held
as of year-end 2018

- 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
2016 - 2018	Senior Vice President, Legal	CIMB Thai Bank PCL
2014 - 2016	Senior Vice President, Head Legal, Wholesale Banking Legal	Standard Chartered Bank (Thai)
2012 - 2014	Senior Vice President, Wholesale Banking Legal	Standard Chartered Bank (Thai)
2009 - 2012	Vice President, Wholesale Banking Legal	Standard Chartered Bank (Thai)
2007 - 2009	Senior Associate	Clifford Chance (Thailand) Limited

The Nomination, Remuneration, and Corporate Governance Committee Report

In line with the roles and responsibilities of the Nomination, Remuneration, and Corporate Governance Committee, in 2018, the Committee continued to ensure that the Bank considered and nominated qualified candidates for positions of directors and senior executives of the Bank, and with appropriate remuneration and benefits according to their duties and responsibilities. In addition, the Committee also reviewed the Bank's staff benefits in 2018.

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

1. To nominate qualified directors and senior executives and recommend remuneration and benefits appropriate for their duties and responsibilities to the Board for approval.

2. To consider the appointment of the Bank subsidiaries' directors and senior executives to the Board for concurrence.

3. To assess the performance of the Bank's senior executives against targets and performance criteria and submit the results of which to the Board with recommendations regarding the appropriate remuneration and benefits.

4. To review and consider the overall annual salary adjustment and bonuses for the Bank employees and propose the package to the Board for approval.

5. To review the Corporate Governance Policy and Codes of Conduct for directors and employees of the Bank in compliance with the corporate governance criteria of relevant regulatory authorities, and bring them forward to the Board for approval.

6. To review and present corporate governance guidelines for relevant units to the Board for approval to enhance good corporate governance of the Bank.

7. To review and improve benefits for the Bank's staff.

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



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

Audit Committee Report

The Audit Committee of CIMB Thai Bank Public Company Limited (the Bank) is composed of three independent directors. The members of the Audit Committee are:

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

The Audit Committee has performed its tasks in accordance with the scope of responsibilities defined in the Audit Committee Charter and specific responsibilities delegated by the Board of Directors. In 2018, the Audit Committee held a total of 12 meetings with senior management, heads of concerned business units, internal auditors and the external auditor. The result of each meeting has been reported to the Board of Directors. Significant actions taken by the Audit Committee can be summarised as follows:

- Reviewed quarterly, semi-annual and annual financial statements of the Bank as well as consolidated financial statements of the Bank and its subsidiaries by holding meetings with the external auditor and Head of Finance to consider the completeness and accuracy of the financial statements and disclosure of information in the notes to financial statements in compliance with financial reporting standards and generally accepted accounting principles as well as the requirements of laws and regulations relevant to Bank and its subsidiaries.

- Reviewed the adequacy of the internal control system based on the audit report of Internal Audit and the result of examination of the regulators who oversee the Bank and its subsidiaries to ensure the internal control system and financial reporting are effective. In addition, the Audit Committee reviewed and monitored the Bank's rectification of the audit issues to ensure appropriate corrective actions had been taken in a timely manner.

- Reviewed the effectiveness of the risk management system in collaboration with Head of Risk Management based on risk management reports and guidelines for managing respective types of risks and incidents to ensure the appropriateness of the risk management system.

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

- Considered the selection of the external auditor and determination of the audit fee for further proposal to the Board of Directors and the shareholders.

- Reviewed and opined about related party transactions or transactions that may cause conflict of interest and reported to the Board of Directors for appropriate action or improvement.

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



(Mr. Maris Samaram)
Audit Committee Chairman

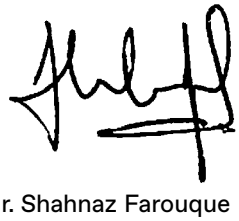
Report of Responsibility of the Board of Directors for Financial Statements

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

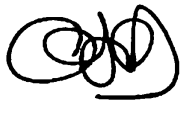
The Board of Directors has established and maintained appropriate and effective internal control system in order to rationally assure that the accounting information is correctly and completely recorded and adequate to sustain the Bank's assets so as to prevent any fraud or irregular operations.

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

The Board of Directors is of the opinion that the Bank's overall internal control is at a satisfactory level and reasonably provides reliability of the Bank's and its subsidiaries' financial statements for the year ended 31 December 2018.



Mr. Shahnaz Farouque Bin Jammal Ahmad
Director



Mr. Omar Siddiq Bin Amin Noer Rashid
Acting President and Chief Executive Officer

Independent Auditor's Report

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 2018, 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 2018;
- 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 to the consolidated and separate financial statements number 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 to the consolidated and separate financial statements number 10.

Loans to customers are a significant portion constituting 60.76% of total assets. As at 31 December 2018 the total loans portfolio of the Group comprises of loans of commercial banking business which constitutes 85.12%, and hire-purchase receivables generated from the operations of the Group's subsidiaries 14.88%. 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 management made complex and subjective judgement over the estimation of the allowance for doubtful accounts.

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.

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.

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.

Based on the significance, level of subjectivity and estimation uncertainty, allowance for doubtful accounts on loans to customers is a key audit matter.

I evaluated the design and implementation of control, and tested operating effectiveness of key controls over input data and calculation of allowances as follows:

- 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 Directors of the Group.

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.

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.

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:

- 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.

Key audit matter	How my audit addressed the key audit matter
	• 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 material differences.

Valuation of derivative financial instruments

Refer to Note to the consolidated and separate financial statements number 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 to the consolidated and separate financial statements number 7.

As at 31 December 2018, the Group's derivatives financial instruments mainly comprise of derivatives, assets and liabilities amounting to Baht 23,396 million and amounting to Baht 24,318 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 consolidated and separate 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. 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. I didn't find any material differences.

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.



Boonlert Kamolchanokkul
Certified Public Accountant (Thailand) No. 5339
Bangkok
22 February 2019

CIMB THAI Bank Public Company Limited

Consolidated And Separate Financial Statements 31 December 2018



Director

Statements of Financial Position

As at 31 December 2018

Unit: THB

	Notes	Consolidated		Separate	
Assets		31 December 2018	31 December 2017	31 December 2018	31 December 2017
Cash		1,749,088,327	1,591,188,651	1,745,984,495	1,588,987,409
Interbank and money market items, net	6	6,790,160,122	18,167,812,758	6,684,224,569	18,099,695,389
Derivative assets	7	23,395,513,202	21,278,460,920	23,395,513,202	21,278,460,920
Investments, net	8	92,172,323,107	44,059,846,768	92,172,323,107	44,059,846,768
Investments in subsidiaries, net	9	-	-	2,208,315,115	1,708,315,115
Loans and accrued interest receivables	10				
Loans		234,554,591,139	218,058,207,223	218,848,912,358	205,242,484,739
Accrued interest receivables		492,689,784	516,911,663	502,263,091	522,709,406
Total loans and accrued interest receivables		235,047,280,923	218,575,118,886	219,351,175,449	205,765,194,145
Less Deferred revenue		(8,254,467,999)	(7,036,133,482)	(486,300)	(8,651,407)
Less Allowance for doubtful debts	11	(10,539,026,105)	(9,869,265,119)	(9,702,022,606)	(9,256,336,052)
Less Revaluation allowance for debt restructuring	12	(52,332,096)	(105,673,656)	(52,332,096)	(105,673,656)
Loans and accrued interest receivables, net		216,201,454,723	201,564,046,629	209,596,334,447	196,394,533,030
Customers' liability under acceptance		77,698,965	581,413,868	77,698,965	581,413,868
Properties for sale, net	13	1,016,509,206	1,033,943,008	831,149,160	888,480,141
Premises and equipment, net	14	3,536,093,184	3,588,378,733	3,471,101,060	3,529,189,193
Intangible assets, net	15	488,639,652	370,043,208	480,958,226	364,943,160
Deferred tax assets	16	1,392,797,611	1,372,672,738	938,209,202	1,023,345,737
Other assets, net	17	9,028,246,822	6,995,795,275	8,775,677,084	6,789,804,499
Total assets		355,848,524,921	300,603,602,556	350,377,488,632	296,307,015,229

The accompanying notes to the consolidated and bank financial statements from page 156 to 285 are an integral part of these financial statements.

Statements of Financial Position (Cont'd)

As at 31 December 2018

Unit: THB

	Notes	Consolidated		Separate	
		31 December 2018	31 December 2017	31 December 2018	31 December 2017
Liabilities and equity					
Liabilities					
Deposits	18	185,100,505,109	177,400,677,986	185,215,037,339	177,702,506,611
Interbank and money market items, net	19	44,533,942,327	15,648,105,797	44,533,942,327	15,648,105,797
Liability payable on demand		378,991,448	254,663,261	378,991,448	254,663,261
Financial liabilities designated at fair value through profit or loss	20	35,512,717,532	23,103,810,514	35,512,717,532	23,103,810,514
Derivative liabilities	7	24,318,002,735	19,965,010,587	24,318,002,735	19,965,010,587
Debt issued and borrowings	21	18,968,347,710	19,933,103,726	16,968,347,710	17,933,103,726
Bank's liability under acceptance		77,698,965	581,413,868	77,698,965	581,413,868
Provisions	22	1,987,605,895	1,946,444,925	1,892,940,783	1,855,519,989
Other liabilities	23	8,048,887,299	8,718,523,191	7,099,432,111	7,938,994,106
Total liabilities		318,926,699,020	267,551,753,855	315,997,110,950	264,983,128,459
Equity					
Share capital	24				
Registered					
34,822,261,748 ordinary shares of Baht 0.50 each		17,411,130,874		17,411,130,874	
30,280,227,607 ordinary shares of Baht 0.50 each			15,140,113,804		15,140,113,804
Issued and paid-up share capital					
34,822,261,748 ordinary shares of Baht 0.50 each		17,411,130,874		17,411,130,874	
30,280,227,607 ordinary shares of Baht 0.50 each			15,140,113,804		15,140,113,804

The accompanying notes to the consolidated and bank financial statements from page 156 to 285 are an integral part of these financial statements.

Statements of Financial Position (Cont'd)

As at 31 December 2018

Unit: THB

	Notes	Consolidated		Separate	
		31 December 2018	31 December 2017	31 December 2018	31 December 2017
Liabilities and equity					
Premium on share capital		10,145,965,854	8,465,413,222	10,145,965,854	8,465,413,222
Other reserves	25	1,400,797,437	1,534,848,299	1,422,487,528	1,558,840,917
Accretion of equity interests in subsidiary		(42,753,751)	(42,753,751)	-	-
Retained earnings					
Appropriated - statutory reserve	26	403,600,000	398,680,000	403,600,000	398,680,000
Unappropriated		7,603,085,487	7,555,547,127	4,997,193,426	5,760,838,827
Total equity		36,921,825,901	33,051,848,701	34,380,377,682	31,323,886,770
Total liabilities and equity		355,848,524,921	300,603,602,556	350,377,488,632	296,307,015,229

The accompanying notes to the consolidated and bank financial statements from page 156 to 285 are an integral part of these financial statements.

Statements of Comprehensive Income

For the year ended 31 December 2018

Unit: THB

	Notes	Consolidated		Separate	
		2018	2017	2018	2017
Interest income	30	15,309,544,755	14,557,766,606	12,341,600,425	11,913,199,518
Interest expenses	31	(4,562,807,958)	(4,355,322,725)	(4,515,325,072)	(4,325,189,459)
Net interest income		10,746,736,797	10,202,443,881	7,826,275,353	7,588,010,059
Fees and service income		2,109,980,514	2,140,296,232	1,376,649,113	1,471,420,808
Fees and service expenses		(302,056,447)	(195,842,620)	(289,520,012)	(223,841,719)
Net fees and services income	32	1,807,924,067	1,944,453,612	1,087,129,101	1,247,579,089
Gains on tradings and foreign exchange transactions	33	1,054,168,202	2,238,222,821	1,054,168,202	2,238,222,821
Losses on financial instrument designated at fair value through profit or loss	34	(759,750,530)	(1,733,886,254)	(759,750,530)	(1,733,886,254)
Gains on investments	35	19,508,137	107,353,927	19,508,137	490,748,334
Gains on sale of non-performing loans	10	226,351,923	-	-	-
Other operating income	36	441,558,380	396,161,195	261,325,479	233,222,081
Total operating income		13,536,496,976	13,154,749,182	9,488,655,742	10,063,896,130
Other operating expenses					
Employee expenses		4,533,126,703	4,068,397,712	3,892,655,897	3,444,686,567
Directors' remuneration		13,467,200	12,792,000	13,131,200	12,456,000
Premises and equipment expenses		1,155,447,852	1,060,266,367	1,017,873,890	929,630,735
Taxes and duties		413,013,666	420,692,273	386,886,044	397,448,867
Others		2,230,852,622	2,050,806,859	1,229,294,759	1,334,179,030
Total other operating expenses		8,345,908,043	7,612,955,211	6,539,841,790	6,118,401,199
Bad and doubtful debts and impairment losses	37	4,919,382,923	5,053,034,607	3,686,327,220	3,944,113,706
Profit (loss) before income tax expenses		271,206,010	488,759,364	(737,513,268)	1,381,225
Income tax expenses	38	(264,304,590)	(103,861,136)	(66,769,073)	70,008,975
Net profit (loss) for the year		6,901,420	384,898,228	(804,282,341)	71,390,200

The accompanying notes to the consolidated and bank financial statements from page 156 to 285 are an integral part of these financial statements.

Statements of Comprehensive Income (Cont'd)

For the year ended 31 December 2018

Unit: THB

	Notes	Consolidated		Separate	
		2018	2017	2018	2017
Other comprehensive (expenses) income					
Items that will be reclassified subsequently to profit or loss					
(Losses) gains on remeasuring available-for-sale investments		(274,248,938)	467,099,324	(274,248,938)	467,099,324
Losses arising from translating the financial statement of a foreign operation		(4,697,307)	(30,696,516)	(4,697,307)	(30,696,516)
Gains on cash flow hedges		136,503,546	62,042,015	136,503,546	62,042,015
Income tax relating to items that will be reclassified subsequently to profit or loss		(4,364,720)	(105,828,268)	(4,364,720)	(105,828,268)
Total items that will be reclassified subsequently to profit or loss		(146,807,419)	392,616,555	(146,807,419)	392,616,555
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of post-employment benefit obligations		72,891,871	79,271,973	70,013,711	82,635,079
Income tax relating to items that will not be reclassified subsequently to profit or loss		(14,578,374)	(15,854,394)	(14,002,741)	(16,527,016)
Total items that will not be reclassified subsequently to profit or loss		58,313,497	63,417,579	56,010,970	66,108,063
Total other comprehensive (expenses) income		(88,493,922)	456,034,134	(90,796,449)	458,724,618
Total comprehensive (expenses) income for the year		(81,592,502)	840,932,362	(895,078,790)	530,114,818

The accompanying notes to the consolidated and bank financial statements from page 156 to 285 are an integral part of these financial statements.

Statements of Comprehensive Income (Cont'd)

For the year ended 31 December 2018

Unit: THB

	Notes	Consolidated		Separate	
		2018	2017	2018	2017
Net profit (loss) attributable to:					
Equity holders of the Bank		6,901,420	384,898,228	(804,282,341)	71,390,200
Non-controlling interests		-	-	-	-
		6,901,420	384,898,228	(804,282,341)	71,390,200
Total comprehensive (expenses) income attributable to:					
Equity holders of the Bank		(81,592,502)	840,932,362	(895,078,790)	530,114,818
Non-controlling interests		-	-	-	-
		(81,592,502)	840,932,362	(895,078,790)	530,114,818
Earnings per share for profit (loss) attributable to the equity holders of the Bank	40				
Basic earnings (loss) per share (Baht per share)		0.00	0.01	(0.03)	0.00
Weighted average number of ordinary shares (shares)		31,188,634,435	28,233,684,776	31,188,634,435	28,233,684,776

The accompanying notes to the consolidated and bank financial statements from page 156 to 285 are an integral part of these financial statements.

Statements of Changes in Equity

For the year ended 31 December 2018

Unit: THB

		Consolidated												
		Attributable to owners of the Bank												
				Other reserves										
	Notes	Issued and paid-up share capital	Share premium	Revaluation surplus on assets	Remeasurements of post-employment benefit obligations	Revaluation surplus (deficit) on change in value of investments	Gains (losses) arising from translating the financial statement of a foreign operation	(Losses) gains on cash flow hedges	Income tax relating to components of other comprehensive expense	Total other reserves	Accretion of equity interests in subsidiary	Legal reserve	Retained earnings	Total equity
Balance as at 1 January 2018		15,140,113,804	8,465,413,222	2,029,075,146	(176,247,467)	114,679,945	4,398,911	(54,445,887)	(382,612,349)	1,534,848,299	(42,753,751)	398,680,000	7,555,547,127	33,051,848,701
Increase in ordinary shares	24	2,271,017,070	1,680,552,632	-	-	-	-	-	-	-	-	-	-	3,951,569,702
Total comprehensive income (expenses) for the year		-	-	-	72,891,871	(274,248,938)	(4,697,307)	136,503,546	(18,943,094)	(88,493,922)	-	-	6,901,420	(81,592,502)
Appropriated - statutory reserve	26	-	-	-	-	-	-	-	-	-	-	4,920,000	(4,920,000)	-
Transfer to retained earnings		-	-	(56,946,175)	-	-	-	-	11,389,235	(45,556,940)	-	-	45,556,940	-
Balance as at 31 December 2018		17,411,130,874	10,145,965,854	1,972,128,971	(103,355,596)	(159,568,993)	(298,396)	82,057,659	(390,166,208)	1,400,797,437	(42,753,751)	403,600,000	7,603,085,487	36,921,825,901
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)	1,094,080,196	(42,753,751)	397,800,000	7,156,262,868	26,705,420,411
Increase in ordinary shares	24	2,752,747,964	2,752,747,964	-	-	-	-	-	-	-	-	-	-	5,505,495,928
Total comprehensive income (expenses) for the year		-	-	-	79,271,973	467,099,324	(30,696,516)	62,042,015	(121,682,662)	456,034,134	-	-	384,898,228	840,932,362
Appropriated - statutory reserve	26	-	-	-	-	-	-	-	-	-	-	880,000	(880,000)	-
Transfer to retained earnings		-	-	(19,082,539)	-	-	-	-	3,816,508	(15,266,031)	-	-	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	4,398,911	(54,445,887)	(382,612,349)	1,534,848,299	(42,753,751)	398,680,000	7,555,547,127	33,051,848,701

The accompanying notes to the consolidated and bank financial statements from page 156 to 285 are an integral part of these financial statements.

Statements of Changes in Equity (Cont'd)

For the year ended 31 December 2018

Unit: THB

	Notes	Separate											
				Other reserves									
		Issued and paid-up share capital	Share premium	Revaluation surplus on assets	Remeasurements of post-employment benefit obligations	Revaluation surplus (deficit) on change in value of investments	Gains (losses) arising from translating the financial statement of a foreign operation	(Losses) gains on cash flow hedges	Income tax relating to components of other comprehensive expense	Total other reserves	Legal reserve	Retained earnings	Total equity
Balance as at 1 January 2018		15,140,113,804	8,465,413,222	2,029,075,146	(146,256,694)	114,679,945	4,398,911	(54,445,887)	(388,610,504)	1,558,840,917	398,680,000	5,760,838,827	31,323,886,770
Increase in ordinary shares	24	2,271,017,070	1,680,552,632	-	-	-	-	-	-	-	-	-	3,951,569,702
Total comprehensive income (expenses) for the year		-	-	-	70,013,711	(274,248,938)	(4,697,307)	136,503,546	(18,367,461)	(90,796,449)	-	(804,282,341)	(895,078,790)
Appropriated - statutory reserve	26	-	-	-	-	-	-	-	-	-	4,920,000	(4,920,000)	-
Transfer to retained earnings		-	-	(56,946,175)	-	-	-	-	11,389,235	(45,556,940)	-	45,556,940	-
Balance as at 31 December 2018		17,411,130,874	10,145,965,854	1,972,128,971	(76,242,983)	(159,568,993)	(298,396)	82,057,659	(395,588,730)	1,422,487,528	403,600,000	4,997,193,426	34,380,377,682
Balance as at 1 January 2017		12,387,365,840	5,712,665,258	2,048,157,685	(228,891,773)	(352,419,379)	35,095,427	(116,487,902)	(270,071,728)	1,115,382,330	397,800,000	5,675,062,596	25,288,276,024
Increase in ordinary shares	24	2,752,747,964	2,752,747,964	-	-	-	-	-	-	-	-	-	5,505,495,928
Total comprehensive income (expenses) for the year		-	-	-	82,635,079	467,099,324	(30,696,516)	62,042,015	(122,355,284)	458,724,618	-	71,390,200	530,114,818
Appropriated - statutory reserve	26	-	-	-	-	-	-	-	-	-	880,000	(880,000)	-
Transfer to retained earnings		-	-	(19,082,539)	-	-	-	-	3,816,508	(15,266,031)	-	15,266,031	-
Balance as at 31 December 2017		15,140,113,804	8,465,413,222	2,029,075,146	(146,256,694)	114,679,945	4,398,911	(54,445,887)	(388,610,504)	1,558,840,917	398,680,000	5,760,838,827	31,323,886,770

The accompanying notes to the consolidated and bank financial statements from page 156 to 285 are an integral part of these financial statements.

Statements of Cash Flows

For the year ended 31 December 2018

Unit: THB

	Notes	Consolidated		Separate	
		2018	2017	2018	2017
Cash flows from operating activities					
Profit (loss) before corporate income tax		271,206,010	488,759,364	(737,513,268)	1,381,225
Adjustments to reconcile net income before income tax to cash in (out) flows from operating activities:					
Depreciation and amortisation		373,493,966	367,291,254	352,142,154	344,091,704
Bad debts and doubtful accounts	37	4,919,382,923	5,053,034,607	3,686,327,220	3,944,113,706
Provision (reversal) for off-balance sheet items		72,742,078	(42,701,555)	72,742,078	(42,701,555)
Share-based payment		38,448,440	35,251,070	38,448,440	35,251,070
Provision for liabilities		85,994,884	207,888,248	79,376,548	197,903,657
Losses on impairment of properties for sale		47,039,986	47,970,983	1,487,569	20,391,212
Losses on impairment of investments		1,067,203	3,476,616	1,067,203	3,476,616
Reversal of losses on impairment of investment in subsidiaries		-	-	-	(383,394,408)
Unrealised losses (gains) on exchange and derivatives		1,075,237,437	(3,015,423,032)	1,075,237,437	(3,015,423,032)
Losses (gains) on properties for sale		518,951,662	380,078,551	(139,608,478)	(72,996,501)
Unrealised gains on revaluation of investments		(315,036,490)	(135,317,715)	(315,036,490)	(135,317,715)
Losses (gains) on sale of investments		113,050,652	(366,098,877)	113,050,652	(366,098,877)
Gains on disposal of premises and equipment		(20,391,900)	(36,746,849)	(10,877,744)	(34,334,525)
Losses from write off premises and equipment		1,318,506	13,044,307	1,169,021	12,487,613
Losses from write off leasehold rights		8,845,503	41,603,154	8,845,503	41,454,421
Losses on sale of non-performing loan		4,731,329	162,476,024	4,731,329	162,476,024

The accompanying notes to the consolidated and bank financial statements from page 156 to 285 are an integral part of these financial statements.

Statements of Cash Flows (Cont'd)

For the year ended 31 December 2018

Unit: THB

	Notes	Consolidated		Separate	
		2018	2017	2018	2017
Losses on financial liabilities designated at fair value through profit or loss	34	759,750,530	1,733,886,254	759,750,530	1,733,886,254
Interest income	30	(15,309,544,755)	(14,557,766,606)	(12,341,600,425)	(11,913,199,518)
Dividend income	36	(10,508,869)	(13,869,440)	(10,508,869)	(13,869,440)
Interest expenses	31	4,562,807,958	4,355,322,725	4,515,325,072	4,325,189,459
Losses from operations before changes in operating assets and liabilities		(2,801,412,947)	(5,277,840,917)	(2,845,444,518)	(5,155,232,610)
Decrease (increase) in operating assets					
Interbank and money market items		11,389,079,000	(9,638,709,217)	11,426,897,185	(9,634,584,045)
Investments held for trading		(13,414,065,599)	(2,196,019,258)	(13,414,065,599)	(2,196,019,258)
Loans		(20,557,198,292)	(10,508,908,673)	(15,914,378,341)	(5,314,731,312)
Properties for sale		1,448,879,618	1,344,666,908	222,507,346	409,785,779
Other assets		(1,953,057,331)	659,376,394	(1,869,281,141)	662,550,529
Increase (decrease) in operating liabilities					
Deposits		7,699,827,123	(6,262,646,720)	7,512,530,728	(6,174,959,438)
Interbank and money market items		28,885,836,529	4,052,777,386	28,885,836,529	4,052,777,386
Liability payable on demand		124,328,187	4,571,090	124,328,187	4,571,090
Short-term borrowings		(4,202,663,803)	(6,046,902,521)	(4,202,663,803)	(6,046,902,521)
Provisions		(68,700,452)	(136,889,495)	(68,700,452)	(136,889,494)
Other liabilities		(709,161,767)	1,237,412,652	(966,619,308)	1,094,180,591
Cash flows provided by (used in) operating activities		5,841,690,266	(32,769,112,371)	8,890,946,813	(28,435,453,303)
Cash received from interest income		13,660,637,349	13,450,792,981	10,688,917,455	10,804,211,696
Cash paid for interest expenses		(5,144,814,563)	(4,821,676,381)	(5,146,131,186)	(4,830,582,525)
Cash paid for income tax		(424,746,068)	(333,270,211)	(71,039,791)	(62,402,645)
Net cash flows provided by (used in) operating activities		13,932,766,984	(24,473,265,982)	14,362,693,291	(22,524,226,777)

The accompanying notes to the consolidated and bank financial statements from page 156 to 285 are an integral part of these financial statements.

Statements of Cash Flows (Cont'd)

For the year ended 31 December 2018

Unit: THB

	Notes	Consolidated		Separate	
		2018	2017	2018	2017
Cash flows from investing activities					
Cash paid for purchases of available-for-sale securities		(32,583,604,603)	(14,520,484,708)	(32,583,604,603)	(14,520,484,708)
Proceeds from disposals of available-for-sale securities		4,208,825,541	24,559,533,593	4,208,825,541	24,559,533,593
Proceeds from maturity of available-for-sale securities		51,200,000	60,000,000	51,200,000	60,000,000
Cash paid for purchases of held to maturity securities		(12,462,512,179)	(503,847,389)	(12,462,512,179)	(503,847,389)
Proceeds from disposals of held to maturity securities		-	480,340	-	480,340
Proceeds from maturity of held to maturity securities		5,905,850,000	4,305,000,000	5,905,850,000	4,305,000,000
Proceeds from repayment of investment in receivable		795,015	2,482,988	795,015	2,482,988
Cash paid for purchases of investment in subsidiary	9	-	-	(500,000,000)	-
Cash paid for purchases of general investments		(726,500)	(792,307)	(726,500)	(792,307)
Proceeds from disposals of general investments		6,752,752	-	6,752,752	-
Proceeds from decrease in capital of general investments		14,990,000	22,710,000	14,990,000	22,710,000
Cash paid for purchases of premises and equipment		(161,435,893)	(178,507,407)	(134,988,728)	(158,616,076)
Proceeds from disposals of premises and equipment		16,085,199	39,159,489	6,268,162	36,697,603
Cash paid for purchases of intangible assets		(280,289,448)	(173,301,907)	(276,548,473)	(171,322,945)
Dividend received		10,508,869	13,869,440	10,508,869	13,869,440
Interest received		1,693,447,001	1,487,963,769	1,693,447,001	1,487,963,769
Net cash flows (used in) provided by investing activities		(33,580,114,246)	15,114,265,901	(34,059,743,143)	15,133,674,308
Cash flows from financing activities					
Cash paid for interest expenses		(48,800,000)	(31,820,274)	-	-

The accompanying notes to the consolidated and bank financial statements from page 156 to 285 are an integral part of these financial statements.

Statements of Cash Flows (Cont'd)

For the year ended 31 December 2018

Unit: THB

	Notes	Consolidated		Separate	
		2018	2017	2018	2017
Cash received from capital increase		3,951,569,703	5,505,495,928	3,951,569,703	5,505,495,928
Proceeds from issuing debentures		-	2,000,000,000	-	-
Proceeds from issuing subordinate debentures		3,150,852,900	-	3,150,852,900	-
Cash paid for redemption of subordinated debentures		-	(3,000,000,000)	-	(3,000,000,000)
Proceeds from issuance of structured debentures		9,910,595,732	9,467,646,107	9,910,595,732	9,467,646,107
Cash paid for redemption of structured debentures		(10,000,000)	(9,028,000,000)	(10,000,000)	(9,028,000,000)
Proceeds from issuance of structured bills of exchange		3,212,022,495	4,184,682,754	3,212,022,495	4,184,682,754
Cash paid for redemption of structured bills of exchange		(356,500,000)	(57,000,000)	(356,500,000)	(57,000,000)
Net cash flows provided by financing activities		19,809,740,830	9,041,004,515	19,858,540,830	7,072,824,789
Gains on foreign currency translation differences		(4,493,892)	(29,432,276)	(4,493,892)	(29,432,276)
Net increase (decrease) in cash and cash equivalents		157,899,676	(347,427,842)	156,997,086	(347,159,956)
Cash and cash equivalents at beginning of the year		1,591,188,651	1,938,616,493	1,588,987,409	1,936,147,365
Cash and cash equivalents at the end of the year		1,749,088,327	1,591,188,651	1,745,984,495	1,588,987,409
Supplemental disclosure of cash flows information					
Non-cash transaction:					
Payable from purchase premises and equipment		294,250	22,735,861	294,250	22,735,861
Properties for sale received from premises and equipment		22,455,456	38,817,769	22,455,456	38,817,769
Change in revaluation surplus in available-for-sale		(274,248,938)	(467,099,324)	(274,248,938)	(467,099,324)
Interest amortisation from premium or discount		111,472,079	236,842,411	111,472,079	236,842,411

The accompanying notes to the consolidated and bank financial statements from page 156 to 285 are an integral part of these financial statements.

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2018

Notes	Contents	Page
1	General information	157
2	Accounting policies	157
3	Financial risk management	173
4	Critical accounting estimates, assumptions and judgements	174
5	Capital risk management	175
6	Interbank and money market items, net (assets)	176
7	Derivatives	178
8	Investments, net	181
9	Investments in subsidiaries, net	186
10	Loans and accrued interest receivables, net	187
11	Allowance for doubtful debts	197
12	Revaluation allowance for debt restructuring	199
13	Properties for sale, net	199
14	Premises and equipment, net	202
15	Intangible assets, net	206
16	Deferred income taxes	208
17	Other assets, net	211
18	Deposits	211
19	Interbank and money market items (liabilities)	213
20	Financial liabilities designated at fair value through profit or loss	213
21	Debt issued and borrowings	215
22	Provisions	218
23	Other liabilities	222
24	Share capital	222
25	Other reserves	223
26	Statutory reserve	225
27	Capital funds	225
28	Share-based payments	227
29	Important positions and performance classified by type of domestic or foreign transactions	228
30	Interest income	230
31	Interest expenses	231
32	Net fees and services income	231
33	Gains on tradings and foreign exchange transactions, net	232
34	Losses on financial instrument designated at fair value through profit or loss, net	232
35	Gains on investments, net	233
36	Other operating income	233
37	Bad and doubtful debts and impairment losses	234
38	Corporate income tax	234
39	Provident fund	237
40	Earnings per share	238
41	Encumbrance of assets	238
42	Commitments and contingent liabilities	239
43	Related party transactions	244
44	Financial information by segment	252
45	Financial instruments	255
46	Fair value	278

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2018

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 22 February 2019.

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

The preparation of 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 financial statements, are disclosed in Note 4.

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 accounting standards, revised financial reporting standards, and related interpretations

2.2.1 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2018 which have significant change and are relevant to the Group:

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.
- The Group 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.

Management has implemented the above revised standards and they do not have a material impact on the Group except for disclosure.

2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective.

2.2.2.1 The FAP has issued new standard, TFRS15 Revenue from contracts with customers. This standard will become effective for annual periods beginning on or after 1 January 2019. The Group has not early adopted this standard.

TFRS 15 provide the requirements for the recognition of revenue. This standard will supersede the following standards:

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards.

An entity recognises revenue in accordance with that core principle by applying the following steps:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Key changes to current practice are:

- Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements

- Revenue may be recognised earlier than under current standards if the consideration varies for any reasons (such as for incentives, rebates, performance fees, royalties, success of an outcome etc) - minimum amounts must be recognised if they are not at significant risk of reversal

- The point at which revenue is able to be recognised may shift: some revenue which is currently recognised at a point in time at the end of a contract may have to be recognised over the contract term and vice versa

- There are new specific rules on licenses, warranties, non-refundable upfront fees and, consignment arrangements

- As with any new standard, there are also increased disclosures.

Entities will have a choice to apply this standard retrospectively in accordance with TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, subject to the expedients or retrospectively with the cumulative effect recognised as an adjustment to the opening balance of retained earnings of the annual reporting period that includes the date of initial application with additional disclosures.

The Group's management is currently assessing the impact of initial adoption of this standard.

2.2.2.2 Revised financial reporting standards will become effect for annual periods beginning on or after 1 January 2019 and are relevant to the Group. The Group has not yet adopt these standards.

TFRS 2 (revised 2018)	Share-based Payment
TFRIC 22	Foreign Currency Transactions and Advance Consideration

TFRS 2, the amendments clarify;

The measurement basis for cash-settled share-based payments, vesting conditions, other than market conditions, shall not be taken into account when estimating the fair value of the cash-settled share-based payment at the measurement date. Instead, vesting conditions, other than market conditions, shall be taken into account by adjusting the number of awards included in the measurement of the liability arising from the transaction.
Where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority, the whole award will be treated as if it was equity-settled provided it would have been equity-settled without the net settlement feature, and
The accounting for modifications that change an award from cash-settled to equity-settled.

The TFRIC 22 interpretation provides guidance for determining the exchange rate to be used on the initial recognition of a related asset, expense or income where an entity pays or receives an advance consideration in a foreign currency. The interpretation requires an entity to use the exchange rate at the date on which an entity recognises the non-monetary assets, such as prepayments and advances, or non-monetary liability, such as deferred income arising from the advance consideration. If there are multiple advance payments or receipts of payments, the exchange rate is to be used on the date when each non-monetary asset or liability is recognised.

2.2.2.3 The Group of financial instruments reporting standards which are effective for annual periods beginning on or after 1 January 2020 consist of the following standards. These standards could be early adopted before the effective date only for the period beginning on or after 1 January 2019.

TAS 32	Financial instruments: Presentation
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

The above new standards will supersede the following standards:

TAS 101	Bad and Doubtful Debts
TAS 103	Disclosures in the Financial Statements of Bank and Similar Financial Institutions
TAS 104	Accounting for Troubled Debt Restructuring
TAS 105	Accounting for Investment in Debts and Equity securities
TAS 106	Accounting for Investment Companies
TAS 107	Financial Instruments: Disclosure and Presentation

TAS 32 Financial Instruments: Presentation, provides the requirements for the presentation financial instruments as liabilities or equity and for offsetting financial assets and financial liabilities. It applies to the classification of financial instruments, from the perspective of the issuer, into financial assets, financial liabilities and equity instruments; the classification of related interest, dividends, losses and gains; and the circumstances in which financial assets and financial liabilities should be offset.

TFRS 7 Financial Instruments: Disclosures, provides the requirements for the disclosure that are intended to enable users to evaluate the significance of financial instruments for an entity's financial position and performance, and to understand the nature and extent of risks arising from those financial instruments to which the entity is exposed during the period and at the end of the reporting period, and how the entity manages those risks.

TFRS 9 Financial Instruments, establishes principles for the classification, measurement and derecognition of financial assets and financial liabilities, impairment requirement and hedge accounting as follows:

- Classification and measurement:
  - The classification and measurement of debt instrument financial assets has three classification categories, which are amortised cost, fair value through profit or loss and fair value through other comprehensive income. Classification of debt assets will be driven by the entity's business model for managing the financial assets and contractual cash flows characteristics of the financial assets.

  - Equity instrument financial assets shall be measured at fair value through profit or loss. An entity can make an irrevocable election to recognise the fair value change in other comprehensive income without subsequent recycling to profit or loss.

  - Financial liabilities are classified and measured at amortised cost. An entity can choose to measure a liability at fair value through profit or loss when the conditions are met.

  - Derivatives are classified and measured at fair value through profit or loss.

- The impairment requirements relating to the accounting for an entity's expected credit losses on its financial assets measured at amortised cost, investments in debt instruments measured at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantee contracts. It is no longer necessary for a credit event to have occurred before credit losses are recognised. The entity always accounts for expected credit losses which involves a three stage approach. The stage dictates how the entity measures impairment losses and applies the effective interest rate method. Except for trade receivables and contractual assets which apply in TFRS 15 and are no significant financial components and lease receivables, they are permitted to measure by simplified approach for credit impaired consideration.

- The objective of hedge accounting is to represent, in the financial statements, the effect of an entity's risk management activities that use financial instruments to manage exposures arising from particular risks that could affect profit or loss (or other comprehensive income, in the case of investments in equity instruments for which an entity has elected to present changes in fair value in other comprehensive income). This approach aims to convey the context of hedging instruments for which hedge accounting is applied in order to allow insight into their purpose and effect.

  TFRIC 16 Hedges of a Net Investment in a Foreign Operation, clarifies the accounting treatment in respect of net investment hedging, provides guidance on identifying the foreign currency risks that qualify as a hedged risk. Clarifying that hedging instruments that are hedges of a net investment in a foreign operation may be held anywhere in the group not only by the parent. This includes the guidance on how an entity should determine the amount to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item.

  TFRIC 19 Extinguishing financial liabilities with equity instruments, provides the requirements for accounting treatment when the entity issues equity instruments to a creditor to extinguish all

or part of a financial liability. The equity instruments issued shall be measured at fair value. The entity shall remove a financial liability (or part of a financial liability) from its statement of financial position when it is extinguished in accordance with TFRS 9. The difference between the carrying amount of the financial liability (or part of a financial liability) extinguished and the fair value of equity instruments issued shall be recognised in profit or loss.

The Group's management is currently assessing the impact of initial adoption of these standards.

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 though 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 achieves 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 recognise 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 derecgonised. 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 leasee 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 or 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 or 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 43 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 assets and financial liabilities at fair value through profit or loss

Financial assets and financial liabilites 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 assets and financial liabilities, designated at fair value through profit or loss, are recognised in the statements of comprehensive income as gain or loss on financial assets and financial liabilities designated at fair value through profit loss.

2.21 Borrowings

Borrowings are recognised at the fair value, net of transaction costs incurred.

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 provison 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 doubtful debts and revaluation allowance for debt restructuring 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' 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 27 to the financial statements.

6 INTERBANK AND MONEY MARKET ITEMS, NET (ASSETS)

Unit: THB million

	Consolidated					
	2018			2017		
	At call	Term	Total	At call	Term	Total
Domestic:						
Bank of Thailand and the Financial Institutions Development Fund	2,869	-	2,869	2,328	-	2,328
Commercial banks	375	1,000	1,375	133	7,142	7,275
Specialised Financial Institutions	8	-	8	10	5,000	5,010
Other financial institutions	-	1,426	1,426	-	1,766	1,766
Total domestic items	3,252	2,426	5,678	2,471	13,908	16,379
Add Accrued interest receivables	-	7	7	-	6	6
Less Allowance for doubtful debts	-	-	-	-	(10)	(10)
Domestic items, net	3,252	2,433	5,685	2,471	13,904	16,375
Foreign:						
US dollar	357	-	357	892	65	957
Yen	6	-	6	28	-	28
Euro	1	-	1	31	-	31
Other currencies	691	50	741	624	153	777
Total foreign items	1,055	50	1,105	1,575	218	1,793
Add Accrued interest receivables	-	-	-	-	1	1
Less Allowance for doubtful debts	-	-	-	-	(1)	(1)
Foreign items, net	1,055	50	1,105	1,575	218	1,793
Domestic and foreign items, net	4,307	2,483	6,790	4,046	14,122	18,168

Unit: THB million

	Separate					
	2018			2017		
	At call	Term	Total	At call	Term	Total
Domestic:						
Bank of Thailand and the Financial Institutions Development Fund	2,869	-	2,869	2,328	-	2,328
Commercial banks	277	1,000	1,277	67	7,150	7,217
Specialised Financial Institutions	-	-	-	-	5,000	5,000
Other financial institutions	-	1,426	1,426	-	1,766	1,766
Total domestic items	3,146	2,426	5,572	2,395	13,916	16,311
Add Accrued interest receivables	-	7	7	-	6	6
Less Allowance for doubtful debts	-	-	-	-	(10)	(10)
Domestic items, net	3,146	2,433	5,579	2,395	13,912	16,307
Foreign:						
US dollar	357	-	357	892	65	957
Yen	6	-	6	28	-	28
Euro	1	-	1	31	-	31
Other currencies	691	50	741	624	153	777
Total foreign items	1,055	50	1,105	1,575	218	1,793
Add Accrued interest receivables	-	-	-	-	1	1
Less Allowance for doubtful debts	-	-	-	-	(1)	(1)
Foreign items, net	1,055	50	1,105	1,575	218	1,793
Domestic and foreign items, net	4,201	2,483	6,684	3,970	14,130	18,100

7 DERIVATIVES

7.1 Trading derivatives

Fair value and notional amount classified by type of risk

Unit: THB million

	Consolidated and Separate					
	2018			2017		
	Fair value			Fair value		
	Asset	Liability	Notional amount	Asset	Liability	Notional amount
Exchange rate	14,783	15,756	1,671,140	13,418	13,527	1,208,482
Interest rate	8,291	6,242	2,229,489	7,325	4,343	1,173,675
Others	182	529	33,405	531	639	21,845
Total	23,256	22,527	3,934,034	21,274	18,509	2,404,002

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

	Consolidated and Separate	
	2018	2017
	Proportion	Proportion
Financial institutions	94	92
Companies under common control	3	4
External parties	3	4
Total	100	100

7.2 Derivative for hedging

7.2.1 Fair value hedge

Unit: THB million

Consolidated and Separate

	2018			2017		
	Fair value			Fair value		
	Asset	Liability	Notional amount	Asset	Liability	Notional amount
Interest rate	-	-	-	4	-	200
Total	-	-	-	4	-	200

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 Bank enters into interest rate swaps to hedge against interest rate risk of bill of exchange. 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 2018 and 2017 can be summarised as follows:

Unit: THB million

Consolidated and Separate

	2018	2017
Losses on hedging instruments, net	(2)	(6)
Gains on hedged items, net	2	5

7.2.2 Cash flow hedge

Unit: THB million

Consolidated and Separate

	2018			2017		
	Fair value			Fair value		
	Asset	Liability	Notional amount	Asset	Liability	Notional amount
Exchange rate	140	1,767	28,752	-	1,453	19,915
Interest rate	-	24	2,450	-	3	2,450
Total	140	1,791	31,202	-	1,456	22,365

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 21 (c), (d), (e) and (g) to the financial statements).

The expected periods of cash flow from hedged items that shall affect profits (losses) as at 31 December 2018 and 2017 can be summarised as follows:

Unit: THB million

Consolidated and Separate

	2018			
	3 months or less	More than 3 months to 1 year	More than 1 year to 5 years	More than 5 years
Cash inflow	42	129	4,806	970
Cash outflow	(310)	(3,538)	(9,135)	(4,161)
Net cashflow	(268)	(3,409)	(4,329)	(3,191)

Unit: THB million

Consolidated and Separate

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

8 INVESTMENTS, NET

8.1 Classified by type of investment

Unit: THB million

	Consolidated and Separate	
	2018 Fair value	2017 Fair value
Securities held for trading		
Government and state enterprises securities	14,543	9,117
Private sector debt securities	3,221	484
Total securities held for trading	17,764	9,601
Securities designated at fair value through profit or loss		
Government and state enterprises securities	5,399	-
Total securities designated at fair value through profit or loss	5,399	-
Available-for-sale securities		
Government and state enterprises securities	42,871	17,118
Private sector debt securities	5,943	3,612
Domestic marketable equity securities	60	81
Total available-for-sales securities	48,874	20,811
	Cost/ Amortised Cost	Cost/ Amortised Cost
Held-to-maturity debt securities		
Government and state enterprises securities	19,933	13,163
Private sector debt securities	133	422
Investments in receivables (Note 8.6)	59	76
Total	20,125	13,661
Less Allowance for impairment (Note 8.6)	(20)	(61)
Total held-to-maturity debt securities	20,105	13,600

Unit: THB million

	Consolidated and Separate	
	2018 Cost	2017 Cost
General investments		
Domestic non-marketable equity securities	255	270
Overseas non-marketable equity securities	1	9
Total	256	279
Less Allowance for impairment	(226)	(231)
Total general investments	30	48
Investments, net	92,172	44,060

The Bank classifies investments which have specific intention to manage the risk in trading derivatives portfolio as investment designated at fair value through profit or loss (Fair Value Option) to help the Bank reduces the accounting mismatch on measurement or recognition between investments and trading derivatives transactions.

As at 31 December 2018 and 2017, the Bank had investments pledged as collateral, as mentioned in Note 41.1 to the financial statements.

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

Unit: THB million

Consolidated and Separate

	2018				2017			
	Periods remaining				Periods remaining			
	1 year	1 - 5 years	Over 5 years	Total	1 year	1 - 5 years	Over 5 years	Total
Securities designated at fair value through profit or loss								
Government and state enterprises securities	-	-	5,312	5,312	-	-	-	-
Add Allowance for revaluation	-	-	87	87	-	-	-	-
Securities designated at fair value through profit or loss, net	-	-	5,399	5,399	-	-	-	-
Available-for-sale securities								
Government and state enterprises securities	11,156	24,191	7,635	42,982	20	13,859	3,165	17,044
Private sector debt securities	512	5,172	303	5,987	439	2,892	256	3,587
Total	11,668	29,363	7,938	48,969	459	16,751	3,421	20,631
(Less) Add Allowance for revaluation	(4)	(39)	(111)	(154)	1	121	(22)	100
Less Allowance for impairment	(1)	-	-	(1)	(1)	-	-	(1)
Available-for-sale securities, net	11,663	29,324	7,827	48,814	459	16,872	3,399	20,730
Held-to-maturity securities								
Government and state enterprises securities	4,699	8,571	6,663	19,933	5,679	7,483	1	13,163
Private sector debt securities	38	95	-	133	288	134	-	422
Held-to-maturity securities	4,737	8,666	6,663	20,066	5,967	7,617	1	13,585
Total debt securities	16,400	37,990	19,889	74,279	6,426	24,489	3,400	34,315

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:

Unit: THB million

	Consolidated and Separate	
	2018	2017
Property development	1	1
Public utilities and services	17	17
Bank and finance	4	4
Total	22	22
Less Allowance for impairment	(20)	(19)
Investments representing shareholdings in which the Group hold more than 10%, net	2	3

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:

Unit: THB million

	Consolidated and Separate			
	2018		2017	
	Cost	Fair value	Cost	Fair value
General investments				
Investment in property funds	66	42	81	60
Less Allowance for revaluation	(24)		(18)	
Less Allowance for impairment	-		(3)	
General investments, net	42		60	

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

As at 31 December 2018 and 2017, the Group had the following investments in companies, having problems relating to financial positions and operating results:

Unit: THB million

	Consolidated and Separate							
	2018				2017			
	Number of companies	Cost	Allowance for revaluation/ impairment	Book value	Number of companies	Cost	Allowance for revaluation/ impairment	Book value
Business continuity and/or weak financial status and operating performance	49	42	(42)	-	49	42	(42)	-
Defaulted debt securities	18	1	(1)	-	18	1	(1)	-
	67	43	(43)	-	67	43	(43)	-

8.6 Investments in receivables

Unit: THB million

	Consolidated and Separate	
	2018	2017
Investments in receivables	59	76
Less Allowance for impairment	(20)	(61)
Investments in receivables, net	39	15

As at 31 December 2018 and 2017, the outstanding balances of loan receivables can be summarised as follows:

Unit: THB million

	Consolidated and Separate							
	2018				2017			
	Number of debtors	Principal	Purchase price	Estimated rate of return (yield) %	Number of debtors	Principal	Purchase price	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	37	965	59	1.34	67	1,107	76	1.0

9 INVESTMENTS IN SUBSIDIARIES, NET

			Separate			
			Percentage of holding		Cost method	
Company name	Nature of business	Type of securities	2018 %	2017 %	2018 Million Baht	2017 Million Baht
Subsidiaries - included in consolidated financial statements						
CT Coll Co., Ltd.	Debt collection	Common stock	100	100	38	38
CIMB Thai Auto Co., Ltd. (Formerly Center Auto Lease Co., Ltd.)	Leasing/hire-Purchase of automobile	Common stock	100	100	1,703	1,203
World Lease Co., Ltd.	Hire-purchase and motorcycles motorcycle trading	Common stock	100	100	467	467
Total					2,208	1,708
Less Allowance for impairment					-	-
Investments in subsidiaries, net					2,208	1,708

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.

On 6 February 2018, CIMB Thai Auto Company Limited, a subsidiary (formerly named "Center Auto Lease Company Limited"), registered to change its name with Department of Business Development, Ministry of Commerce from Center Auto Lease Company Limited to CIMB Thai Auto Company Limited.

On 18 May 2018, the Board of Directors' meeting No. 5/2561 approved an increase in registered capital of CIMB Thai Auto Co., Ltd., a subsidiary (formerly named "Center Auto Lease Company Limited"), from Baht 3,500 million to Baht 5,500 million. CIMB Thai Auto Co., Ltd. called for 25% paid-up capital and the Bank settled the increased capital of Baht 500 million on 22 May 2018. On 25 May 2018, CIMB Thai Auto Co., Ltd. registered the capital increase with the Ministry of Commerce.

10 LOANS AND ACCRUED INTEREST RECEIVABLES, NET

10.1 Classified by loan type

Unit: THB million

	Consolidated		Separate	
	2018	2017	2018	2017
Bank overdrafts	5,699	6,108	5,809	6,108
Loans	159,647	145,160	165,702	154,718
Bills	27,669	31,208	47,310	44,393
Hire-purchase receivables	41,498	35,532	-	-
Others	42	50	28	24
Total loans	234,555	218,058	218,849	205,243
Less Deferred revenue	(8,255)	(7,036)	(1)	(9)
Total loans net of deferred revenue	226,300	211,022	218,848	205,234
Add Accrued interest receivables	492	517	502	523
Total loans net of deferred revenue and accrued interest receivables	226,792	211,539	219,350	205,757
Less Allowance for doubtful debts (Note 11)				
Minimum allowance for doubtful accounts required based on BoT's guidelines - Individual approach	(5,535)	(6,165)	(5,407)	(5,942)
General provision for further losses	(5,004)	(3,704)	(4,295)	(3,314)
Less Revaluation allowance for debt restructuring (Note 12)	(52)	(106)	(52)	(106)
Loans and accrued interest receivables, net	216,201	201,564	209,596	196,395

10.2 Classified by currency and residency of debtors

Unit: THB million

Consolidated

	2018			2017		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	210,620	627	211,247	195,447	644	196,091
US dollar	12,618	989	13,607	11,493	1,370	12,863
Other currencies	240	1,206	1,446	754	1,314	2,068
Total loans net of deferred revenue	223,478	2,822	226,300	207,694	3,328	211,022

Unit: THB million

Separate

	2018			2017		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	203,168	627	203,795	189,659	644	190,303
US dollar	12,618	989	13,607	11,493	1,370	12,863
Other currencies	240	1,206	1,446	754	1,314	2,068
Total loans net of deferred revenue	216,026	2,822	218,848	201,906	3,328	205,234

10.3 Classified by types of business and loan classification

Unit: THB million

Consolidated

	2018					
	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss	Total
Agricultural and mining	6,954	-	1	-	1	6,956
Manufacturing and commerce	36,517	3,750	592	1,414	2,884	45,157
Real estate and construction	12,431	883	158	27	337	13,836
Public utilities and services	26,539	1,867	737	64	572	29,779
Personal cash	11,282	377	163	-	139	11,961
Housing loans	68,257	1,452	607	717	883	71,916
Hire-purchase receivable and financial lease receivable	28,836	4,036	367	3	2	33,244
Others	13,011	206	63	80	91	13,451
Total loans net of deferred revenue	203,827	12,571	2,688	2,305	4,909	226,300

Unit: THB million

Consolidated

	2017					
	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss	Total
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

Unit: THB million

Separate

	2018					
	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss	Total
Agricultural and mining	6,954	-	1	-	1	6,956
Manufacturing and commerce	36,517	3,750	592	1,414	2,884	45,157
Real estate and construction	12,431	883	158	27	337	13,836
Public utilities and services	26,539	1,867	736	64	572	29,778
Personal cash	11,282	377	163	-	139	11,961
Housing loans	68,257	1,452	607	717	883	71,916
Others	38,804	206	63	80	91	39,244
Total loans net of deferred revenue	200,784	8,535	2,320	2,302	4,907	218,848

Unit: THB million

	Separate					
	2017					
	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss	Total
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

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

Unit: THB million

	Consolidated							
	2018				2017			
	Loans and accrued interest receivables	Net amount used for set allowance for doubtful account (1)	Minimum percentage %	Allowance provided in the accounts	Loans and accrued interest receivables	Net amount used for set allowance for doubtful account (1)	Minimum percentage %	Allowance provided in the accounts
Minimum allowance for doubtful accounts based on BOT guidelines								
- Pass	204,271	77,281	1	769	188,370	69,880	1	695
- Special mention	12,614	2,896	2	57	12,450	3,598	2	66
- Sub-standard	2,693	1,102	100	1,098	3,067	1,669	100	1,666
- Doubtful	2,305	1,109	100	1,109	2,895	1,321	100	1,321
- Doubtful-of-loss	4,909	2,249	100	2,502	4,757	2,407	100	2,417
Surplus allowance								
- General provision				5,004				3,704
Total	226,792	84,637		10,539	211,539	78,875		9,869

(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.

Unit: THB million

	Separate							
	2018				2017			
	Loans and accrued interest receivables	Net amount used for set allowance for doubtful account (1)	Minimum percentage %	Allowance provided in the accounts	Loans and accrued interest receivables	Net amount used for set allowance for doubtful account (1)	Minimum percentage %	Allowance provided in the accounts
Minimum allowance for doubtful accounts based on BOT guidelines								
- Pass	201,236	97,628	1	975	186,861	87,026	1	868
- Special mention	8,578	2,012	2	39	8,594	2,368	2	40
- Sub-standard	2,327	788	100	787	2,742	1,389	100	1,389
- Doubtful	2,302	1,106	100	1,106	2,841	1,267	100	1,267
- Doubtful-of-loss	4,907	2,247	100	2,500	4,719	2,368	100	2,378
Surplus allowance								
- General provision				4,295				3,314
Total	219,350	103,781		9,702	205,757	94,418		9,256

(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 2018, the Group and the Bank had defaulted loans amounting to Baht 9,175 million and Baht 8,803 million, respectively (31 December 2017: Baht 9,572 million and Baht 9,154 million, respectively), were ceased recognition of interest income.

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

As at 31 December 2018 and 2017, hire-purchase receivables and financial lease receivables of the subsidiaries were classified based on overdue dates as follows:

Unit: THB million

	Debt balance - net unearned income		Allowance for doubtful accounts	
	2018	2017	2018	2017
Current or overdue less than 1 installment	28,836	24,231	52	54
Overdue 1 installment but less than 3 installments	4,036	3,856	17	26
Overdue 3 installments but less than 6 installments	367	325	311	277
Overdue 6 installments but less than 12 installments	3	54	3	54
Overdue 12 installments and more	2	34	2	34
Debtors under litigation	-	5	-	5
Total	33,244	28,505	385	450
General provision	-	-	710	390
Total	33,244	28,505	1,095	840

10.5 Non-performing loans

As at 31 December 2018 and 2017, the Group had the following non-performing loans, according to the criteria set up by the Bank of Thailand.

Unit: THB million

	Consolidated		Separate	
	2018	2017	2018	2017
Non-performing loans (principal only)				
- Banking business	9,529	10,285	9,529	10,285
- Other businesses	373	417	-	-

As at 31 December 2018 and 2017, 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.

During the year 2018, the Group conducted a sealed-bid auction for sale without recourse of non-performing hire-purchase loans for motorcycle with specific companies. These non-performing loans have been written off according to Group's policy. The Group realised gains on sale of non-performing loans totalling Baht 231 million.

10.6 Hire-purchase and finance lease receivables

As at 31 December 2018, subsidiaries had receivables under hire-purchase agreements and financial leases totalling Baht 32,149 million (31 December 2017: Baht 27,665 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.

Unit: THB million

	Consolidated				
	2018				
	Amounts due under lease agreement				
	Less than 1 year	1 - 5 years	Over 5 years	Non - performing loans	Total
Gross investment in the lease	12,961	26,510	1,536	491	41,498
Less Unearned finance income	(3,518)	(4,541)	(76)	(119)	(8,254)
Present value of minimum lease payments receivable	9,443	21,969	1,460	372	33,244
Less Allowance for doubtful accounts					(1,095)
Net receivables under hire-purchase agreements and financial leases					32,149

Unit: THB million

	Consolidated				
	2017				
	Amounts due under lease agreement				
	Less than 1 year	1 - 5 years	Over 5 years	Non - performing loans	Total
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

10.7 Troubled debt restructuring

As at 31 December 2018 and 2017, the Group has outstanding receivables which have been restructured as follows;

Unit: THB million

	Consolidated and Separate	
	2018	
	Number of loans	Outstanding balance before restructuring
Restructured before 2018	4,148	3,404
Restructured during the year ended 31 December 2018	247	82

Unit: THB million

	Consolidated and Separate	
	2017	
	Number of loans	Outstanding balance before restructuring
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 2018 compared with total loan customers in the consolidated financial statements and separate financial statements are as follows:

Unit: THB million

	Consolidated		Separate	
	2018		2018	
	Number of loans	Outstanding balance before restructuring	Number of loans	Outstanding balance before restructuring
Restructured debts	247	82	247	82
Total loan customers	411,545	226,300	160,153	218,848

Unit: THB million

	Consolidated		Separate	
	2017		2017	
	Number of loans	Outstanding balance before restructuring	Number of loans	Outstanding balance before restructuring
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 2018 and 2017, classified into the restructuring methods are as follows;

Unit: THB million

	Consolidated and Separate			
	2018			
Restructuring method	Number of loans	Before restructuring	Fair value of assets	After restructuring
Modifications of terms of payments	247	82	-	82
Total	247	82	-	82

Unit: THB million

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

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

Unit: THB million

	Consolidated and Separate					
	2018			2017		
		Debt balances			Debt balances	
Period of debts restructuring contracts	Number of debtors	Before restructuring	After restructuring	Number of debtors	Before restructuring	After restructuring
Not more than 5 years	90	12	12	218	674	674
5 - 10 years	142	40	40	525	745	745
10 - 15 years	3	6	6	60	97	97
More than 15 years	12	24	24	427	925	925
Total	247	82	82	1,230	2,441	2,441

Supplemental information relating to the restructured debts for the years ended ended 31 December 2018 and 2017 are as follows:

Unit: THB million

	Consolidated and Separate	
	2018	2017
Interest income	317	358

As at December 2018 and 2017, the troubled debtors for which the Group completed their debt restructuring can be summarised as follows:

	Consolidated and Separate	
	2018	2017
Number of debtors	4,368	5,323
Debt balances after restructuring (Million Baht)	2,679	4,681

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 2018, the Bank had losses from the revaluation of restructured debts (PV Loss) of Baht 52 million (31 December 2017: Baht 106 million) for which the it provided an allowance for revaluation as a result of debt restructuring.

11 ALLOWANCE FOR DOUBTFUL DEBTS

Unit: THB million

Consolidated

	2018						
	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss	Surplus allowance	Total
Balance as at 1 January 2018	695	66	1,666	1,321	2,417	3,704	9,869
Add Addition (deduction) during the year	125	-	(6)	69	4,089	678	4,955
Transfer from revaluations allowance for debt restructuring	-	-	-	-	-	72	72
Bad debt recoveries	-	-	-	-	-	580	580
Less Bad debts written off	-	-	(557)	(80)	(1,755)	(11)	(2,403)
Reduction from sale of NPL	(51)	(9)	(5)	(202)	(2,249)	-	(2,516)
Transfer to revaluations allowance for debt restructuring	-	-	-	-	-	(18)	(18)
Balance as at 31 December 2018	769	57	1,098	1,109	2,502	5,004	10,539

Unit: THB million

Consolidated

	2017						
	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss	Surplus allowance	Total
Balance as at 1 January 2017	642	73	1,917	2,474	1,145	3,542	9,793
Add Addition (deduction) during the year	53	(7)	208	276	4,629	(111)	5,048
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)
Balance as at 31 December 2017	695	66	1,666	1,321	2,417	3,704	9,869

Unit: THB million

Separate

	2018						
	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss	Surplus allowance	Total
Balance as at 1 January 2018	868	40	1,389	1,267	2,378	3,314	9,256
Add Addition (deduction) during the year	158	8	(594)	41	3,750	358	3,721
Transfer from revaluations allowance for debt restructuring	-	-	-	-	-	72	72
Bad debt recoveries	-	-	-	-	-	580	580
Less Bad debts written off	-	-	(3)	-	(1,379)	(11)	(1,393)
Reduction from sale of NPL	(51)	(9)	(5)	(202)	(2,249)	-	(2,516)
Transfer to revaluations allowance for debt restructuring	-	-	-	-	-	(18)	(18)
Balance as at 31 December 2018	975	39	787	1,106	2,500	4,295	9,702

Unit: THB million

Separate

	2017						
	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss	Surplus allowance	Total
Balance as at 1 January 2017	794	43	1,727	2,432	1,129	3,542	9,667
Add Addition (deduction) during the year	74	(3)	(331)	263	4,437	(501)	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)
Balance as at 31 December 2017	868	40	1,389	1,267	2,378	3,314	9,256

12 REVALUATION ALLOWANCE FOR DEBT RESTRUCTURING

Unit: THB million

	Consolidated and Separate	
	2018	2017
Balance - beginning of the year	106	45
Add Revaluation allowance transferred from allowance for doubtful debts	18	69
Less Revaluation allowance transferred to allowance for doubtful debts	(72)	(8)
Balance - end of the year	52	106

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.

Unit: THB million

	Consolidated			
	As at 1 January 2018	Additions	Disposals	As at 31 December 2018
Asset from debt repayment				
Immovable - Assessed by external appraiser	803	7	(39)	771
Movable	229	1,971	(1,885)	315
Total	1,032	1,978	(1,924)	1,086
Others	155	22	(48)	129
Total properties for sale	1,187	2,000	(1,972)	1,215
Less Allowance for impairment	(153)	(731)	686	(198)
Properties for sale, net	1,034	1,269	(1,286)	1,017

Unit: THB million

	Consolidated			
	As at 1 January 2017	Additions	Disposals	As at 31 December 2017
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

Unit: THB million

	Separate			
	As at 1 January 2018	Additions	Disposals	As at 31 December 2018
Asset from debt repayment				
Immovable - Assessed by external appraiser	803	7	(39)	771
Total	803	7	(39)	771
Others	155	22	(48)	129
Total properties for sale	958	29	(87)	900
Less Allowance for impairment	(70)	(1)	2	(69)
Properties for sale, net	888	28	(85)	831

Unit: THB million

	Separate			
	As at 1 January 2017	Additions	Disposals	As at 31 December 2017
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

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.

14 PREMISES AND EQUIPMENT, NET

Unit: THB million

	Consolidated												
	Cost/appraisal value						Accumulated depreciation						
	As at 1 January 2018	Additions	Transfer In/(out)	Transfer to properties for sale	Disposals/ written off	As at 31 December 2018	As at 1 January 2018	Additions	Transfer to properties for sale	Disposals/ written off	As at 31 December 2018	Allowance for impairment	Net book value
Land													
Cost	446	-	-	(2)	-	444	-	-	-	-	-	-	444
Revaluation surplus (revaluation in 2016)	1,677	-	-	(17)	-	1,660	-	-	-	-	-	-	1,660
Devaluation of asset (revaluation in 2016)	(18)	-	-	-	-	(18)	-	-	-	-	-	-	(18)
Buildings													
Cost	1,843	11	19	(16)	-	1,857	(1,153)	(58)	14	-	(1,197)	-	660
Revaluation surplus (revaluation in 2016)	1,134	-	-	(4)	-	1,130	(901)	(19)	2	-	(918)	-	212
Devaluation of asset (revaluation in 2016)	(22)	-	-	-	-	(22)	11	1	-	-	12	-	(10)
Equipment	2,588	128	93	-	(204)	2,605	(2,009)	(212)	-	201	(2,020)	(5)	580
Assets under installation and/or construction	3	47	(42)	-	-	8	-	-	-	-	-	-	8
Total	7,651	186	70	(39)	(204)	7,664	(4,052)	(288)	16	201	(4,123)	(5)	3,536

14 PREMISES AND EQUIPMENT, NET (CONT'D)

Unit: THB million

Consolidated

	Cost/appraisal value						Accumulated depreciation						
	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	Allowance for impairment	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)

Unit: THB million

	Separate												
	Cost/appraisal value						Accumulated depreciation						
	As at 1 January 2018	Additions	Transfer In/(out)	Transfer to properties for sale	Disposals/ written off	As at 31 December 2018	As at 1 January 2018	Additions	Transfer to properties for sale	Disposals/ written off	As at 31 December 2018	Allowance for impairment	Net book value
Land													
Cost	446	-	-	(2)	-	444	-	-	-	-	-	-	444
Revaluation surplus (revaluation in 2016)	1,677	-	-	(17)	-	1,660	-	-	-	-	-	-	1,660
Devaluation of asset (revaluation in 2016)	(18)	-	-	-	-	(18)	-	-	-	-	-	-	(18)
Buildings													
Cost	1,843	11	19	(16)	-	1,857	(1,153)	(58)	14	-	(1,197)	-	660
Revaluation surplus (revaluation in 2016)	1,134	-	-	(4)	-	1,130	(901)	(19)	2	-	(918)	-	212
Devaluation of asset (revaluation in 2016)	(22)	-	-	-	-	(22)	11	1	-	-	12	-	(10)
Equipment	2,357	100	93	-	(162)	2,388	(1,837)	(191)	-	160	(1,868)	(5)	515
Assets under installation and/or construction	3	47	(42)	-	-	8	-	-	-	-	-	-	8
Total	7,420	158	70	(39)	(162)	7,447	(3,880)	(267)	16	160	(3,971)	(5)	3,471

14 PREMISES AND EQUIPMENT, NET (CONT'D)

Unit: THB million

Separate

	Cost/appraisal value						Accumulated depreciation						
	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	Allowance for impairment	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	2,430	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

15 INTANGIBLE ASSETS, NET

Unit: THB million

	Amortising period	As at 1 January 2018	Increase	Transfer in/(out)	Write off	Amortisation	As at 31 December 2018
				Consolidated			
Expenditures in connection with development and improvement of computer systems - under development	-	155	257	(245)	(7)	-	160
Computer software	5 - 10 years	215	26	177	(2)	(87)	329
Total		370	283	(68)	(9)	(87)	489
Less Allowance for impairment		-					-
Net intangible assets		370					489

Unit: THB million

	Amortising period	As at 1 January 2017	Increase	Transfer in/(out)	Write off	Amortisation	As at 31 December 2017
				Consolidated			
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)	(102)	215
Licence fee	5 years	1	-	-	-	(1)	-
Total		368	183	(37)	(41)	(103)	370
Less Allowance for impairment		-					-
Net intangible assets		368					370

Unit: THB million

	Amortising period	Separate As at 1 January 2018	Increase	Transfer In/(out)	Write off	Amortisation	As at 31 December 2018
Expenditures in connection with development and improvement of computer systems - under development	-	155	256	(245)	(7)	-	159
Computer software	5 - 10 years	210	22	176	(2)	(84)	322
Total		365	278	(69)	(9)	(84)	481
Less Allowance for impairment		-					-
Net intangible assets		365					481

Unit: THB million

	Amortising period	Separate As at 1 January 2017	Increase	Transfer In/(out)	Write off	Amortisation	As at 31 December 2017
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)	(100)	210
Licence fee	5 years	1	-	-	-	(1)	-
Total		363	181	(37)	(41)	(101)	365
Less Allowance for impairment		-					-
Net intangible assets		363					365

16 DEFERRED INCOME TAXES

The movement of deferred income tax account is as follows:

Unit: THB million

	Consolidated		Separate	
	2018	2017	2018	2017
Beginning of the year	1,373	1,289	1,023	1,076
Charged (credited) to profit or loss	39	205	(67)	70
Tax credited relation to components of the comprehensive income	(19)	(121)	(18)	(123)
End of the year	1,393	1,373	938	1,023

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

Unit: THB million

	Consolidated									
	Provision	Tax losses	Interest in suspense account	Allowance for impairment of properties foreclosed	Allowance for doubtful accounts	Deferred income front-end fee and entry fee insurance	Deferred income premium	Fair value loss from investment	Others	Total
Deferred tax assets										
At 1 January 2018	390	135	146	31	824	48	70	-	174	1,818
Charged (credited) to profit or loss	1	-	2	9	63	(3)	-	-	24	96
Tax credited relation to components of the comprehensive income	(15)	-	-	-	-	-	-	-	(11)	(26)
At 31 December 2018	376	135	148	40	887	45	70	-	187	1,888
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

Unit: THB million

	Consolidated			
	Fair value gain from investment	Gain from revaluation of assets	Others	Total
Deferred tax liabilities				
At 1 January 2018	34	406	5	445
Charged (credited) to profit or loss	68	(11)	-	57
Tax (credited) charged relation to components of the comprehensive income	(23)	-	16	(7)
At 31 December 2018	79	395	21	495
At 1 January 2017	2	410	4	416
Charged (credited) to profit or loss	9	(4)	1	6
Tax charged relation to components of the comprehensive income	23	-	-	23
At 31 December 2017	34	406	5	445

Unit: THB million

	Separate									
	Provision	Tax losses	Interest in suspense account	Allowance for impairment of properties foreclosed	Allowance for doubtful accounts	Deferred income front-end fee and entry fee insurance	Deferred income premium	Fair value loss from investment	Others	Total
Deferred tax assets										
At 1 January 2018	371	135	138	15	656	48	70	-	35	1,468
Credited to profit or loss	-	-	(1)	-	-	(3)	-	-	(6)	(10)
Tax credited relation to components of the comprehensive income	(14)	-	-	-	-	-	-	-	(11)	(25)
At 31 December 2018	357	135	137	15	656	45	70	-	18	1,433
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

Unit: THB million

	Separate			
	Fair value gain from investment	Gain from revaluation of assets	Others	Total
Deferred tax liabilities				
At 1 January 2018	34	406	5	445
Charged (credited) to profit or loss	68	(11)	-	57
Tax (credited) charged relation to components of the comprehensive income	(23)	-	16	(7)
At 31 December 2018	79	395	21	495
At 1 January 2017	2	410	4	416
Charged (credited) to profit or loss	9	(4)	1	6
Tax charged relation to components of the comprehensive income	23	-	-	23
At 31 December 2017	34	406	5	445

As at 31 December 2018 and 2017, the Group had unutilised deductible temporary tax difference that the Group did not recognise as deferred tax assets in the financial statements as follows:

Unit: THB million

	Consolidated and Separate	
	2018	2017
Provision	81	-
Tax losses carry forward	722	-
Allowance for doubtful accounts	244	-
Fair value loss from investment	160	-
Others	86	-
Total	1,293	-

17 OTHER ASSETS, NET

Unit: THB million

	Consolidated		Separate	
	2018	2017	2018	2017
Accrued interest and dividend receivables	382	300	382	300
Credit support assets on derivatives	6,053	4,138	6,053	4,138
Advances	29	34	29	34
Others assets awaiting account transfer	281	256	107	106
Commission receivables	47	77	47	77
Withholding tax receivable	229	157	227	156
Marginal deposits	89	85	78	75
Prepaid expenses	903	297	897	291
Accounts receivable - bill of exchange	906	1,577	906	1,577
Other accounts receivables	1	3	-	-
Others	137	101	79	65
Total	9,057	7,025	8,805	6,819
Less Allowance for impairment	(29)	(29)	(29)	(29)
Other assets, net	9,028	6,996	8,776	6,790

18 DEPOSITS

18.1 Classified by type of deposits

Unit: THB million

	Consolidated		Separate	
	2018	2017	2018	2017
At call	2,168	2,072	2,168	2,074
Savings	52,810	59,518	52,908	59,802
Fixed	127,269	112,217	127,286	112,233
Negotiable certificate of deposit	2,854	3,594	2,853	3,594
Total deposits	185,101	177,401	185,215	177,703

18.2 Classified by currency and residency of depositors

Unit: THB million

Consolidated

	2018			2017		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	180,934	1,599	182,533	174,065	1,537	175,602
US dollar	1,906	230	2,136	1,253	203	1,456
Other currencies	369	63	432	274	69	343
Total	183,209	1,892	185,101	175,592	1,809	177,401

Unit: THB million

Separate

	2018			2017		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	181,048	1,599	182,647	174,367	1,537	175,904
US dollar	1,906	230	2,136	1,253	203	1,456
Other currencies	369	63	432	274	69	343
Total	183,323	1,892	185,215	175,894	1,809	177,703

19 INTERBANK AND MONEY MARKET ITEMS (LIABILITIES)

Unit: THB million

	Consolidated and Separate					
	2018			2017		
	At call	Term	Total	At call	Term	Total
Domestic:						
The Bank of Thailand	-	-	-	-	2	2
Commercial banks	177	27,600	27,777	126	2,000	2,126
Specialised Financial Institutions	8	6,546	6,554	8	292	300
Finance, finance and securities, securities, and credit foncier companies	4,988	1,950	6,938	6,987	2,050	9,037
Other financial institutions	824	304	1,128	1,169	508	1,677
Total domestic items	5,997	36,400	42,397	8,290	4,852	13,142
Foreign:						
US dollar	267	659	926	98	1,308	1,406
Other currencies	848	363	1,211	956	144	1,100
Total foreign items	1,115	1,022	2,137	1,054	1,452	2,506
Total domestic and foreign items	7,112	37,422	44,534	9,344	6,304	15,648

20 FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

Unit: THB million

	Consolidated and Separate	
	2018	2017
Debentures	14,703	5,228
Bills of Exchange	20,810	17,876
Total	35,513	23,104

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

Unit: THB million

	Consolidated and Separate	
	2018 Proportion	2017 Proportion
Financial institutions	54	74
External parties	46	26
Total	100	100

As at 31 December 2018 and 2017, financial liabilities designated at fair value through profit or loss consisted of:

The Bank early terminated bills of exchange which has 11 years maturity with embedded callable range accrual swap. The bills of exchange bear interest rate at 6.10 % per annum (31 December 2017: 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.

The Bank issued debentures which has 5 - 7 years maturity with embedded callable inverse floater derivatives. The debentures bear interest rate at 6.00 - 6.40 % per annum minus reference index of THBFIX 6 month (31 December 2017: 6.20% - 6.60% 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 for hedging interest rate risk.

The Bank issued structured debentures with reference interest rate of THBFIX 6 month (callable range accrual note), which will mature in 5 years. The Bank will pay interest every six months according to the condition of agreement.

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 2017: 7 - 23 years). They bear interest rate at between 2.68% – 5.18% per annum (31 December 2017: 2.68% - 5.18% per annum) with a payment of interest at maturity date. The Bank entered into interest rate swaps with other parties for hedging interest rate risk.

21 DEBT ISSUED AND BORROWINGS

Unit: THB million

	Consolidated					
	2018			2017		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Debentures						
Short term debentures maturing in 2018, coupon rate of 1.20% - 1.35% per annum	-	-	-	3,048	-	3,048
Debentures maturing in 2020, coupon rate of 2.44% per annum	2,000	-	2,000	2,000	-	2,000
Subordinated debentures						
Subordinated debentures of RM 400 million, maturing in 2024, coupon rate of 5.60% per annum	-	3,122	3,122	-	3,224	3,224
Subordinated debentures of RM 570 million, maturing in 2026, coupon rate of 5.35% per annum	-	4,449	4,449	-	4,593	4,593
Subordinated debentures of RM 390 million, maturing in 2028, coupon rate of 5.20% per annum	-	3,044	3,044	-	-	-
Structured debentures						
Structured debentures	1,016	-	1,016	1,104	-	1,104
	3,016	10,615	13,631	6,152	7,817	13,969
Structured bills of exchange						
Structured bills of exchange	1,800	3,537	5,337	1,800	3,464	5,264
Fixed-rate notes						
Bill of exchange maturing at call, coupon rate of 1.18% per annum	-	-	-	700	-	700
	1,800	3,537	5,337	2,500	3,464	5,964
Total	4,816	14,152	18,968	8,652	11,281	19,933
Less Current portion of long-term borrowings	(60)	-	(60)	(4,263)	-	(4,263)
Long-term borrowings, net	4,756	14,152	18,908	4,389	11,281	15,670

Unit: THB million

	Separate					
	2018			2017		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Debentures						
Short term debentures maturing in 2018, coupon rate of 1.20% - 1.35% per annum	-	-	-	3,048	-	3,048
Subordinated debentures						
Subordinated debentures of RM 400 million, maturing in 2024, coupon rate of 5.60% per annum	-	3,122	3,122	-	3,224	3,224
Subordinated debentures of RM 570 million, maturing in 2026, coupon rate of 5.35% per annum	-	4,449	4,449	-	4,593	4,593
Subordinated debentures of RM 390 million, maturing in 2028, coupon rate of 5.20% per annum	-	3,044	3,044	-	-	-
Structured debentures						
Structured debentures	1,016	-	1,016	1,104	-	1,104
	1,016	10,615	11,631	4,152	7,817	11,969
Structured bills of exchange						
Structured bills of exchange	1,800	3,537	5,337	1,800	3,464	5,264
Fixed-rate notes						
Bill of exchange maturing at call, coupon rate of 1.18% per annum	-	-	-	700	-	700
	1,800	3,537	5,337	2,500	3,464	5,964
Total	2,816	14,152	16,968	6,652	11,281	17,933
Less Current portion of long-term borrowings	(60)	-	(60)	(4,263)	-	(4,263)
Long-term borrowings, net	2,756	14,152	16,908	2,389	11,281	13,670

(a) As at 31 December 2017, the Bank had short term debentures of Baht 3,048 million with fixed interest rates, interest will be paid on maturity date.

(b) On 8 May 2017, CIMB Thai Auto Co., Ltd (formerly: 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) 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.

(d) 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.

(e) On 29 March 2018, the Bank issued MYR 390 million of subordinated debentures pursuant to tier II subordinated debenture programme to overseas investors, 3,900,000 units of MYR 100 each, interest rate of 5.20% per annum with a payment of interest every six months. The debenture has a tenor of 10 years and is due in 2028. 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. 221/ 2561.

(f) As at 31 December 2018, the Bank has structured debentures of Baht 1,016 million (31 December 2017: Baht 1,104 million) as follows:

- The Bank issued structured debentures (Maxi X-Change Single Barrier Bullish) of Baht 60 million (31 December 2017: Baht 174 million) with 6 months from respective issuance dates. The Bank will pay interest at maturity date according to the movement of the underlying.

- The Bank has short term structured debentures (Equity Linked Note) of Baht 341 million (31 December 2017: 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 956 million (31 December 2017: Baht 589 million), the return is based on movement of the price of mutual fund.

(g) As at 31 December 2018, the Bank had credit linked bill of exchange (CLN) of Baht 5,337 million (31 December 2017: Baht 5,264 million) as follows:

- The Bank issued CLN of Baht 1,800 million (31 December 2017: 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 2017: 3.75% - 4.01% per annum) with a payment of interest every six months.

- The Bank issued CLN of USD 109 million or equivalence Baht 3,537 million (31 December 2017: USD 106 million or equivalence Baht 3,464 million) which will mature in 8 - 15 years (31 December 2017: 8 - 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 + 1.6597% to 6M LIBOR + 2.3925% per annum (31 December 2017 : 6M LIBOR + 1.6743% to 6M LIBOR + 2.3925% per annum) with a payment of interest every six-months.

(h) As at 31 December 2017, the Bank had bill of exchange at call of Baht 700 million with fixed interest rates, interest will be paid on redemption date.

22 PROVISIONS

Unit: THB million

	Consolidated		Separate	
	2018	2017	2018	2017
Provision for contingent loss from legal cases	58	138	58	138
Reserve for off-statements of financial position items	476	395	476	395
Provision for employee benefits	1,427	1,413	1,332	1,322
Provision for assets restoration	27	-	27	-
Total provisions	1,988	1,946	1,893	1,855

Provision for employee benefits

As at 31 December 2018, the pension benefits were only provided to 317 employees (31 December 2017: 357 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:

Unit: THB million

	Consolidated		Separate	
	2018	2017	2018	2017
Present value of post-employment benefit obligations	1,427	1,413	1,332	1,322
Provision for employee benefits	1,427	1,413	1,332	1,322

Movements of provision for pension funds are as follows:

Unit: THB million

	Consolidated		Separate	
	2018	2017	2018	2017
Beginning balance	1,413	1,473	1,322	1,396
Current service costs	121	125	114	115
Interest costs	37	33	35	31
Remeasurements:				
(Gain) losses from changes of;				
Demographic assumptions	-	14	-	12
Financial assumptions	-	(62)	-	(56)
Experience gains	(70)	(32)	(70)	(39)
Less Pension benefits paid for the year	(74)	(138)	(69)	(137)
Ending balance	1,427	1,413	1,332	1,322

Expenses for employee benefits were recognised in the statements of comprehensive income as follows:

Unit: THB million

	Consolidated		Separate	
	2018	2017	2018	2017
Current service costs	121	125	114	115
Interest costs	37	33	35	31
Total	158	158	149	146

Significant assumptions used in the actuarial calculation are summarised as follows:

	Consolidated and Separate
	2018 and 2017
Discount rate	2.75%
Salary increase rate	5.00%
Pre-retirement mortality rate	75.00% of Thai Mortality Ordinary Table 2017
Disability rate	10.00% of pre-retirement mortality rate
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
Retirement age	60 years old

Sensitivity analysis for each significant assumptions:

Consolidated

	Impact on defined benefit obligation					
	Change in assumption		Increase in assumption		Decrease in assumption	
	2018	2017	2018	2017	2018	2017
Weighted average discount rate	0.5%	0.5%	Decrease by 3.24%	Decrease by 4.08%	Increase by 4.87%	Increase by 4.36%
Weighted average rate of salary increase	1.0%	1.0%	Increase by 10.02%	Increase by 9.33%	Decrease by 7.64%	Decrease by 8.29%

Separate

	Impact on defined benefit obligation					
	Change in assumption		Increase in assumption		Decrease in assumption	
	2018	2017	2018	2017	2018	2017
Weighted average discount rate	0.5%	0.5%	Decrease by 3.10%	Decrease by 3.98%	Increase by 4.81%	Increase by 4.25%
Weighted average rate of salary increase	1.0%	1.0%	Increase by 9.85%	Increase by 9.13%	Decrease by 7.42%	Decrease by 8.14%

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 2018, the weighted average duration of the defined benefit obligation is 8 years (31 December 2017: 8 years).

Expected maturity analysis of undiscounted benefits:

Unit: THB million

Consolidated

	2018			
	Less than a year	Between 1 - 5 years	Over 5 years	Total
Retirement benefits	137	336	1,350	1,823

Unit: THB million

Consolidated

	2017			
	Less than a year	Between 1 - 5 years	Over 5 years	Total
Retirement benefits	91	336	1,384	1,811

Unit: THB million

Separate

	2018			
	Less than a year	Between 1 - 5 years	Over 5 years	Total
Retirement benefits	125	324	1,242	1,691

Unit: THB million

Separate

	2017			
	Less than a year	Between 1 - 5 years	Over 5 years	Total
Retirement benefits	80	325	1,278	1,683

23 OTHER LIABILITIES

Unit: THB million

	Consolidated		Separate	
	2018	2017	2018	2017
Credit support liabilities on derivatives	3,910	4,827	3,910	4,827
Amount due to Department of Alternative Energy Development and Efficiency	29	50	29	50
Other liabilities awaiting accounts transfer	423	576	423	576
Accrued interest	753	681	746	674
Deferred commission	41	90	49	97
Accrued expense	1,989	1,702	1,489	1,374
Others	904	793	453	341
Total	8,049	8,719	7,099	7,939

24 SHARE CAPITAL

Unit: THB million

	Consolidated and Separate			
	2018		2017	
	Number	Amount	Number	Amount
Registered				
Beginning of the year				
- Ordinary shares	30,280	15,140	24,775	12,387
Issue of shares	4,542	2,271	5,505	2,753
End of the year	34,822	17,411	30,280	15,140
Issued and paid up				
Beginning of the year				
- Ordinary shares	30,280	15,140	24,775	12,387
Issue of shares	4,542	2,271	5,505	2,753
End of the year	34,822	17,411	30,280	15,140

On 20 July 2018, the Board of Director's meeting passed a resolution approving the increase of the Bank's registered capital in an amount of Baht 2,271,017,070.50 from the current registered capital of Baht 15,140,113,803.50 to Baht 17,411,130,874 by means of the issuance of 4,542,034,141 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 3 right shares for every 20 existing CIMB Thai shares, at the offering price of Baht 0.87 per share which the Bank passed a resolution to determine the date of the Extraordinary General Meeting of Shareholders No. 1/2018 to be held on 4 September 2018.

On 19 October 2018, the Bank has registered its increase of paid-up share capital with the Department of Business Development, the Ministry of Commerce. Therefore, the paid-up share capital are Baht 17,411,130,874 which is 34,822,261,748 ordinary shares with a par value of Baht 0.50.

25 OTHER RESERVES

Unit: THB million

	Consolidated	
	2018	2017
Revaluation surplus on assets	1,972	2,029
Revaluation (deficit) surplus on change in value of investments, net	(160)	115
Remeasurements of post - employment benefit obligations	(103)	(176)
Foreign currency translation	-	4
Surplus (deficit) from measuring fair value of hedging instrument for cash flow hedge	82	(54)
Income tax relating to components of other comprehensive expense	(390)	(383)
Total	1,401	1,535

Unit: THB million

	Separate	
	2018	2017
Revaluation surplus on assets	1,972	2,029
Revaluation (deficit) surplus on change in value of investments, net	(160)	115
Remeasurements of post - employment benefit obligations	(76)	(146)
Foreign currency translation	-	4
Surplus (deficit) from measuring fair value of hedging instrument for cash flow hedge	82	(54)
Income tax relating to components of other comprehensive expense	(396)	(389)
Total	1,422	1,559

(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.

Unit: THB million

	Consolidated and Separate	
	2018	2017
Balance - beginning of the year	2,029	2,048
Less Amortisation	(57)	(19)
Balance - end of the year	1,972	2,029

The revaluation surplus on assets can neither be offset against deficit nor used for dividend payment.

(b) Revaluation (deficit) surplus on change in value of investments, net

Unit: THB million

	Consolidated and Separate	
	2018	2017
Revaluation surplus on investments:		
Debt securities	88	143
Equity securities	18	33
Total	106	176
Revaluation deficit on investments:		
Debt securities	(242)	(43)
Equity securities	(24)	(18)
Total	(266)	(61)
Revaluation (deficit) surplus on change in value of investments, net	(160)	115

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 20 April 2018, the Annual General Meeting of Shareholders of the Bank approved an appropriation of net profit of Baht 3.60 million as a statutory reserve for the year 2017. However, the Bank has set aside net profit to be reserve Baht 0.88 million during the year 2017. Therefore, the Bank set aside addition net profit to be reserve of Baht 2.70 million.

On 29 August 2018, the Board of Directors Meeting of the Bank approved an appropriation of net profit of Baht 2.20 million as a statutory reserve.

As at 31 December 2018, the Bank had total statutory reserve of Baht 403.60 million (31 December 2017: Baht 398.68 million).

27 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 (Full consolidate supervision)	2018 Million Baht	Total capital to risk assets %	2017 Million Baht	Total capital to risk assets %
Tier I				
Issued and paid up share capital	17,411		15,140	
Share premium	10,146		8,465	
Statutory reserve	404		398	
Unappropriated surplus	7,619		7,181	
Other reserves	1,361		1,566	
Deduction on Tier I capital fund	(2,065)		(1,810)	
Total Tier I capital fund	34,876	14.09	30,940	12.94
Tier II				
Long-term subordinated debentures	12,244		9,086	
Reserve for loan classified as pass	766		703	
Total Tier II capital fund	13,010	5.25	9,789	4.09
Total capital funds	47,886	19.34	40,729	17.03

Capital funds (Separate)	2018 Million Baht	Total capital to risk assets %	2017 Million Baht	Total capital to risk assets %
Tier I				
Issued and paid up share capital	17,411		15,140	
Share premium	10,146		8,465	
Statutory reserve	404		398	
Unappropriated surplus	5,825		5,699	
Other reserves	1,404		1,608	
Deduction on Tier I capital fund	(2,393)		(1,432)	
Total Tier I capital fund	32,797	13.32	29,878	12.47
Tier II				
Long-term subordinated debentures	12,244		9,086	
Reserve for loan classified as pass	975		880	
Total Tier II capital fund	13,219	5.37	9,966	4.16
Total capital funds	46,016	18.69	39,844	16.63

As at 31 December 2018, the Bank's regulatory capital after deducting capital add-on arising from single lending was Baht 46,016 million (31 December 2017: Baht 39,844 million).

The Bank has maintained capital fund and liquidity coverage ratio under BoT notification of international capital requirement standards under the Basel III regulatory framework and will disclose capital maintenance information as at 31 December 2018 in accordance with the Notification of the Bank of Thailand Re: Public Disclosure of Capital Maintenance Information for Commercial Banks and Consolidated Supervision and Liquidity coverage ratio disclosure standards on its website at www.cimbthai.com within four months after the statements of financial position date.

28 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 Holdings Berhad, 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 7.07 per share (31 December 2017: MYR 5.21 per share).

Movement in the number of ordinary shares under the EOP are as follows:

	Number of ordinary shares under the EOP as at	
	2018 units '000	2017 units '000
Beginning of financial year	1,418	1,342
Awarded during financial year	762	852
Released during financial year	(939)	(776)
End of financial year	1,241	1,418

For the year ended 31 December 2018, the Bank set up share-based payment reserves and expenses amounting to Baht 38 million (for the year ended 31 December 2017: Baht 37 million).

29 IMPORTANT POSITIONS AND PERFORMANCE CLASSIFIED BY TYPE OF DOMESTIC OR FOREIGN TRANSACTIONS

29.1 Position classified by type of transaction

Unit: THB million

	Consolidated					
	2018			2017		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Total assets	355,446	403	355,849	300,206	398	300,604
Interbank and money market items, net (assets)	6,451	339	6,790	17,810	358	18,168
Derivative assets	23,396	-	23,396	21,278	-	21,278
Investments, net	92,172	-	92,172	44,060	-	44,060
Loans to customers and accrued interest receivables, net	216,137	64	216,201	201,524	40	201,564
Deposits	185,092	9	185,101	177,391	10	177,401
Interbank and money market items (liabilities)	44,534	-	44,534	15,648	-	15,648
Financial liabilities designated at fair value through profit or loss	35,513	-	35,513	23,104	-	23,104
Derivative liabilities	24,318	-	24,318	19,965	-	19,965
Debt issued and borrowings	18,968	-	18,968	19,933	-	19,933

Unit: THB million

Separate

	2018			2017		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Total assets	349,974	403	350,377	295,909	398	296,307
Interbank and money market items, net (assets)	6,345	339	6,684	17,742	358	18,100
Derivative assets	23,396	-	23,396	21,278	-	21,278
Investments, net	92,172	-	92,172	44,060	-	44,060
Investments in subsidiaries, net	2,208	-	2,208	1,708	-	1,708
Loans to customers and accrued interest receivables, net	209,532	64	209,596	196,355	40	196,395
Deposits	185,206	9	185,215	177,693	10	177,703
Interbank and money market items (liabilities)	44,534	-	44,534	15,648	-	15,648
Financial liabilities designated at fair value through profit or loss	35,513	-	35,513	23,104	-	23,104
Derivative liabilities	24,318	-	24,318	19,965	-	19,965
Debt issued and borrowings	16,968	-	16,968	17,933	-	17,933

29.2 Performance classified by type of transaction

Unit: THB million

Consolidated

	2018			2017		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Interest income	15,302	8	15,310	14,546	12	14,558
Interest expenses	(4,563)	-	(4,563)	(4,348)	(7)	(4,355)
Net interest income	10,739	8	10,747	10,198	5	10,203
Net fee and services income	1,808	-	1,808	1,944	-	1,944
Other operating income	981	-	981	1,012	(4)	1,008
Other operating expenses	(8,329)	(17)	(8,346)	(7,596)	(17)	(7,613)
Bad and doubtful debts and impairment losses	(4,919)	-	(4,919)	(4,957)	(96)	(5,053)
Profit (losses) before income tax expenses	280	(9)	271	601	(112)	489

Unit: THB million

	Separate					
	2018			2017		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Interest income	12,334	8	12,342	11,901	12	11,913
Interest expenses	(4,515)	-	(4,515)	(4,317)	(8)	(4,325)
Net interest income	7,819	8	7,827	7,584	4	7,588
Net fee and services income	1,087	-	1,087	1,247	-	1,247
Other operating income	574	-	574	1,232	(4)	1,228
Other operating expenses	(6,523)	(17)	(6,540)	(6,101)	(17)	(6,118)
Bad and doubtful debts and impairment losses	(3,686)	-	(3,686)	(3,848)	(96)	(3,944)
Profit (losses) before income tax expenses	(729)	(9)	(738)	114	(113)	1

30 INTEREST INCOME

Unit: THB million

	Consolidated		Separate	
	2018	2017	2018	2017
Interbank and money market items	128	165	127	165
Investments and trading transactions	560	195	560	195
Investments in debt securities	1,104	950	1,104	950
Loans	9,704	9,878	10,436	10,558
Hire purchase and financial lease income	3,699	3,325	-	-
Others	115	45	115	45
Interest income	15,310	14,558	12,342	11,913

31 INTEREST EXPENSES

Unit: THB million

	Consolidated		Separate	
	2018	2017	2018	2017
Deposits	2,341	2,386	2,342	2,388
Interbank and money market items	351	219	351	219
Contribution fee to the Deposit Protection Agency	18	18	18	18
Contribution fee to FIDF	990	944	990	944
Debt securities issued				
- Subordinated debentures	568	578	568	578
- Others	193	133	144	133
Borrowings	-	32	-	-
Others	102	45	102	45
Interest expenses	4,563	4,355	4,515	4,325

32 NET FEES AND SERVICES INCOME

Unit: THB million

	Consolidated		Separate	
	2018	2017	2018	2017
Fees and services income				
Acceptances, aval and guarantees	82	94	103	108
ATM, debit card and credit card fees	43	88	43	88
Brokerage income	742	873	742	760
Management fees	102	108	102	108
Underwriting fees	135	167	135	167
Collection fees	193	191	-	-
Others	813	619	252	240
Fees and services income	2,110	2,140	1,377	1,471
Fees and services expenses				
Collection fees	(152)	(53)	(155)	(96)
ATM fees	(30)	(36)	(30)	(36)
Brokerage fees	(88)	(67)	(88)	(67)
Others	(32)	(40)	(17)	(25)
Fees and services expenses	(302)	(196)	(290)	(224)
Net fees and services income	1,808	1,944	1,087	1,247

33 GAINS ON TRADINGS AND FOREIGN EXCHANGE TRANSACTIONS, NET

Unit: THB million

	Consolidated and Separate	
	2018	2017
Gains (losses) on tradings and foreign exchange transactions		
Foreign currency and foreign exchange rate derivatives	337	341
Interest rate derivatives	777	1,635
Debt securities	(58)	193
Equity securities	7	19
Others	5	36
Total	1,068	2,224
Losses (gains) from hedging	(14)	14
Gains on tradings and foreign exchange transactions, net	1,054	2,238

34 LOSSES ON FINANCIAL INSTRUMENT DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS, NET

Losses on financial instruments designated at fair value through profit or loss consist of the following items:

Unit: THB million

	Consolidated and Separate	
	2018	2017
Net change in fair value		
Bills of exchange	(234)	(1,310)
Debentures	(81)	(50)
Interest expenses	(445)	(374)
Total	(760)	(1,734)

35 GAINS ON INVESTMENTS, NET

Unit: THB million

	Consolidated		Separate	
	2018	2017	2018	2017
Gains on sales				
Available-for-sale	17	110	17	110
Held-to-maturity	-	1	-	1
General investments	4	-	4	-
Gains on sales, net	21	111	21	111
Impairment (loss) reversal				
General investments	(1)	(3)	(1)	(3)
Investment in subsidiaries	-	-	-	383
(Loss) reversal of impairment, net	(1)	(3)	(1)	380
Gains on investments, net	20	108	20	491

36 OTHER OPERATING INCOME

Unit: THB million

	Consolidated		Separate	
	2018	2017	2018	2017
Gains on sales of premises and equipment	20	37	11	34
Gains on sales of properties for sales	-	-	140	73
Income from reversal of bad debts	269	216	-	-
Dividend income	11	14	11	14
Entry fee insurance income	48	48	48	48
Other income	94	81	51	64
Other operating income	442	396	261	233

37 BAD AND DOUBTFUL DEBTS AND IMPAIRMENT LOSSES

Unit: THB million

	Consolidated		Separate	
	2018	2017	2018	2017
Interbank and money market items	(11)	4	(11)	4
Held-to-maturity debt securities	(25)	1	(25)	1
Loans	4,955	5,048	3,722	3,939
Total	4,919	5,053	3,686	3,944

38 CORPORATE INCOME TAX

Unit: THB million

	Consolidated		Separate	
	2018	2017	2018	2017
Current tax:				
Current tax on profits for the year	303	309	-	-
Total current tax	303	309	-	-
Deferred tax:				
(Increase) decrease in deferred tax assets (Note 16)	(96)	(211)	10	(76)
Increase in deferred tax liabilities (Note 16)	57	6	57	6
Total deferred tax	(39)	(205)	67	(70)
Total tax charge	264	104	67	(70)

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:

Unit: THB million

	Consolidated		Separate	
	2018	2017	2018	2017
Profit (loss) before tax	271	489	(738)	1
Tax calculated at a tax rate of 20%	54	98	(148)	-
Tax effect of:				
Income not subject to tax	(30)	(9)	(30)	(86)
Expenses not deductible for tax purpose	13	24	12	23
Adjustment in respect of prior year	6	(7)	6	(7)
Tax losses for which no deferred income tax asset was recognised	144	-	144	-
Unrecognised deferred tax assets	83	-	83	-
Allowance for doubtful debt from subsidiaries	(6)	(2)	-	-
Total tax charge	264	104	67	(70)

The weighted average applicable tax rate in the consolidated and seperate financial statements as at 31 December 2018 was 97% and 9% respectively (31 December 2017: 21% and 5,068% respectively).

The tax (charged) credited relating to component of other comprehensive income is as follows:

Unit: THB million

	Consolidated					
	2018			2017		
	Before tax	Tax (charge) credit	After tax	Before tax	Tax (charge) credit	After tax
Fair value gains:						
Cash flow hedges	137	(27)	110	62	(12)	50
Remeasurements of post-employment benefit obligation	73	(15)	58	80	(17)	63
Available-for-sale financial asset	(115)	23	(92)	467	(93)	374
Other comprehensive income (expenses)	95	(19)	76	609	(122)	487
Current tax		303			309	
Deferred tax		(39)			(205)	
		264			104	

Unit: THB million

	Separate					
	2018			2017		
	Before tax	Tax (charge) credit	After tax	Before tax	Tax (charge) credit	After tax
Fair value gains:						
Cash flow hedges	137	(27)	110	62	(12)	50
Remeasurements of post-employment benefit obligation	70	(14)	56	83	(17)	66
Available-for-sale financial asset	(115)	23	(92)	467	(93)	374
Other comprehensive income (expenses)	92	(18)	74	612	(122)	490
Current tax		-			-	
Deferred tax		67			(70)	
		67			(70)	

In addition, deferred income tax of Baht 11 million (31 December 2017: Baht 4 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 and revaluation surplus on land.

39 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 2018, Baht 125 million and Baht 109 million was contributed to the fund by the Group and the Bank (for the year ended 31 December 2017: Baht 92 million and Baht 74 million, respectively).

40 EARNINGS PER SHARE

Earnings per share as presented in the consolidated and bank 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 year (Note 24).

There are no potential dilutive ordinary shares in issue for the years ended 31 December 2018 and 2017.

41 ENCUMBRANCE OF ASSETS

41.1 Assets used as collateral

The Group placed assets such as deposits government and state enterprise bonds as collateral against the following:

Unit: THB million

	Consolidated and Separate	
	2018	2017
Securities sold under repurchase	33,104	-
Utilities usage	7	7
Total	33,111	7

41.2 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 2018, the properties for sale had net book value of Baht 319 million (31 December 2017: Baht 319 million).

As at 31 December 2018 and 2017, the investments subject to such obligations are as follows:

Unit: THB million

	Consolidated and Separate			
	2018		2017	
Year of maturity	Numbers	Cost	Numbers	Cost
2019 onwards	2	319	2	319
Assets subject to obligation	2	319	2	319

42 COMMITMENTS AND CONTINGENT LIABILITIES

42.1 Commitments

As at 31 December 2018 and 2017, significant commitments of the Bank consist of:

Unit: THB million

	Consolidated					
	2018			2017		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Avals to bills and guarantees of loans:						
Avals to bills	271	-	271	81	-	81
Guarantees of loans	9	-	9	9	-	9
Total avals to bills and guarantees of loans	280	-	280	90	-	90
Liability under unmatured import bills:						
Liability under unmatured import bills	-	239	239	-	299	299
Letters of credit:						
Letters of credit	41	1,144	1,185	131	1,552	1,683
Other commitments:						
Forward and spot contracts						
- Bought	-	702,639	702,639	-	498,047	498,047
- Sold	-	562,050	562,050	-	478,403	478,403
Cross currency and interest rate swap contract						
- Bought	-	179,589	179,589	-	146,019	146,019
- Sold	-	254,306	254,306	-	104,973	104,973
Interest rate swap contracts						
- Fixed rate receiver	877,379	129,383	1,006,762	478,715	74,618	553,333
- Floating rate receiver	900,499	349,697	1,250,196	514,304	127,587	641,891
Foreign exchange option						
- Call option sales contracts	-	10	10	-	61	61
- Put option sales contracts	-	305	305	-	450	450
- Call option purchase contracts	-	977	977	-	433	433
- Put option purchase contracts	-	16	16	-	11	11

Unit: THB million

Consolidated

	2018			2017		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Commodity						
- Bought	-	20	20	-	128	128
- Sold	-	20	20	-	127	127
Credit derivatives						
- Bought	1,800	3,537	5,337	1,800	3,464	5,264
- Sold	1,800	3,537	5,337	1,800	3,464	5,264
Swaption						
- Sold	8,000	-	8,000	1,500	-	1,500
Fund Option						
- Bought	-	2,106	2,106	-	998	998
- Sold	-	2,106	2,106	-	998	998
Equity option						
- Bought	-	-	-	308	-	308
- Sold	-	-	-	308	-	308
Bond forward						
- Sold	18,480	-	18,480	8,450	-	8,450
Investments						
- Bought	509	-	509	460	-	460
- Sold	1,058	-	1,058	710	-	710
Undrawn bank overdrafts	14,004	-	14,004	17,674	-	17,674
Undrawn credit line	18,387	2,752	21,139	19,874	5,199	25,073
Other guarantees	10,061	1,142	11,203	9,634	183	9,817
Other commitments	1,851,977	2,194,192	4,046,169	1,055,537	1,445,163	2,500,700
Total commitments	1,852,298	2,195,575	4,047,873	1,055,758	1,447,014	2,502,772

Unit: THB million

	Separate					
	2018			2017		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Avals to bills and guarantees of loans:						
Avals to bills	271	-	271	81	-	81
Guarantees of loans	2,159	-	2,159	2,159	-	2,159
Total avals to bills and guarantees of loans	2,430	-	2,430	2,240	-	2,240
Liability under unmatured import bills:						
Liability under unmatured import bills	-	239	239	-	299	299
Letters of credit:						
Letters of credit	41	1,144	1,185	131	1,552	1,683
Other commitments:						
Forward and spot contracts						
- Bought	-	702,639	702,639	-	498,047	498,047
- Sold	-	562,050	562,050	-	478,403	478,403
Cross currency and interest rate swap contract						
- Bought	-	179,589	179,589	-	146,019	146,019
- Sold	-	254,306	254,306	-	104,973	104,973
Interest rate swap contracts						
- Fixed rate receiver	877,379	129,383	1,006,762	478,715	74,618	553,333
- Floating rate receiver	900,499	349,697	1,250,196	514,304	127,587	641,891
Foreign exchange option						
- Call option sales contracts	-	10	10	-	61	61
- Put option sales contracts	-	305	305	-	450	450
- Call option purchase contracts	-	977	977	-	433	433
- Put option purchase contracts	-	16	16	-	11	11
Commodity						
- Bought	-	20	20	-	128	128
- Sold	-	20	20	-	127	127

Unit: THB million

	Separate					
	2018			2017		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Credit derivatives						
- Bought	1,800	3,537	5,337	1,800	3,464	5,264
- Sold	1,800	3,537	5,337	1,800	3,464	5,264
Swaption						
- Sold	8,000	-	8,000	1,500	-	1,500
Fund Option						
- Bought	-	2,106	2,106	-	998	998
- Sold	-	2,106	2,106	-	998	998
Equity option						
- Bought	-	-	-	308	-	308
- Sold	-	-	-	308	-	308
Bond forward						
- Sold	18,480	-	18,480	8,450	-	8,450
Investments						
- Bought	509	-	509	460	-	460
- Sold	1,058	-	1,058	710	-	710
Undrawn bank overdrafts	14,004	-	14,004	17,674	-	17,674
Undrawn credit line	18,387	2,752	21,139	19,874	5,199	25,073
Other guarantees	10,061	1,142	11,203	9,634	183	9,817
Other commitments	1,851,977	2,194,192	4,046,169	1,055,537	1,445,163	2,500,700
Total commitments	1,854,448	2,195,575	4,050,023	1,057,908	1,447,014	2,504,922

42.2 Contingent liabilities

As at 31 December 2018 and 2017, 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:

Unit: THB million

	Consolidated and Separate	
	2018	2017
Sum claimed in cases where the Group is sole defendant	191	211
Sum claimed in cases where the Group is co-defendant		
- Sum of claims that can be specifically attributed to the Group	515	631
- Sum of claims that cannot be specifically attributed to the Group	306	304
Total	1,012	1,146

As at 31 December 2018, included in the above-mentioned amounts there is no case 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 482 million. However, the Bank is in the process of appealing the decisions (31 December 2017: Baht 16 million and Baht 276 million, respectively). The Bank recognised provisions for contingent loss from legal cases of approximately Baht 58 million (31 December 2017: Baht 139 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 476 million (31 December 2017: Baht 395 million) for off-statement of financial position items related to guarantees for which the Group have been sued as defendants.

42.3 Commitments under long-term leases

As at 31 December 2018 and 2017, 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:

Unit: THB million

	Consolidated		Separate	
Lease periods	2018	2017	2018	2017
Not over than 3 years	261	326	197	231
3 - 5 years	25	10	4	5
5 - 10 years	3	4	3	4
Total	289	340	204	240

42.4 Other commitments

As at 31 December 2018 and 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 by currencies as follows:

Unit: THB million

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

43 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.

Unit: THB million

	Consolidated		Separate	
	2018	2017	2018	2017
Subsidiaries				
Revenue:				
Interest income	-	-	733	682
Fee income	-	-	34	28
Expenses:				
Interest expenses	-	-	1	1
Fee expenses	-	-	3	43
Premises and equipments expenses	-	-	(1)	(7)
Parent company				
Revenue:				
Interest income	17	14	17	14
Expenses:				
Interest expenses	293	205	293	205
Fee expenses	74	62	74	62
Premises and equipment expenses	3	3	3	3
Other expenses	-	1	-	1
Companies under common control				
Revenue:				
Fee income	383	525	383	525
Other income	1	1	1	1
Expenses:				
Interest expenses	5	18	5	18
Fee expenses	12	13	12	13
Premises and equipment expenses	(12)	(12)	(12)	(12)
Other expenses	-	101	-	101

The outstanding balances of significant related party transactions as at 31 December 2018 and 2017 are as follows:

Unit: THB million

	Consolidated								
	2018								
	Average loans out-standing	Out-standing loans	Interbank and money market items (asset)	Obliga-tions	Other assets	Deposits	Interbank and money market items (liability)	Borrow-ings	Other liabilities
Parent company									
CIMB Bank Berhad	-	-	370	-	1,298	-	217	6,185	-
	-	-	370	-	1,298	-	217	6,185	-
Companies under common control									
CIMB Bank Plc, Cambodia	-	-	-	52	-	-	16	-	-
CIMB ISLAMIC Bank Berhad	-	-	-	-	-	-	95	-	-
PT Bank CIMB Niaga Tbk	-	-	-	-	1	-	6	-	-
CIMB Securities (Singapore)	-	-	-	-	-	4	-	-	-
CGS-CIMB Securities (Thailand) Co., Ltd.	-	-	-	-	-	559	-	-	-
CIMB-Principal Asset Management Co., Ltd.	-	-	-	-	-	429	-	-	-
Sathorn Asset Management Co., Ltd.	-	-	-	-	3	621	-	-	11
	-	-	-	52	4	1,613	117	-	11
Related persons	13	14	-	-	-	136	-	-	-
	13	14	-	-	-	136	-	-	-

Unit: THB million

Consolidated

2017

	Average loans out-standing	Out-standing loans	Interbank and money market items (asset)	Obliga-tions	Other assets	Deposits	Interbank and money market items (liability)	Borrow-ings	Other liabilities
Parent company									
CIMB Bank Berhad	-	-	361	13	891	-	1,188	3,802	292
	-	-	361	13	891	-	1,188	3,802	292
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	-	-	-
CGS-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	139	-	18
Other related companies	29	30	-	-	-	8	-	-	-
	29	30	-	-	-	8	-	-	-
Related persons	15	11	-	-	-	473	-	-	-
	15	11	-	-	-	473	-	-	-

Unit: THB million

Separate

	2018								
	Average loans out-standing	Out-standing loans	Interbank and money market items (asset)	Obliga-tions	Other assets	Deposits	Interbank and money market items (liability)	Borrow-ings	Other liabilities
Subsidiary companies									
CIMB Thai Auto Co., Ltd (formerly Center Auto Lease Co., Ltd)	20,535	22,893	-	2,150	1	40	-	-	8
World Lease Co., Ltd.	3,142	2,923	-	-	1	12	-	-	-
CT Coll Co., Ltd.	-	-	-	-	-	62	-	-	-
	23,677	25,816	-	2,150	2	114	-	-	8
Parent company									
CIMB Bank Berhad	-	-	370	-	1,298	-	217	6,185	-
	-	-	370	-	1,298	-	217	6,185	-
Companies under common control									
CIMB Bank Plc, Cambodia	-	-	-	52	-	-	16	-	-
CIMB ISLAMIC Bank Berhad	-	-	-	-	-	-	95	-	-
PT Bank CIMB Niaga Tbk	-	-	-	-	1	-	6	-	-
CIMB Securities (Singapore)	-	-	-	-	-	4	-	-	-
CGS-CIMB Securities (Thailand) Co., Ltd.	-	-	-	-	-	559	-	-	-
CIMB-Principal Asset Management Co., Ltd.	-	-	-	-	-	429	-	-	-
Sathorn Asset Management Co., Ltd.	-	-	-	-	3	621	-	-	11
	-	-	-	52	4	1,613	117	-	11
Related persons	8	8	-	-	-	133	-	-	-
	8	8	-	-	-	133	-	-	-

Unit: THB million

	Separate								
	2017								
	Average loans out-standing	Out-standing loans	Interbank and money market items (asset)	Obliga-tions	Other assets	Deposits	Interbank and money market items (liability)	Borrow-ings	Other liabilities
Subsidiary companies									
CIMB Thai Auto Co., Ltd (formerly 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	-	-	361	13	891	-	1,188	3,802	292
	-	-	361	13	891	-	1,188	3,802	292
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	-	-	-
CGS-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	139	-	18
Other related companies	29	30	-	-	-	8	-	-	-
	29	30	-	-	-	8	-	-	-
Related persons	13	8	-	-	-	470	-	-	-
	13	8	-	-	-	470	-	-	-

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

As at 31 December 2018 and 2017, the Bank has commitments in financial derivatives and others with related parties as follows:

Unit: THB million

	2018		
	Domestic	Foreign	Total
Parent company			
Interest rate swap contracts			
- Fixed rate receiver	46,911	87	46,998
- Floating rate receiver	52,210	935	53,145
Forward and spot contracts			
- Bought	-	8,111	8,111
- Sold	-	55	55
Cross currency and interest rate swap contracts			
- Bought	-	11,301	11,301
- Sold	-	306	306
Commodity			
- Bought	-	20	20
Foreign exchange option			
- Put option sales contracts	-	111	111
Swaption			
- Sold	7,000	-	7,000
Credit derivatives			
- Sold	1,800	3,537	5,337
Companies under common control			
Forward and spot contracts			
- Bought	-	7	7
- Sold	-	3	3
Computer system and software development agreement	-	3	3

Unit: THB million

	2017		
	Domestic	Foreign	Total
Parent company			
Interest rate swap contracts			
- Fixed rate receiver	17,110	88	17,198
- Floating rate receiver	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
Company under common control			
Computer system and software development agreement	-	3	3

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.

Unit: THB million

	Consolidated		Separate	
	2018	2017	2018	2017
Short-term employee benefits	585	485	552	457
Long-term employee benefits	22	17	22	16
Share-based payments (Note 28)	38	37	38	37
Director and management remuneration	645	539	612	510

The details of share based payment are as follows:

Unit: thousand units

	Consolidated and Separate	
	2018	2017
Shares of CIMB Group Holdings Berhad	762	852

44 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 2018 and 2017 and for the years ended 31 December 2018 and 2017 are as follows:

Unit: THB million

Consolidated

	2018				
	Consumer banking	Wholesale banking	Others	Elimina-tions	Total
Net interest income					
External	8,059	2,271	417	-	10,747
Net fees and service income	1,527	276	32	(27)	1,808
Other operating income	869	16	98	(2)	981
Other operating expenses	(6,705)	(1,614)	(34)	7	(8,346)
Bad and doubtful debts and impairment losses	(3,549)	(149)	(1,252)	31	(4,919)
Income tax expenses	(176)	(778)	690	-	(264)
Net profit (losses) for the year	25	22	(49)	9	7

Unit: THB million

Consolidated

	2017				
	Consumer banking	Wholesale banking	Others	Elimina-tions	Total
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 (losses) profit for the year	(186)	617	342	(388)	385

Unit: THB million

	Bank business		Hire-purchase business		Other businesses		Eliminations		Consolidated	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Total assets	350,377	296,307	33,297	28,777	64	69	(27,889)	(24,549)	355,849	300,604
Interbank and money market Items, net (assets)	6,684	18,100	158	321	62	49	(114)	(302)	6,790	18,168
Investments, net	92,172	44,060	-	-	-	-	-	-	92,172	44,060
Loans and accrued interest receivables, net	209,596	196,395	32,162	27,681	-	9	(25,557)	(22,521)	216,201	201,564
Deposits	185,215	177,703	-	-	-	-	(114)	(302)	185,101	177,401
Interbank and money market Items (liabilities)	44,534	15,648	25,806	22,742	-	-	(25,806)	(22,742)	44,534	15,648
Financial liabilities designated at fair value through profit or loss	35,513	23,104	-	-	-	-	-	-	35,513	23,104
Debt issued and borrowings	16,968	17,933	2,000	2,000	-	-	-	-	18,968	19,933

45 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, net interbank and money market items, derivative assets, net investments, loans net of deferred revenue, other assets, deposits, liabilities payable on-demand, financial liabilities designated at fair value through profit or loss, derivative liabilities, debt issued and borrowings, and other liabilities. The financial risks associated with these financial instruments and how they are managed is described below.

45.1 Credit risk

As at 31 December 2018 and 2017, concentrations of credit risk relative to the loans and receivables summarised by type of industry are as follows:

Unit: THB million

	Consolidated		Separate	
	2018	2017	2018	2017
Agricultural and mining	6,956	5,606	6,956	5,606
Manufacturing and commerce	45,157	48,810	45,157	48,810
Real estate and construction	13,836	12,116	13,836	12,116
Public utilities and services	29,779	28,229	29,778	28,229
Personal cash	11,960	13,505	11,961	13,505
Housing loans	71,916	60,971	71,916	60,971
Hire-purchase receivable and financial lease receivable	33,244	28,504	-	-
Others	13,452	13,281	39,244	35,997
Total loans net of deferred revenue	226,300	211,022	218,848	205,234

As at 31 December 2018 and 2017, the Bank had the following off-balance statement of financial postion. These are calculated according to the period to maturity starting from the contract dates given in the financial statements:

Unit: THB million

Consolidated

	Counting from 2018			Counting from 2017		
	Less than 1 year	Over 1 year	Total	Less than 1 year	Over 1 year	Total
Aval to bills	271	-	271	81	-	81
Guarantees of loans	9	-	9	9	-	9
Liabilities under unmatured import bills	239	-	239	299	-	299
Letters of credit	1,185	-	1,185	1,683	-	1,683
Other guarantees	8,281	2,922	11,203	8,397	1,420	9,817

Unit: THB million

Separate

	Counting from 2018			Counting from 2017		
	Less than 1 year	Over 1 year	Total	Less than 1 year	Over 1 year	Total
Aval to bills	271	-	271	81	-	81
Guarantees of loans	9	2,150	2,159	9	2,150	2,159
Liabilities under unmatured import bills	239	-	239	299	-	299
Letters of credit	1,185	-	1,185	1,683	-	1,683
Other guarantees	8,281	2,922	11,203	8,397	1,420	9,817

45.2 Market risk

(a) Interest rate risk

As at 31 December 2018 and 2017, financial assets and liabilities classified by type of interest rate were as follows:

Unit: THB million

Consolidated

Descriptions	2018			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
Financial assets				
Cash	-	-	1,749	1,749
Interbank and money market items	482	2,426	3,875	6,783
Derivative assets	13,670	1,014	8,712	23,396
Investments, net	59	92,043	316	92,418
Loans net of deferred revenue	143,464	82,836	-	226,300
Other assets	-	490	416	906
Total financial assets	157,675	178,809	15,068	351,552
Financial liabilities				
Deposits	50,584	132,349	2,168	185,101
Interbank and money market items	4,358	39,089	1,087	44,534
Liabilities payable on demand	-	-	379	379
Financial liabilities designated at fair value through profit or loss	35,413	-	100	35,513
Derivative liabilities	11,552	2,017	10,749	24,318
Debt issued and borrowings	6,293	12,675	-	18,968
Total financial liabilities	108,200	186,130	14,483	308,813

Unit: THB million

Consolidated

2017

Descriptions	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
Financial assets				
Cash	-	-	1,591	1,591
Interbank and money market items	595	14,134	3,443	18,172
Derivative assets	11,064	676	9,538	21,278
Investments, net	76	43,916	360	44,352
Loans net of deferred revenue	135,795	75,227	-	211,022
Other assets	-	750	827	1,577
Total financial assets	147,530	134,703	15,759	297,992
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	23,034	-	70	23,104
Derivative liabilities	9,862	1,300	8,803	19,965
Debt issued and borrowings	5,853	13,739	341	19,933
Total financial liabilities	101,433	141,798	13,075	256,306

Unit: THB million

Descriptions	Separate 2018			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
Financial assets				
Cash	-	-	1,746	1,746
Interbank and money market items	397	2,425	3,855	6,677
Derivative assets	13,670	1,014	8,712	23,396
Investments, net	59	92,043	316	92,418
Loans net of deferred revenue	143,560	75,288	-	218,848
Other assets	-	490	416	906
Total financial assets	157,686	171,260	15,045	343,991
Financial liabilities				
Deposits	50,682	132,365	2,168	185,215
Interbank and money market items	4,358	39,089	1,087	44,534
Liabilities payable on demand	-	-	379	379
Financial liabilities designated at fair value through profit or loss	35,413	-	100	35,513
Derivative liabilities	11,552	2,017	10,749	24,318
Debt issued and borrowings	6,293	10,675	-	16,968
Total financial liabilities	108,298	184,146	14,483	306,927

Unit: THB million

Descriptions	Separate 2017			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
Financial assets				
Cash	-	-	1,589	1,589
Interbank and money market items	545	14,135	3,424	18,104
Derivative assets	11,064	676	9,538	21,278
Investments, net	76	43,916	360	44,352
Loans net of deferred revenue	135,769	69,465	-	205,234
Other assets	-	750	827	1,577
Total financial assets	147,454	128,942	15,738	292,134
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	23,034	-	70	23,104
Derivative liabilities	9,862	1,300	8,803	19,965
Debt issued and borrowings	5,853	11,739	341	17,933
Total financial liabilities	101,716	139,815	13,077	254,608

Unit: THB million

Consolidated

Transactions	2018						
	Repricing or maturity date						
	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Non-interest bearing	Total
Financial assets							
Cash	-	-	-	-	-	1,749	1,749
Interbank and money market items	482	1,526	900	-	-	3,875	6,783
Derivative assets	-	8,728	5,708	45	203	8,712	23,396
Investments, net	59	3,660	12,844	41,184	34,355	316	92,418
Loans net of deferred revenue	3,829	38,090	51,462	76,781	56,138	-	226,300
Other assets	-	72	214	204	-	416	906
Total financial assets	4,370	52,076	71,128	118,214	90,696	15,068	351,552
Financial liabilities							
Deposits	50,584	66,280	55,881	10,188	-	2,168	185,101
Interbank and money market items	4,359	37,145	1,769	159	15	1,087	44,534
Liabilities payable on demand	-	-	-	-	-	379	379
Financial liabilities designated at fair value through profit or loss	-	16,896	18,517	-	-	100	35,513
Derivative liabilities	-	7,909	5,648	12	-	10,749	24,318
Debt issued and borrowings	-	3,362	2,990	2,000	10,616	-	18,968
Total financial liabilities	54,943	131,592	84,805	12,359	10,631	14,483	308,813

Unit: THB million

Consolidated

2017

Transactions	Repricing or maturity date						
	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Non-interest bearing	Total
Financial assets							
Cash	-	-	-	-	-	1,591	1,591
Interbank and money market items	965	12,181	1,430	153	-	3,443	18,172
Derivative assets	-	7,207	4,512	21	-	9,538	21,278
Investments, net	76	113	6,459	24,762	12,582	360	44,352
Loans net of deferred revenue	5,797	38,143	47,064	58,759	61,259	-	211,022
Other assets	-	138	531	81	-	827	1,577
Total financial assets	6,838	57,782	59,996	83,776	73,841	15,759	297,992
Financial liabilities							
Deposits	59,518	63,083	50,628	2,100	-	2,072	177,401
Interbank and money market items	7,811	4,495	1,572	30	206	1,534	15,648
Liabilities payable on demand	-	-	-	-	-	255	255
Financial liabilities designated at fair value through profit or loss	-	9,889	13,145	-	-	70	23,104
Derivative liabilities	-	7,118	3,997	28	19	8,803	19,965
Debt issued and borrowings	700	3,994	5,082	2,000	7,816	341	19,933
Total financial liabilities	68,029	88,579	74,424	4,158	8,041	13,075	256,306

Unit: THB million

Separate

Transactions	2018						
	Repricing or maturity date						
	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Non-interest bearing	Total
Financial assets							
Cash	-	-	-	-	-	1,746	1,746
Interbank and money market items	397	1,525	900	-	-	3,855	6,677
Derivative assets	-	8,728	5,708	45	203	8,712	23,396
Investments, net	59	3,660	12,844	41,184	34,355	316	92,418
Loans net of deferred revenue	3,829	39,200	48,547	72,597	54,675	-	218,848
Other assets	-	72	214	204	-	416	906
Total financial assets	4,285	53,185	68,213	114,030	89,233	15,045	343,991
Financial liabilities							
Deposits	50,682	66,285	55,892	10,188	-	2,168	185,215
Interbank and money market items	4,359	37,145	1,769	159	15	1,087	44,534
Liabilities payable on demand	-	-	-	-	-	379	379
Financial liabilities designated at fair value through profit or loss	-	16,896	18,517	-	-	100	35,513
Derivative liabilities	-	7,909	5,648	12	-	10,749	24,318
Debt issued and borrowings	-	3,362	2,990	-	10,616	-	16,968
Total financial liabilities	55,041	131,597	84,816	10,359	10,631	14,483	306,927

Unit: THB million

	Separate						
	2017						
	Repricing or maturity date						
Transactions	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Non-interest bearing	Total
Financial assets							
Cash	-	-	-	-	-	1,589	1,589
Interbank and money market items	915	12,181	1,430	154	-	3,424	18,104
Derivative assets	-	7,207	4,512	21	-	9,538	21,278
Investments, net	76	113	6,459	24,762	12,582	360	44,352
Loans net of deferred revenue	5,788	46,999	44,650	47,214	60,583	-	205,234
Other assets	-	138	531	81	-	827	1,577
Total financial assets	6,779	66,638	57,582	72,232	73,165	15,738	292,134
Financial liabilities							
Deposits	59,802	63,088	50,639	2,100	-	2,074	177,703
Interbank and money market items	7,811	4,495	1,572	30	206	1,534	15,648
Liabilities payable on demand	-	-	-	-	-	255	255
Financial liabilities designated at fair value through profit or loss	-	9,889	13,145	-	-	70	23,104
Derivative liabilities	-	7,118	3,997	28	19	8,803	19,965
Debt issued and borrowings	700	3,994	5,082	-	7,816	341	17,933
Total financial liabilities	68,313	88,584	74,435	2,158	8,041	13,077	254,608

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 2018 and 2017, can be summarised as follows:

Consolidated

	2018			2017		
	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	5,203	128	2.46	10,491	165	1.57
Investments, net	71,904	1,664	2.31	49,159	1,145	2.33
Loans	214,140	13,403	6.26	203,835	13,203	6.48
Total performing financial assets	291,247	15,195		263,485	14,513	
Performing financial liabilities						
Deposits	173,707	2,341	1.35	172,028	2,386	1.39
Interbank and money market items	26,205	351	1.34	16,295	219	1.34
Financial liabilities designated at fair value through profit or loss	29,611	445	1.50	21,933	374	1.71
Debt issued and borrowings	22,210	761	3.43	19,531	743	3.80
Total performing financial liabilities	251,733	3,898		229,787	3,722	

Separate

	2018			2017		
	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	5,139	127	2.47	10,440	165	1.58
Investments, net	71,904	1,664	2.31	49,159	1,145	2.33
Loans	207,368	10,436	5.03	199,138	10,558	5.30
Total performing financial assets	284,411	12,227		258,737	11,868	
Performing financial liabilities						
Deposits	173,912	2,343	1.35	172,249	2,388	1.39
Interbank and money market items	26,205	351	1.34	16,299	219	1.34
Financial liabilities designated at fair value through profit or loss	29,611	445	1.50	21,933	374	1.71
Debt issued and borrowings	20,211	712	3.52	18,198	711	3.91
Total performing financial liabilities	249,939	3,851		228,679	3,692	

(b) Foreign exchange risk

Unit: THB million

Consolidated

Transactions	2018						
	Currency						
	THB	USD	JPY	EURO	MYR	Others	Total
Financial assets							
Cash	1,627	45	5	41	2	29	1,749
Interbank and money market items	5,698	556	6	1	367	162	6,790
Derivative assets	436,833	(392,704)	2,326	(19,731)	(993)	(2,335)	23,396
Investments, net	92,418	-	-	-	-	-	92,418
Loans net of deferred revenue	211,701	13,642	91	136	-	1,222	226,792
Other assets	1,368	-	-	-	-	-	1,368
Total financial assets	749,645	(378,461)	2,428	(19,553)	(624)	(922)	352,513
Financial liabilities							
Deposits	182,533	2,137	32	51	239	109	185,101
Interbank and money market items	43,481	925	-	4	123	1	44,534
Liabilities payable on demand	377	2	-	-	-	-	379
Financial liabilities designated at fair value through profit or loss	35,513	-	-	-	-	-	35,513
Derivative liabilities	440,909	(385,597)	2,389	(19,742)	(12,337)	(1,304)	24,318
Debt issued and borrowings	4,816	3,537	-	-	10,615	-	18,968
Other liabilities	469	39	-	-	239	-	747
Total financial liabilities	708,098	(378,957)	2,421	(19,687)	(1,121)	(1,194)	309,560

Unit: THB million

Consolidated

2017

Transactions	Currency						
	THB	USD	JPY	EURO	MYR	Others	Total
Financial assets							
Cash	1,521	27	4	15	1	23	1,591
Interbank and money market items	16,385	957	28	31	323	455	18,179
Derivative assets	385,947	(374,226)	(2,551)	8,428	(487)	4,167	21,278
Investments, net	44,345	-	-	1	-	6	44,352
Loans net of deferred revenue	196,578	12,891	96	649	-	1,325	211,539
Other assets	1,964	-	-	-	-	-	1,964
Total financial assets	646,740	(360,351)	(2,423)	9,124	(163)	5,976	298,903
Financial liabilities							
Deposits	175,602	1,456	18	32	201	92	177,401
Interbank and money market items	14,036	1,406	2	34	125	45	15,648
Liabilities payable on demand	252	3	-	-	-	-	255
Financial liabilities designated at fair value through profit or loss	23,104	-	-	-	-	-	23,104
Derivative liabilities	390,296	(373,385)	(2,490)	9,035	(8,895)	5,404	19,965
Debt issued and borrowings	8,652	3,464	-	-	7,817	-	19,933
Other liabilities	444	25	-	-	205	-	674
Total financial liabilities	612,386	(367,031)	(2,470)	9,101	(547)	5,541	256,980

Unit: THB million

Transactions	Separate						
	2018						
		Currency					
	THB	USD	JPY	EURO	MYR	Others	Total
Financial assets							
Cash	1,623	46	5	41	2	29	1,746
Interbank and money market items	5,592	556	6	1	367	162	6,684
Derivative assets	436,833	(392,704)	2,326	(19,731)	(993)	(2,335)	23,396
Investments, net	92,418	-	-	-	-	-	92,418
Loans net of deferred revenue	204,259	13,642	91	136	-	1,222	219,350
Other assets	1,368	-	-	-	-	-	1,368
Total financial assets	742,093	(378,460)	2,428	(19,553)	(624)	(922)	344,962
Financial liabilities							
Deposits	182,647	2,137	32	51	239	109	185,215
Interbank and money market items	43,481	925	-	4	123	1	44,534
Liabilities payable on demand	377	2	-	-	-	-	379
Financial liabilities designated at fair value through profit or loss	35,513	-	-	-	-	-	35,513
Derivative liabilities	440,909	(385,597)	2,389	(19,742)	(12,337)	(1,304)	24,318
Debt issued and borrowings	2,816	3,537	-	-	10,615	-	16,968
Other liabilities	462	39	-	-	239	-	740
Total financial liabilities	706,205	(378,957)	2,421	(19,687)	(1,121)	(1,194)	307,667

Unit: THB million

Transactions	Separate 2017						
	Currency						
	THB	USD	JPY	EURO	MYR	Others	Total
Financial assets							
Cash	1,519	27	4	15	1	23	1,589
Interbank and money market items	16,317	957	28	31	323	455	18,111
Derivative assets	385,947	(374,226)	(2,551)	8,428	(487)	4,167	21,278
Investments, net	44,345	-	-	1	-	6	44,352
Loans net of deferred revenue	190,795	12,891	97	649	-	1,325	205,757
Other assets	1,964	-	-	-	-	-	1,964
Total financial assets	640,887	(360,351)	(2,422)	9,124	(163)	5,976	293,051
Financial liabilities							
Deposits	175,904	1,456	18	32	201	92	177,703
Interbank and money market items	14,036	1,406	2	34	125	45	15,648
Liabilities payable on demand	252	3	-	-	-	-	255
Financial liabilities designated at fair value through profit or loss	23,104	-	-	-	-	-	23,104
Derivative liabilities	390,296	(373,385)	(2,490)	9,035	(8,895)	5,404	19,965
Debt issued and borrowings	6,652	3,464	-	-	7,817	-	17,933
Other liabilities	437	25	-	-	205	-	667
Total financial liabilities	610,681	(367,031)	(2,470)	9,101	(547)	5,541	255,275

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 2018 and 2017, the Bank has the following net foreign currency positions categorised by major foreign currencies:

(Unit: Equivalent to million USD)

	Consolidated and Separate					
	2018			2017		
	USD	EURO*	Other currencies*	USD	EURO*	Other currencies*
Spot	264.41	3.47	(298.74)	198.71	19.07	(204.84)
Forward						
- Forward contract	(253.80)	(3.65)	314.08	(182.75)	(19.17)	213.90
Total	10.61	(0.18)	15.34	15.96	(0.10)	9.06

* EURO and other currencies are stated in USD equivalents.

45.3 Liquidity risk

The period to maturity calculated from the statements of financial position date of financial instruments outstanding as at 31 December 2018 and 2017 were as follows:

Unit: THB million

Descriptions	Consolidated 2018				
	At call	Less than 1 year	More than 1 year	No maturity	Total
Financial assets					
Cash	1,749	-	-	-	1,749
Interbank and money market items	4,307	2,433	50	-	6,790
Derivative assets	-	10,720	12,676	-	23,396
Investments	-	16,504	75,539	375	92,418
Loans net of deferred revenue	16,180[1]	40,124	170,488	-	226,792
Other assets	-	1,087	281	-	1,368
Total financial assets	22,236	70,868	259,034	375	352,513
Financial liabilities					
Deposits	54,978	119,935	10,188	-	185,101
Interbank and money market items	7,112	37,248	174	-	44,534
Liabilities payable on demand	379	-	-	-	379
Financial liabilities designated at fair value through profit or loss	-	57	35,456	-	35,513
Derivative liabilities	-	13,241	11,077	-	24,318
Debt issued and borrowings	-	60	18,908	-	18,968
Other liabilities	-	747	-	-	747
Total financial liabilities	62,469	171,288	75,803	-	309,560

(1) As at 31 December 2018, portions of loans classified as maturity-at-call in the consolidated and separate financial statements, of Baht 9,902 million and Baht 9,530 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.

Unit: THB million

Descriptions	Consolidated 2017				
	At call	Less than 1 year	More than 1 year	No maturity	Total
Financial assets					
Cash	1,591	-	-	-	1,591
Interbank and money market items	4,038	13,987	154	-	18,179
Derivative assets	-	10,215	11,063	-	21,278
Investments, net	-	6,572	37,344	436	44,352
Loans net of deferred revenue	17,859(1)	40,627	153,053	-	211,539
Other assets	-	1,806	158	-	1,964
Total financial assets	23,488	73,207	201,772	436	298,903
Financial liabilities					
Deposits	61,590	113,711	2,100	-	177,401
Interbank and money market items	9,344	6,068	236	-	15,648
Liabilities payable on demand	255	-	-	-	255
Financial liabilities designated at fair value through profit or loss	-	17	23,087	-	23,104
Derivative liabilities	-	10,024	9,941	-	19,965
Debt issued and borrowings	700	3,563	15,670	-	19,933
Other liabilities	-	671	3	-	674
Total financial liabilities	71,889	134,054	51,037	-	256,980

(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 are outstanding balances of defaulted loans classified as sub-standard or higher. However, repayment schedules of these loans are dependent upon new restructuring conditions.

Unit: THB million

Descriptions	Separate 2018				
	At call	Less than 1 year	More than 1 year	No maturity	Total
Financial assets					
Cash	1,746	-	-	-	1,746
Interbank and money market items	4,201	2,433	50	-	6,684
Derivative assets	-	10,720	12,676	-	23,396
Investments	-	16,504	75,539	375	92,418
Loans net of deferred revenue	16,291(1)	38,218	164,841	-	219,350
Other assets	-	1,087	281	-	1,368
Total financial assets	22,238	68,962	253,387	375	344,962
Financial liabilities					
Deposits	55,076	119,951	10,188	-	185,215
Interbank and money market items	7,112	37,248	174	-	44,534
Liabilities payable on demand	379	-	-	-	379
Financial liabilities designated at fair value through profit or loss	-	57	35,456	-	35,513
Derivative liabilities	-	13,241	11,077	-	24,318
Debt issued and borrowings	-	60	16,908	-	16,968
Other liabilities	-	740	-	-	740
Total financial liabilities	62,567	171,297	73,803	-	307,667

(1) As at 31 December 2018, portions of loans classified as maturity-at-call in the consolidated and separate financial statements, of Baht 9,902 million and Baht 9,530 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.

Unit: THB million

Descriptions	At call	Less than 1 year	More than 1 year	No maturity	Total
					Separate 2017
Financial assets					
Cash	1,589	-	-	-	1,589
Interbank and money market items	3,970	13,987	154	-	18,111
Derivative assets	-	10,215	11,063	-	21,278
Investments, net	-	6,572	37,344	436	44,352
Loans net of deferred revenue	17,859[1]	47,074	140,824	-	205,757
Other assets	-	1,806	158	-	1,964
Total financial assets	23,418	79,654	189,543	436	293,051
Financial liabilities					
Deposits	61,876	113,727	2,100	-	177,703
Interbank and money market items	9,344	6,068	236	-	15,648
Liabilities payable on demand	255	-	-	-	255
Financial liabilities designated at fair value through profit or loss	-	17	23,087	-	23,104
Derivative liabilities	-	10,024	9,941	-	19,965
Debt issued and borrowings	700	3,563	13,670	-	17,933
Other liabilities	-	667	-	-	667
Total financial liabilities	72,175	134,066	49,034	-	255,275

(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 are outstanding balances of defaulted loans classified as sub-standard or higher. However, repayment schedules of these loans are dependent upon new restructuring conditions.

45.4 Fair value

The Bank has estimated the fair value of financial instruments as follows:

Unit: THB million

Descriptions	Consolidated			
	2018		2017	
	Book value	Fair value	Book value	Fair value
Financial assets				
Cash	1,749	1,749	1,591	1,591
Interbank and money market items	6,790	6,790	18,168	18,168
Derivatives assets	23,396	23,396	21,278	21,278
Investments, net	92,172	92,255	44,060	44,232
Loans to customers and accrued interest receivables, net	216,201	214,247	201,564	198,700
Other assets	906	896	1,577	1,574
Total financial assets	341,214	339,333	288,238	285,543
Financial liabilities				
Deposits	185,100	185,190	177,401	177,408
Interbank and money market items	44,534	44,534	15,648	15,648
Liability payable on demand	379	379	255	255
Financial liabilities designated at fair value through profit or loss	35,513	35,513	23,104	23,104
Derivatives liabilities	24,318	24,318	19,965	19,965
Debt issued and borrowings	18,968	19,047	19,933	20,010
Total financial liabilities	308,812	308,981	256,306	256,390

Unit: THB million

Descriptions	Separate			
	2018		2017	
	Book value	Fair value	Book value	Fair value
Financial assets				
Cash	1,746	1,746	1,589	1,589
Interbank and money market items	6,684	6,684	18,100	18,100
Derivatives assets	23,396	23,396	21,278	21,278
Investments, net	92,172	92,255	44,060	44,232
Loans to customers and accrued interest receivables, net	209,596	207,869	196,395	194,411
Other assets	906	896	1,577	1,574
Total financial assets	334,500	332,846	282,999	281,184
Financial liabilities				
Deposits	185,215	185,305	177,703	177,710
Interbank and money market items	44,534	44,534	15,648	15,648
Liability payable on demand	379	379	255	255
Financial liabilities designated at fair value through profit or loss	35,513	35,513	23,104	23,104
Derivatives liablities	24,318	24,318	19,965	19,965
Debt issued and borrowings	16,968	17,047	17,933	17,999
Total financial liabilities	306,927	307,096	254,608	254,681

45.5 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 2018 and 2017, financial derivatives as classified by their maturities were as follows:

Unit: THB million

	Consolidated and Separate					
	2018			2017		
	Less than 1 year	Over 1 year	Total	Less than 1 year	Over 1 year	Total
Forward and spot contracts						
- Bought	700,469	2,170	702,639	497,967	80	498,047
- Sold	552,165	9,885	562,050	471,843	6,560	478,403
Cross-currency and interest rate swap contracts						
- Bought	28,410	151,179	179,589	30,640	115,379	146,019
- Sold	131,324	122,982	254,306	20,708	84,265	104,973
Interest rate swap contracts						
- Fixed-rate receiver	451,163	555,599	1,006,762	199,815	353,518	553,333
- Floating-rate receiver	642,021	608,175	1,250,196	230,052	411,839	641,891
Foreign exchange options						
- Call-option sales contract	10	-	10	61	-	61
- Put-option sales contract	305	-	305	450	-	450
- Call-option purchase contract	977	-	977	433	-	433
- Put-option purchase contract	16	-	16	11	-	11
Commodity						
- Bought	20	-	20	128	-	128
- Sold	20	-	20	127	-	127
Credit derivatives						
- Bought	-	5,337	5,337	-	5,264	5,264
- Sold	-	5,337	5,337	-	5,264	5,264
Swaption						
- Sold	-	8,000	8,000	-	1,500	1,500
Fund option						
- Bought	713	1,393	2,106	-	998	998
- Sold	713	1,393	2,106	-	998	998

Unit: THB million

	Consolidated and Separate					
	2018			2017		
	Less than 1 year	Over 1 year	Total	Less than 1 year	Over 1 year	Total
Equity option						
- Bought	-	-	-	308	-	308
- Sold	-	-	-	308	-	308
Bond forward						
- Sold	4,700	13,780	18,480	1,600	6,850	8,450

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.

46 FAIR VALUE

46.1 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 2018 and 2017.

Unit: THB million

	Consolidated and Separate			
				2018
	Level 1	Level 2	Level 3	Total
Assets				
Securities held for trading	-	17,764	-	17,764
Securities designated at fair value through profit or loss	-	5,399	-	5,399
Available-for-sale securities	60	48,814	-	48,874
Derivative assets	-	23,396	-	23,396
Total assets	60	95,373	-	95,433
Liabilities				
Financial liabilities designated at fair value through profit or loss	-	35,513	-	35,513
Derivatives liabilities	-	24,318	-	24,318
Total liabilities	-	59,831	-	59,831

Unit: THB million

	Consolidated and Separate			
				2017
	Level 1	Level 2	Level 3	Total
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

The following table presents the Group's financial assets and liabilities that are not measured at fair value at 31 December 2018 and 2017:

Unit: THB million

	Consolidated			
	2018			
	Level 1	Level 2	Level 3	Total
Assets				
Cash	1,749	-	-	1,749
Interbank and money market items, net	4,308	2,482	-	6,790
Held-to-maturity debt securities	-	20,188	-	20,188
General investments	-	-	30	30
Loans and accrued interest receivables, net	-	214,247	-	214,247
Other assets	-	896	-	896
Total assets	6,057	237,813	30	243,900
Liabilities				
Deposits	-	185,190	-	185,190
Interbank and money market items	-	44,534	-	44,534
Liability payable on demand	-	379	-	379
Debt issued and borrowings	-	19,047	-	19,047
Total liabilities	-	249,150	-	249,150

Unit: THB million

	Consolidated			
	2017			
	Level 1	Level 2	Level 3	Total
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
Other assets	-	1,574	-	1,574
Total assets	5,849	227,956	48	233,853
Liabilities				
Deposits	-	177,408	-	177,408
Interbank and money market items	-	15,648	-	15,648
Liability payable on demand	-	255	-	255
Debt issued and borrowings	-	20,010	-	20,010
Total liabilities	-	213,321	-	213,321

Unit: THB million

	Separate			
	2018			
	Level 1	Level 2	Level 3	Total
Assets				
Cash	1,746	-	-	1,746
Interbank and money market items, net	4,202	2,482	-	6,684
Held-to-maturity debt securities	-	20,188	-	20,188
General investments	-	-	30	30
Loans and accrued interest receivables, net	-	207,869	-	207,869
Other assets	-	896	-	896
Total assets	5,948	231,435	30	237,413
Liabilities				
Deposits	-	185,305	-	185,305
Interbank and money market items	-	44,534	-	44,534
Liability payable on demand	-	379	-	379
Debt issued and borrowings	-	17,047	-	17,047
Total liabilities	-	247,265	-	247,265

Unit: THB million

	Separate			
	2017			
	Level 1	Level 2	Level 3	Total
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
Other assets	-	1,574	-	1,574
Total assets	5,779	223,667	48	229,494
Liabilities				
Deposits	-	177,710	-	177,710
Interbank and money market items	-	15,648	-	15,648
Liability payable on demand	-	255	-	255
Debt issued and borrowings	-	17,999	-	17,999
Total liabilities	-	211,612	-	211,612

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 (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 expected future cash flows discounted by the market interest rate that is adjusted by risk free rate of each Company.

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.

Other assets

Other assets - Accounts 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 (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.

46.2 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.

46.3 Fair value measurements using significant unobservable inputs (Level 3)

Unit: THB million

	Consolidated and Separate General Investments	
	2018	2017
Opening balance	48	73
Provision	(1)	(3)
Puchase	1	1
Disposal of general investments	(6)	-
Decrease in capital of general investments	(12)	(23)
Closing balance	30	48

Investment classified under Level 3 is general investment which is presented at expected future cash flows discounted by the market interest rate that is adjusted by risk free rate of each Company.

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0107537002338 (formerly BorMorJor. 480)

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By :
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Ms. Sinsiri Thangsombat, Certified Public Accountant License No. 7352

Mr. Paiboon Tunkoon, Certified Public Accountant License No. 4298

Stock Information

Registered Capital :

THB 17,411,130,874.00 (Seventeen billion four hundred eleven million one hundred thirty thousand eight hundred and seventy four baht), which comprises:

- 34,822,261,748 (thirty four billion eight hundred twenty two million two hundred sixty one thousand seven hundred and forty eight) ordinary shares, with a par value of THB 0.50 (fifty satang) per share

- No preference shares

Issued and Paid-up Share Capital :

THB 17,411,130,874.00 (Seventeen billion four hundred eleven million one hundred thirty thousand eight hundred and seventy four baht), comprising 34,822,261,748 (thirty four billion eight hundred twenty two million two hundred sixty one thousand seven hundred and forty eight) ordinary shares, with a par value of THB 0.50 (fifty satang) per share and no preference shares

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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 2018)

	Company name / Address	Type of business	Type of share	Paid-up capital (No. of shares)	Number of shares held	%
1.	CIMB Thai Auto 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	550,000,000	549,999,994	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.	Srithepthai Plaschem Co., Ltd. (bankrupt) 1200 Bangna-Trad Road, Bangna, Bangkok 06201 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	Special purpose vehicle	Ordinary	10,000	1,282	12.82
6.	Tawana Hotel Co., Ltd. 80 Surawongse Road, Siphraya, Bangrak, Bangkok Tel. +66-2236-0361	Hotel	Ordinary	33,909	3,390	10.00
7.	Sanwa Interfood Co., Ltd. 2219-2223 New Petchburi Road, Bangkapi, Huaykwang, Bangkok	Instant foods	Ordinary	10,000,000	1,000,000	10.00
8.	Samchai Plc. 522 Ratchada Complex, Ratchadaphisek Road, SamsenNok, Huaykhuang, Bangkok	Electrical appliance distribution	Ordinary	40,000,000	4,000,000	10.00
9.	P.C. Patanasub Co., Ltd. (dissolved) 1600 New Petchaburi Road, Makkasan, Ratchathevi, Bangkok	Commerce	Ordinary	10,000	9,993	99.93
10.	Executive Management Services Manpower Ltd. (bankrupt) 295 Rama III Road, Bangkholaem, Bangkok 10120 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, Khongteoy, Bangkok	Leasing	Ordinary	20,000,000	2,000,000	10.00
17.	Tun Ruamkarn Co., Ltd. (bankrupt) 133/2 Sukhumvit 21 Road, Klongtoey, Klongtoey, Bangkok	Finance	Ordinary	240,000	40,000	16.67
18.	Modern Appraisal Co., Ltd. (abandoned) 3726/162-163, 3rd Floor, Rama III Road, Bangkhlo, Bangkolaem, Bangkok	Appraiser	Ordinary	20,000	2,000	10.00

Issuance of debt securities of the Bank (as of 31 December 2018)

Classified by type	Interest rate	Maturity	Collateral	Restrictions and Requirements	Value of debt securities in issue as at 31 Dec 2018 (THB)	Credit ratings (Moody's / Fitch Ratings)	Bond holder representative
1. Tier 2 subordinated debt[/1]	5.60% per annum	5 July 2024	None	For early redemption for each tranche of the subordinated debt where call option is applicable, the issuer may, at its sole discretion and subject to prior approval of the Bank of Thailand and submission to the Bank of Thailand redemption and substitution plans at least 30 days prior to the call date, redeem and cancel the subordinated debt in whole but not in part on the call date in the principal amount together with all deferred and accrued but unpaid interest (if any), under the subordinated debt. The optional redemption by the issuer of the subordinated debt of one tranche does not trigger the redemption of the subordinated debt of other tranches. This is provided that, if required by the Bank of Thailand, 1) the redemption and 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
2. Tier 2 subordinated debt[/1]	5.35% per annum	11 July 2026	None	For early redemption for each tranche of the subordinated debt where call option is applicable, the issuer may, at its sole discretion and subject to prior approval of the Bank of Thailand and submission to the Bank of Thailand redemption and substitution plans at least 30 days prior to the call date, redeem and cancel the subordinated debt in whole but not in part on the call date in the principal amount together with all deferred and accrued but unpaid interest (if any), under the subordinated debt. The optional redemption by the issuer of the subordinated debt of one tranche does not trigger	(MYR 570,000,000)	Issue rating AA3 by RAM Rating Services Berhad	None

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

Note: /1 Referring to a subordinated debt instrument with cash flow hedge in the amount of MYR 400 million, MYR 570 million and MYR 390 million.

Change in shareholding of directors and senior executives of the Bank

Information as at 31 December 2018 compared with information as at 31 December 2017:

Name	Position	No. of shares held As at 31 Dec 18 (Shares)	No. of shares held As at 31 Dec 17 (Shares)	Increase (Decrease) in no. of shares
Mr. Chakramon Phasukavanich	Chairman	1	1	-

Directors' and senior executives' share ownership in subsidiary companies

Information as at 31 December 2018 compared with information as at 31 December 2017:

Particulars	No. of shares held As at 31 Dec 18 (Shares)	No. of shares held As at 31 Dec 17 (Shares)	Increase (Decrease) in no. of shares
Mr. Adisorn Sermchaiwong Head, Consumer Banking			
- WorldLease Co., Ltd.	1	1	-
- CT COLL Co., Ltd.	6	6	-
- CIMB Thai Auto Co., Ltd.	2	2	-
Mr. Zethjak Leeyakars Head, Compliance and Acting Head, Office of the President			
- CIMB Thai Auto Co., Ltd.	2	-	2
Ms. Onanong Udomkantong Head, Consumer Loan Products & Credit Cards			
- CT COLL Co., Ltd.	1	1	-
Mr. Tanit Onnuch Head, Procurement Administration & Property Management			
- CIMB Thai Auto Co., Ltd.	2	2	-

CIMB Thai
Branch Network

Bangkok and Greater Bangkok

Branch

Yaowarat

Rajawongse
Mahanak
Bangrak
Lumpini
Thewet
Yannawa
Kluaynamthai
Vorachak
Empire Tower
Chakkrawat
Central Plaza Rama 3
Thanon Langsuan
Phaholyothin
Huey Kwang
Big C Bangphli
Thonglor
Paradise Park Srinakarin
Samuthprakarn
Silom
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02-223-2650, 02-223-6624, 02-224-7021	02-224-7022
02-234-6209, 02-234-6435, 02-234-9884	02-233-5020
02-286-0149, 02-286-5388, 02-286-5761	02-286-0223
02-280-0481-2, 02-281-5453, 02-282-3568	02-282-4085
02-289-3872-3	02-289-0560
02-712-3185-8	02-712-3189
02-223-4988, 02-223-5058	02-224-9011
02-670-1621-2	02-670-1623
02-622-5660-1	02-622-5662
02-673-7035-6	02-673-7037
02-626-7101-3	02-626-7104
02-278-1079, 02-279-5088, 02-279-8662	02-279-0737
02-277-0554, 02-277-2863, 02-277-9955	02-327-0903
02-312-9695-6	02-312-9596
02-391-4789-91	02-391-4790
02-047-0330, 02-047-0331	02-047-0332
02-387-1806, 02-387-1849, 02-702-8618-9	02-389-1349
02-018-5151, 02-018-5101-9	02-770-4304
02-160-3490-2	02-160-3493
02-380-6883-4	02-380-6894
02-745-7314-5	02-745-7316
02-714-7370-2	02-714-7347
02-942-6206-8	02-942-6218

Note: Updated as of 31 December 2018

Bangkok and Greater Bangkok

Branch

Century Plaza
Mega Bangna
Siam Paragon
Saladaeng
CP Tower 2
Thatien
Charansnitwongse
Suksawad
Bangbon
Central Plaza Rama 2
The Mall Tha Phra
Bang Yai
Central Pinklao
Thanon Rattanathibet
The Mall Bang Khae
Om Noi
Bangkhen
Rangsit
Fashion Island
Suntowers Thanon Vibhavadi Rangsit
Talat Ying Charoen
IT Square
Future Park Rangsit
Wonsawang Town Center
The Mall Bang Kapi
Sitabutr Mini Branch
Ratchaphruek Mini Banch

Telephone	*Fax*
02-640-0235-8	02-640-0239
02-105-1205-8	02-105-1209
02-610-9742-45	02-610-9746
02-234-3010, 02-236-4747-8	
02-248-4531	
02-222-4323, 02-224-8165	02-224-8164
02-411-0339, 02-411-3603-4	02-411-2245
02-463-2130, 02-463-5345-6	02-463-5344
02-416-8277-8, 02-894-4075-6	02-416-8279
02-872-4307-8	02-872-4309
02-477-7287-8	02-477-7289
02-903-3120, 02-903-3125	02-903-3127
02-884-6725-7	02-884-6728
02-527-8643-4	02-527-8723
02-455-3515, 02-413-0739	02-803-8609
02-810-5211-2	02-810-5213
02-511-4353, 02-512-1716, 02-512-1719	02-511-4320
02-531-5893, 02-567-2232, 02-959-1990	02-531-3020
02-947-5188, 02-947-5189	02-947-5190
02-617-7617-8	02-617-7619
02-972-3363-5	02-972-3366
02-576-0476-7, 02-576-0374	02-576-0428
02-958-5310-2	02-958-5313
02-913-9783-5	02-913-9786
02-704-9156-8	02-704-9159
061-406-0677	02-214-7145
063-231-9650	02-147-5423

Note: Updated as of 31 December 2018

Central Zone

Branch

Nakhon Pathom
Phetchaburi
Samut Songkhram
Samut Sakhon
Hua Hin

Eastern Zone

Branch

Chon Buri
Rayong
Pacific Park Sriracha
Thanon Pattaya Sai 3
Amata Nakhon Industrial Estate
Chanthaburi
Thanon Sukprayun Mini Branch

Northern Zone

Branch

Chiang Mai
Nakhon Sawan
Phitsanulok
Chiang Rai
Central Airport Chiang Mai
Mae Sai
Lumpang
Mae Sot
Mee Choke

Telephone	*Fax*
034-254-233, 034-280-198, 034-254-233	034-251-028
032-425-148	032-428-227
034-711-442, 034-712-429	034-724-046
034-810-955-6	034-810-957
091-736-8370	032-531-463

Telephone	*Fax*
038-283-184-6	038-283-187
038-611-220, 038-611-588-9	038-614-870
038-771-480-1	038-771-482
038-488-140-1	038-488-142
091-736-8370	038-457-578
039-340-212-5	039-340-216
063-231-9615	038-206-035

Telephone	*Fax*
053-418-338-9	053-287-070
056-222-939	056-224-182
055-252-199, 055-252-179	055-244-061
053-714-029-30	053-715-905
053-284-447-8	053-284-449
053-642-495-7	053-642-498
054-323-883-4, 054-323-902-3	054-323-907
055-546-141-4	055-546-145
053-230-240-43	053-230-244

Note: Updated as of 31 December 2018

North Eastern Zone

Branch

Khon Kaen
Ubon Ratchathani
Udon Thani
Nakhon Ratchasima

Southern Zone

Branch

Phuket
Songkhla
Hat Yai
Surat Thani
Central Festival Phuket
Krabi
Nakhon Si Thammarat
Ko Samui

Telephone	*Fax*
043-322-677-8	043-221-731
045-284-224-5, 045-313-395	045-313-467
042-223-248-9, 042-344-097	042-247-184
044-243-714, 044-243-785	044-258-161

Telephone	*Fax*
076-211-501, 076-217-153, 076-258-411	076-211-502
074-311-906, 074-324-050-1	074-314-391
074-235-777, 074-225-606-8	074-245-011
077-273-574, 077-273-575, 077-213-177	077-273-574
076-367-008-9	076-367-010
075-630-572-5	075-630-576
075-313-201-4	075-313-707
077-447-529-32	077-447-533

Note: Updated as of 31 December 2018

Foreign Exchange Booths In-branch

Branch

Yannawa

Foreign Exchange Booths Stand-alone

Branch

Hua Hin
Siam Center
Thanon Rambuttri
Soi Nana
Dhammalert
Silom
Jungceylon 2
Thanon Naresdamri Hua Hin
Assasa Hua Hin

Telephone	*Fax*
02-289-3872-3	02-289-0560

Telephone	*Fax*
032-531-461-2	032-531-463
02-658-1530	02-658-1531
02-629-0171	02-629-0172
02-656-7016	02-656-7017
02-255-1453	02-255-1454
02-234-3010	02-236-4749
076-366-675	076-366-676
032-533-019	032-533-018
032-532-273	032-532-274

Note: Updated as of 31 December 2018

Business Centres

Branch

Yannawa Business Centre
Bangbon Business Centre
Nong Khaem Business Centre
Rangsit Business Centre
Nakhon Ratchasima Business Centre
Khon Kaen Business Centre
Udon Thani Business Centre
Ubon Ratchathani Business Centre
Chon Buri Business Centre
Nakhon Sawan Business Centre
Phitsanulok Business Centre
Chiang Mai Business Centre
Nakhon Pathom Business Centre
Samut Sakhon Business Centre
Phuket Business Centre
Surat Thani Business Centre
Hat Yai Business Centre

Telephone	*Fax*
02-291-2874, 02-291-2650	02-289-0560
02-894-4075-6, 02-416-8277-9	02-416-8279
02-421-1122, 02-421-2266	02-421-3788
02-959-2212-4, 02-959-0046-8	02-531-3020
044-258-162, 044-262-447	044-258-161
043-220-925, 043-220-812	043-221-731
042-343-846, 042-343-856-7	042-247-184
045-284-225, 045-313-395	045-313-467
038-781-365-6	038-782-166
056-222-939, 056-311-611	056-227-474
055-252-199 ext. 24-25	
053-211-633, 053-214-035	053-287-078
034-280-170, 034-280-173, 034-280-177	034-251-028
034-428-812-4	034-810-957
076-214-651-2	076-211-502
077-213-640, 077-213-643	077-273-575
074-233-037, 074-245-011	074-225-151

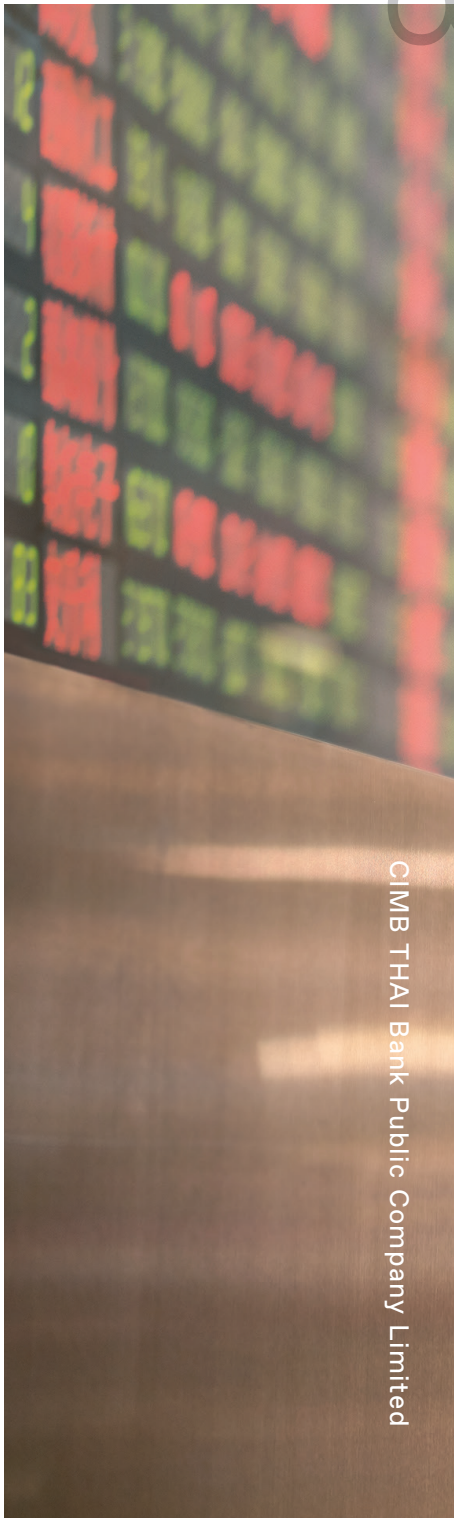
Note: Updated as of 31 December 2018

Annual Report 2018

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