

# VIP

Value of Interconnected People

**Annual Report 2014**

———— CIMB Thai Bank Public Company Limited



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## VISION

"To be Thailand'

Leading ASEAN Bank for all stakeholders."

## MISSION

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

We are in our journey to achieve our Aspiration;

- To become Top 3 most Profitable Bank (by RoE)
- To be Market Leaders in at least 3 business segments
- To be Employer of Choice through strong brand equity driven by a high performance culture

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## CORPORATE VALUE

Core values reflects what is truly important for CIMB Thai. These are not values that change from time to time, situation or by person, but rather they are the foundation of our culture. It is the soul of our bank.

### CTHAI:

#### · Customer

We appreciate the unique needs of each individual and organization.

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 and take responsibility for both our shortcomings and successes. This mindset allows our customers to entrust their business with us.

#### · ASEAN

As members of CIMB Group, we aspire to be the leading ASEAN bank in Thailand. It is through integration of our people, products and processes that we can bring the best ASEAN opportunities to our stakeholders.

#### · Innovation

We are always looking to improve ourselves through innovation.

By constantly encouraging creativity, improving capability and identifying opportunities we are able to collectively ensure that we deliver market-leading solutions to our stakeholders.

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CIMB Thai  
Network

# VIP

Value of Interconnected People

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How do you connect the dots in ASEAN?  
It is a seemingly tough task for Southeast Asia which appears so diverse in topography—high mountains, rapids, lush meadows, and deep blue seas—and in nationalities, languages, lifestyles, hopes, and aspirations.

2015 marks the dawn of the ASEAN Economic Community (AEC), for which CIMB Thai has made great strides so far as our teams, customers, and social communities are concerned. We do recognise that there is no longer any single “hub country.”

For us, a human bridge is a critical answer to the question above, effectively stringing the Southeast Asian land together while overcoming diversity by turning it into advantages. Combined with our unique strengths, these advantages land us in this corner of the world best known to us.

All in all, it is human beings—the tiniest social units—that form the greatest community on earth.



**Employees**



**Customers**



**Society**



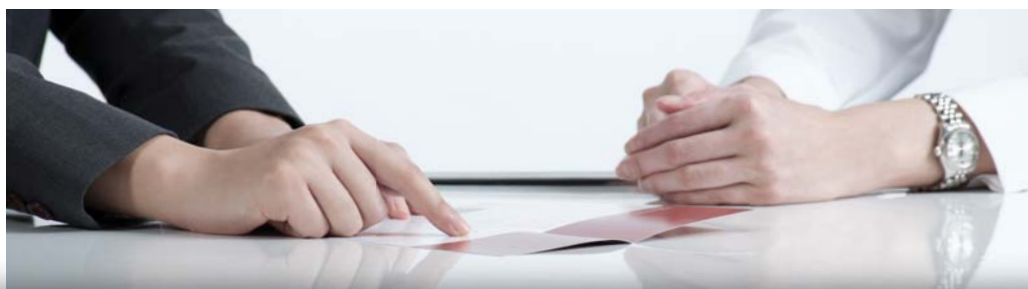
- Some 40,000 employees from all corners of Asia are connected at CIMB.
- In each locality, knowledge transfers not only upgrade, but also inspire them.
- Employee cross-posting hones their skills and experience for crafting tailor-made financial innovations for customers.
- CIMB employees' minds are routinely cultivated with ideas, ethics, and expertise for social improvement, in addition to conscientious consumption of natural resources.
- CIMB Group provides integrated financial products for retail customers, corporate and commercial services, investment banking, Islamic banking, asset management, wealth management, and bancassurance.
- A network spanning 9 of 10 ASEAN countries and 17 countries worldwide.
- CIMB ASEAN Research Institute data to help you string together opportunities.
- CIMB Group is listed on Kuala Lumpur Stock Exchange with a market capitalisation exceeding US\$ 17.4 billion.
- A huge customer base of over 13 million that is bound to connect international business partners.
- As part of its corporate citizenship, CIMB is committed to social, environmental, educational, and sports improvement.
- CIMB encourages employees, partners, and customers to regularly participate in its activities.



CIMB Group's workforce of some 40,000 implies some 40,000 specialties from the operating to executive levels, poised for sharing with CIMB Thai.

Our cross-posting programs do enhance employees' vision and calibre, which is how our understanding of teamwork services keeps growing.

*Our personnel  
are empowering  
resources.*



As a rule, CIMB Group's businesses are tied to its valued customers. We wish to serve them wherever they may go. Over 1,000 branches now dotting the region, together with experienced research centres,

can accommodate their every business move. Product design mastery: That is what our understanding of target groups' demand all over ASEAN—from retail to SME and corporate—will confidently deliver to all our customers.



Our customers  
are those to  
whom we hand  
opportunities and  
with whom  
we long to forge  
ahead toward  
success.





While CIMB offices and branches cover 17 countries, we are crafting one single community. To this end, we adopt Community Link concept aiming to link regional capital and capabilities to our communities in social, educational, and sports aspects. We will accordingly work as a centre to promote and ensure sustainable improvement of Thais' quality of life.







B.Grimm Group has collaborated with CIMB Thai over the past few years. Our energy business has expanded rapidly and consistently with great success. We are impressed by CIMB Thai team's capabilities and professionalism, as well as the Bank's culture of high flexibility that allows for fast and convenient services well responding to our demands.

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**Khun Preeyanart Soontornwata**

President, B.Grimm Power Limited

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**Mr. Harald Link**

Chairman, B.GRIMM

Wholesale Banking Customer



We have expanded our business smoothly and healthily with credit facility support from CIMB Thai. The Bank's deposit and LTF products give excellent returns, and payroll account service is very efficient. We are very impressed by the Bank's services, particularly advisory services on business expansion, credit facilities and other financial services to maximise returns to the customers. Our needs have always been attended to by Bank staff and executives.

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**Khun Jariyawadee Suvunditkul**

President

Deevana Hotels and Resorts Company Limited

Commercial Banking Customer



Khun Subhak and I have been friends for a long time. Having learnt he is chief executive at CIMB Thai Bank, I consulted with him about an investment plan in Malaysia, seeing that doing business in Malaysia should be much easier after the AEC establishment. I also have deposit account with CIMB Thai because it offers attractive interest rate. Branch manager and PFA are also very attentive of our needs.

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**Khun Boonkrua Khemapiratana**

Managing Director

Sriracha Construction Public Company Limited

Retail Banking Customer, Nong Mon Branch



Friendliness and care of Branch manager and staff have impressed me all along. Unlike others, CIMB Thai staff will first explore what the customer needs and will offer what is really needed. Today, we use the Bank's payroll account service, which is convenient and the fee rate of which is lower.

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**Khun Chartchai Panichewa**

President

Thaisri Insurance Public Company Limited

Retail Banking Customer, Silom Office Branch

# FINANCIAL HIGHLIGHTS

ASSET

274.1

BILLION BAHT

NIM

3.37%

LOAN GROWTH

+ 10.9%

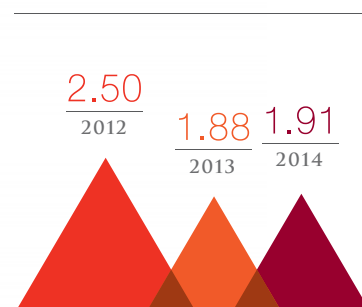
BIS RATIO

15.2%

NET PROFIT (THB MILLION)



SHARE PRICE (THB / SHARE)

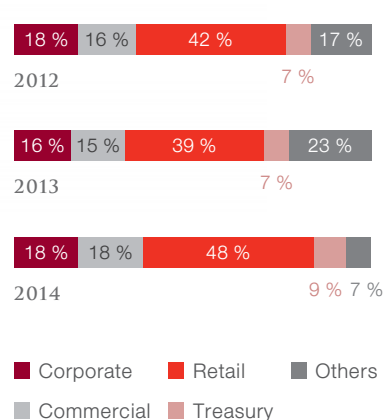


ASSETS (THB MILLION)



■ Consolidated ■ Bank Only

REVENUE SOURCE

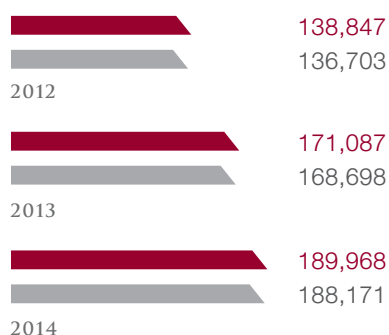
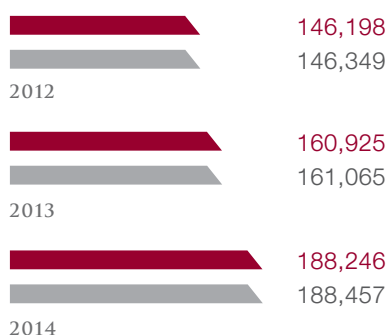


## IN THB MILLION

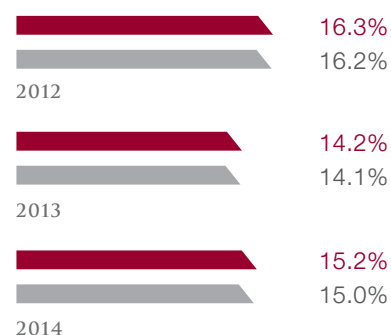
## CONSOLIDATED

## BANK ONLY

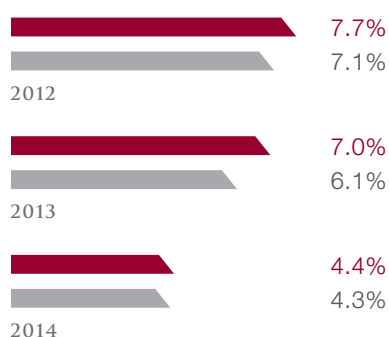
AT YEAR END	2012	2013	2014	2012	2013	2014
Total liabilities	181,819	257,832	251,456	180,682	256,946	251,219
Shareholders' equity	20,573	21,830	22,688	20,366	21,416	22,227
Net interest income	5,207	6,525	7,889	4,252	5,233	6,432
Non - interest income	3,121	3,721	2,618	2,919	3,268	2,168
Total income	8,328	10,246	10,506	7,171	8,501	8,600
Basic earning per share (Baht)	0.07	0.07	0.05	0.07	0.06	0.04
Book value per share (Baht)	0.93	1.01	1.07	0.93	1.01	1.07

GROSS LOANS  
(THB MILLION)DEPOSITS BILLS OF EXCHANGE  
(THB MILLION)

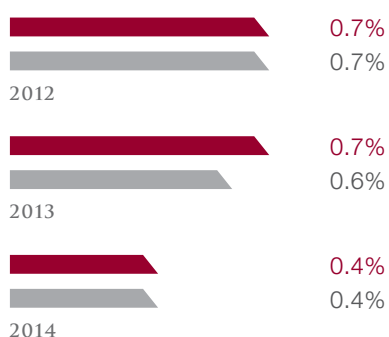
## BIS RATIO



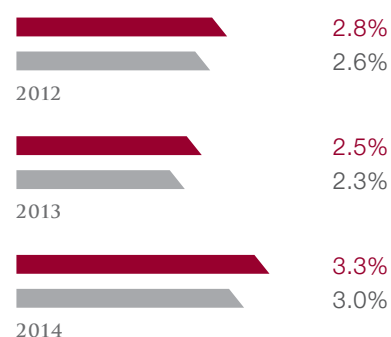
## ROE



## ROA



## GROSS NPL RATIO



■ Consolidated ■ Bank Only





# CHAIRMAN'S MESSAGE

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Dear Shareholders,

In 2014, the slow global economic recovery together with political uncertainties, high household debts, sluggish investments, and reduced tourism dragged down Thailand's overall economic growth to 0.7% from 2.9% in the previous year. For 2015, the Thai economy is expected to gradually recover, amid the improving global outlook and supported by public infrastructure investment which should help stimulate growth in private investment and consumption.

Given the fragile circumstances in 2014, CIMB Thai Group achieved a consolidated profit before tax of THB 1.236 billion and a net profit of THB 988.8 million, a year-on-year decrease of 12.2% and 33.6% respectively. Excluding the extraordinary items in 2013, the consolidated profit before tax of CIMB Thai Group in 2014 compared with 2013 grew by THB 237.3 million or 26.5%, whilst the net profit declined by THB 92.6 million or 9.5%.

ASEAN is today a regional strategic location, offering a large marketplace, manufacturing base and competitive logistic hub. The region is home to roughly 10% of the world's population with international trade worth approximately US\$ 2.5 trillion. With our strong ASEAN network, CIMB Thai Group is actively engaged as an integrated financial solution provider with a proven track record. We have assisted many clients in their domestic business undertakings, and outbound diversification and investment into ASEAN through leveraging CIMB's strong regional expertise and network. Our outstanding financial deals include, but are not limited to, business matching, supply chain networking and referrals across ASEAN.

In our business operation all along, we have been committed to ensuring that our executives and staff strictly perform in adherence to good corporate governance principles, business code of conduct, and anti-corruption practices and procedures. In January 2015, the Bank was officially certified by the Private Sector Collective Action Coalition Against Corruption Council (CAC) to be a CAC member with established business operation standards of transparency, integrity and social responsibility. Hence, our stakeholders can rest assured that we run our business keeping in mind sustainable business growth and advancement.

Furthermore, throughout 2014, our executives and staff actively collaborated with our clients, business alliances and community members to carry out and participate in 17 CSR projects with the objectives of "doing good" and "giving back" to society in the form of ongoing educational, environmental, social and community development, details of which are in the CSR projects and activities section of this Annual Report.

I would like to express my thanks to my fellow Directors for their invaluable guidance and hard work. Particular thanks go to our former Chairman Khun Chakramon Phasukavanich and former Director Khun Preecha Uchitti, who both stepped down from the Board during the year.

On behalf of the Board of Directors, I sincerely thank all our shareholders and stakeholders for their support. I also would like to express my appreciation to our employees for their dedication and hard work in the tough operating environment of 2014. I look forward to seeing CIMB Thai Group's continued growth and recognition as an innovative financial institution in the year ahead.



*Subhak Siwaraksa*

SUBHAK  
SIWARAKSA

PRESIDENT AND  
CHIEF EXECUTIVE OFFICER



# CEO'S MESSAGE

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Dear Shareholders,

CIMB Thai strived and managed to weather complicated economic and political circumstances in 2014. Although the political tension which persisted from 2013 last quarter through almost the first half of 2014 was dispelled by the new administration which took power and pushed for a national reform, Thai economy was still in a slackened pace with subdued business activity. The fragile global recovery and crises in some countries, as well as currency woes, had hurt Thai exports and tourism, while public and private investments remained sluggish, and households' purchasing power was weakened by the swelling household debt due to liquidity drain into the first-car scheme. Thai banking industry hence operated in a challenging environment throughout the past year.

CIMB Thai's consolidated profit before tax (PBT) of THB 1,236.0 million and net profit of THB 988.8 million, a year-on-year decrease of 12.2% and 33.6% respectively, was mainly on account of the extraordinary items in 2013 comprising shared gains from Thai Asset Management Corporation, gain from payback from a liquidated subsidiary, gain on redemption of Vayupak Fund 1, dividend income from Vayupak Fund 1 and special provisions set aside as counter-cyclical buffer. If exclusive of these items, our consolidated PBT would record a year-on-year growth of THB 237.3 million or 26.5%, and net profit a year-on-year decline of THB 92.6 million or 9.5%. Our gross loans and deposits expanded by 10.9% and 11.0% respectively. Net interest margin (NIM) improved to 3.37% from 3.2% in 2013. NPL ratio was 3.3%, and total provisions amounted to THB 6.0 billion, or THB 2.2 billion in excess of Bank of Thailand's reserve requirements. Our BIS ratio stood at 15.2%, compared with 14.2% in the foregoing year.

On key developments in 2014, CIMB Thai collaborated with Advance Info Services Plc., a leading mobile service operator in Thailand with over 40 million customers, to launch Beat Banking, which offers a suite of banking solutions on mobile phones to fit with the digital lifestyle today. We recorded achievements of several complex investment banking deals, highlighted by the IPO of Carabao Group whose owner in a speech on the first trading day at the Stock Exchange of Thailand commended CIMB Thai on true understanding of his success story and helping explain it to overseas investors. This well-executed and warmly-welcome IPO deal won the Best Equity Deal of the Year 2014 in Southeast Asia. Furthermore, CIMB Thai garnered 13 awards from ASIAMONEY POLLS and was acclaimed as The Best Structured Product House in Thailand by The Asset (ASSET ASIAN AWARDS, Triple A). Our IT and Operations also earned us the TMA ICT Excellence Award - Business Enabler Project.

CIMB Thai Group has given utmost importance to operating business with integrity and transparency in line with ethical principles. Our executives and staff members attended the "Morality and Ethics for Anti-Corruption in Organisation" to refresh their understanding of anti-corruption guideline and procedure. We continued carrying out diversified CSR projects for educational, environmental, community and social development purposes.

For 2015, CIMB Thai Group will focus on recalibrating, revamping and re-energising. Our strategies are to strengthen World Lease Co., Ltd. and Center Auto Lease Co., Ltd. platform and performance, boost retail sales engine, rationalise network together with develop alternative channel, nurture treasury and IB income, grow inorganically in mass segment via strategic tie ups, revamp processes, and serve clients with ASEAN aspirations through leveraging CIMB regional network and expertise.

I would like to express my sincere thanks and great appreciation to our shareholders, customers, and all other stakeholders, for their firm and ongoing supports, and to our management and staff for their untiring efforts and dedication. We will forge ahead to innovate and offer quality products and services to our customers, and generate reasonable returns to our shareholders.

# LETTER FROM GROUP CHIEF EXECUTIVE OFFICER, CIMB GROUP

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Dear Shareholders,

It is with great honour that I write my first message to the shareholders of CIMB Thai since my appointment as Group Chief Executive Officer of CIMB Group. It has been a remarkable experience so far, taking over the helm from my predecessor, Dato' Sri Nazir Razak and I am looking forward to leading the Group to greater heights.

2014 was a tough year for the financial services industry and CIMB was not spared from the adverse impact. Global economic slowdown and faltering domestic economies narrowed down our margins and necessitated us to set aside more provisions toward the end of the year. For Thailand, among several exacerbating factors were sluggish investment and consumption as well as political unrest. Despite such a tough operating environment, CIMB Thai remained in good shape. Although its consolidated profit before tax recorded a 12.2% drop from 2013, this included extraordinary items. If the extraordinary items were factored out, the consolidated profit before tax of CIMB Thai in 2014 would have recorded a year-on-year growth of 26.5%.

The last 12 months saw significant growth in CIMB Thai's investment banking, deposits, cross-border outbound transactions and financial institution products due to the strong collaboration among treasury and corporate finance teams who successfully completed several large deals at both local and regional levels. During this time, CIMB Thai won the Best Structured Product House in Thailand, awarded by The Asset Triple A. Together with Carabao Group (CBG) and K Securities Co. Ltd., CIMB Thai also won the Best Equity Deal of the Year in Southeast Asia, awarded by Alpha SEA for CBG's landmark initial public offering, which was very well received by both domestic and international investors alike. Besides launching the CIMB Thai Credit Card, CIMB Thai also became the first bank in Thailand to form a business alliance with a mobile service operator, Advance Info Services Plc. (AIS), to introduce the country's first next-generation mobile phone banking solution suite named "Beat Banking".

Due to the challenges anticipated ahead, amidst the changes in the banking landscape and the advent of the ASEAN Economic Community, The Group has taken an introspective approach to recalibrate CIMB and its operations. This strategic review involves recalibration of structures, systems and processes across the region to improve upon CIMB's overall efficiency and profitability. In line with this, CIMB will continue to be leading product and services innovators, leveraging on our regional network to better serve our clients with ASEAN aspirations.

On behalf of CIMB Group, I would like to express our sincere thanks and appreciation to the Government of Thailand, the Bank of Thailand, our customers, shareholders, my colleagues in TeamCIMB and all stakeholders for their support throughout our exciting journey.



TENGKU DATO' ZAFRUL  
BIN TENGKU ABDUL AZIZ

GROUP CHIEF EXECUTIVE OFFICER,  
CIMB GROUP



# BOARD OF DIRECTORS

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## 1 Dato' Robert Cheim Dau Meng

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

## 2 Mr. Sukont Kanjana-Huttakit

Vice Chairman  
Independent Director  
Chairman of Audit Committee

## 3 Mrs. Watanan Petersik

Independent Director  
Chairperson of Nomination,  
Remuneration and Corporate  
Governance Committee

## 4 Dato' Shaarani Bin Ibrahim

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

## 5 Mr. Kenny Kim

Director



6 Ms. Sopawadee Lertmanaschai  
Independent Director  
Member of Audit Committee

7 Mr. Chitrapongse Kwangsukstith  
Director

8 Ms. Serena Tan Mei Shwen  
Director

9 Mr. Subhak Siwaraksa  
President and  
Chief Executive Officer

# MANAGEMENT COMMITTEE

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**1** Mr. Subhak Siwaraksa  
President and  
Chief Executive Officer

**2** Mr. Surachai Chitratsene  
Deputy CEO &  
Senior Executive Vice President  
Business Support Group

**3** Mrs. Panute Na Chiangmai  
Senior Executive Vice President  
Risk Management Group

**4** Mr. Narongchai Wongthanavimok  
Chief Financial Officer  
Senior Executive Vice President  
Strategy and Finance Group

**5** M.L. Nathchanya Davivongse  
Senior Executive Vice President  
Transaction Banking Group

**6** Mr. Silawat Santivisat  
Senior Executive Vice President  
Group Information  
and Operations Division

**7** Mr. Pornchai Padmindra  
Senior Executive Vice President  
Wholesale Banking Group





**8** Mr. Jiratchyuth Amyongka  
Senior Executive Vice President  
Commercial Banking Group

**9** Mr. Adisorn Sermchaiwong  
Senior Executive Vice President  
Retail Banking Group

**10** Mr. Sutee Losoponkul  
Senior Executive Vice President  
Treasury Group

**11** Mr. Sittichai Mahaguna  
Executive Vice President  
Corporate Finance and Equity  
Capital Markets Group

**12** Mr. Prapas Thongsuk  
Executive Vice President  
Corporate Communications Division

**13** Ms. Siriporn Sanunpairaue  
First Executive Vice President  
Internal Audit Division

# ORGANISATION CHART

Chairman / Board of Directors

President & CEO

Human Resources Management Division

Office of the President

Corporate Communications Division

Wholesale  
Banking Group

Corporate Finance  
& Equity Market

Retail  
Banking Group

Commercial  
Banking Group

Corporate  
Banking Group

Investment  
Banking Group

Financial  
Institution Thailand  
Division

Branch Network

Commercial  
Banking Division 1

ASEAN 1 Team

ASEAN 1 Team

Private Banking

Commercial  
Banking Division 2

ASEAN 2 Team

ASEAN 2 Team

Retail Strategy &  
Electronic Channels

Commercial  
Banking Division 3

Portfolio 1 Team

Portfolio 1 Team

Credit  
Operation Risk  
Analytic Division

Wealth Products  
and Consulting

Commercial  
Banking Division 4

Portfolio 2 Team

Portfolio 2 Team

Strategy &  
Support Division

Cards & Fee  
Based Products

Commercial  
Banking Division 5

Middle Market &  
Chinese Corporate  
Team

Portfolio 3 Team

Alternative  
Sales Management

Commercial  
Banking Division 6

Preferred  
Banking

Commercial  
Banking Division 7

Retail Sales  
Management  
& Supports

Commercial  
Banking Division 8

Retail Loan  
Products

Commercial Credit  
Analysis Division

Retail Credit

Product & Business  
Development Division

Commercial  
Business Intelligence  
Division

## Audit Committee

### Internal Audit Division

- Business Audit Department
- Information Technology Audit Department
- Credit Review Section
- Professional Practices Section

### Compliance Department

Treasury Group	Transaction Banking Group	Risk Management Group	Business Support Group	Strategy and Finance Group	GIOD
Rates, Funding & Structuring	Cash Management Sales Division	Risk Analytics & Infrastructure Division	Corporate Legal Division	Finance Division	Technology Division
Global Sales Division	Trade Finance Sales & Product Division	Risk Policy & Consolidated Supervision Team	NPL & NPA Management Team	Strategy Division	Operation Division
Credit Markets Division	Cash Management Product & Channel Management Division	Operational Risk Team	Central Procurement & Administration Department	Centralized MIS Division	Transformation Office
Treasurer's Office & Risk Analytics Team	Service & Delivery Division	Market Risk Team		Capital and Balance Sheet Management Division	Business Engineering Division
Business Development & Strategy	Securities Services Division	Asset and Liability Management Team			GIOD Office Strategy & Planning Team
	Business Strategy & Marketing Division	Retail Risk Team			
		Credit Risk Division			
		Research Office			
		Risk Management Support			

# CSR PROJECTS AND ACTIVITIES





CIMB Thai Bank has continuously carried out CSR projects and activities with focus on collaborating and cooperating with CIMB network to do good and give back to Thai society. These activities have been joined by our customers, business alliances from public and private sectors, mass media and our employees, reflecting close cooperation of all sectors in the society. Our top executives and staff members have put joint voluntary efforts in driving all CSR projects to fruitful and successful outcomes, with support and assistance rendered in monetary and non-monetary forms.

The Bank carried out 17 CSR projects and activities in 2014, and altogether almost 50 projects and activities since 2011, covering fields of education, environment, and social and community development.



### **Community Computer Learning Centre and Library**

Education is fundamental to life. However, there are a large number of youths still in lack of opportunity to learn efficiently. Thus, we give considerable importance to educational projects, especially providing students and community members with computers, Internet systems and libraries that can serve them as quality learning resources to keep up with new technologies and changes. The community centre would be available for them to search and follow up information beneficial to their living and occupation. In 2014, good cooperation was given by business centres and branches in the areas, and business alliances such as Media Associated Co., Ltd., Kingsman C.M.T.I. Co., Ltd., Mind Exhibit Co., Ltd., and Jamsai Publishing Co., Ltd., as well as our customers in the areas, for a total of seven projects, namely Baan Wang Rang School (Prasit Uppatham), Hat Yai District, Songkhla Province; Sawaddee Witthaya School, Khukhan District, Sisaket Province; Baan Huay Sing School, Sangkha District, Surin Province; Somdej Phrathirayanmuni School, Pakthongchai District, Nakhon Ratchasima Province; Baan Nong Nam Khem School, Muang District, Udonthani Province; Baan Rom Luang School, San Sai District, Chiang Mai Province; and Baan Pao Pa Sat, Nong Sung District, Mukdahan Province.



The Bank also collaborated with three schools in Nakhon Ratchasima Province, where computer learning centres were earlier handed over, namely Baan Nong Somong School, Baan Phon Grang School and Baan Don Thayaeng School, in providing training to 150 community heads and interested people on how to use a computer to search information so as to extend knowledge to community members outside school fences.



### **“Science Classroom” Project at Wat Khao Saphai Raeng, Muang District, Kanchanaburi Province**

The Bank provided tools and equipment for science learning and laboratory to the school in order to give opportunity to needy students in rural area to learn science at the same standard as schools in Bangkok. “Language Learning Centre” Project at Pimanwit School, Khao San Road, and “Once in a Lifetime...As a Voluntary Teacher” Activity

### **“Language Learning Centre” Project at Pimanwit School, Khao San Road, and “Once in a Lifetime...As a Voluntary Teacher” Activity**

It is one of CSR activities that we are proud of. The Bank has developed Pimanwit School, an over 90-year-old small school on tourists' favourite Khao San Road introduced and recommended by our Theves Branch Manager, with building of a Language Learning Centre for kindergarten and primary students to enjoy a classroom with modern equipment. The Bank received cooperation from Srinakharinwirot University who provided teachers to tutor students in the subjects in which the school lacked personnel. The Language Learning Centre was handed over on 15 August 2014, when the Bank also held “Once in a Lifetime...As a Voluntary Teacher” activity, led by Mr. Subhak Siwaraksa, President and CEO, and Mr. Narongchai Wongthanavimok, SEVP, and accompanied by about 30 staff members of the Bank and the subsidiaries, who volunteered in teaching English, art, music or invention to the students.

### **“Pa Jai Dee Learning Centre” Project at Huay Khwang ONIE**

The project was collaboration between CIMB Thai Bank, The Rotary Club of Bangkok South, and Huay Khwang District Community. A ceremony was held on 7 October 2014 for a handover of “Pa Jai Dee Learning Centre” to Office of the Non-formal and Informal Education (ONIE), Huay Khwang District, to provide Huay Khwang ONIE students and teachers with an access to better environment for teaching and learning. The Bank received supports from Srinakharinwirot University who provided English teachers and developed the program to enhance Huay Khwang ONIE teachers' potential.

### **“Share of Love and Smiles” Voluntary Project**

For the fourth year, the Bank organised an event on 1 March 2014 to celebrate Valentine's Day for the staff members to show generosity to the disabled and underprivileged. All proceeds from the activity went to Foundation for Support and Development of Disabled Persons, Pakret District, Nonthaburi Province. Around 80 volunteering senior and staff members of the Bank, including outsiders, helped improve the foundation's landscape, by painting basketball/badminton courts, and cleaning rooms and surroundings for the good health of the disabled children. The Bank also hosted lunch, gave tools and equipment, and arranged recreational activities to entertain and make the children smile.

### **“Gift to Give” Activity on Children's Day at Bon Kai Juvenile Centre**

For the fourth year, the Bank collaborated with Bon Kai Juvenile Centre and Pathumwan District Office in arranging Children's Day activity. Besides booths of activities and snacks, the Bank gave staff-donated bicycles and toys to about 1,000 participating children and family members.

### **“Landscape Improvement on Lang Suan Road and Sarasin Road” Project**

The Bank, in association with Pathumwan District Office, public agencies, vendors and private sectors in Pathumwan District area, carried out a project to improve the landscape of Lang Suan Road and Sarasin Road, including cleaning and painting footpaths, planting and pruning trees, drawing traffic lines and putting in order communication cords so as to make the areas more secure and organised as a better place to live.

### **“Blood Donation” Events**

The events had been held quarterly every year. The Bank supported Thai Red Cross Society’s “Generosity in Drought Season with Blood Donation” Project, and joined the “Safe Blood for Saving Mothers” Campaign. In 2014, there were over 1,100 blood donors in total, comprising staff and executive members of the Bank and the subsidiaries as well as employees of nearby companies and shops.

### **“Workout in Wrap-around Cloth” Activity**

Realising health is crucial for the elderly whose number had increased rapidly, the Bank, in association with Folk Doctor Foundation and Thammasart University’s Institute for Continuing Education and Social Service, arranged a health promotion activity for the elderly of urban communities so that they can take good care of their own health. In the activity, the participants were provided with preliminary health check and self-care training on “Workout in Wrap-around Cloth.” The workout applied blended principles of sports science and body movement therapy, with postures designed based on Alzheimer patients recovering experience to boost brain and body power. This exercise suits every gender and age, and it needs only a “wrap-around cloth,” which is easy to find and familiar to Thai people. Over 370 elderly members joined the activity.

### **“Payung Trees Reforestation” Project**

The Bank allied with Thai TV 3 Channel’s Krob Krua Kao 3 Foundation on the “3 Million Payung Saplings for Reforestation” Project, to plant Payung trees in substitution of those illegally cut down in four provinces, including Tak, Chiang Mai, Sa Kaew and Loei.

### **Aiding Earthquake-affected People in Chiang Rai Province Project**

The Bank, in association with Thai TV 3 Channel by Jor Lok Setthakit (World Economic Outlook), Thai AirAsia and Muang Thai Life Assurance Plc., arranged a project to “aid earthquake-affected people” at Sai Khao Subdistrict Administration Organisation School in Sai Khao Subdistrict, Phan District, Chiang Rai Province, about 600-800 meters away from the earthquake epicentre. The project gave books and learning tools to the school, hosted lunch to 290 school children in the affected areas, and entertained them with games and recreational activities to build moral support for them.

### **Food Offering to Monks in Honour of His Majesty the King’s 87th Birthday Anniversary**

For the fourth year, the Bank collaborated with Pathumwan District Office in inviting business people and vendors on Soi Langsuan and our staff members to offer food to Buddhist monks as a merit making in honour of His Majesty King Bhumibol Adulyadej to celebrate His Majesty’s 87<sup>th</sup> Birthday Anniversary. The event has been one of our religious promotion activities.

## ANTI-CORRUPTION

We have a policy to operate our business with integrity, honesty and transparency with adherence to code of ethics. We encourage all employees to access knowledge and understanding of anti-corruption. On 1 October 2014, we invited Mr. Pas Passatta, Administration System Development Specialist, Office of the National Anti-Corruption Commission, to give a lecture on **“Morality and Ethics to Counter Corruption in Organisation”** to over 300 executives and staff members.

As the Board of Directors is well aware of the accountability for all stakeholders, it has put in place a channel on the Bank’s website for any report of concern or complaint directly made to the Chairman of the Board, the Chairman of the Audit Committee, or the President and Chief Executive Officer. The Bank will carry out investigation with the whistleblowers or complainants to remain anonymous to prevent them from any adverse impacts thereafter.

To ensure that the Bank has appropriate guidelines and procedures to counter corruption, we have established the Policy and Procedures on Anti-Corruption to be strictly complied with by the directors, executives and staff of the Bank and the subsidiaries. We have also reviewed the practices, structure of responsibilities, risk management system, internal control and audit systems to prevent any internal fraud. Apart from the enforcement of the Policy and Procedures, the Bank has planned to implement e-learning on this matter to enhance the staff’s knowledge and understanding.

With importance given to the prevention and reduction of corruption risk exposure, the Board of Directors has set the maximum value of gifts and entertainment the employees are allowed to receive, together with the procedures thereof in both the Policy and Procedures on Anti-Corruption and the code of ethics.

The Bank was among the first group of organisations participating in the declaration of intention to join the “Private Sector Collective Action Coalition against Corruption” or CAC on 9 November 2010. Mr. Chakramon Phasukavanich, then Chairman of the Board, signed the declaration and consistently supported the Bank to participate in the certification process in order to establish business operation standards with transparency, integrity and social responsibility. On 16 January 2015, the Bank was officially certified to be a **“CAC Member”** by the Private Sector Collective Action Coalition Against Corruption Council. Mr. Thaphop Kleesuwan, Executive Vice President, Office of the President, represented the Bank to receive the CAC Certification Award from Dr. Kopr Kritayakirana, Vice Chairman of the Private Sector Collective Action Coalition Against Corruption Council.





# ASEAN COMMUNITY 2015 - DAWNING OF A NEW ERA

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## THE BIG PICTURE

The ASEAN integration agenda is finally on its final year countdown to 2015. Malaysia assumes the chairmanship of ASEAN in 2015, taking over the baton from Myanmar who chaired an extremely successful year of ASEAN summits. Malaysia will see through the formation of a regional community much anticipated by the business community - against a bleak economic outlook due to the sharp decline of oil prices and slowdown of China's economy. Signs of back paddling among a few ASEAN member states as a result of rising nationalism cast a long shadow in the final leg of the journey towards forming the ASEAN Community.

However, the case for ASEAN to become one of the most vibrant economic regions by coming together as an integrated community -- remains unmistakably convincing.

## THE CASE FOR AN INTEGRATED ASEAN

The ASEAN integration comes at a time when the existing fundamentals of the markets are strong, driven by the combined population growth and GDP, and the emergence of middle class consumers.

Looking at ASEAN as an integrated economic bloc, it is home to nearly 10% of the world's population and ranks as the seventh largest economy. Taken as a whole, the Economic Intelligence Unit estimates ASEAN to grow by an annual average of 5.6% over the next five years. This places ASEAN's growth rate only marginally behind that of India and China and well ahead of other emerging markets such as Brazil and Russia. The strong growth rate is expected to be supported by an expansion of the region's labour force by 1.7% a year and a rise in annual investment to US\$ 1.2 trillion, or 4.8% of global capital information by 2018.

The combined gross domestic product (GDP) for the ASEAN market currently holds at US\$ 2,400 billion and is expected to grow to US\$ 3,875 billion by 2018. While the GDP per capita increased slightly by 0.67% to US\$ 3,770, it is still deemed significantly lower than the global average of US\$ 13,100. However, following the full implementation of AEC by the end of 2015, it is expected that it will bring about more positive changes to the region's economy.

Successful implementation of various ASEAN initiatives has enhanced trade facilitation, resulting in the percentage of intra-ASEAN trade in total trade share increased to 24.2% (US\$ 607 billion) in 2013; which accounted for 25% of the region's total GDP. In terms of ASEAN international merchandise trade, it amounted to US\$ 2.5 trillion, with total export receipts of US\$ 1.3 trillion and import payments of US\$ 1.2 trillion.




















## A MASTER PLAN IN PLACE

AEC 2015 consists of a four-pillar effort to create a single market and production base, and a competitive economic region, as well as to address the issue of equitable economic development, and bolster its economic integration in the global economy. ASEAN's focus has been on developing the elements of an integrated market, comprising free flows of goods, services, capital, and people.

ASEAN has identified key deliverables for the AEC Blueprint in several stages. The latest assessment shows ASEAN has completed over 83% or 366 out of 436 economic integration measures under the AEC. The progress ASEAN has made in trade liberalisation and facilitation, services trade, investment, and mobility of skilled labour. Progress has also been made in areas of cooperation including small and medium enterprises, aviation, tourism, food and energy. There are also initiatives in place to boost the region's financial services and capital market. One such initiative is the cross border offering of collective investment schemes (CIS) in Malaysia, Singapore and Thailand. Within

## CIMB'S PRESENCE IN ASEAN CONNECTIVITY NETWORK

Thailand ranked 2nd largest in GDP and 4th largest in populations

										
	Indonesia	Thailand	Malaysia	Singapore	Philippines	Vietnam	Myanmar	Brunei	Cambodia	Laos
Populations ('mil)	252.8	67.2	30.2	5.4	97.3	92.5	53.7	0.41	15.4	6.8
Nominal GDP (USD 'bil)	868	387	312	298	272	171	57	16	15	11
CIMB's presence					—					

this framework, qualified fund managers in Malaysia now have the opportunity to offer their products directly to investors in Singapore and Thailand. Correspondingly, ASEAN investors would benefit from a wider range of investment products that will be made available once the framework becomes operational.

## A ONCE IN A LIFETIME OPPORTUNITY FOR THE PRIVATE SECTOR

A market of 600 million consumers, ASEAN is seen as an important region, both in terms of geopolitics and economics. The region is rich in natural resources, and has a large manufacturing base and major sea lanes. Hence, it is important for the business to spur the growth and promote equitable and sustainable economic growth. The new economic integration will also enhance connectivity to establish a highly integrated ASEAN. Thus, the private sector and business communities are encouraged to organise themselves around the unfolding economic liberalisation and integration in ASEAN. They must also recognise the significance of the ASEAN story, and position their business to benefit from the AEC.

## GAPS REMAIN

While the opportunities in ASEAN are enormous, gaps exist between aspirations and reality on the ground. In a series of sectoral gap analysis reports released by CIMB Asean Research Institute (CARI) and ASEAN Business Club (ABC) conducted under the Lifting-the-barriers Initiative, various barriers exist in the form of economic nationalism, labour constraints, regulatory congestion and underdeveloped infrastructure, talent mobility, enforcement and acceptance of liberalisation, and many more. Closing the gaps would be most critical in the success and sustainability of a regional integration agenda.

## CROSSING THE FINISHING LINE

ASEAN is undoubtedly the most important regional architecture which will propel ASEAN member states to become one of the most dynamic and advanced economies in the world. ASEAN is home to peoples from diverse backgrounds and cultures. All forms of trade liberation -- through the ASEAN Way -- take time and patience. As the saying goes, "Rome wasn't built in a day," and so is ASEAN. With the finishing line looming, the governments are making the final push towards the targets, so should the business community, making final effort in preparation to embrace the opportunities and challenges the dawn of a new era shall bring.

# THAI ECONOMY IN 2014 AND OUTLOOK FOR 2015

## THAI ECONOMY IN 2014 AND OUTLOOK FOR 2015

Thai economy in 2014 expanded at a pace much slower than predicted, partly due to the political uncertainties persisting from the end of 2013 through the first five months of 2014. In the second half of the year, the economy picked up, supported by increasing confidence of consumers and investors following the restored political stability and the resumed disbursement of the government budget. However, the economic growth came out weaker than its full potential as resulted from Thai exports' structural limitation, softening global economic revival and falling prices of farm goods. Tourism also took time to rebound, amid the enforcement of martial law that somewhat weighed on tourists' confidence, and hence prompted a number of them to switch destinations. In addition, household debt remained high, which hindered full expansion of consumption. Private sector investment growth was restricted by the prevailing low capacity utilisation rate and delayed investment promotion from the first half of the year. All these factors culminated in Thai economic growth of only 0.7% in 2014.

For 2015, Thai economy is expected to grow better than that in the foregoing year, driven by public sector investment. However, as public infrastructure investment would only be in the first year of its 8-year span (2015-2022), its impact on the economy is likely to be slow and minimal. Meanwhile, Thai economy has to brave new, mainly external, challenges. Major ones are regional currency war, Russian economic crisis and oil price drop, which would directly or indirectly cause volatility in the economy, the money market and the capital market.

ASEAN currency war is going to erupt, and Thailand is seen to be at risk of falling prey to the war. This is attributable to Thai export shrinkage caused mainly by structural limitation, i.e. reliance on low-technology products and farm goods, which have been in price slump, while global demand has shifted toward other types of goods. In a short term, exporters tend to lose competitiveness when other regional currencies depreciate sharply compared with the baht that changed only slightly in the past year.

As for Russian economic crisis, Russia is prone to falling into recession in 2015 after the EU's sanction while the continued oil price drop has caused its loss of major revenue. Capital outflows have sharply weakened the Russian currency, leading to the ruble crisis. Impacts of Russian economic woes are expected on Thailand's money market, exports and tourism. As Russia is not Thailand's major market, there should be no direct impact on Thai economy. However, with Europe as a major trading partner of Russia, the problems in Russia may cause a slowdown in Europe, and hence indirectly affect Thailand, e.g. sluggish exports to Europe. The decline in number of Russian tourists would continue to hurt Thai tourism, especially businesses in tourist attractions, mainly Pattaya and Phuket, such as hotels, restaurants and other entertainment businesses, as well as condominium business. For the money market, the ruble has remained vulnerable although Russia has raised interest rates to curb capital outflows. If Russia adopts capital control, certain impact will be felt by investors in Russian bond market, and may also hit European economy, if Russia has debt defaults.

In view of the ongoing decline in oil prices, as net oil import of Thailand is about 10% of its GDP, and use of other forms of energy is minimal, Thailand still needs to continue its energy reform despite the oil price drop. Industry sectors that should benefit from the lower oil prices are transport, tourism and sectors that process commodity products like rubber and palm, enjoying the lower production costs. Meanwhile, the affected sectors should be those normally benefiting from high oil prices, such as exploration of oil and gas, and plantation of palm, rubber, sugarcane and rice. Thus, farm income is expected to fall, affecting retail business in provincial areas. Nevertheless, in overall, the oil price drop is seen to be a benefit, rather than a drawback, to Thai economic growth.



On internal front, one major risk factor is the disbursement of government budget. Such disbursement, if expedited, should speed up the economic recovering pace. However, both the public and private sector investments are not expected to be much accelerated this year on account of the disbursement process and the tightening liquidity following credit expansion in line with the economic revival. The economic growth forecast for 2015 by CIMB Thai Research Office is 3.3%, still below the full potential of around 4.0%-4.5%.

## 2015 STRATEGY

(Re-calibrating, Revamping and Re-energizing)

- Strengthen World Lease Co., Ltd. and Center Auto Lease Co., Ltd.
- Medium-term fix retail business: boost sales engine, rationalise network and develop alternative channel / digital enablement strategy
- Rely on treasury and investment banking income while nurturing annuity incomes
- Grow inorganically, especially mass segment via strategic tie ups
- Rationalise resources and revamp process
- Regionalise network as ASEAN corridor serving ASEAN aspiration clients
- In capital & risk management, focus on quality growth, risk posture, new acquisitions and effective credit cost
- In human resource development, build high performance work culture

## RETAIL BANKING

In 2014, despite considerable challenges amid the highly competitive market and the negative economic environment from several external factors, various initiatives were sequentially introduced by Retail Banking Group (RBG) to respond to the needs of our customers.

- Two iconic flagship branches for the affluent segment opened in the central business district of Bangkok, i.e. Silom and Siam Paragon, serving as ‘CIMB Thai’s one-stop financial and advisory service centre.’
- ‘Beat Banking’ – a breakthrough banking platform on mobile devices with branchless mass customer acquisition model – was launched in collaboration with AIS, the biggest telecommunication service provider in Thailand.
- CIMB Thai Credit Card was introduced as ‘the best credit card for travellers.’

Our Retail Banking’s 2014 financial performance was outstanding, with growth of customer base and business volume as follows:

- Preferred segment which is the strategic focus of the Bank showed a strong growth of 50% in number of customers and 30% in assets under management (AUM).
- More than THB 40,000 million in new funds was mobilised through 146 branches nationwide.
- Lending portfolio continued to expand 30%.
- Net profit before provision grew as high as 155%.

Project Next – a sales competency enhancement course – was further carried on from 2013 through 2014. At the end of the journey, the Bank recognised significant improvement in branch sales productivity as below:

- Investment product sales productivity was doubled.
- Customer acquisition and deposit balance improved by 20%.
- As a result, profitability per branch improved by 60%.

## TRANSACTION BANKING GROUP

Transaction Banking Group (TBG) of the Bank offers an array of services including cash management, trade finance and securities services. Our teams are composed of bankers highly experienced in advisory services and tailored solutions to help clients manage their day-to-day banking requirements as well as optimise their operations leveraging on the Bank’s services and technology.

2014 was a year in which Transaction Banking Group continued our transformation, product development, and system and technology development to be in line with the transformation of the Bank, especially in product development where our teams have customised in order to match with the clients' needs, and also in client service area where we have improved the workflows, after-sale services and customer information system in order to enhance readiness for taking care of the increasing number of clients, particularly clients with potential to expand business and investment into ASEAN or clients from other ASEAN members who wish to invest or do business in Thailand. Our teams' priorities were still to build a longer term strategy of new products and services leveraging on CIMB Group's strong regional presence and know-how in order to provide differentiated solutions to our clients, and fill in the gap in our value proposition to ensure the Bank's transaction banking services' competitiveness in both local and regional markets. We have continued to further deepen our relationship with the existing clients across the country through both the branch network and the internet banking solutions for more comprehensive client coverage.

Cash management and trade finance products and services from the Bank are diverse aiming to manage clients' risks and their working capital requirements. Our internet banking solution, i.e. BizChannel, offers clients access to our transactional services. Services and channel introduced in 2014 included trade finance quick guarantee and new cheque payment centre at the head office to efficiently serve our corporate clients in making payments to their suppliers, especially in respect of cheque outsourcing where the transaction volume went up more than threefold compared with that in 2013.

For securities services, the Bank currently holds the following licenses: registrar, bond representative, fund supervisory and custodian. With these licenses, we offer a complete range of securities services including bondholder representative, registrar & paying agent, custodian, and other agent and safekeeping services offered to our clients with full support by a strong technology platform that allows for both efficiency and flexibility, together with our dedicated teams committed to providing solutions to meet our clients' complex requirements.

Assets under custody come from the following transactions of the Bank (as of 31 December 2014):

- (a) Bondholders' representative for 38 debenture transactions valued at THB 87,284.6 million
- (b) Trustee and custodian for 21 funds valued at THB 16,340 million
- (c) Custodian and safekeeping contracts for 10 customers valued at THB 3,715.82 million
- (d) Securities registrar and paying agent for 18 ordinary shares, 153 corporate bonds, and 5 government bonds, with total value of THB 164,661.60 million
- (e) Long term facility agent and security agent valued at THB 24,700 million

## WHOLESALE BANKING GROUP

### Corporate Banking

Corporate Banking Group (CBG) provides financial services to a diverse range of business sectors, for example, commercial, manufacturing, property development and transportation. As most clients have had a long-time relationship with the Bank, we perform as their strategic business partners that help and support them toward strong and sustainable business growth. Also, we offer the clients business and investment opportunities through CIMB Group's regional network.

In early 2014, the Thai economy had been on a slowing trend from late 2013 due to the political unrest leading to a significant political change in May 2014. However, Wholesale Banking Group (WBG), established in the fourth quarter of 2013 covering both Corporate Banking and Investment Banking, was officially restructured in April 2014 recruiting additional high quality professionals and significantly revamping strategies, business plans and brands in order to be ready for the upcoming regional economic integration as the ASEAN Economic Community (AEC).

net interest income (Non-NII) by approximately 3% and 23% respectively through our strategy in upgrading our service being the main bank of the clients. According to our “To Be Important to Important Clients” tactics, for the major client groups which generate significant income to the Bank, we focused in supporting big lending projects that generated comprehensive income including interest, fee, financial advisory and others such as transactional banking, derivatives, hedging, equity and debt underwriting, to well respond to all of the clients’ needs.

In addition, we improved its operational efficiency by grouping the function of relationship management and credit analysis by sector and by having sector specialists to be able to offer a complete range of financial services including strategic consulting and business advisory to the clients.

As the Bank is a member of CIMB Group which has strengths in capital, professionals and partnering network in ASEAN, in 2014, we were successful in doing business with big corporate clients who had high levels of investments both locally and regionally especially in ASEAN as we could provide solutions that met their expectations. The Bank worked closely with the parent company in cooperation with CIMB members in financial advisory, transactional banking, lending and derivatives products and services to the clients so that they achieved in business expansion to other countries in the region such as Malaysia, Singapore, Indonesia and Cambodia.

From 2015 onwards, Corporate Banking Group would continue focusing in providing comprehensive financial products and services to the clients and their business partners, creating opportunities, supporting their business expansions in ASEAN by synergized cooperation within CIMB Group, and driving more inbound investments from the foreign clients.

### **Investment Banking**

2014 was the year of continued transformation after combining Corporate Banking Group and Investment Banking Group (IBG) under Wholesale Banking Group recruiting more experts in investment banking to well address the business challenges with fast moving growth. The Bank also reinforced its strengths with CIMB Group in having sector specialists who provided knowledge and insights of each industry so that we could offer a comprehensive financial services including strategic advisory to the clients. As a result, we could strengthen the relationship and added value to the clients and could increase the competitiveness through innovative financial products.

As part of the Wholesale Banking Group’s performance in 2014, Investment Banking Group recorded a significantly strong growth through its achievements in being financial advisors in merger and acquisition (M&A) transactions for big local and regional corporates, being financial advisors in listing on the Stock Exchange of Thailand (SET) and issuing several debt instruments.

The collaboration and synergy among Corporate Banking Group, Investment Banking Group and CIMB network contributed to the Bank’s potential as an important bank to our important clients, another progress toward being the clients’ business partners in making investments in ASEAN.

In 2014, key successful deals included:

Debt Markets	Role	Deal Size (THB million)
Bank for Agriculture and Agricultural Cooperatives	Joint Lead Arranger	92,580
Property Perfect Public Company Limited	Joint Lead Arranger	6,600
Ananda Development Public Company Limited	Joint Lead Arranger	6,395
Krungthai Card Public Company Limited	Lead Arranger	6,100
TPI Polene Public Company Limited	Lead Arranger	5,000
Quality House Public Company Limited	Joint Lead Arranger	4,500
SPCG Public Company Limited	Joint Lead Arranger	4,000
Home Product Center Public Company Limited	Joint Lead Arranger	3,050
Asia Sermkit Leasing Public Company Limited	Lead Arranger	1,680
Prinsiri Public Company Limited	Joint Lead Arranger	1,450
SC Asset Corporation Public Company Limited	Lead Arranger	1,400
AEON Thana Sinsap (Thailand) Public Company Limited	Joint Lead Arranger	1,200
Expressway Authority of Thailand	Lead Arranger	1,000
Metropolitan Electricity Authority	Lead Arranger	1,000
Thitikorn Public Company Limited	Lead Arranger	1,000
Provincial Waterworks Authority	Lead Arranger	400
Ticon Industrial Connection Public Company Limited	Lead Arranger	200
Advanced Wireless Network Company Limited	Co-Manager	16,600

Capital Markets	Role	Deal Size (THB million)
Carabao Group Public Company Limited	Joint Financial Advisor/ Joint Lead Underwriter	7,000
Ichitan Group Public Company Limited	Co-Underwriter	3,900
SAPPE Public Company Limited	Co-Underwriter	1,012
Srisawad Power 1979 Public Company Limited	Co-Underwriter	1,725
Thai Agro Energy Public Company Limited	Co-Underwriter	592
Bangkok Airways Public Company Limited	Selling Agent/ Co-underwriter	13,000
Burirum Sugar Public Company Limited	Co-Underwriter	1,150
Vichitbhan Palmoil Public Company Limited	Co-Underwriter	637
Muangthai Leasing Public Company Limited	Co-Underwriter	2,997
Eastern Polymer Group Public Company Limited	Co-Underwriter	4,060



Real Estate Investment Trust (REIT)	Role	Deal Size (THB million)
WHA Premium Growth Freehold and Leasehold Real Estate Investment Trust	Co-Underwriter	3,208
IMPACT Growth Real Estate Investment Trust	Selling Agent	15,714

## CORPORATE FINANCE AND EQUITY CAPITAL MARKETS GROUP

Corporate Finance and Equity Capital Markets Group (CFG) provides financial advisory services, which also include advisory services for merger and acquisition (M&A) and equity offering transactions of leading companies in Thailand. 2014 was a challenging year for financial industry in Thailand. The political uncertainty which started in late October 2013 had negatively affected the capital market. The SET index dropped to 1,230.77 points on the first trading day of 2014. The market sentiment at the beginning of the year discouraged the launch of equity products, i.e. initial public offering (IPO) of securities, equity offering, and real estate investment trusts (REIT). Therefore, we shifted our focus towards M&A deals during the first half of the year. Emphasis on the right products at the right time enabled us to make available total solutions with maximum benefits to our clients.

As a result of the aforementioned strategy, we successfully carried out a diverse range of transactions in 2014. A notable M&A deal was B.Grimm Power Co., Ltd.'s power plant acquisition worth THB 5.3 billion from Sime Darby Energy Pte Ltd., for which we acted as the sole financial advisor and lender. We also acted as a joint financial advisor and lead underwriter for a THB 7.0 billion IPO of Carabao Group PCL., which turned out to be a highly successful deal of the year. Significant equity transactions in 2014 included:

Equity Markets	Role	Deal Size (THB million)
Carabao Group Public Company Limited	Joint Financial Advisor/ Joint Lead Underwriter	7,000
WHA Premium Growth Freehold and Leasehold Real Estate Investment Trust	Co-underwriter	3,208
IMPACT Growth Real Estate Investment Trust	Selling Agent	15,714
Bangkok Airways Public Company Limited	Selling Agent/ Co-underwriter	13,000

For 2015, Corporate Finance and Equity Capital Markets Group aims to increase the Bank's fee income through financial advisory role in M&A and equity offering transactions. In the advent of the ASEAN Economic Community (AEC), we expect a continuation of and an increase in large-size cross border M&A deals, as well as large IPO and REIT deals in various business sectors. With our strong regional platform and full collaboration among Corporate Finance and Equity Capital Markets Group, Investment Banking Group, Sector Team, and Corporate Banking Group, we are in a good position to offer a complete set of products and solutions tailored to clients' needs. Our proven record of continual visits of clients to use our services is key evidence that supports our core value: 'Go the extra mile' to delight customers.

## COMMERCIAL BANKING GROUP

Commercial Banking Group (CMG)'s target customers are small- and medium-sized enterprises (SMEs) to mid-corp clients across a wide range of industries. With the in-depth knowledge and expertise of the Bank's relationship managers and officers, we are able to provide full-fledged financial solutions to our clients through our business centres across the country.

In 2014, the Bank encountered several challenges both domestically and overseas, which were managed strategically in terms of business expansion and risk mitigation. We carried out a major change within the business unit with the restructure of the organisation in order to support business growth in the dynamic banking industry. Embracing a new mixed working culture, we have our staff undergo team building and friendly competition programs to develop synergy across the teams. Amidst the intensifying political uncertainties and fiercer competition in the banking sector, we maintained our business momentum with segmentation of customers to design the right value proposition products and develop specific processes to support each segment. A product program, Small SME Business, was launched to capture small SME market share. In addition, leveraging on CIMB's ASEAN network, we have assisted our customers to make their presence and expansion of trade and investment across the region.

The year 2014 came out to be another successful year for Commercial Banking Group, despite the domestic economic slowdown and global volatility. We grew our customer base in the medium-sized to mid-corp segment along with the small SMEs. Together with our customers, we grew significantly and ended the year well placed across key aspects of our core business. Compared with 2013, our lending portfolio increased by 19.5% to THB 52 billion. Asset quality remained manageable with gross NPL of as low as 0.7%. Our cost remained under control with lower cost to income ratio. The loan provision declined due to better control of asset quality. Fee income rose by 15% to THB 207 million which was mainly driven by our keen focus on more diversified products including foreign exchange and derivatives transactions. Overall, in 2014, the Bank's Commercial Banking Group achieved a remarkable profit before tax and cost allocation of THB 1.5 billion, or a 44% year-on-year growth.

We have adhered to one of the core values of the Bank, which is "people centric." With this core value in mind, we primarily focus on understanding the demand of customers and then offering a full array of financial solutions to deliver a satisfying experience to them. We also acquire new customers and retain the existing ones by strengthening the ties we have with them, and continually catering the right value proposition. In this regard, we consider our employees as the most valuable resource of the Bank, being a crucial key to drive the Bank to success. We have improved our employees' potential by providing various skill, knowledge and capability development training and activity programs. The significant programs undertaken in 2014 included the OMEGA course for better credit risk management, credit control and in-depth analytic skill of credit analysts, and cross business unit rotation program. We have also encouraged our employees towards career advancement by empowering them to make decisions and take responsibilities. Rewards and recognition have been made available to good performers to create a sense of shared ownership of the Bank. Furthermore, we have conducted an Employee Engagement Survey on a yearly basis to gather recommendations and suggestions to improve employees' satisfaction and engagement, and position the Bank as employees' first choice of workplace in the banking sector. With all such efforts, the satisfactory business performance in 2014 reflected the Bank's ambition to achieve sustainable profitability and growth which would lead to the increased value for the shareholders in the long run.

Looking forward to 2015, the prevailing economic challenges, e.g. the Russian financial crisis, falling oil prices, the currency woes among ASEAN countries, and the advent of the AEC would continue to pose both direct and indirect impacts on the Thai economy. The domestic economy is still in its recovering pace, and the government's infrastructure projects, aimed to help spur the country's economic revival, are yet to generate positive results on the economy. Commercial Banking Group adopted strategies which included expanding medium-sized enterprises to mid-corporations in selective sectors while enhancing portfolio diversification through its customised product program for small SMEs, and supporting AEC-related programs. With the upcoming AEC, and hence increasing trends of ASEAN trade and investments, we will continue to serve our customers in international and cross border trade and investments, supported by the newly set up ASEAN Business Solution (ABS) teams in each country across CIMB Group through joint activities, fully integrated services and information sharing, to generate higher revenues and further expand the customer base.

## COMPETITIVE ENVIRONMENT - MARKET SHARES

Unit (THB'Million)

BANK	Asset	Marketshare	Deposit	Marketshare	Loan	Marketshare
Bangkok Bank	2,759,890	18.7%	2,058,779	18.8%	1,782,233	17.2%
Krung Thai Bank	2,739,350	18.5%	2,151,641	19.7%	1,897,995	18.4%
Kasikornbank	2,389,137	16.1%	1,629,831	14.9%	1,527,080	14.8%
Siam Commercial Bank	2,699,703	18.2%	1,895,343	17.3%	1,777,135	17.2%
Bank Of Ayudhya	1,214,268	8.2%	837,556	7.7%	1,012,761	9.8%
TMB Bank	810,167	5.5%	571,625	5.2%	530,360	5.1%
Thanachart Capital	1,025,630	6.9%	696,949	6.4%	755,656	7.3%
Tisco Financial Group	317,657	2.2%	205,384	1.9%	262,784	2.5%
Kiatnakin Bank	240,407	1.6%	132,315	1.2%	184,777	1.8%
CIMB Thai Bank	274,144	1.9%	183,895	1.7%	189,968	1.8%
Others*	324,380	2.2%	566,787	5.2%	418,423	4.1%
Total	14,794,733	100.0%	10,930,105	100.0%	10,339,172	100.0%

source: Commercial Bank's consolidated financial statement as of December 2014

## PROCUREMENT OF PRODUCTS AND SERVICES

## Source of Funding

As at 31 December 2014, deposits managed by the Bank stood at THB 194.2 billion (including interbank and money market deposits), whilst borrowings (including interbank and money market borrowings) amounted to THB 39.5 billion. Of that total, 80.7% was used for gross loans (including accrued interest), while the balance was applied towards interbank items, money market transactions and investments. The Bank has been fully aware of its liquidity gap in each period, and has a policy in place for acquiring and effectively utilising funds in an optimal manner.

Comparing the Bank's loans and deposits, total gross loans with maturity of not more than one year stood at THB 71.5 billion while loans with maturity of more than one year amounted to THB 118.5 billion. Meanwhile, deposits with maturity of not more than one year stood at THB 175.1 billion and those with maturity of over one year amounted to THB 19.1 billion.

## Capital Adequacy Ratio

Starting in 2013, the Bank's CAR, CET1 capital and Tier 1 capital are calculated under Basel III criteria to increase capital base for better loss absorption. As at the end of December 2014, the Bank's capital adequacy ratio (CAR) under Basel III calculation was 15.0%, while CET1 capital and Tier 1 capital were 9.9% and 9.9%, respectively. The Bank has maintained a robust capital well above the Bank of Thailand's minimum requirement of 8.5%, 4.5% and 6.0% of CAR, CET1 and Teir1 capital ratios, respectively.

In THB billion

	As at 31 December		
Capital Funds	2014	2013 <sup>(1)</sup>	2012
Tier 1 capital	21.0	19.6	17.0
CET1 capital	21.0	19.6	-
Tier 2 capital	10.7	8.3	9.9
<b>Total capital funds</b>	<b>31.7</b>	<b>27.9</b>	<b>26.9</b>
Tier 1 capital to risk weight assets (%)	9.9	9.9	10.3
CET1 capital to risk weight assets (%)	9.9	9.9	-
Tier 2 capital to risk weight assets (%)	5.1	4.2	5.9
Capital adequacy ratio (%)	15.0	14.1	16.2
<b>Total risk-weight assets</b>	<b>211.5</b>	<b>198.0</b>	<b>166.0</b>

(1) The BOT has announced the implementation of new international capital requirement standards under the Basel III regulatory framework, effective from 1 January 2013.

## TREASURY GROUP

CIMB Thai's Treasury Group is responsible for the Bank's assets and liabilities management as well as liquidity management in line with the Bank's policy framework and regulatory criteria, including debt underwriting and trading, and offering of treasury products to the customers.

2014 was a notable year for the Bank's treasury operation. We have expanded our product and service coverage, including such new products as interest rate linked note, FX linked note and gold linked note, as well as commodity hedging facilities covering sugar and rubber, etc.

Moreover, we successfully raised long term funds via issuing a number of structured notes with maturities of over 10 years to financial institution clientele and also a subordinated debenture in Malaysia totaling MYR 400 million, the first ever of Thai commercial banks.

The Bank has also been an active debt underwriter for government and private sectors in Thailand ranking no. 7 with 6.8% market share and underwriting amount totaling THB 47,742 million in the primary market, while in the secondary market, we ranked no. 7 with 6.1% market share and trading value totaling THB 705,956 million.

In 2014, the Bank received awards for hedging products and services from Asiamoney Polls as follows:

1. The Best Foreign FX Provider for Overall Foreign Exchange Services
2. The Best Foreign FX Provider for Foreign Exchange Products and Services
3. The Best Foreign FX Provider for Foreign Exchange Options
4. The Best Foreign FX Provider for Foreign Exchange Research and Market Coverage
5. Overall Best for Credit in Thailand
6. The Best for Credit Derivatives in Thailand
7. The Best for Credit Sales in Thailand
8. The Best for Credit Services in Thailand
9. The Best for Credit Research and Market Coverage in Thailand
10. Overall Best for Interest Rates in Thailand
11. The Best for Interest Rate Products and Sales in Thailand
12. The Best for Interest Rate Derivatives in Thailand
13. The Best for Interest Rate Research in Thailand



In addition, CIMB Thai Bank also received another award from The Asset (Asset Asian Awards, Triple A) as follows:  
14. The Best Structured Product House in Thailand

For 2015, we aim to be the customer choice of company with ASEAN aspirations. We will continue collaborating with our regional franchise in Malaysia, Singapore, Indonesia, Cambodia, Laos, Hong Kong and Shanghai, China, to offer full-fledged financial products and services to meet our customer needs.

## LIQUIDITY RISK MANAGEMENT POLICY

Liquidity risk is defined as the risk of the Bank's inability to meet its present and future funding needs on a timely basis, as a consequence of being unable to convert assets into cash or being unable to obtain adequate funding on time. The Board of Directors and the senior management of the Bank take a very important role in managing the Bank's liquidity. The Board has delegated its authority to the Assets and Liabilities Management Committee (ALCO) to supervise all business units, including Treasury Group, to handle the Bank's liquidity. The Committee proactively and dynamically manages the Bank's balance sheet through monthly and ad-hoc meetings. The Bank also has Risk Management Group to propose Liquidity Risk Management Policy, and Treasury Group to regularly review liquidity risk for the Board's approval. To ensure proper and prudent liquidity management, the policy also applies to the Bank's subsidiaries.

The Bank will continue to emphasise and improve its retail customer acquisition to match its assets expansion. Its liquidity management strategy is to drive the accumulation of current accounts and saving accounts (CASA), as well as retail fixed 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 debentures as a means to balance out the funding and liquidity of the Bank. The Bank has designated teams of employees 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.

## COLLATERAL POLICY

In the Bank's lending policies, the primary basis of assessing the creditworthiness is the borrower's ability to repay loan obligations, most often from cash flows generated through normal business operations and other primary sources of repayment. Nevertheless, collateral also represents an important component of many credit transactions because it will be the secondary source of repayment and will help alleviate loss in the event of default. Among the different types of collateral which the Bank accepts are deposits, government bond, debt and equity instruments, land, construction and machinery, etc. The loan to collateral value ratio will vary based upon the risk level of each credit product, the borrower's creditworthiness and liquidity of collaterals. The Bank has established a collateral valuation policy to ensure effective risk management as well as to comply with the Bank of Thailand's guidelines. 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 watch-list and special mentioned accounts, a pre-NPL monitoring report is prepared for close follow-up of the pre-NPL group of accounts. A pre-NPL account's performance will be further classified into two groups comprising Special Alert List (SAL) for accounts under

special mentioned class likely to migrate to NPL and Non Special Alert List (Non SAL) for other special mentioned accounts. Regarding NPLs (substandard, doubtful and doubtful for loss classifications), an NPL management report is also required to be prepared on a monthly basis. Both pre-NPL monitoring report and NPL management report are submitted to Risk Management Committee for acknowledgment and direction. In addition, the Bank has in place Problem Loan Management Working Group to review problem loans (Pre-NPL and NPL) with exposure of THB 10 million and over. The debt monitoring guidelines and follow-up procedures stated above will help the Bank resolve problem loans as well as to help the clients with debt restructuring when required in a timely manner.

## 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 incurrance 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 carried out 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 on both general and troubled debts, 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 or the Credit 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. 31/2551 regarding criteria for debt classification and provisioning of financial institutions, dated 3 August 2008 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 the specific provision or individual debtor/account, the Bank may determine to adopt general provision criteria as appropriate in order to safeguard against any unprecedented impacts from economic cycle or volatility, etc.

## HIGHLIGHTS OF CORPORATE IMAGE ACTIVITIES IN 2014

In 2014, CIMB Thai focused more on proactive public relations especially in branding in concurrence with differentiation of products and services based on our strength of being an ASEAN bank (product led brand). A string of marketing campaigns such as "Chinese New Year In Love," "Summer Splash," "Mother's Day," and "Father's Day" campaigns were launched both offline and online, using integrated marketing communications (IMC) to penetrate mass segmentation. These advertising programs helped build and fortify our brand to a greater extent. In addition, we conducted a campaign to support the launch of CIMB Thai Credit Card as the best credit card for travellers with privileges across ASEAN.

Corporate image building via marketing activities is another approach we have emphasized to bring brand awareness and experience to our targeted customer segments. Significant activities in 2014 included holding "Octo Splash" during Songkran Festival in Pattaya and Phrapadaeng; joining Money Expo under "The Art of ASEAN Living" theme in five provinces, i.e. Bangkok, Nakhon Ratchasima, Udon Thani, Chiang Mai and Songkhla (Hat Yai District); Mini

Golf Challenge; and CIMB Preferred Golf Challenge; as well as seminars. We also organised an activity to celebrate “ASEAN Day” together with the opening of Silom Office, our flagship branch, on 8 August 2014. This activity helped promote our corporate image as an ASEAN bank, and encourage Thai people to get ready for the upcoming ASEAN Economic Community (AEC) in the end of 2015, with Silom Office declared as ASEAN hub.

In August 2014, CIMB Thai opened Mae Sot Branch in Tak Province. Located in a special economic zone, Mae Sot Branch can well serve business activities coming with the AEC. The opening ceremony of the branch was broadcasted live by Jor Lok Setakit economic news program on TV Channel 3.

We also joined hands with our ally, Thai Air Asia, to conduct a program “Fly For Art” in support of the preservation of local wisdom in ten provinces throughout 2014.

On 29 August 2014, the Bank held an opening ceremony of CIMB Thai Bank - Vientiane Branch. Mr. Sonexay Sitphaxay, Deputy Governor of the Bank of Lao PDR, and Dato' Shaarani Bin Ibrahim, CIMB Thai's Director, jointly presided over the ceremony which was observed by over 300 business leaders of Thailand and Laos as well as mass media people. CIMB Thai Bank - Vientiane Branch aims to offer fully integrated products and services to serve both local and foreign customers making investments in Laos. It is our first branch abroad which extends CIMB Group's network coverage to nine countries out of the 10 member countries of ASEAN. This has reflected our position as a leading financial institution in ASEAN with region-wide network and service potential at international standards. 2014 could also be seen as another year of intensive press releases of news on the Bank in respect of products, services and economic research and analysis works, striving to strengthen our good image and support our business operation.

# ANALYSIS OF FINANCIAL STANDING AND OPERATING PERFORMANCE

## 1. CONSOLIDATED OPERATING RESULTS

For the year ended 31 December 2014, CIMB Thai group recorded a consolidated profit before tax of THB 1,236.0 million and a net profit of THB 988.8 million, a year-on-year (YoY) decrease of 12.2% and 33.6% respectively. The decrease was mainly due to the recording of extraordinary items in 2013, which included shared gains from Thai Asset Management Corporation (TAMC), gain from payback from a liquidated subsidiary, gain on redemption of Vayupak Fund 1, dividend income from Vayupak Fund 1 and special provisions set aside as counter-cyclical buffer.

Amid intense competition in both deposit and lending markets, CIMB Thai group's net interest margin (NIM) over interest earning assets improved by 0.19 bps to 3.37% in 2014 from 3.18% in 2013 on the back of better controls on cost of funds.

As at 31 December 2014, total gross loans (inclusive of loans guaranteed by other banks and loans to financial institutions) accounted for THB 190.8 billion, marking a growth of 10.9% from 31 December 2013. In addition, deposits (inclusive of bill of exchange, debentures and selected structured deposit products) amounted to THB 211.7 billion, a growth of 11.0% from THB 190.6 billion at the end of December 2013. As a result, the modified loan to deposit ratio declined to 90.1% from 90.3% as at 31 December 2013.

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

On a YoY basis, consolidated 2014 operating income for CIMB Thai group went up by THB 260.2 million or 2.5% to THB 10,506.2 million (excluding extraordinary items, operating income rose by THB 1,783.9 million or 20.7%). The increase in operating income was attributable to growth of net interest income, net fee and service income, and gains on trading and foreign exchange transactions, offsetting the fall in gains on investments and other operating income. Net interest income rose by THB 1,364.0 million or 20.9% YoY, underlined by loan expansion and early redemption of hybrid instruments. Net fee and service income grew by THB 80.6 million or 6.4%, coming mainly from advisory fees, security issuer fees and fees from insurance premium. There was an increase of THB 1,090.6 million or 152.7% in gains on trading and foreign exchange transactions in the treasury businesses. Meanwhile, gains on investments decreased by THB 91.7 million or 21.8%, and other operating income by THB 89.6 million or 27.4%. This was due to the recording of one-off income in 2013.

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

CIMB Thai group's interest expenses in 2014 amounted to THB 6,038.7 million, going up by THB 187.1 million, or 3.2%, largely from the increase in the volume of deposits by 20.9% YoY.

Operating expenses went up by THB 1,045.5 million or 17.2% YoY to THB 7,140.6 million, mainly from employee expenses, taxes and duties and other operating expenses arising from the expansion of the product suite and network. Cost to income ratio moved up to 68.0% in 2014 compared with 59.5% in 2013 as a result of the one-off income in 2013. Excluding the one-off items, the 2013 cost to income ratio would have been 72.8%.

### (c) Net profit

For the year ended 31 December 2014, CIMB Thai group recorded a consolidated profit before tax (PBT) of THB



1,236.0 million and a net profit of THB 988.8 million, a YoY decrease of 12.2% and 33.6% respectively. The decrease was mainly due to the recording of extraordinary items in 2013, which included shared gains from TAMC, gain from payback from a liquidated subsidiary, gain on redemption of Vayupak Fund 1, dividend income from Vayupak Fund 1 and special provisions set aside as counter-cyclical buffer. Excluding the extraordinary items, the consolidated PBT for CIMB Thai group grew by THB 237.3 million or 26.5%, whilst the net profit declined by THB 92.6 million or 9.5% YoY from a normalised tax expense in 2014 following the utilisation of tax losses in 2013.

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

For the year 2014, CIMB Thai group's return on equity was 4.4% compared with 7.0% in 2013, and the Bank's return on equity 4.3%, dropping by 1.8% from 6.1% in 2013.

## **2. CONSOLIDATED FINANCIAL STANDING**

### **Assets**

As at 31 December 2014, CIMB Thai group's total assets amounted to THB 274.1 billion, down by THB 5.5 billion or 2.0% from 2013. The decrease mainly came from interbank and money market items (assets), while there was an increase in net loans and accrued interest receivables, net investments and derivative assets as follows:

Interbank and money market items (assets) were THB 6.5 billion, a drop of THB 27.0 billion or 80.6%, mainly from the reduction of credit granted under private repo transaction as part of the Bank's liquidity management.

Derivative assets moved up by THB 1.7 billion or 18.7% to THB 10.8 billion. This was attributable to higher volume of interest rate swap contracts.

Net investments stood at THB 55.3 billion, an increase of THB 1.9 billion or 3.6%, mainly due to held to maturity debt instrument portfolio.

Net loans and accrued interest receivables were THB 184.4 billion, up by THB 18.1 billion or 10.9%. The growth of loans was in retail segment.

### **Asset quality**

#### **(a) Loans and loan concentration**

As at 31 December 2014, CIMB Thai group's total loans net of deferred revenue were THB 190.0 billion, an increase of THB 18.9 billion or 11.0% compared with THB 171.1 billion as at 31 December 2013. Loans mainly comprised loans extended to the manufacturing and commerce sector, housing loans and public utilities and service sector, making up 66.8% of total loans. The manufacturing and commerce were the largest borrowers, taking THB 54.8 billion or 28.9% of total loans. This was in line with the Bank's strategy to maintain good relationships with corporate customers. Meanwhile, housing loans amounted to THB 48.6 billion or 25.6% of total loans, and public utilities and services loans THB 23.3 billion or 12.3% of total loans. Sectors with high growth of loans, i.e. housing loans, personal loans, and hire purchase and financial leases were 32.0%, 14.4% and 12.7% respectively from year-end 2013, in line with the Bank's focus on retail client portfolios.

	31 December 2014		31 December 2013		Change	
Loans classified by type of business	THB million %		THB million %		THB million %	
Agricultural and mining	3,365	1.8	3,322	1.9	43	1.3
Manufacturing and commerce	54,804	28.9	55,719	32.6	(915)	(1.6)
Real estate and construction	17,103	9.0	15,875	9.3	1,228	7.7
Public utilities and services	23,345	12.3	21,538	12.6	1,807	8.4
Personal cash	10,517	5.5	9,194	5.4	1,323	14.4
Housing loans	48,603	25.6	36,815	21.5	11,788	32.0
Hire purchase receivable and financial lease receivable	19,075	10.0	16,930	9.9	2,145	12.7
Others	13,156	6.9	11,694	6.8	1,462	12.5
<b>Total loans net of deferred revenue</b>	<b>189,968</b>	<b>100.0</b>	<b>171,087</b>	<b>100.0</b>	<b>18,881</b>	<b>11.0</b>

To avoid concentration risk in any particular industry, the Bank continued to diversify the proportion of loans granted to various business sectors, in compliance with its credit policy to extend loans to clients of vital business sectors with good growth potential and clients from all categories of large, medium and small enterprises and retail sectors. Lending continued to focus on clients who are manufacturers in high-potential sectors and on the retail client portfolio.

#### (b) Classification of assets

As at 31 December 2014, CIMB Thai group's net loans and accrued interest receivables (excluding loans to financial institutions) amounted to THB 190.4 billion, an increased of 11.0% compared with those as at 31 December 2013. Classification of loans is in compliance with Bank of Thailand's notification. Pass loans stood at THB 176.2 billion, special-mention loans amounted to THB 7.8 billion, and non-performing loans classified as sub-standard, doubtful and doubtful of loss were reported at THB 1.8 billion, THB 1.1 billion, and THB 3.5 billion respectively.

CIMB Thai's loan loss coverage ratio dropped to 95.2% as at 31 December 2014 from 107.8% at the end of December 2013. As at 31 December 2014, its total provision stood at THB 6.0 billion, an excess of THB 2.2 billion over Bank of Thailand's reserve requirements.

#### (c) Non-performing loans (NPL)

The gross non-performing loans (NPL) accounted for THB 6.4 billion, with an equivalent gross NPL ratio of 3.3% from 2.5% as at 31 December 2013. The increase in NPL was mainly due to economic disruptions which affected the repayment ability of certain sizable corporate accounts and retail segment. CIMB Thai continues to exercise high credit risk underwriting standards and risk management policies. The Bank also focuses on improving productivity in monitoring, collection and managing all accounts closely and effectively.

#### (d) Income recognition

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

The Bank 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.

## Liabilities

As at 31 December 2014, CIMB Thai group's total liabilities amounted to THB 251.5 billion, down by THB 6.4 billion or 2.5% from 2013. The decrease was mainly due to interbank and money market items (liabilities) and debt issued and borrowings, while there was an increase in deposits, financial liabilities designated at fair value through profit or loss and derivative liabilities as follows:

Interbank and money market items (liabilities) were THB 18.3 billion, down by THB 26.6 billion or 59.2%, mainly from the reduction of borrowings under private repo transaction as part of the Bank's liquidity management.

Debt issued and borrowings amounted to THB 24.5 billion, a drop of THB 13.2 billion or 35.0%, due to the redemption of short-term debentures, bills of exchange and early redemption of hybrid instruments during the year.

Deposits grew by THB 31.8 billion or 20.9% to THB 183.9 billion, mainly from fixed deposits.

Financial liabilities designated at fair value through profit or loss increased by THB 1.8 billion or 31.4% to THB 7.7 billion, mainly from structured bills of exchange.

Derivative liabilities went up by THB 0.7 billion or 7.7% to THB 10.4 billion mainly due to higher volume of interest rate swap contracts.

## Equity

As at 31 December 2014, CIMB Thai group's equity stood at THB 22.7 billion, representing an increase of THB 0.9 billion or 3.9% from 2013. The Board of Directors gave approval for the Bank to appropriate THB 47.1 million from the Bank's net profit of THB 0.9 billion for the year into statutory reserve, and to carry forward the remaining net profit into retained earnings. The decision to appropriate net profit to statutory reserve and retained earnings was made to sustain the Bank's growth momentum and ensure adequate capital going forward.

## Off balance sheets: Commitments

As at 31 December 2014, the Bank and its subsidiaries had combined commitments of THB 1,552.0 billion, up by THB 644.6 billion (71.0%) from THB 907.3 billion at the end of December 2013. The increase in commitments came mainly from derivatives as indicated in the table below:

(Unit: THB billion)			
Off balance sheets: Commitments	31 December 2014	31 December 2013	Variance %
Avals to bills and guarantees of loans	101	998	(89.9)
Liability under unmaturred import bills	605	569	6.3
Letters of Credit	1,679	2,613	(35.7)
Other commitments:	1,549,577	903,152	71.6
Derivatives	1,517,454	870,633	74.3
Undrawn bank overdrafts	16,961	15,894	6.7
Investments	6,766	6,584	2.8
Others	8,396	10,041	(16.4)
<b>Total</b>	<b>1,551,962</b>	<b>907,332</b>	<b>71.0</b>

## Liquidity

Cash and cash equivalent items, as indicated in the cash flow statement of CIMB Thai group as at 31 December 2014, amounted to THB 4.0 billion, a net increase of THB 660.9 million from 2013. Details of the changes are as follows:

Net cash flows provided by operating activities in 2014 were THB 1,844.4 million. Losses from operations before changes in operating assets and liabilities were THB 5.0 billion, including THB 1.2 billion in pre-tax net profit for the year, and adjustments of non-cash items to net profit, mainly from interest and dividend and bad debts and doubtful accounts. Operating assets for the year went down by THB 10.5 billion due to the decrease in interbank and money market items (assets) and investments held for trading. In addition, operating liabilities dropped by THB 10.4 billion, resulting from the decrease in interbank and money market items (liabilities) and short-term borrowings.

Net cash flows used in investing activities were THB 3.6 billion, mostly coming from the increase in net cash paid for purchases of held-to-maturity securities, offset by net disposals and proceeds from maturity of available-for-sale securities.

Net cash flows provided by financing activities were THB 2.4 billion, comprising proceeds from issuance of structured bills of exchange and debentures, and subordinated debentures, offset by cash paid for redemption of such instruments.

## 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 2014, the Bank had deposits, borrowings and loans classified by maturity as follows:

(Unit: THB billion)

Maturities	Loans* %		Deposits* %		Borrowings* %	
Payable on demand	15.8	8.3	61.7	31.8	1.9	4.8
Up to one year	55.7	29.3	113.4	58.4	20.4	51.6
Over one year	118.5	62.4	19.1	9.8	17.2	43.6
<b>Total</b>	<b>190.0</b>	<b>100.0</b>	<b>194.2</b>	<b>100.0</b>	<b>39.5</b>	<b>100.0</b>

\*Including interbank and money market items.

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

(Unit: THB billion)

	2014*		2013*		2012*	
Categories of Deposit	Amount %		Amount %		Amount %	
Current deposits	2.8	1.5	2.4	1.5	2.2	1.5
Savings deposits	58.9	30.3	49.2	31.6	43.2	30.9
Fixed deposits	132.5	68.2	104.1	66.9	94.8	67.6
<b>Total</b>	<b>194.2</b>	<b>100.0</b>	<b>155.7</b>	<b>100.0</b>	<b>140.2</b>	<b>100.0</b>

\*Including interbank and money market items.



## Credit Rating

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

25 March 2014

### Fitch Ratings

#### Foreign Currency

Long-Term Issuer Default Rating	BBB
Short-Term Issuer Default Rating	F3
Viability Rating	bb-
Support Rating	2

### National

National Long-Term Rating	AA- (tha)
National Short-Term Rating	F1+ (tha)
National Short-Term Debts	F1+ (tha)
Upper Tier 2 Debt	A (tha)
Lower Tier 2 Debt	A+ (tha)

### Outlook

Long-Term Foreign Currency Issuer Default Rating	Stable
National Long-Term Rating	Stable

2 June 2014

### Moody's Investors Service

Foreign Currency Bank Issuer Rating (Long-Term/Short-Term)	Baa2/P-2
Local Currency Bank Issuer Rating (Long-Term/Short-Term)	Baa2/P-2
Foreign Currency Bank Deposit Rating (Long-Term/Short-Term)	Baa2/P-2
Local Currency Bank Deposit Rating (Long-Term/Short-Term)	Baa2/P-2
Bank Financial Strength Rating	D

5 June 2014

### RAM Ratings

Financial Institution Ratings	AA <sub>2</sub> /Stable/P1
Tier-2 Subordinated Debt	AA <sub>3</sub> /Stable

## Financial Ratios

### Capital funds and capital adequacy ratio

As at 31 December 2014, the Bank's assets were THB 22.2 billion higher than its liabilities. The difference represented positive shareholders' equity. The Bank's total capital funds amounted to THB 31.7 billion with capital adequacy ratio (BIS ratio) of 15.0%, exceeding the regulatory requirement. At CIMB Thai group-level, the consolidated capital funds amounted to THB 31.8 billion with BIS ratio of 15.2%.

### Liquid assets ratio

The Bank of Thailand requires all commercial banks to maintain a minimum liquid assets ratio of 6% of total deposits and offshore borrowings with less than one year maturity.

As at 31 December 2014, the Bank's total liquid assets were THB 57.0 billion, while the modified loan to deposit ratio stood at 89.2%. Its liquid assets to total assets ratio was 20.8% and liquid assets to total deposits ratio was 30.9%. All these ratios were within the minimum regulatory requirements.

## Investments in subsidiaries

### Purchase of investments in ordinary shares in Worldlease Co., Ltd.

On 6 February 2013, the Bank settled the increased capital in Worldlease Co., Ltd. amounting to THB 50 million. On 12 February 2013, Worldlease Co., Ltd. registered its increase in share capital with the Ministry of Commerce.

#### **An increase in registered capital of Center Auto Lease Co., Ltd.**

On 27 June 2013, the Bank's Board of Directors meeting No. 7/2013 approved an increase in registered capital of Center Auto Lease Co., Ltd., from THB 1,500 million to THB 3,500 million. Center Auto Lease Co., Ltd. called for 25% paid-up capital and the Bank settled the increased capital of THB 500 million on 23 July 2013. On 29 July 2013, Center Auto Lease Co., Ltd. registered the capital increase with the Ministry of Commerce.

#### **A payback from Krung Thai Thanakit Finance Plc.**

On 20 September 2013, Krung Thai Thanakit Finance Plc's shareholders meeting approved a payback to shareholders at the rate of THB 0.2321 per share from the total of 1,076,976,000 registered ordinary shares, or THB 250 million. CIMB Thai's portion is 1,067,229,773 shares or THB 248 million.

On 21 May 2014, Krung Thai Thanakit Finance Plc's extraordinary general meeting of shareholders approved a last instalment payback to shareholders at the rate of THB 0.0211 per share from the total of 1,076,976,000 registered ordinary shares, or THB 22.74 million. CIMB Thai's portion is 1,067,229,773 shares or THB 22.54 million.

Currently, Krung Thai Thanakit Finance Plc is still in the process of liquidation.

### **Appointment of external auditors and consideration of audit fees**

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

### **Remuneration for external auditors**

For the year ended 31 December 2014, fees paid to the external auditors were as follows:

#### **(1) Audit fees**

CIMB Thai group paid the auditors audit fees totaling THB 12.1 million. Other incidental expenses included transport and photocopying expenses.

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

CIMB Thai group did not obtain any other services from the audit firm for which the auditors were working and there were no other services from persons or businesses related to the auditors.

## Revenue structure

### 1. CIMB Thai Bank Public company Limited

#### 1.1 Total operating income

In THB Million

	For the years ended 31 December					
	2014 %		2013 %		2012 %	
<b>Interest Income</b>						
1. Interest on Loans	10,767.3	125.2	9,317.4	109.6	7,803.8	108.8
2. Interest on Interbank and money market items	150.5	1.8	282.9	3.3	139.6	2.0
3. Investments	1,535.3	17.9	1,424.3	16.8	1,227.8	17.1
4. Other	7.6	0.1	3.4	0.0	0.6	0.0
<b>Total Interest Income</b>	<b>12,460.7</b>	<b>145.0</b>	<b>11,028.0</b>	<b>129.7</b>	<b>9,171.8</b>	<b>127.9</b>
<b>Interest Expenses</b>						
1. Deposits	3,922.9	45.6	3,637.4	42.8	3,160.1	44.1
2. Interest on Interbank and money market items	327.3	3.8	376.9	4.4	195.8	2.7
3. Contribution fee to The Deposit protection agency and FIDF	928.4	10.8	791.0	9.3	629.1	8.8
4. Debt securities issued and borrowings	838.4	9.7	977.8	11.5	930.9	13.0
5. Other	11.3	0.1	11.8	0.1	3.5	0.0
<b>Total Interest Expenses</b>	<b>6,028.3</b>	<b>70.0</b>	<b>5,794.9</b>	<b>68.1</b>	<b>4,919.4</b>	<b>68.6</b>
<b>Net Interest Income</b>	<b>6,432.4</b>	<b>75.0</b>	<b>5,233.1</b>	<b>61.6</b>	<b>4,252.4</b>	<b>59.3</b>
<b>Operating income</b>	<b>2,167.5</b>	<b>25.2</b>	<b>3,268.3</b>	<b>38.4</b>	<b>2,918.4</b>	<b>40.7</b>
<b>Total Income</b>	<b>8,599.9</b>	<b>100.0</b>	<b>8,501.4</b>	<b>100.0</b>	<b>7,170.8</b>	<b>100.0</b>

#### 1.2 Non- Interest income

In THB Million

	For the years ended 31 December					
	2014 %		2013 %		2012 %	
Fee and service income	1,236.4	57.0	1,160.0	35.5	899.8	30.8
Fee and service expenses	296.5	13.7	220.0	6.7	209.4	7.1
<b>Net fee and service income</b>	<b>939.9</b>	<b>43.4</b>	<b>940.0</b>	<b>28.8</b>	<b>690.4</b>	<b>23.7</b>
Gains on trading and foreign exchange transactions, net	1,804.9	83.3	714.3	21.8	488.0	16.7
(Losses) gains on financial liabilities at fair value through profit or loss, net	(1,093.7)	(50.5)	(100.8)	(3.1)	0.9	0.0
Gains on investments, net	329.5	15.2	316.9	9.7	125.7	4.3
Gain sharing from the management of the non-performing loans by Thai Asset Management Corporation	-	-	1,101.7	33.7	1,344.4	46.1
Other operating income	186.9	8.6	297.2	9.1	269.0	9.2
<b>Non - interest income</b>	<b>2,167.5</b>	<b>100.0</b>	<b>3,268.3</b>	<b>100.0</b>	<b>2,918.4</b>	<b>100.0</b>

## 2. CIMB Thai's Subsidiaries

In THB Million

For the years ended 31 December						
	2014 %		2013 %		2012 %	
1. CIMB Securities (Thailand) Co., Ltd.						
Interest income	-	-	-	-	26.6	8.5
Interest expense	-	-	-	-	6.1	2.0
Net interest income	-	-	-	-	20.5	6.5
Operating income	-	-	-	-	291.8	93.5
Total income	-	-	-	-	312.3	100.0
2. Center Auto Leasing Co., Ltd.						
Interest income	1,274.2	127.4	992.7	134.3	775.9	166.4
Interest expense	495.5	49.5	405.1	54.8	361.0	77.4
Net interest income	778.7	77.9	587.6	79.5	414.9	89.0
Operating income	221.3	22.1	151.6	20.5	51.2	11.0
Total income	1,000.0	100.0	739.2	100.0	466.1	100.0
3. World Lease Co., Ltd.						
Interest income	908.7	109.8	912.2	108.2	668.8	103.1
Interest expense	233.9	28.3	225.0	26.7	141.3	21.8
Net interest income	674.8	81.5	687.2	81.5	527.5	81.3
Operating income	152.7	18.4	155.7	18.5	121.1	18.7
Total income	827.5	100.0	842.9	100.0	648.6	100.0
4. CT Coll Co., Ltd.						
Interest income	1.1	1.2	0.8	0.9	0.5	0.8
Interest expense	0.2	0.2	0.2	0.2	0.2	0.3
Net interest income	0.9	1.0	0.6	0.7	0.3	0.5
Operating income	95.0	99.0	86.0	99.3	65.8	99.5
Total income	95.9	100.0	86.6	100.0	66.1	100.0



# RISK MANAGEMENT OVERVIEW

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CIMB Thai focuses on sound and effective risk management principles in ensuring not only the financial soundness and integrity but also sustainability of the organisation. The risks to which a bank is particularly exposed in the conduct of businesses are credit risk, market risk, liquidity risk, operational risk and strategic risk. The Bank's undertakings of risk management and mitigation include risk identification, measurement, monitoring and managing under a robust risk management framework, in which returns must be commensurate with the risks taken. The Risk Management Committee (RMC) has been appointed by the Board of Directors having three sub-committees with responsibilities to review and recommend to RMC in various risk areas, i.e. Credit Risk Committee responsible for credit risk related matters, Operational Risk Committee for operational risk related matters, and Basel Steering Committee for any related matters to ensure compliance with Basel regulatory requirements. RMC is composed of members with relevant experience and expertise. The Committee's key responsibilities are to review and recommend to the Board of Directors of the risk management policies and frameworks as well as to establish a corresponding governance structure in ensuring that not only risks are managed efficiently and effectively but also decisions are made in a transparent manner. In addition, the Board Risk Committee (BRC) was appointed by the Board of Directors in April 2014 to have independent and greater board risk governance and accountability for all types of risks and to report directly to the Board of Directors. BRC is composed of four members in total who have to be members of the Board of Directors and having Head of Risk Management Group as BRC's secretary.

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

## 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 Bank could gain advantage over its competitors, lacking or incomplete provision of necessary resources and organisational measures that are required to achieve strategic objectives.

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

**Key risks related to strategic risks can be summarised as follows:**

### **1. Risk resulting from inappropriate organisational structure and management**

CIMB Thai is convinced that a proper organisational structure is one of the critical factors in achieving desired targets. Adhering to the best governance and practice, committees and units are established with prescribed functions and responsibilities as well as proper check-and-balance procedures to ensure the integrity of the undertakings and the deliverability of business plans.

## 2. Risk resulting from economic volatility and competition

Economic conditions and competition are two external factors which the Bank must remain vigilant of. Implementation of business plans under unfavourable external environments may lead to the performance missing the targets. To mitigate risk emerging from operating environments, the Bank's Research Office, together with the Strategy Division, closely monitor and analyse both economic conditions and competitive environments. In particular, peer banks' analysis and assessment are conducted on a regular basis. Subsequent research and strategic findings and recommendations are then reported to relevant committees for consideration and further action as needed.

## 3. Risk resulting from capital inadequacy

Capital adequacy is a critical composition of sound risk management and mitigation mechanism. This includes the maintenance of adequate capital under both normal conditions and under "extreme but plausible events" as resulted from the stress test exercise. The capital management plan, together with prescribed action plans, are formulated and set in place to ensure prudent positioning of the Bank's capital level as required by law. One particular measure, the CAR trigger (capital adequacy ratio trigger) is employed by the Strategy and Finance Group and Risk Management Group as early warning indicators in monitoring and maintaining capital adequacy.

## 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 facilities. Credit risk results in the deterioration of credit quality and affects the Bank's profitability and capital fund. The overriding objective of credit risk management at CIMB Thai 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 a credit risk management process, techniques and controls to maintain a check and balance system with clearly defined responsibilities for relationship managers, credit analysts, credit evaluators, credit approvers and risk management officers. The risk management framework for the Bank and its subsidiaries, initiated in 2009 when CIMB Group became the major shareholder, is available and has continued to be enhanced to support our business and to ensure the overall adherence to the risk management policy of the Bank and CIMB Group.

The Bank continuously reviews and improves risk assessment tools for different types of clients and in line with the growth of portfolios. The tools include corporate rating tool developed and implemented for corporate clients, SME rating model for SME clients, specialised lending rating model for specialised customer groups and credit scoring tool and system for retail, secured and unsecured loans and also for hire purchase credits. The rating and credit scoring tools are now implemented in systems to ensure efficiency of rating/scoring and model performance monitoring.

Non-performing loan (NPL) risk 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 adequate provisions for bad debts to be maintained. 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. The Bank also performs stress tests on credit risk to evaluate the impact on the Bank in the event of unfavorable economic and financial conditions, both in the plausible scenario and extreme scenario.

The Bank usually determines risk appetite or portfolio risk at the acceptable level concerning the forecasted economy in each year in order to be the guideline of business expansion and management.

## MARKET RISK

Market risk occurs when the Bank undertakes transactions which are exposed to fluctuation in the market parameters which are interest rates, foreign exchange rates, securities prices in stock and commodity markets, and may negatively affect both the revenue and capital position of the Bank. The Bank employs a market risk policy to ensure that the rules and procedures are in compliance with both the regulatory requirements and the Bank's policy. The

Bank has a work unit, independent from risk originating units, to monitor and control market risk. It also regularly assesses and determines the capital reserves for market risk to comply with the Bank of Thailand's regulations.

## **Market risk is comprised of the following:**

### **1. Interest rate risk**

The Bank monitors the interest rate risk for both the banking book and the trading book. For the banking book, the interest rate risk normally arises when the re-pricing and/or maturity schedule of assets, liabilities and off-balance sheet positions are not matched, or when the movements of reference interest rate on assets and liabilities are not correlated, negatively affecting net interest income (NII) and/or economic value of equity (EVE). We use the re-pricing gap analysis method to analyse the interest rate movement of assets and liabilities in different time periods. The analytical results as well as the re-pricing gap reports and effect of interest rate risk reports are presented to the Assets and Liabilities Management Committee (ALCO), Risk Management Committee (RMC), Board Risk Committee (BRC), and Board of Directors (BOD). We also evaluate the effect of interest rate risk on the loss of earnings (NII) and/or economic value of equity (EVE) as a result of changes in interest rates under both normal and stressed circumstances. The Management Action Triggers (MATs) are set as a pre-emptive measure to control risk arising from the effect on net interest income (NII effect) as well as economic value of equity (EVE effect). We manage 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. As of December 2014, a 100bps increase of interest rates for a period of one year would increase net interest income by 1.76% and decrease in economic value of equity by 0.12%.

For the trading book, the interest rate risks of transactions are under the supervision of the RMC based on the framework prescribed by the Board of Directors. The calculation of fair value for trading transactions is performed on a daily basis in order to monitor the mark-to-market profits and losses. The daily risk status reports are also independently produced by the risk management work unit. The one basis point shift (PV01) 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, value-at-risk (VaR) limit and stop loss limit. Daily mark-to-market on the foreign exchange is also conducted. Furthermore, stress testing is periodically conducted of which the results are thoroughly analysed.

### **3. Market risk of equity securities and commodity related transactions**

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

## **LIQUIDITY RISK**

Liquidity risk refers to the failure to meet obligations when they become due because of inability to convert assets into cash and/or obtain sufficient funds within the specified period. The Bank plans and manages liquidity risk efficiently and optimally. It monitors and controls the liquidity level sufficient for both current and future obligations. The major source of funds is deposits and the major application of fund is loans. Besides, the Bank has to maintain the appropriate liquid asset level with sufficiency in high quality liquid assets to reserve the Bank's liquidity. Under the Bank's organisation structure, Treasury Group is in charge of managing the Bank's liquidity risk under the supervision of the Assets and Liabilities Management Committee (ALCO). ALCO is responsible for 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 responsible for approving liquidity risk tolerance, while Risk Management Group monitors and controls liquidity risk within the framework approved by ALCO. For the companies in the Bank's financial business group, liquidity risk management will be decentralised. To support their liquidity, the Bank may consider and approve liquidity lines to them as per respective credit lines approved by Credit Committee and Board of Directors of the Bank. Liquidity risk has been continually analysed and assessed to ensure adequate liquidity for business operations. The analyses and efforts include a liquidity gap analysis covering normal and crisis situations. For cumulative liquidity gap under stress scenarios (bank-specific, market-wide, and combination of both crises), the Bank will add more severe factors to figure out the liquidity gap results. It prepares liquidity risk status report at least on a monthly basis. If the liquidity risk exceeds MAT (management action trigger), Risk Management Group will report to ALCO and inform the relevant units to promptly take corrective actions and proceed as required by the escalation procedure. Our funding structure involves diversified funding sources adjusted to suit changing conditions and liquidity directions in the commercial bank system, as well as to balance the cost of liquidity against the liquidity risks as deemed appropriate, based on market conditions and acceptable risk levels. Moreover, the Bank has put in place the contingency funding plan to serve as an operational and procedural guideline to avoid, minimise and manage potential funding threats.

As of December 2014, the Bank's loan to deposit (including bill of exchange and debenture) ratio was 89.2%.

## 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 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 out appropriate policies, processes and procedures that not only bring the Bank in line with international standards, but also contribute to enhancing transparency and good governance. In this respect, the Risk Management Committee has been given the authority to establish policies and procedures which correspond with international best practice and to make recommendations to the Board of Directors or Board Risk Committee as delegated for approval and deployment as the Bank's policies and procedures. To increase effectiveness, the Bank has also appointed Operational Risk Management Committee 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.

The Bank's fundamental principle on operational risk is that the responsibilities to manage operational risks associated with business ventures, products, services, and systems lie 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, a risk coordinator is 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.

The Operational Risk Management Team is responsible for developing tools, system and process for identifying, assessing, controlling, reporting, and monitoring operational risks in compliance with the Bank-wide operational risk policies, and international standards. Each business unit in the Bank and its subsidiaries are required to manage their operational risks along the following lines:

### 1. Risk control self-assessment

Each business unit is required to conduct risk control self-assessment and report the results of which regularly to the Risk Management Group. 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 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 risks beforehand.

## **4. New product approval process**

The Bank has emphasised on developing new products or improving the production process. For such purpose, the Bank enforces a stricter approval process with the identification, assessment and control of credit, market and operational risks forming an integral part of the production process. All products are subject to a suitable review process before they can be signed off and launched in the market by the working groups and relevant business units.

## **5. Complaint management process**

To manage reputation risk and improve client satisfaction, the Bank has set up a complaint unit and proper procedures to handle customer complaints. Customers can direct their grievances to Office of the President's Complaint Centre, CIMB Thai Care Centre, CIMB Thai Facebook page, or CIMB Thai branches. The complaint issues via the aforesaid channels will be gathered by Office of the President which is the unit working as complaint management centre.

Office of the President will consider the complaint issues and send them to the work unit being complained. The complained work unit will investigate the issue, seek a solution thereto, and prepare and send out explanatory letters directly to the customers. For the customer complaints made via government agencies, Office of the President will be the unit preparing and sending out letters to such government agencies notifying the solution and result. Office of the President will gather all customer complaints and their respective solutions and present them to the task force to acknowledge and find remedial actions. This process aims to improve customer satisfaction and prevent the recurrence of such problems. Office of the President will then prepare summary reports on customer complaints and solutions for Management Committee and Audit Committee members on a monthly basis.

## **6. 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 including 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 reputation of and build customer confidence in the services of the Bank and subsidiaries.

**7. Internal audit process**

The Bank has established Internal Audit Division and Compliance Department as independent units to assist the Audit Committee in auditing, monitoring and following up on operations of work units within the Bank to ensure they are compliant with relevant laws and regulations. These units report directly to the Audit Committee.

**RISK RELATED TO FOREIGN INVESTMENT**

The Bank has an insignificant exposure of foreign equity investments recorded in the banking book as a result of the amalgamation.

# CORPORATE GOVERNANCE REPORT

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

## CORPORATE GOVERNANCE PRINCIPLES

The Bank has developed processes for identifying, assessing and managing the significant risks and uncertainties facing the Bank. Internal control processes are established to ensure efficiency and effectiveness of business operations and controls in all areas including finance and operations, as well as compliance with relevant laws and regulations. The Internal Audit Division and the Compliance Department 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 in February 2005. With adherence to this policy in its operations, the Bank aims to build trust and confidence among investors and stakeholders, hence improving its competitiveness, enhancing value and promoting stability in the long run. The policy was updated in January 2011 and January 2014 in order to comply with the good governance principles and relevant regulatory requirements. Details of the Bank's corporate governance policy are available on its website: [www.cimbthai.com](http://www.cimbthai.com).

## CORPORATE GOVERNANCE

### 1. Rights of Shareholders

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

The Bank is required to hold its annual general meeting of shareholders (AGM) within four months from the fiscal year end. Meetings of shareholders other than general meetings are called extraordinary meetings, which can be convened by the Board at any time it deems fit. The 2014 AGM was held on 11 April 2014.

Before the AGM, from 2 October 2013 to 31 December 2013, 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 2014 AGM, no agenda items and no director nominations were proposed by the shareholders.

To convene the 2014 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 2013 annual report in hard copy. The Bank has assigned Thailand Securities Depository, the Bank's share registrar, to send the notice to shareholders for consideration 14 days before the meeting.

This allowed shareholders to have time to study information beforehand. The Bank also published the notice and other supporting documents on its website 14 days before the meeting. The notice was also made available to public via the disclosure channel of the Stock Exchange of Thailand (SET). Furthermore, in accordance with regulatory requirements, the notice was published in newspapers for three consecutive days at least three days before the meeting. On the day of the AGM, various measures were taken to facilitate participation by the shareholders or proxy holders, including assigning staff to verify their related credentials to preserve their rights and ensure equitable treatment is offered to all shareholders. Registration of attendees was conducted through a bar code system with separate voting slips provided for each agenda item.

The shareholders and proxy holders had the opportunity to register at least two hours before the meeting began. Also, during the meeting, the shareholders could register their attendance to exercise their voting rights for any agenda item for which resolutions had not yet been passed. The Bank prepared proxy forms and details on proxy granting for shareholders who have appointed proxies to attend the meeting on their behalf. The proxy form and details on proxy granting were submitted together with the invitation notice to all shareholders. The Bank also provided an additional option to shareholders by providing the names and backgrounds of independent directors whom shareholders could consider for their proxy appointment. At the 2014 AGM, five shareholders appointed the Chairman and members of the Audit Committee who are independent directors to attend the AGM and vote on their behalf.

At the 2014 AGM, 100% of the Board and Board Committee members and 679 shareholders and proxies attended the meeting, with total shares held of 20,438,202,024 shares representing 96.93% 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. In addition, the Bank gave multimedia presentation of the proposed information for the meeting and provided simultaneous English translation for foreign shareholders. At the meeting, members of the Board and relevant executive officers answered or clarified related issues clearly and comprehensively. Issues raised and recommendations given were recorded in the meeting minutes. Voting was conducted in an open and transparent manner whereby vote casting for each agenda item followed the order specified in the notice and no modifications were made to the original agenda. Voting results on each agenda item were tallied through the bar code system and ballots of shareholders who disagreed and abstained from voting were kept. After the meeting, the minutes of the meeting were prepared in an accurate and comprehensive manner, including a summary of issues raised and clarifications or views provided as well as detailed votes for each agenda item which showed the number of votes cast for and against the motion, etc. The minutes of the 2014 AGM were submitted to the relevant supervisory authorities within 14 days from the meeting date as prescribed by law, and posted on the Bank's website, [www.cimbthai.com](http://www.cimbthai.com), for shareholders' reference.

## 2. Equitable Treatment of Shareholders

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

### 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 Codes 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, it set up CIMB Thai Care Centre to efficiently handle client complaints and queries. The centre maintains a database of client complaints and classifies them by source and type. A report is prepared and forwarded to the Office of the President, the Internal Audit Division, the Compliance Department and other relevant units, to jointly resolve any complaints in an effective, fair, coordinated and timely manner. Client confidentiality is strictly observed at all times unless the disclosure is required by law or authorised in writing by the client.

##### 2. Shareholders

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

##### 3. Employees

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

##### 4. Creditors and Business Partners

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

##### 5. Competitors

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

##### 6. Responsibility towards the Community and the Environment

The Bank recognises its ability to make positive impacts on the community and the environment. It is actively involved in a range of charitable activities, including robe offerings, blood donation drives and fund-raising to help monks, underprivileged children and local community at large. Details of the Bank's activities are available on CSR Projects and Activities 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 2014, the Bank organised IR activities to provide information both directly and indirectly as follows:

1. Welcome of altogether 14 investors and analysts to meet with management team for inquiry on operating results, altogether 6 meetings.
2. Press release issued whenever the Bank had significant investment or business activities.
3. Availability of channels for inquiries via email at [ir@cimbthai.com](mailto:ir@cimbthai.com), phone at +662-638-8615, or website at [http://www.cimbthai.com/CIMB/investor\\_relations/](http://www.cimbthai.com/CIMB/investor_relations/)
- Dissemination of information to the general public via the media when financial results and business directions are to be announced to interested parties. This allows local and foreign investors and analysts to keep abreast of the Bank's performance and growth.

## 5. Responsibilities of the Board

### A. Board Structure as of 31 December 2014

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 nine Board members.

Election of Board members follows the resolution of shareholders' meetings and as set out in the Bank's Articles of Association. The number of directors on the Board shall not be fewer than 5 and not more than 12. The structure of the Board of Directors and the setup of Board Committees are as prescribed by the Bank of Thailand (BOT)'s notification regarding corporate governance of financial institutions and the Capital Market Supervisory Board's notification regarding application and permission for initial public offering and other amendments. The Board composition is as follows:

- 2 executive directors
- 3 non-executive directors
- 4 independent directors (accounting for 44.4% of the entire Board)

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

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

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

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

The Board has appointed Mr. Thaphop Kleesuwan 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 in line with corporate governance principles, as follows:

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

## B. Board Committees

The Board has established Board committees comprising Audit Committee, Nomination, Remuneration and Corporate Governance Committee, Risk Management 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. Ethics and Conflict of Interests

The Bank has formulated code of conduct in its corporate governance guidelines 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 conduct are available on [www.cimbthai.com](http://www.cimbthai.com).

The Bank has communicated to all staff guidelines for compliance with code of conduct and corporate governance policy by making such information available online through the learning management system (LMS) and having them sign in acknowledgment thereof.

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

- Policy for consideration of the granting of credits and investments to, and undertaking contingent liabilities or other credit-like transactions with, the Bank's major shareholders or businesses with beneficial interest to directors or persons with managing authority of the Bank, which must adhere to the ratio stipulated by the BOT. Any such grant must be approved unanimously by the Board, and no director or person with managing authority who benefits from the granting of credits and investments, and the undertaking of contingent liabilities or other credit-like transactions can take part in the decision-making process.
- Policy for undertaking major transactions. Major transactions include an agreement to undertake connected transactions and/or an agreement to undertake transactions to acquire or dispose of core assets and/or rights to acquire or dispose of the Bank's core assets. The Bank must comply with requirements of regulatory agencies.

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

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

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

### 3. Related Transactions

As of 31 December 2014, 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 vice president 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 its subsidiary, associated and affiliated companies. Details are as disclosed in the Notes to Financial Statements item 43 of Financial Statements as of 31 December 2014.

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

Name and Relationship	Transaction Characteristics and Value	Necessity and Reasonableness with Audit Committee's Opinion
CIMB banks in Malaysia, Indonesia, Singapore and Cambodia, subsidiaries of CIMB Group which is the indirect major shareholder of the Bank	<p>The Bank provided insourcing services to and took outsourcing services from the banks within CIMB Group, with details as follows:</p> <ol style="list-style-type: none"> <li>1) The Bank provided insourcing services and took outsourcing services on customer acquisition and financial product introduction.</li> <li>2) The Bank provided insourcing services and took outsourcing services on conducting Know Your Customer (KYC)/ Customer Due Diligence (CDD) for loan transactions.</li> <li>3) The Bank took outsourcing services and provided insourcing services on examination and verification of documents for loan application.</li> <li>4) Audit Committee has been authorised to review and approve the insourcing/outsourcing service fees to be incurred (if any) among the parties. So far, no service fees have been charged.</li> </ol> <p>The above transactions are considered the Bank's normal business.</p>	<p>The Board of Directors' meeting no. 1/2014 held on 22 January 2014 (excluding CIMB Bank's representatives on the Board of Directors who abstained from voting on this matter) deemed it proper to approve such transactions since they would help achieve the Bank's target of being a regional universal bank and support ASEAN Banking Solution (ABS) scheme aimed at enabling customers in various CIMB countries to receive fast and convenient services of the same standard.</p>
CIMB Securities (Singapore) Pte Ltd., (CIMBSS), a wholly owned subsidiary of CIMB Securities International Pte Ltd.; and CIMB Securities (Thailand) Co., Ltd. (CIMBST), a wholly owned subsidiary of CIMB Securities International Pte Ltd. which is a subsidiary of CIMB Group, the indirect major shareholder of the Bank	<p>The Bank negotiated and secured deals for CIMBSS to be appointed as International Joint Bookrunner and Sole International Bookrunner for Ticon Industrial Growth Leasehold Property Fund (TGROWTH) and Mega LifeSciences Plc. (MEGA) respectively; and also for CIMBST to be appointed as Domestic Co-underwriter for MEGA. In addition, the Bank provided supports to CIMBSS and CIMBST throughout the offering processes. Therefore, CIMBSS entered into agreements with the Bank which allow the Bank to</p> <ol style="list-style-type: none"> <li>1) Obtain a management fee for the IPO of TGROWTH from CIMBSS, equivalent to not less than THB 2.6 million; and</li> <li>2) Obtain a management fee for the IPO of MEGA from CIMBSS, equivalent to not less than THB 7.96 million, and from CIMBST, equivalent to not less than THB 2.34 million.</li> </ol> <p>The above transactions are considered the Bank's normal business support.</p>	<p>The Board of Directors' meeting no. 1/2014 held on 22 January 2014 (excluding CIMB Bank's representatives on the Board of Directors who abstained from voting on this matter) deemed it proper to approve such transactions because they were to support CIMB Thai's normal business and in the best interest of the Bank since the Bank could not act as International Bookrunner for international offering or as Co-underwriter for equity underwriting by itself, so it was required to cooperate with CIMBSS and CIMBST in rendering such services to the clients, which generated additional fee income to the Bank.</p>
CIMB banks, subsidiaries of CIMB Group which is the indirect major shareholder of the Bank	<p>The Bank participated in Referral Fee Program under the ABS scheme, and paid to and received from other CIMB banks in various countries fees for successful commercial banking referral cases, with details as follows:</p> <ul style="list-style-type: none"> <li>- Account opening: USD 50 per successful referral case</li> <li>- Loan approval: 0.15% of first drawdown amount, but not exceeding USD 2,000 per successful referral case</li> </ul> <p>This transaction is considered the Bank's normal business support</p>	<p>The Board of Directors' meeting no. 1/2014 held on 22 January 2014 (excluding CIMB Bank's representatives on the Board of Directors who abstained from voting on this matter) deemed it proper to approve such transaction of paying fees for commercial banking referral cases among CIMB banks, since it was a normal business support transaction of the Bank which caused no damage but brought benefits to the Bank</p>
CIMB-Principal Asset Management Co., Ltd. (CPAM) and Sathorn Asset Management Co., Ltd. (STAMC), subsidiaries of CIMB Group which is the indirect major shareholder of the Bank	<p>The Bank provided services with details as follows:</p> <ol style="list-style-type: none"> <li>1) The Bank provided insourcing services to CPAM on the IT service for ESS system, starting from 1 March 2014. The insourcing service agreement with CPAM was renewed for another year to be in effect from 15 April 2014 to 14 April 2015. Monthly service fee is THB 27,795 (inclusive of VAT).</li> </ol> <p>This transaction is considered involving assets or services.</p> <ol style="list-style-type: none"> <li>2) The Bank conducted the annual pricing review for insourcing service agreement with STAMC as required by the agreement's terms and conditions. Service fee for the year 2014 remained unchanged from the year 2013.</li> </ol> <p>This transaction is considered the Bank's normal business support under general trading terms.</p>	<p>The Board of Directors' meeting no. 2/2014 held on 26 February 2014 (excluding CIMB Bank's representatives on the Board of Directors who abstained from voting on this matter) deemed it proper to approve these transactions because they were reasonable and brought benefits to the Bank by generating additional fee income.</p>

Name and Relationship	Transaction Characteristics and Value	Necessity and Reasonableness with Audit Committee's Opinion
CIMB-Principal Asset Management Co., Ltd. (CPAM), a subsidiary of CIMB Group which is the indirect major shareholder of the Bank	<p>The Bank served as CPAM's financial advisor (FA) for its merger and acquisition with Finansia Asset Management Co., Ltd. (FAM), with an FA fee of THB 3,000,000 (exclusive of VAT) payable on a success basis, equivalent to 1.15% - 1.25% of the transaction value. Such fee was based on the Bank's historical practice, which was similar to industry practice. The fee was determined by taking into account various factors, e.g. transaction value and complexity and the FA duty on the buyer or the seller side. Generally, there are two methods of fee determination, i.e. definite monetary value (flat rate) and proportion against transaction size (percentage).</p> <p>This transaction is considered being in the category of assets or services.</p>	The Board of Directors' meeting no. 3/2014 held on 27 March 2014 (excluding CIMB Bank's representatives on the Board of Directors who abstained from voting on this matter) deemed it proper to approve this transaction since it was reasonable and brought benefits to the Bank by generating additional fee and service income.
CIMB Bank Berhad, CIMB Investment Bank Berhad, PT Bank CIMB Niaga Tbk, CIMB Bank (L) Ltd., and CIMB Bank Plc., Cambodia, subsidiaries of CIMB Group which is the indirect major shareholder of the Bank	<p>The Bank approved credit facilities for its counterparties within CIMB Group and next limit review to be made on 31 March 2015, with a condition added to make the limit switching process within CIMB Group clearer.</p> <p>This transaction is considered the Bank's normal business support under general trading terms.</p>	The Board of Directors' meeting no. 3/2014 held on 27 March 2014 (excluding CIMB Bank's representatives on the Board of Directors who abstained from voting on this matter) deemed it proper to approve this transaction since it was a normal business operation under the general trading terms similar to those of transactions with outsiders.
Sathorn Asset Management Co., Ltd. (STAMC), a subsidiary of CIMB Group which is the indirect major shareholder of the Bank	<p>The Board of Directors' meeting no. 11/2011 held on 25 November 2011 approved for the Bank to provide insourcing services to STAMC in four areas, i.e. information technology, human resources, credit operations, and accounting and finance. The service period is four years and due to end in December 2015.</p> <p>On 25 April 2013, the Board of Directors' meeting no. 5/2013 approved for the Bank to provide internal audit service to STAMC, with the same service period as the aforementioned service and with the requirement for the service fee to be reviewed every year.</p> <p>In 2014, the Bank provided insourcing services to STAMC as follows:</p> <ol style="list-style-type: none"> <li>1) For 2014 service fee rates on the insourcing services provided to STAMC, the service fee for IT service (excluding new service) remained unchanged, while the service fees for other services increased, with internal audit service fee rising the most by 114.3% in accordance with the volume of work and service period newly agreed upon, service fee of credit operations rising by 11.7% to accommodate keeping of documents in data safe and cost of Bank space for keeping STAMC's documents.</li> <li>2) The Bank provided an additional IT service, i.e. GSAM system, with the service fee of THB 9,083 per month (exclusive of VAT), starting from 1 January 2014, with annual review of service fee and service period to end in accord with the main service contract of the Bank.</li> <li>3) Mr. Subhak Siwaraksa or Mr. Surachai Chitratseneee was authorised to negotiate and conclude the agreement terms, to execute the agreement, and to take any other acts, deeds and things as may be necessary to give full effect to the transactions.</li> </ol> <p>These transactions are considered the Bank's normal business support under general trading terms.</p>	The Board of Directors' meeting no. 4/2014 held on 30 April 2014 (excluding CIMB Bank's representatives on the Board of Directors who abstained from voting on this matter) deemed it proper to approve the transactions since they were to support the Bank's normal business under general trading terms, and brought benefits to the Bank.



Name and Relationship	Transaction Characteristics and Value	Necessity and Reasonableness with Audit Committee's Opinion
Sathorn Asset Management Co., Ltd. (STAMC), a subsidiary of CIMB Group which is the indirect major shareholder of the Bank	<p>The Board of Directors' meetings no. 12/2010 held on 2 November 2010, and no. 11/2011 held on 25 November 2011, resolved to approve the engagement of STAMC to provide service on debt recovery, debt restructuring, management of non-performing loans (NPL) and sale of non-performing assets (NPA), categorised as non-strategic function, for a period of five years with the ending date on 31 December 2015.</p> <p>The Bank and STAMC negotiated a reduction of the service fee for NPL management of corporate and SME loans, and retail secured loans, as well as a reduction of legal service fee, with effect from 1 January 2014 and extension of the service agreement for another three years to end on 31 December 2018.</p> <p>The reduction of service fee for the remaining two years under the existing agreement will result in STAMC's loss of revenue in an estimated amount of around THB 123 million. Such loss would thus be offset by the Bank's extension of the service agreement period for another three years that would bring about additional revenue of around THB 130 million to STAMC.</p> <p>The amendment to the debt collection fee and legal fee took effect from 1 January 2014 onward, and the service period was extended for another three years to end on 31 December 2018, with the proposed fees maintained until the end of the agreement period. Any material changes thereof shall be tabled to the Board of Directors for approval. The changes in service fee rates and extension of service period would take effect after the Bank of Thailand's approval. Besides, Mr. Subhak Siwaraksa or Mr. Surachai Chitratseneewas was authorised to negotiate and conclude the agreement terms, to execute the agreement and to take any other acts, deeds and things as may be necessary to give full effect to the transaction.</p> <p>This transaction is considered the Bank's normal business support under general trading terms.</p>	<p>The Board of Directors' meeting no. 4/2014 held on 30 April 2014 (excluding CIMB Bank's representatives on the Board of Directors who abstained from voting on this matter) deemed it proper to approve this transaction since it was executed to support the Bank's normal business under general trading terms, which brought benefits to the Bank.</p>
CIMB Securities (Thailand) Co., Ltd. (CIMBST) and CIMB Investment Bank Berhad (CIMB-IB), subsidiaries of CIMB Group which is the indirect major shareholder of the Bank	<p>The Bank negotiated, coordinated, and secured deals for CIMBST and CIMB-IB to be Sole Placement Agents. Therefore, the Bank issued management fee letters to instruct:</p> <ol style="list-style-type: none"> <li>1) CIMBST to pay part of the placement fee it received from acting as Sole Placement Agent as the management fee to CIMB Thai at a rate of 50.00% of total fee received by CIMBST. Such management fee shall be exclusive of applicable value added tax which was to be borne and paid by CIMBST;</li> <li>2) CIMB-IB to pay part of the placement fee it received from acting as Sole Placement Agent as the management fee to CIMB Thai at a rate of 48.25% of total fee received by CIMB-IB. Such management fee shall be exclusive of applicable value added tax which was to be borne and paid by CIMB-IB; and</li> <li>3) CIMB-IB to pay part of the buyer brokerage fee it received from international investors as to be agreed upon as the management fee to CIMB Thai at a rate of 48.25% of the buyer brokerage fee received by CIMB-IB. Such management fee shall be exclusive of applicable value added tax which was to be borne and paid by CIMB-IB.</li> </ol> <p>These transactions are considered the Bank's normal business support.</p>	<p>The Board of Directors' meeting no. 5/2014 held on 29 May 2014 (excluding CIMB Bank's representatives on the Board of Directors who abstained from voting on this matter) deemed it proper to approve such transactions since they were to support the Bank's normal business and were in the best interest of the Bank because the Bank could not act as Sole Placement Agent for ordinary shares by itself, and was required to coordinate with CIMBST and CIMB-IB to render such services to the clients, which generated additional income to the Bank.</p>

Name and Relationship	Transaction Characteristics and Value	Necessity and Reasonableness with Audit Committee's Opinion
CIMB Malaysia, a subsidiary of CIMB Group which is the indirect major shareholder of the Bank	<p>The Bank embarked on CIMB Group's initiatives, i.e. ABS scheme, under which the Bank would introduce CIMB Group's products and services to its clients, and the redesign of Clicks UI/UX, as detailed below:</p> <ol style="list-style-type: none"> <li>1) IT outsourcing to CIMB Malaysia for 1View system in ABS scheme did not have any cost and was executed to support the Bank's normal business.</li> <li>2) Clicks UI/UX redesign by CIMB Malaysia had a fee cost of THB 1,054,000.</li> </ol> <p>These transactions are considered the Bank's normal business support.</p>	<p>The Board of Directors' meeting no. 5/2014 held on 29 May 2014 (excluding CIMB Bank's representative directors who abstained from voting on this matter) deemed it proper to approve the transactions as IT outsourcing for 1View system did not have any cost and both transactions were executed to support the Bank's normal business</p>
CIMB-Principal Asset Management Co., Ltd. (CPAM), a subsidiary of CIMB Group which is the indirect major shareholder of the Bank	<p>The Bank has leased a space of 600 sq.m. on the 16th floor of Langsuan Building to CPAM since 21 January 2005 for use as CPAM's head office. Details of the transaction are as follows:</p> <ol style="list-style-type: none"> <li>1) Extension of the existing lease contract for the space on the 16th floor to CPAM for another three years under the unchanged terms and conditions at a rental rate including service charge of THB 700/sq.m./month (excluding VAT).</li> <li>2) Lease of additional space of 436 sq.m. on the 15th floor for a contractual term of three years under the same terms and conditions as those of the 16th floor.</li> </ol> <p>This transaction is considered a short-term property rent or lease (up to three years) transaction under the general trading terms.</p>	<p>The Board of Directors' meeting no. 6/2014 held on 26 June 2014 (excluding CIMB Bank's representative directors who abstained from voting on this matter) deemed it proper to approve the transaction as the Bank received income from the rental. The Bank had conducted a survey and price comparison and found that the rental rate was close to those of office buildings on Langsuan Road and the vicinity.</p>
CIMB Niaga, a subsidiary of CIMB Group which is the indirect major shareholder of the Bank	<p>Currently, Thai customers have made deposit with CIMB Niaga. In order to facilitate the flows of customers who are financial institutions and juristic entities, CIMB Niaga and the Bank entered into a reciprocal agreement under which the Bank would perform the following insourcing services for CIMB Niaga:</p> <ol style="list-style-type: none"> <li>1) Preliminary Know Your Customer (KYC) and Customer Due Diligence (CDD),</li> <li>2) Examination and verification of account opening documents.</li> </ol> <p>This transaction did not have any cost. It is considered the Bank's normal business operation</p>	<p>The Board of Directors' meeting no. 7/2014 held on 31 July 2014 (excluding CIMB Bank's representative directors who abstained from voting on this matter) deemed it proper to approve the transaction as it did not have any cost and was considered the Bank's normal business operation. It also facilitated the Bank's corporate customers and standardised the service. This transaction was for the benefit of the Bank.</p>
CIMB Bank Berhad (CIMB Bank), the major shareholder of the Bank holding 93.71% of the Bank's total issued and paid-up shares, and iCIMB (MSC) Sdn Bhd, a subsidiary of CIMB Group which is the indirect major shareholder of the Bank	<p>On 9 December 2009, the Bank signed the Murex Service Agreement with CIMB Bank as detailed below:</p> <ol style="list-style-type: none"> <li>1) To outsource IT services to support the operation of the Bank's Treasury Group and relevant work units.</li> <li>2) Murex system was implemented in 2009 and sponsored by CIMB Bank in an approximate amount of over RM 18 million and the Bank was charged back RM 1.00 for five-year usage. The Murex Service Agreement expired on 8 December 2014.</li> </ol> <p>The Bank, therefore, renewed the Murex Service Agreement with iCIMB (MSC) Sdn Bhd for another five years with a service fee of RM 1,301,501 per year (excluding tax), making the total five-year recurring cost of RM 6,507,505 (excluding tax).</p> <p>This transaction is considered the Bank's normal business support.</p>	<p>The Board of Directors' meeting no. 10/2014 held on 22 October 2014 (excluding CIMB Bank's representative directors who abstained from voting on this matter) deemed it proper to approve the transaction considering the benefit that the Bank would gain from Murex System which is the main system of Treasury Group provided by CIMB Group. This transaction supported the Bank's normal business and did not cause damage to the Bank.</p>

Name and Relationship	Transaction Characteristics and Value	Necessity and Reasonableness with Audit Committee's Opinion
CIMB-Principal Asset Management Co., Ltd. (CPAM), a subsidiary of CIMB Group which is the indirect major shareholder of the Bank	<p>The Bank launched CIMB Credit Card in October 2014 as a tool to support its customer base expansion and facilitate payment for purchasing CPAM's investment products.</p> <p>This transaction is considered the Bank's normal business under general trading terms.</p>	<p>The Board of Directors' meeting no. 11/2014 held on 25 November 2014 (excluding CIMB Bank's representative directors who abstained from voting on this matter) deemed it proper to approve the transaction because it would help expand the business and increase fee income from payment for the purchase of CPAM's investment products using CIMB Credit Cards. This transaction was considered the Bank's normal business having fair market price and similar trading terms to the transactions with outsiders. Furthermore, the transaction was in the interest of the Bank.</p>
CIMB Securities (Singapore) Pte. Ltd. (CIMBS SG) and CIMB Securities (Thailand) Co., Ltd. (CIMBST), the wholly owned subsidiaries of CIMB Securities International Pte. Ltd. which is a subsidiary having CIMB Group as the major shareholder	<p>The Bank was appointed Co-Financial Advisor for the initial public offering (IPO) of Carabao Group Plc. (CBG) which would be listed on the Stock Exchange of Thailand.</p> <p>CIMBS SG was appointed Sole International Bookrunner for the international offering of CBG's IPO while CIMBST was appointed Domestic Joint Lead Underwriter for the domestic IPO.</p> <p>In addition, the Bank coordinated and provided support to CIMBS SG and CIMBST throughout the relevant offering process. The Bank also performed the financial advisory role providing advisory services to CBG and preparing most relevant documents. The management fees the Bank received from the transaction are as follows:</p> <ol style="list-style-type: none"> <li>1) Management fee for the IPO of CBG from CIMBS SG, amounting to THB 27.56 million approximately (before related expenses, if any, and exclusive of VAT)</li> <li>2) Management fee for the IPO of CBG from CIMBST, amounting to THB 8.46 million (before related expenses, if any, and exclusive of VAT)</li> </ol> <p>This transaction is considered the Bank's normal business support.</p>	<p>The Board of Directors' meeting no. 11/2014 held on 25 November 2014 (excluding CIMB Bank's representative directors who abstained from voting on this matter) deemed it proper to approve the transaction because it was for the benefit of the Bank. As the Bank was unable to perform as international bookrunner and domestic underwriter of ordinary shares, it had to cooperate with CIMBS SG and CIMBST to provide such services to CBG. This transaction generated additional fee income and completed the fully-integrated services for the Bank's customers. Therefore, the execution of this transaction was reasonable.</p>
CIMB Securities (Thailand) Co., Ltd. (CIMBST), a wholly owned subsidiary of CIMB Securities International Pte. Ltd. which is a subsidiary having CIMB Group as the major shareholder	<p>The Bank was the main party in negotiating and securing deals for CIMBST to be appointed as Co-underwriter for the IPOs of eight companies during January - November 2014. CIMBST was expected to be appointed as Co-underwriter for another company in December 2014. The Bank also coordinated and provided support to CIMBST throughout the relevant offering processes.</p> <p>As a result, CIMBST paid part of its underwriting fee from acting as the Co-underwriter for the IPOs as the management fee to the Bank in an amount equal to 50% of the total fee CIMBST had received after deducting relevant expense (if any). The management fee was exclusive of VAT which would be borne by CIMBST. The income shared between the Bank and CIMBST was determined at 50% and 50% respectively. The VAT would be borne by CIMBST as it is a Thai entity entitled to claim VAT refund from the authorities.</p> <p>This transaction is considered the Bank's normal business support under general trading terms.</p>	<p>The Board of Directors' meeting no. 12/2014 held on 16 December 2014 (excluding CIMB Bank's representative directors who abstained from voting on this matter) deemed it proper to approve the transaction because the Bank was unable to perform as co-underwriter by itself so it had to cooperate with CIMBST. This transaction generated additional fee income and strengthened relationship for further business opportunities of the Bank. Therefore, the execution of this transaction was reasonable.</p>
CIMB Securities (Thailand) Co., Ltd. (CIMBST), a wholly owned subsidiary of CIMB Securities International Pte. Ltd. which is a subsidiary having CIMB Group as the major shareholder	<p>The Bank aimed to enhance the capability of CIMB Clicks-Internet Banking by adding extra financial and investment functions related to CIMBST in the Phase 2B of the Regional Convergence Program Project. The newly-added functions were implemented on 24 January 2015 as detailed below:</p> <ol style="list-style-type: none"> <li>1) Single sign to CIMBST's trading system</li> <li>2) Customer referral for account opening with CIMBST</li> <li>3) Payment to CIMBST's account</li> </ol> <p>This transaction is considered the Bank's normal business under general trading terms.</p>	<p>The Board of Directors' meeting no. 12/2014 held on 16 December 2014 (excluding CIMB Bank's representative directors who abstained from voting on this matter) deemed it proper to approve the transaction in order to enhance the capability of CIMB Clicks-Internet Banking. This transaction was considered the Bank's normal business having fair market price and similar trading terms to the transactions with outsiders. Furthermore, the transaction was in the interest of the Bank.</p>

- Loans, Deposits and Contingent Liabilities

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

(Unit: THB million)

31 December 2014						
Company name	Con- tingent liabilities	Outstanding loans / Investments in receivables	Deposits	Borrowings	% shares holding	Joint management
<b>Parent Company</b>						
<b>CIMB Bank Berhad</b>	133	-	-	-	93.71	-
Interest rate swap contracts						
- Fixed rate payee	32,574	-	-	-		
- Floating rate payee	39,408	-	-	-		
Forward and spot contracts						
- Bought	988	-	-	-		
- Sold	116	-	-	-		
Cross currency and interest rate swap contracts						
- Bought	4,467	-	-	-		
Foreign exchange option						
- Put option sales contracts	22	-	-	-		
- Call option purchase contracts	24	-	-	-		
Swaption						
- Sold	100	-	-	-		
<b>Subsidiary companies</b>						
Center Auto Lease Co.,Ltd.	-	14,630	70	-	99.99	Directors with delegated signature authority: Mr. Surachai Chitratsenee Mr. Arichai Numlamun
CT COLL Co.,Ltd.	-	7	79	-	99.99	Directors with delegated signature authority: Mr. Surachai Chitratsenee Mr. Surin Pakavaleetorn Ms. Onanong Udomkantong Ms. Sasima Thongsamak
Worldlease Co., Ltd.	-	2,669	62	-	99.99	Directors with delegated signature authority: Mr. Narongchai Wongthanavimok Mr. Sutee Tantana
<b>Company under common control</b>						
CIMB Securities (Thailand) Co., Ltd.						Directors with delegated signature authority: Mr. Sutee Losoponkul Mr. Sittichai Mahaguna
Forward and spot contracts						
- Bought	24	-	-	-	-	
Sathorn Asset Management Co., Ltd.	-	-	39	-	-	Directors: Mr. Subhak Siwaraksa Mr. Surachai Chitratsenee Ms. Onanong Udomkantong
<b>Related persons</b>	-	24	377	-	-	-

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

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

- Justification of related party transactions

Loans and contingent liabilities associated with directors or executives from the level of executive vice president upwards are subject to interest charges under the Bank's employee benefits scheme.

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

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

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

- Trends in related party transactions

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

#### 4. Internal Control

The Bank has established the organisational structure, policies and work procedures that ensure that effective risk management and internal control systems are put in place, enabling stable business growth and compliance with good corporate governance principles.

- 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 audit systems. It has also consistently monitored the operations of its staff to be in line with the code of ethics and best practice in business operations with fair treatment of its stakeholders. Short- and medium-term business plans have been worked out to determine business strategy and framework, which are communicated to the staff at managerial levels bank-wide for their awareness and implementation to achieve the plans and targets set forth.

- Risk management

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

- Oversight of executive management

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

Executive management is required to bring to the attention of the Board any transactions that concern major shareholders, directors, and senior executives or parties related to them. In addition, the Bank has put in place policies and procedures governing the approval of loans for, or investment in businesses in which the Bank or its senior executives have material interest, including in relation to shareholders or senior executives.



In addition to the above, the Bank has established the Compliance Department to provide oversight and support to ensure that the Bank conducts its business in compliance with all applicable laws and regulatory requirements. The Internal Audit Division has been set up as an independent work unit to examine and ensure all Bank activities are effectively and efficiently managed and operated.

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

#### D. Board Meetings

Board meetings are scheduled in advance for the entire year, with at least one held every quarter. In addition to the scheduled Board meetings, further Board meetings can also be held as and when they are required. The Board Secretary is responsible for providing all directors with the agenda, supporting papers and relevant information for each meeting seven days before the meeting, to give the directors advance notice of the business to be transacted. The Board Secretary is also responsible for taking the minutes of each meeting and preparing the minutes of the meeting, which is adopted by the Board and filed. In 2014, the Bank held 12 Board meetings (details as disclosed under "Meeting Attendance of Directors")

#### E. Board Performance Review

The Bank has conducted annual evaluation of the Board performance to allow the Board members to make a joint review of the Board performance, raise concerned problems and obstacles, and give observations and recommendations for increased operational efficiency. The evaluation form comprises six sections: 1) structure and qualifications of the Board members, 2) roles, duties and responsibilities of the Board, 3) Board meetings, 4) Board's performance of duties, 5) relationship with the management, and 6) self-development of the Board members and executive officers. The evaluation results will be compiled and concluded by the Board Secretary before presenting to the Chairman of the Board for review to ensure compliance of the practices with the Board Charter.

#### 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 2013 annual general meeting of shareholders no. 20 held on 11 April 2014 passed a resolution approving the remuneration for the Board and Board Committee members for 2014, as detailed below:

1. Meeting and entertainment allowances for Board members:

• Meeting allowance:

Chairman of the Board	THB	130,000	per month
Vice Chairman	THB	88,000	per month
Director	THB	44,000	per month

• Entertainment allowance:

Chairman of the Board	THB	70,000	per month
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*Directors are responsible for paying their own income tax.*

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

Chairman of Audit Committee	THB	72,000	per month
Chairman/Chairperson of Committee	THB	52,000	per month
Member	THB	40,000	per month

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

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

### G. Executive Development Programme

The Bank encourages all directors to participate regularly in the executive development programme, which is designed to familiarise the directors with the Bank's businesses, while providing them with an insight into their roles and responsibilities as Board members, and assisting them in developing visionary thinking. So far, the directors have participated in two 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 2014, there were three new directors elected by the shareholders' meeting. All new directors undergo an in-house induction programme to provide them with an overview of the Bank and its business plans. They also receive an information pack that explains the Bank's corporate governance policies and practices, and the roles and responsibilities of directors and of the Board as a whole, including the various laws and regulations they need to know.

### H. Succession Plan

The Bank is fully aware of the necessity to operate its business efficiently and continuously. Thus, Human Resources Management Division 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 up-skill each individual to be ready to replace key positions with immediate effect or within the specified timeframe. The significant process requiring approval by the Nomination, Remuneration and Corporate Governance Committee and the Board of Directors is as follows:

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

### I. Organisation and Personnel

As of 31 December 2014 the total manpower of the Bank was 3,092 employees, of whom 1,215 work at Bank branches and 1,877 at the head office, as below:

	No. of employees
1. President and Chief Executive Officer	1
2. Risk Management Group	99
3. Business Support Group	88
4. Strategy and Finance Group	104
5. Group Information and Operations Division	605
6. Wholesale Banking Group	119
7. Corporate Finance and Equity Capital Markets Group	16
8. Retail Banking Group	1,581
9. Commercial Banking Group	181
10. Treasury Group	65
11. Transaction Banking Group	60
12. Human Resources Management Division	62
13. Office of the President	11
14. Corporate Communications Division	21
15. Internal Audit Division	57
16. Compliance Department	22
<u>Total</u>	<u>3,092</u>

### Staff Development Programme and Human Resource Management Plan

In 2014, the Bank has developed human resources management system and training roadmap by competencies starting with branch staff and increased more skill on credit management under "Credit Academy" for credit officers and credit analysts of Wholesale Banking Group and Commercial Banking Group. Furthermore, Learning Management System (LMS) via E-learning has been implemented for key mandatory training programmes for all staff. Leadership programmes were provided for management level, for example, 7 Habits, Situational Leadership, and Leadership Greatness. Moreover, web conferences were conducted on Corporate Advisory Academy as another channel to all participants in every country under CIMB Group to have the real time experience without spending time and cost for travelling to the training venue.

### 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 2,026.05 million. To be an employer of choice, the Bank will continue to improve its staff benefits to attract and retain quality staff.

### Training Courses and Human Resources Development

In 2014, the Bank organised 173 training courses, comprising 89 internal and 84 external courses at a total cost of THB 38.48 million. The number of participants was 14,898 staff, which meant some employees attended more than one course over the year and the average ratio of training for staff was seven days per person per year. Courses conducted included those under Leadership Programme for Top Executives, Credit Academy, knowledge on products, work process and procedure, etc. Employees have further been encouraged to learn via e-learning system on such topics as IT Security Awareness, KYC/CDD, Operational Risk, Risk Appetite Principal, and so on. Moreover, the Bank has provided scholarship to employees to pursue study in MBA.

### Staff Health and Safety Information

Proportion of average leave days of staff classified by type	2014	2013
	%	%
Sick leave	31.37	21.45
Work related injury and sick leave	0.0	0.0
Others	68.63	78.55
No. of average sick leave days (days/person)	2.50	3.0
Work related accident death (persons)	0	0

### Human Rights Policy and Procedures

The Bank has established Human Rights Policy and Procedures to ensure its directors, executives and employees comply with and respect human rights as prescribed in the Thai Constitution. This includes the right to equal treatment irrespective of differences in homeland, race, religion, gender, age, personal status, social or financial status, religious beliefs, education, or political viewpoints which are not against the provisions of the Constitution. The policy and procedures also provide for the Bank to withdraw its support from, or not engage with, individuals or organisations which are proven to have acted in breach of these human rights.

### Policy of Non-violation of Intellectual Property Rights or Copyright

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

### Policy for Reporting of Interests of Directors and Executives

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

### Policy and Procedures on Anti-Corruption

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

### CIMB Thai's Focus on Long-term Shareholder Value

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

### Our Shareholders

Top ten shareholders of the Bank as of 31 December 2014:

No.	Name of shareholders	Number of shares	% of total
1.	CIMB Bank Berhad	19,757,944,173	93.71
2.	BANK JULIUS BAER & CO. LTD, SINGAPORE	647,452,040	3.07
3.	Thai NVDR Co., Ltd.	140,320,052	0.67
4.	Mr. Pisit Prukpaiboon	30,446,797	0.14
5.	Mr. Preecha Sujinankul	12,000,000	0.06
6.	Mr. Prawit Phansaichue	11,449,000	0.05
7.	SCB SET INDEX FUND	9,325,484	0.04
8.	Mr. Nattapong Phanrattanamongkol	8,813,700	0.04
9.	Mrs. Jaroonluk Panichsheewa	8,190,000	0.04
10.	Mr. Somchart Namsricharoensuk	7,068,100	0.03
	Other shareholders	451,868,679	2.14
	Total 6,488 shareholders holding	21,084,878,025	100.00
	Thai shareholders	670,754,324	3.18
	Foreign shareholders	20,414,123,701	96.82
	Total number of shares	21,084,878,025	100.00

Major shareholder with significant influence over planning and directing the Bank's operations is CIMB Bank Berhad, with 93.71% 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.



# CIMB THAI MANAGEMENT STRUCTURE

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1. Board of Directors
2. Board Committees: Audit Committee, Nomination, Remuneration and Corporate Governance Committee, Board Risk Committee, Shariah Sub-Committee, Management Committee, Risk Management Committee, Credit Risk Committee, Credit Committee Level 2, Retail Business Committee, Assets and Liabilities Management Committee, IT Strategic Planning Committee, Market Risk Committee Thailand, Marketing and Communications Committee, Product Development Committee, Credit Committee Level 3, and Problem Loan Management Working Group

## 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

Means a director who does not have any related business, hold any managerial position or have any beneficial interest in financial institutions that may affect his/her independent decision. An independent director of a public listed company is also required to comply with the provisions in the Capital Market Supervisory Board Notification No. ThorChor. 28/2551 Re: Application for and Approval of Offer for Sale of Newly Issued Shares as follows:

- (a) Hold shares not exceeding one 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. 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 judgement, and neither be nor have been a significant shareholder or controlling person of any person having a business relationship with the Bank, its parent company, subsidiary company, associated company, major shareholder or controlling person of the Bank, unless the foregoing relationship has ended not less than two years prior to the date of filing the application with the Office.

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

## **B. POWERS OF 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.

## **C. DUTIES AND RESPONSIBILITIES OF BOARD OF DIRECTORS**

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

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

21. Ensure there are relevant and effective operational controls, monitoring and guidelines available in all work units across the organisation.
22. Conduct self-assessment every year.

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

**Sufficiency:**

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

**Prudence:**

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

**Integrity:**

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

## **D. 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 5 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 pursuant to (1). The shareholder shall not allot his/her votes to any person in any number; and
  - (3) After the voting, the candidates shall be ranked in order descending from the highest number of votes received to the lowest, and shall be appointed as directors in that order in the number required in the election. Where the votes cast for candidates in the descending order are tied, and would otherwise cause the number of directors to exceed the number required to be elected at the respective meeting, the remaining appointments shall be made by drawing lots in the procedure to be determined by the Chairman of the meeting.
3. At every annual general meeting, one-third of the directors shall retire. In any subsequent years, the directors who have been in office the longest shall retire.
4. Whenever any person vacates his/her seat as a Board member for any reason other than expiry of term of office, the remaining members shall at the next Board meeting appoint another qualified and suitable director to fill that position for the remainder of the term of office of his/her predecessor except in the event that the vacant

position has fewer than two months left in the term. The motion shall require the majority consent of at least 75% of the remaining members of the Board.

In addition, pursuant to the Financial Institution Business Act B.E. 2551 (2008), the Bank of Thailand (BOT) is empowered to issue an order requiring a commercial bank to remove from office any director or any person in charge of business operation that has caused serious harm to the society at large, or has failed to comply with the directives prescribed by the BOT. In this respect, the Bank is obliged to select a suitable replacement subject to approval by the BOT. The decision taken by the BOT to appoint or remove any director is conclusive.

### Board of Directors

As of 31 December 2014, the Board of Directors was composed of the following nine directors:

Name	Positions
1. Dato' Robert Cheim Dau Meng*	Chairman
2. Mr. Sukont Kanjana-Huttakit*	Vice Chairman/Independent Director/Chairman of Audit Committee
3. Mrs. Watanan Petersik	Independent Director/ Chairperson of Nomination and Remuneration and Corporate Governance Committee
4. Dato' Shaarani Bin Ibrahim	Independent Director/ Member of Audit Committee
5. Ms. Sopawadee Lertmanaschai	Independent Director/ Member of Audit Committee
6. Mr. Chitrapongse Kwangsukstith*	Director
7. Mr. Kenny Kim	Director
8. Ms. Serena Tan Mei Shwen	Director
9. Mr. Subhak Siwaraksa	President and Chief Executive Officer

*Note \*The Board meeting, held on 29 September 2014, resolved to appoint Dato' Robert Cheim Dau Meng, Vice Chairman, as Chairman in place of Mr. Chakramon Phasukavanich who had resigned, and to appoint Mr. Chitrapongse Kwangsukstith as an authorized signatory as a substitute for Mr. Chakramon Phasukavanich whose status as an authorized signatory had ended after his resignation. The Board meeting, held on 25 February 2015, resolved to appoint Mr. Sukont Kanjana-Huttakit as Vice Chairman*

### Directors Nominated by Major Shareholder

CIMB Bank Berhad (CIMB Bank) has appointed three representatives to the Board, namely Dato' Robert Cheim Dau Meng, Mr. Kenny Kim and Ms. Serena Tan Mei Shwen.

### Authorised Signatories

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

### E. BOARD COMMITTEES (AS OF 31 DECEMBER 2014)

The Board has appointed the following principal committees to assist it in overseeing and ensuring the Bank's business operations with prudence and efficiency:

- |  |  |
|--|--|
| 1. Audit Committee                         | 2. Nomination, Remuneration and Corporate Governance Committee |
| 3. Board Risk Committee                    | 4. Shariah Sub-Committee                                       |
| 5. Management Committee                    | 6. Risk Management Committee                                   |
| 7. Credit Risk Committee                   | 8. Credit Committee Level 2                                    |
| 9. Retail Business Committee               | 10. Assets and Liabilities Management Committee                |
| 11. IT Strategic Planning Committee        | 12. Market Risk Committee Thailand                             |
| 13. Marketing and Communications Committee | 14. Product Development Committee                              |
| 15. Credit Committee Level 3               | 16. Problem Loan Management Working Group                      |



## 1. Audit Committee

The Audit Committee (AC) is composed of:

1. Mr. Sukont Kanjana-Huttakit	Independent Director	Chairman
2. Dato' Shaarani Bin Ibrahim	Independent Director	Member
3. Ms. Sopawadee Lertmanaschai	Independent Director	Member
4. Ms. Siriporn Sanunpairaue	First Executive Vice President Internal Audit Division	Secretary for Internal Audit function
5. Mr. Thaphop Kleesuwan	Executive Vice President Compliance Department	Secretary for Compliance function

### Powers, Duties and Responsibilities:

1. Assist the Board in discharging its statutory duties and responsibilities relating to accounting, reporting practices and corporate governance.  
The AC shall review the effectiveness of internal controls, risk management processes and governance practices, taking into account the requirements of relevant BOT guidelines and SEC's and SET's listing requirements.
2. Review the effectiveness of Internal Audit Division.
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 Department work to ensure compliance with relevant regulations.
5. Review the findings and compliance issues identified by regulators and 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 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 information at least 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 annual reviews of the Bank's internal policies related to compliance, which are not required by regulatory bodies to obtain the Board of Directors' approval.
12. Approve annual compliance report as required by regulators.
13. Approve Internal Audit Division and Compliance Unit Charter.
14. Perform any other duties as specified in Audit Committee Charter.
15. Perform any other assignments delegated by the Board.

Scope: CIMB Thai Bank group-wide

## 2. Nomination, Remuneration and Corporate Governance Committee

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

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

### Powers, Duties and Responsibilities:

#### 1. Nomination:

- Formulate policy, criteria, and method for proposing candidates for directors and persons with management authority (Executive Vice President and above) to the Board for consideration and appointment, and submit the policy to the Bank of Thailand upon request.
- Nominate qualified candidates for the following positions to the Board of Directors for approval:
  - a. Director,
  - b. Director appointed to sit on Board committee,
  - c. Managerial position of Executive Vice President and above.
- Ensure that the size and composition of the Board is appropriate for the organisation and is adjustable to suit the changing business environment. Board members shall possess appropriate expertise and experience.
- Disclose the nomination policy and procedures in the Bank's annual report.
- Consider the appointment and fixing of remuneration of directors of the Bank's subsidiaries and recommend them to the board of directors of the subsidiaries for approval.

#### 2. Remuneration:

- Recommend remuneration and benefit policy as well as amount of remuneration and benefits for the Board members and persons with managerial authority (Executive Vice President and above) with clear and transparent criteria for consideration and approval by the Board; and have such policy submitted to the Bank of Thailand upon request (remuneration and benefit policy should cover all aspects of remuneration including director's fees, salaries, allowances, bonuses, options and benefits-in-kind).
- Ensure that remuneration for the Board members and persons with managerial authority (Executive Vice President and above) is commensurate with their duties and responsibilities. Board members who take on extra assignments should be compensated accordingly.
- Set performance assessment criteria for Board members and persons with managerial authority (Executive Vice President and above) for annual remuneration review, taking into account their responsibilities and risks as well as enhancement of long-term shareholder value.
- Disclose the remuneration policy, actual payment thereof in various forms, and NRC's report that at least covers the objectives, activities and opinion of the NRC in the Bank's annual report.
- Review the remuneration schemes for employees of the Bank in line with the industry practices and remuneration framework of CIMB Group.
- Consider and recommend to the Board for approval the annual salary adjustment and bonus framework for CIMB Thai Group.

#### 3. Corporate Governance:

- Review corporate governance policy and codes of conduct for directors and employees of the Bank to ensure consistency with the corporate governance criteria of relevant regulatory authorities, and submit to the Board of Directors for approval.
- Approve corporate governance guidelines for relevant units to align with and present to the Board of Directors for acknowledgement on a yearly basis so as to enhance good corporate governance of the Bank.

#### 4. Other matters as assigned by the Board.

### 3. Board Risk Committee

The Board Risk Committee (BRC) is composed of:

1. Mr. Kenny Kim	Chairman
2. Mr. Chitrapongse Kwangsukstith	Member and Alternate Chairman
3. Mrs. Watanan Petersik	Member
4. Ms. Serena Tan Mei Shwen	Member
5. Mr. Subhak Siwaraksa	Permanent Invitee
6. Ms. Panute Na Chiangmai	Secretary

### Powers, Duties and Responsibilities:

1. Approve the appointment and changes of members as well as powers, duties and responsibilities of the following risk committees:
  - 1.1 Risk Management Committee (RMC)
  - 1.2 Assets and Liabilities Management Committee (ALCO)
  - 1.3 Market Risk Committee Thailand (MRCT)
  - 1.4 Product Development Committee (PDC)
  - 1.5 Credit Committee Level 2 (CCL2)
  - 1.6 Credit Committee Level 3 (CCL3)
2. Approve/concur with risk policies, limits and management action triggers (MAT) (e.g. market risk, credit risk, liquidity risk, operational risk, strategic risk, etc.) of CIMB Thai and its Financial Group as follows:
  - 2.1 Concur with risk policies required by regulator(s) prior to submission to the Board for approval.
  - 2.2 Approve risk policies permitted by regulator(s) to be approved by the Board-delegated committee, including all risk-related delegated authorities and credit approval delegated authorities under product programs.
  - 2.3 Approve all risk limits and MATs.
3. Oversee the entire risk and capital management function of CIMB Thai and its Financial Group, including:
  - 3.1 Concur with capital management policies and strategies, including Capital Management Framework, Strategic Risk Framework and Annual Integrated Planning Framework prior to submission to the Board for approval.
  - 3.2 Concur with policies related to Basel - Internal Capital Adequacy Assessment Process (ICAAP), including identifying, measuring, monitoring and controlling of risks to be in line with the risk and capital strategy and regulatory requirements prior to submission to the Board for approval.
  - 3.3 Concur with the Risk Appetite Statement prior to submission to the Board for approval.
  - 3.4 Ensure these policies and frameworks are operating effectively and being complied with.
4. Review and concur or approve proposals recommended by risk committees, including concurrence with new Treasury products and material and non-material variation/combination of the existing Treasury products (prior to submission to the Board for approval), approval of new Non-Treasury products and service offerings of CIMB Thai or material change to the existing non-Treasury products/services and approval of new third parties before selling their products.
5. Review and concur with new or material change to the existing products/services of CIMB Thai Financial Group (prior to submission to respective company in its financial group's Board for approval).
6. Provide strategic guidance and review decisions made by the various risk committees.
7. Ensure infrastructure, resources, systems including risk measurement tools and other capabilities of CIMB Thai and its Financial Group are in place for risk management to maintain a satisfactory level of risk management and discipline and that the risk awareness culture is pervasive throughout the organization.
8. Appoint external consultants, from time to time, to review and advise BRC on risk management matters.

9. Approve and ensure the following are in line with regulatory requirements:
  - 9.1 Risk-related disclosures
  - 9.2 Risk-related disclosure policies
  - 9.3 Internal control over process of risk-related disclosures
10. Concur with business continuity management (BCM) frameworks and policies of CIMB Thai and its Financial Group prior to submission to CIMB Thai's Board of Directors or Board of Directors of the respective companies in its financial group.

#### 4. Shariah Sub-Committee

The Shariah Sub-Committee is composed of independent Islamic finance experts who are not Bank employees and/or hold no other positions in the Bank, as below:

- |                                |
|--------------------------------|
| 1. Assoc.Prof. Dr. Ismaae Alea |
| 2. Dr. Maroning Salaming       |

#### Power, Duties and Responsibilities:

1. Explore all possibilities in providing financial services in the conduct of Shariah business by the Bank and its subsidiaries.
2. Give opinions and propose relevant issues of Shariah business to the Board of Directors and/or other Board Committees involved.

#### 5. Management Committee

The Management Committee is composed of:

1. Mr. Subhak Siwaraksa	President and Chief Executive Officer	Chairman
2. Mr. Surachai Chitratsene <sup>/1</sup>	Deputy CEO & Senior Executive Vice President, Business Support Group	Vice Chairman
3. Mrs. Panute Na Chiangmai	Senior Executive Vice President Risk Management Group	Member
4. Mr. Narongchai Wongthanavimok	Senior Executive Vice President Strategy and Finance Group	Member
5. M.L. Nathchanya Davivongse	Senior Executive Vice President Transaction Banking Group	Member
6. Mr. Silawat Santivisat	Senior Executive Vice President Group Information and Operations Division	Member
7. Mr. Pornchai Padmintra	Senior Executive Vice President Wholesale Banking Group	Member
8. Mr. Jiratchyuth Amyongka	Senior Executive Vice President Commercial Banking Group	Member
9. Mr. Adisorn Sermchaiwong	Senior Executive Vice President Retail Banking Group	Member
10. Mr. Sutee Losoponkul	Senior Executive Vice President Treasury Group	Member
11. Mr. Sittichai Mahaguna	Executive Vice President Corporate Finance and Equity Capital Markets Group	Member

12. Head	Human Resources Management Division	Member
13. Mr. Prapas Thongsuk	Executive Vice President Corporate Communications Division	Member
14. Mr. Thaphop Kleesuwan	Executive Vice President Office of the President	Secretary

By invitation

Ms. Siriporn Sanunpairaue      First Executive Vice President  
Internal Audit Division

*Notes /1 The Board meeting resolved extending the employment and appointment of Mr. Surachai Chitratsenee as Deputy CEO and Senior Executive Vice President, Business Support Group, taking effect from 1 January 2015 to 31 December 2015.*

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

1. Provide advice to the President and Chief Executive Officer.
2. Monitor and evaluate performance of each business unit.
3. Review financial and other management reports of the Bank.
4. Devise strategy, business and capital management plans and budgets for the Bank.
5. Identify cross-divisional and cross-border synergies.
6. Deliberate key regulatory issues.
7. Approve delegated authority on internal operations of non-risk related business units.
8. Approve, revise and conduct annual reviews of the Bank's internal policies related to administration/operation/ others, which are not required by regulatory bodies to obtain the Board of Directors' approval.
9. Approve the revision of delegation of authority and policies in relation to the Bank's reorganisation.
10. Approve the appointment and revision of members, duties and responsibilities of Community Link Committee, 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 Division.
13. Approve fee sharing scheme for investment product selling and/or referral of customers through Retail Banking Group only in case of third party products which are not related party transactions or have no material change from the existing ones already approved by Risk Management Committee.
14. Approve third party products with non-material change from those already approved by Risk Management Committee.
15. Approve appointment of insurance broker for the Bank.
16. Other matters as assigned by the Board/President and Chief Executive Officer.

Scope: CIMB Thai Bank group-wide

## **6. Risk Management Committee**

The Risk Management Committee is composed of:

1. Mr. Subhak Siwaraksa	President and Chief Executive Officer	Chairman
2. Mr. Surachai Chitratsenee	Deputy CEO and Senior Executive Vice President, Business Support Group	Member and Alternate Chairman
3. Mrs. Panute Na Chiangmai	Senior Executive Vice President Risk Management Group	Member
or Mrs. Thitawat Pothanant	First Executive Vice President Credit Evaluation Division	Member



4.	Mr. Narongchai Wongthanavimok	Senior Executive Vice President Strategy and Finance Group	Member
5.	M.L. Nathchanya Davivongse	Senior Executive Vice President Transaction Banking Group	Member
6.	Mr. Silawat Santivisat	Senior Executive Vice President Group Information and Operations Division	Member
7.	Mr. Pornchai Padmintra	Senior Executive Vice President Wholesale Banking Group	Member
8.	Mr. Jiratchyuth Amyongka	Senior Executive Vice President Commercial Banking Group	Member
9.	Mr. Adisorn Sermchaiwong	Senior Executive Vice President Retail Banking Group	Member
10.	Mr. Sutee Losoponkul	Senior Executive Vice President Treasury Group	Member
11.	Representative from Risk Management Group		Secretary

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

1. Ensure that the entire risk and capital management functions of CIMB Thai and its Financial Group operate effectively, including review and concur with the following prior to submission to Board Risk Committee for consideration:
  - 1.1 Capital management policies and strategies, including Capital Management Framework, Strategic Risk Framework and Annual Integrated Planning Framework
  - 1.2 Policies related to Basel - Internal Capital Adequacy Assessment Process (ICAAP) including identifying, measuring, monitoring and controlling of risks to be in line with the risk and capital strategy and regulatory requirements
  - 1.3 Risk Appetite Statement
2. Enhance shareholder value through evaluation of risk-return profiles of business activities and ensuring that they are within the parameters set by the Board of Directors or Board Risk Committee.
3. Review and concur with all risk policies, limits and management action triggers (MAT) (e.g. market risk, credit risk, liquidity risk, operational risk, strategic risk, etc.), including all risk-related delegated authorities and credit approval delegated authorities under product programs of CIMB Thai and its Financial Group prior to submission to Board Risk Committee for consideration.
4. Review and ensure that infrastructure, resources, systems and other capabilities of CIMB Thai and its Financial Group are in place for risk management to maintain a satisfactory level of risk management and discipline and that the risk awareness culture is pervasive throughout the organization.
5. Review and ensure the following are in line with regulatory requirements prior to submission to Board Risk Committee for consideration:
  - 5.1 Risk-related disclosures
  - 5.2 Risk-related disclosure policies
  - 5.3 Internal control over process of risk-related disclosures
6. Compliance
 

Enforce compliance with all the risk management frameworks, policies, risk limits and delegation of authorities of CIMB Thai and its Financial Group concurred or approved by Board Risk Committee or Board of Directors.
7. Consider and concur with risk identification and measurement prior to submission to the Board Risk Committee for approval.
  - 7.1 Methodologies to identify and measure all the risks including appropriate risk measurement tools (e.g. scorecards, rating models, etc.)
  - 7.2 Strategies to assess, monitor and control the risks to be within the appropriate levels.

8. Maintenance of asset quality  
Ensure the asset quality of CIMB Thai and its Financial Group through close monitoring of credit approval process, approval of new loans and remedial actions for non-performing loans to promote confidence in asset quality maintenance of the Bank and its Financial Group.
9. Review and concur with business continuity management (BCM) framework and policies of CIMB Thai and its Financial Group prior to submission to Board Risk Committee for consideration.
10. Consider and propose the appointment of risk committees to Board Risk Committee for consideration.
11. Consider and approve the appointment and changes of members as well as powers, duties and responsibilities of the following committees:
  - 11.1 Basel Steering Committee
  - 11.2 Operational Risk Management Committee
  - 11.3 Credit Risk Committee
12. Consider and approve the appointment and changes of members of Credit Committee Level 3 as appropriate.

## 7. Credit Risk Committee

The Credit Risk Committee is composed of:

1. Mr. Subhak Siwaraksa	President and Chief Executive Officer	Chairman
2. Mrs. Panute Na Chiangmai (Representative from Risk Management Group)	Senior Executive Vice President Risk Management Group	Member and Alternate Chairperson
3. Mr. Surachai Chitratsenee*	Deputy CEO & Senior Executive Vice President, Business Support Group	Member
or Ms. Suvimol Phoponvattanakorn	First Vice President Corporate Litigation Team	Alternate Member
4. Mr. Narongchai Wongthavimok*	Senior Executive Vice President Strategy and Finance Group	Member
or Mrs. Pannee Deesilpakij	Senior Vice President Wholesales Finance Team	Alternate Member
5. Mr. Jiratchyuth Amyongka*	Senior Executive Vice President Commercial Banking Group	Member
or Mr. Somkiat Sethasompope	Senior Vice President Commercial Credit Analysis Team	Alternate Member
6. M.L. Nathchanya Davivongse*	Senior Executive Vice President Transaction Banking Group	Member
or Mrs. Wadaporn Techasuwan	Executive Vice President Trade Finance Sales & Product Division	Alternate Member
7. Mr. Adisorn Sermchaiwong*	Senior Executive Vice President Retail Banking Group	Member
or Ms. Onanong Udomkantong	Executive Vice President Retail Loan Products	Alternate Member
8. Mrs. Wimonrat Seriniyom*	Executive Vice President Corporate Banking Group	Member
or Ms. Chittavadee Sangthong	Executive Vice President Credit and Operational Risk Analytics Division	Alternate Member

9.	Mrs. Siriporn Ambhanwong	Executive Vice President Operations Division	Member
10.	Mrs. Thitawat Pothanant	First Executive Vice President (Representative from Risk Management Group) Credit Risk Division	Member
11.	Mr. Anuwat Chuenchon (Representative from Risk Management Group)	Vice President Corporate Credit Analytics	Secretary

\* Mandatory members, if being unable to attend the meeting, must appoint their respective alternate members to attend the meeting.

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

Credit Risk Committee reports to Risk Management Committee on all credit related activities of the Bank's group. The responsibilities of Credit Risk Committee include the following:

1. Review the change/improvement of policies on credit granting transactions and investments in debt instruments or hybrid financial instruments, covering all credit-related transactions in the Financial Group; and provide recommendation to Risk Management Committee for consideration.
2. Monitor the credit quality of the Bank and subsidiaries in the Financial Group as well as recommend recovery actions to be taken against troubled-debt cases.
3. Review and concur with credit risk frameworks/policies/guidance/limits and credit risk related frameworks/policies/guidance prior to submission to Risk Management Committee for consideration.
4. Any other functions as and when assigned by Risk Management committee or Board Risk Committee.

Scope: CIMB Thai Financial Group

### **8. Credit Committee Level 2**

The Credit Committee Level 2 is composed of:

1.	Mr. Subhak Siwaraksa	President and Chief Executive Officer	Chairman
2.	Mr. Surachai Chitratsene	Deputy CEO & Senior Executive Vice President, Business Support Group	Member and Alternate Chairman
3.	Mrs. Panute Na Chiangmai (Representative from Risk Management Group)	Senior Executive Vice President Risk Management Group	Member
4.	M.L. Nathchanya Davivongse	Senior Executive Vice President Transaction Banking Group	Member
	or Mrs. Wadaporn Techasuwan	Executive Vice President	Member
	(Representative from Transaction Banking Group)	Trade Finance Sales & Product Division	
5.	Mr. Narongchai Wongthanavimok	Senior Executive Vice President Strategy and Finance Group	Member
6.	Mr. Pornchai Padmindra	Senior Executive Vice President Wholesale Banking Group	Member
	or Mrs. Wimonrat Seriniyom	Executive Vice President	
	(Representative from Wholesale Banking Group)	Corporate Banking Group	

7. Mr. Jiratchyuth Amyongka	Senior Executive Vice President Commercial Banking Group	Member
8. Mrs. Thitawat Pothanant (Representative from Risk Management Group)	First Executive Vice President Credit Risk Division	Member
9. Credit Committee Level 2 Secretary Team		Secretary

### Powers, Duties and Responsibilities:

The Credit Committee Level 2 reports to the Board of Directors on all credit related activities of the Bank's group. The responsibilities of the Credit Committee Level 2 include the following:

1. Approve credit facilities including investments in debt instruments or hybrid financial instruments without embedded derivatives for customer and/or group of customers having aggregate limits and global rating (on a group basis) as follows:

Customer and/or Customer Group Limit	Group Rating
Not over THB 500 million	All ratings
Over THB 500 million up to THB 800 million	Rating 9 and better
Over THB 800 million up to THB 2,000 million	Rating 7 and better
Over THB 2,000 million up to THB 3,000 million	Rating 4 and better

Group rating is the weighted average of the global obligor rating (based on credit limit) of all companies in the group:

- Revolving credit: credit limit = approved credit line
- Non-revolving credit: credit limit = outstanding + available line for drawdown

For customers which are in the groups that have specialized lending accounts and have not been rated, the Credit Committee Level 2 shall approve for customer and/or group of customers within the aggregate limits of not over THB 500 million. Once the rating is ready to implement for specialized lending accounts, the above table is to be applied.

2. Review and approve annual review, changes in terms and conditions for credit facilities originating group-wide extended to the customer and/or group of customers within the aggregate limits up to legal lending limit (Bank of Thailand).
3. Recommend for the Board's approval, where necessary, all credit proposals and/or investments in debt instruments or hybrid financial instruments without embedded derivatives for customers and/or group of customers not under authority of the Credit Committee Level 2, and all proposals for investment in debt instruments with embedded derivatives and all lending to related parties.
4. Approve temporary excess of facility limit for a period of no longer than one year, and the excess shall not be more than 10% of total limit extended to such customer.
5. Ensure the group's overall loan portfolio meets with the guidelines of regulatory authorities and approved credit policies and procedures.
6. Review and approve recovery action to be taken against cases within the Committee's sanction and review loan classification, loan loss provisions, and write-offs, including
  - 6.1 Approval of debt restructuring/ debt settlement without or with haircut/ write-off (if any) within the existing loan loss provision for credit facilities extended to the customer and/or group of customers having the aggregate limits of not exceeding THB 500 million.
  - 6.2 Approval of debt restructuring/ debt settlement with no haircut/ write-off for credit facilities extended to the customer and/or group of customers having the aggregate limits up to legal lending limits.

7. Assess the risk return trade-off when approving credit facilities to ensure that facilities granted are within the risk appetite of the group.
8. Determine, review and override baseline obligor rating of each loan as deemed appropriate.
9. Review and approve the sales of non-performing assets formerly used as premises for the Bank's operations or for use by staff and employees of Bank that have the aggregate cost of not exceeding THB 50 million.
10. Review and approve the management of non-performing assets (NPA) obtained from the transfer of collateral to the Bank to settle debt or from public auction of the collateral, including approval of selling price, sale procedures and payment conditions, whereby the aggregate cost of the sale of NPAs to any single person or group of persons shall not exceed THB 500 million.
11. Recommend to the Boards of companies in the Bank's Financial Group for approval of credit facilities, investments and debt restructuring/ debt settlement without or with haircut/ write-off (if any) within the existing loan loss provision for the customer and/or group of customers having aggregate limits up to legal lending limit, including the management of non-performing assets.
12. Other matters as assigned by the Board.

Note: Aggregate limit is total credits granted to and/or contingent liabilities undertaken for and/or investments made in the customer and/or group of customers or principal outstanding and accrued interest plus investments, whichever is higher.

Scope: CIMB Thai financial group

## 9. Retail Business Committee

The Retail Business Committee consists of:

1.	Mr. Subhak Siwaraksa	President and Chief Executive Officer	Chairman
2.	Mr. Adisorn Sermchaiwong	Senior Executive Vice President	Alternate
		Retail Banking Group	Chairman
3.	Mrs. Panute Na Chiangmai	Senior Executive Vice President	Member
		Risk Management Group	
	or Ms. Sasima Thongsamak	First Vice President	
		Retail Risk Management	
4.	Mr. Narongchai Wongthanavimok	Senior Executive Vice President	Member
		Strategy and Finance Group	
5.	Mr. Silawat Santivisat	Senior Executive Vice President	Member
		Group Information and Operations Division	
6.	Mrs. Siriporn Ambhanwong	Executive Vice President	Member
		Operations Division	
7.	Mr. Prapas Thongsuk	Executive Vice President	Member
		Corporate Communications Division	
8.	Ms. Dusanee Klewpatinontha	Executive Vice President	Member
		Wealth Products and Consulting	
9.	Ms. Onanong Udomkantong	Executive Vice President	Member
		Retail Loan Products	
10.	Ms. Anchalee Charasyosvuthichai	Senior Vice President	Member
		Cards and Fee Based Products	



11. Ms.Sariya Taweelang	Senior Vice President Retail Deposit and Customers	Member
12. Ms. Piyawan Thianphranon	Senior Vice President Retail Business Finance Team	Member & Secretary

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

1. Formulate strategies and initiatives for business growth of retail business, taking into consideration the prevailing market conditions and the Bank's resources, competitive environment and risk appetite.
2. Analyze the medium to long-term development strategies and investment decisions of the Retail Banking Group and the subsidiaries in retail business (including lending, collection, deposit-taking, branch and branch services, credit card, all retail products or services, and back office infrastructure) (hereon referred to as "Retail Business") for submission to Management Committee.
3. Approve/ concur with business plans, budgets, strategic plans and sales promotion of Retail Business.
4. Review and monitor overall performance of Retail Business with details as follows:
  - 4.1 Retail banking portfolio performance and retail banking profitability (P&L) by product, customer, channel, campaign and special promotion.
  - 4.2 Marketing plan including branding, sales promotion, advertising and product design.
  - 4.3 Operation/ IT which is related to Retail Business, e.g. down time issue, turn-around time, etc.
  - 4.4 Risk performance which has impacts on Retail Business, e.g. credit criteria, credit processing, etc.
  - 4.5 Staff turnover of Retail Business, including other arising issues.
5. Delegate an authority of approval to Retail Banking Group Head and Strategy & Finance Group Head for the framework and concept of incentive\* scheme designed for the Bank's staff, and any changes in relation to framework and payout of the new or existing scheme only with the case that expenses ≤ THB 0.5 million. In case of excess of THB 0.5 million, proposal to Retail Business Committee is required.
6. Delegate an authority of approval to Retail Banking Group Head and Strategy & Finance Group Head for new marketing plan, sales promotion plan, media and advertising, and other related expenses\*\* (excluding interest rates and fees) only with the case that expenses ≤ THB 0.5 million. In case of excess of THB 0.5 million, proposal to Retail Business Committee is required.
7. Delegate an authority of approval to the Chairman and Managing Director of subsidiaries for the framework and concept of incentive\* scheme designed for the subsidiaries' staff, and for new marketing plan, sales promotion plan, media and advertising, and other related expenses\*\* only with the case that expenses ≤ THB 0.5 million, which shall be proposed for acknowledgment at the next Retail Business Committee's meeting. In case of excess of THB 0.5 million, proposal to Retail Business Committee is required.
8. Perform any other functions as assigned by Management Committee or the President and CEO.

*Note: If any incentive scheme, though approved within the expense limit of THB 0.5 million, actually incurs expenses exceeding THB 0.5 million, it shall require acknowledgment at the upcoming Retail Business Committee's meeting.*

*\*Incentive is payment to the Bank's employees (staff and direct sale staff) in form of cash or non-cash item, i.e. gold and other benefits that are taxable such as travelling package, etc., which is on top of compensation in form of salary.*

*\*\*Relevant expenses are sales promotion expense, advertising & public expense, marketing activity & event expense and other acquisition expense, excluding regular marketing expenses, i.e. marketing material expense: brochure, leaflet, welcome pack, lounge benefit, etc.*

## 10. Assets and Liabilities Management Committee

The Assets and Liabilities Management Committee consists of:

1.	Mr. Subhak Siwaraksa	President and Chief Executive Officer	Chairman
2.	Mr. Surachai Chitratsene	Deputy CEO & Senior Executive Vice President, Business Support Group	Member
3.	Mr. Narongchai Wongthanavimok	Senior Executive Vice President Strategy and Finance Group	Member and Alternate Chairman
4.	Mrs. Panute Na Chiangmai	Senior Executive Vice President Risk Management Group	Member
5.	Mr. Jiratchyuth Amyongka	Senior Executive Vice President Commercial Banking Group	Member
6.	M.L. Nathchanya Davivongse	Senior Executive Vice President Transaction Banking Group	Member
7.	Mr. Adisorn Sermchaiwong	Senior Executive Vice President Retail Banking Group	Member
8.	Mr. Pornchai Padmindra	Senior Executive Vice President Wholesale Banking Group	Member
9.	Mr. Sutee Losoponkul	Senior Executive Vice President Treasury Group	Member
10.	Mr. Pongthep Utaisinchaoen	Senior Vice President Capital & Balance Sheet Management Division	Secretary

### Powers, Duties and Responsibilities:

1. Ensure the Bank is able to meet its cashflow obligations in a timely and cost effective manner even in times of financial market stress.
2. Ensure there is diversification of funding source as to avoid dependence on volatile sources of funding.
3. Ensure the appropriate level of liquid assets to be maintained and full compliance with the regulatory liquidity requirements.
4. Review the Contingency Funding Plan (CFP), Liquidity and Interest Rate Risk in Banking Book (IRRBB), and all internal liquidity limits to ensure the adequacy of the Bank's liquidity at all times.
5. Oversee the development of the stress test and the stress scenarios for liquidity risk as to ensure the Bank is able to meet its obligations under the stress situation.
6. Recommend the risk and return target for the banking balance sheet to the Board for approval of all related balance sheet matters, and the performance of each product, focusing on profitability, volume and/or market share.
7. Review, evaluate, and approve strategic hedging proposals within limits delegated by the Board.
8. Provide guidelines for determining special interest rates for business groups, but exclude Capital Markets and Treasury Products, and also decide on all FTP matters.
9. Review and recommend to the Board for approval of liquidity risk management policy, and interest rate risk in banking book policy.
10. Ensure the management of the Bank's capital is effective and sufficient to support projected business growth and complies with the regulatory requirements at all times.

## 11. IT Strategic Planning Committee

The IT Strategic Planning Committee is composed of:

1.	Mr. Subhak Siwaraksa	President and Chief Executive Officer	Chairman
2.	Mr. Narongchai Wongthanavimok	Senior Executive Vice President Strategy and Finance Group	Alternate Chairman
3.	Mr. Silawat Santivisat	Senior Executive Vice President Group Information and Operations Division	Member
4.	M.L. Nathchanya Davivongse	Senior Executive Vice President Transaction Banking Group	
5.	Mrs. Panute Na Chiangmai or representative from Risk Management Group	Senior Executive Vice President Risk Management Group	Member
6.	Mr. Adisorn Sermchaiwong  or Mrs. Somchit Chuenchomchat	Senior Executive Vice President Retail Banking Group Senior Vice President Retail Sales Management and Supports	Member
7.	Mrs. Siriporn Ambhanwong	Executive Vice President Operations Division	Member
8.	Mr. Arichai Numlamun	Senior Vice President Financial Infrastructure Department	Member
9.	Mr. Krishna Trithavornyuanyong	Executive Vice President Technology Division	Member and Secretary
10.	Mr. Boonkiat Ekwanich	First Vice President Information Technology Audit Department	Advisor

### Powers, Duties and Responsibilities:

1. Define short and long term IT plans, project priorities and appropriate budget and resources.
2. Determine the IT strategic plan to support the overall organisational strategic business plan.
3. Consider and determine technical projects, procurement and efficiency enhancement of technological systems and relevant equipment.
4. Define and monitor the effectiveness in implementing key IT policies and procedures, e.g. IT security policy, IT governance policy and IT risk management framework.
5. Approve, revise and conduct annual reviews of the Bank's internal IT-related policies.
6. Monitor the overall efficiency, performance and effectiveness of IT services.
7. Monitor the progress of each IT project in association with the strategies approved.
8. Appoint appropriate sub-committees or working groups to carry out assignments.
9. Approve IT project the project cost of which exceeds THB 1 million up to THB 100 million.
10. Review and endorse recommendations on IT projects the project cost of which exceeds THB 100 million.
11. Approve the procurement under a special process for IT projects.
12. Approve disbursement of the 1Platform R 1.1 budget of up to RM 24 million and R 2.0 budget of up to RM 2.467 million, totalling around RM 26.467 million.
13. Ensure the success of the 1Platform Project implementation through engagement with various stakeholders and relevant parties.
14. Make and approve decision on the strategy, direction, timeline, resources, staffing, financial and budget of projects.
15. Review status and approve key project deliverables.

16. Remove roadblocks and provide ongoing support for project teams.
  17. Consider and approve the report of project status.
  18. Ensure compliance with the governance and administrative structure of the 1Platform Project.
  19. Resolve business-critical IT performance issues.
  20. Resolve cross-functional project delivery issues.
  21. Review post implementation review (PIR) papers for implemented projects to ascertain project management quality and meet the deliverables of business cases.
  22. Establish priorities and monitor status of IT projects and compliance towards service level agreements.
  23. Appoint Pre-ITSPC Review Team to review business case papers before submission to ITSPC.
- Scope: CIMB Thai Bank group-wide

## 12. Market Risk Committee Thailand

The Market Risk Committee Thailand is composed of:

1.	Mr. Subhak Siwaraksa	President and Chief Executive Officer	Chairman
2.	Mr. Surachai Chitratsene	Deputy CEO & Senior Executive Vice President, Business Support Group	Member
3.	Mrs. Panute Na Chiangmai	Senior Executive Vice President Risk Management Group	Member
4.	Mr. Narongchai Wongthanavimok	Senior Executive Vice President Strategy & Finance Group	Member
5.	Mrs. Wimonrat Seriniyom	Executive Vice President Corporate Banking Group	Member
	or Ms. Chittavadee Sangthong	Executive Vice President Credit and Operational Risk Analytics Division	
6.	Mrs. Thitawat Pothanant (Representative from Risk Management Group)	First Executive Vice President Credit Risk Division	Member
7.	Ms. Sumalee Boonanan	Senior Vice President Treasurer's Office and Risk Analytics Team	Member
	Mr. Konthee Prasertwongse	Executive Vice President Debt Capital Markets & Syndicate Team	Alternate Member
8.	Mr. Somchai Yongkrittaya	Senior Vice President Market Risk Team	Member
9.	Representative from Risk Management Group		Secretary

### Powers, Duties and Responsibilities:

1. Evaluate underwrite proposals for primary and secondary market and off-market (resulting from mergers and acquisitions) deals for debt and equity instruments from the Group, namely:
  - Underwriting of IPO, equity offerings and rights issues and underwriting or bought deals for debt securities issuance.
  - Secondary market block placements.

And ensure that the pricing of any proposal is adequate to compensate the risk, with sufficient measures taken to mitigate risk amidst adverse market movement and to assess market conditions conducive for the success of the deals.
2. Approve in firm debt underwriting transaction for primary market of up to THB 500 million with the minimum debt rating of A-.

3. Review and recommend to the Board of Directors/ delegated Board member(s) of CIMB Thai for approval of firm underwriting or bought deal for debt securities issuance.
4. Review and recommend to the Board of Directors/ delegated Board member(s) of CIMB Thai for approval of the holding amount of any debt securities for market making purpose with the following conditions:
  - Debt securities are underwritten by CIMB Thai.
  - Within 90 days from the issue date, the holding amount must be within the limit approved by the Board of Directors/ delegated Board member(s) of CIMB Thai.
  - After 90 days from the issue date, the holding amount must not exceed 15% of the underwriting amount subject to the overall cap of market making portfolio.

Scope: CIMB Thai's Financial Group

### 13. Marketing and Communications Committee

The Marketing and Communications Committee is composed of:

1. Mr. Subhak Siwaraksa	President and Chief Executive Officer	Chairman
2. Mr. Prapas Thongsuk	Executive Vice President Corporate Communications Division	Alternate Chairman
3. Mr. Narongchai Wongthanavimok	Senior Executive Vice President Strategy and Finance Group	Member
4. Mr. Adisorn Sermchaiwong	Senior Executive Vice President Retail Banking Group	Member
5. Head	Human Resources Management Division	Member
6. Ms. Sunitta Yodsheewan	First Vice President Public Relations and CSR Team	Secretary

### Powers, Duties and Responsibilities:

1. Provide strategic direction and guidance for CIMB Thai Bank group-wide in alignment with its brand management and positioning across all businesses and markets.
2. Review and approve all marketing plans, including above-the-line (ATL) and below-the-line (BTL) campaigns.
3. Address all elements with regard to general advertising spending and associated media exposure.
4. Review and approve all internal and external communications processes and mediums.

Scope: CIMB Thai Bank group-wide

### 14. Product Development Committee

The Product Development Committee is composed of:

1. Mr. Subhak Siwaraksa	President and Chief Executive Officer	Chairman
2. Mr. Narongchai Wongthanavimok*	Senior Executive Vice President Strategy and Finance Group	Member and Alternate Chairman
or Mr. Arichai Numlamun	Senior Vice President Financial Infrastructure Department	Alternate Member
3. Mr. Surachai Chitratsenee	Deputy CEO & Senior Executive Vice President, Business Support Group	Member
or Corporate Legal Division Head		Alternate Member

4.	Mrs. Panute Na Chiangmai*	Senior Executive Vice President Risk Management Group	Member
	or Ms. Suchada Phokasub	Senior Vice President Risk Analytics and Infrastructure Division	Alternate Member
5.	M.L. Nathchanya Davivongse	Senior Executive Vice President Transaction Banking Group	Member
	or Mr. Navapan Tonthadilok	Senior Vice President Business Strategy & Marketing Division	Alternate Member
6.	Mr. Silawat Santivisat*	Senior Executive Vice President Group Information and Operations Division	Member
	or Mr. Piyawat Jirapongsuwan	Senior Vice President Business Engineering Division	Alternate Member
7.	Mr. Adisorn Sermchaiwong	Senior Executive Vice President Retail Banking Group	Member
	or Ms. Sariya Taweesang	Senior Vice President Retail Deposit and Customers	Alternate Member
8.	Mr. Sutee Losoponkul	Senior Executive Vice President Treasury Group	Member
	or Mr. Padej Piroonsit	Executive Vice President Treasury Sales Division	Alternate Member
9.	Mr. Thaphop Kleesuan*	Executive Vice President Compliance Department	Member
	or Mr. Sirapong Chaiyatachapatana	Vice President Banking Compliance & Investor Business Compliance Section	Alternate Member
10.	Mrs. Siriporn Ambhanwong*	Executive Vice President Operations Division	Member
	or Mr. Thiti Supamanee	Senior Vice President Credit Operations Department	Alternate Member
11.	Representative from Risk Management Group		Secretary

*Invitees: Ms. Siriporn Sanunpairaue, First Executive Vice President, Internal Audit Division (permanent invitee)*

*Head of business unit which is the product sponsor (only required to attend the meeting if there is relevant product(s)/service(s) submitted to Product Development Committee.*

*\*Mandatory members, if being unable to attend the meeting, must appoint their respective alternate members to attend the meeting.*

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

1. Evaluate and review proposals of the new or variation or combination of the existing products/ services of CIMB Thai and its Financial Group or the third-party products to be marketed by the Bank ("the Products").
2. Grant approval-in-principle to the new or variation or combination of the existing products/ services of the Bank and its Financial Group.
3. Review the competitiveness of the Products and ensure that the Bank and its Financial Group have enough resources to launch the Products and the Products suit the needs and the financial capability of the targeted consumer segments.
4. Review and ensure that there is appropriate and adequate risk assessment of the Products and the process/ procedure in managing and controlling such risks are in place before launching the Products.
5. Review the profitability of the Products and ensure that the cost and benefit is justified.



6. Review operational process to ensure that the IT systems and operating processes of the Bank and its Financial Group are adequate or need enhancement to accommodate the launch of the Products.
  7. Approve the Bank's IT system/process or system/process enhancement and the Bank's IT budget, up to THB 5 million for launching each Product or service.
  8. Review of Products/Services of CIMB Thai:
    - 8.1 Treasury products/services:
 

Review and concur with new Treasury products/services and material and non-material variation/combination of the existing Treasury products/services prior to submission to Board Risk Committee for consideration.
    - 8.2 Non-Treasury products/services:
      - 8.2.1 Concur with new products and services or material variation/combination to the existing products/services prior to submission to Board Risk Committee for approval.
      - 8.2.2 Approve non-material variation/combination of the existing products/services.
    - 8.3 New third party:
 

Concur with new third parties (excluding CIMB Principal and CIMB Thai's subsidiaries) prior to submission to Board Risk Committee for approval.
    - 8.4 Third party products and services:
 

Approve new or material variation or combination of third party products/services.
  9. Review of Products/Services of CIMB Thai's Financial Group
    - 9.1 New products/services:
      - 9.1.1 Concur with new products and services or material variation/combination to the existing products/services prior to submission to Board Risk Committee for concurrence and to the respective Board of Directors of the companies within the Financial Group for approval.
      - 9.1.2 Concur with non-material variation/combination to the existing products/services prior to submission to the respective Board of Directors of the companies within the Financial Group for approval.
    - 9.2 New third party:
 

Concur with new third parties prior to submission to Board Risk Committee for concurrence and to the respective Board of Directors of the companies within the Financial Group for approval.
    - 9.3 Third party products and services:
 

Concur with new or material variation/combination of third party products/services prior to submission to the respective Board of Directors of the companies within the Financial Group for approval.
  10. Review and assess the products/services of the Bank or the third party after being launched and make recommendation for improvement.
- Scope: CIMB Thai's Financial Group

### 15. Credit Committee Level 3

The Credit Committee Level 3 is composed of:

Set 1 shall consist of:

1.1	Mr. Boonrat Chuenurajit	Chairman
1.2	Ms. Jitrinee Tanskul	Member
1.3	Mr. Amnoey Thessiri	Member
1.4	Mr. Chalernpol Decharit	Member
1.5	Mr. Suvat Himinkool	Member
1.6	Credit Committee Secretary Team	Secretary

Set 2 shall consist of:

2.1 Ms. Apinya Punjajitti	Chairperson
2.2 Mr. Tada Potiwihok	Member
2.3 Mr. Wongkasem Karnthanat	Member
2.4 Ms. Siriporn Sirisingha	Member
2.5 Mr. Navapan Tonthadilok	Member
2.6 Credit Committee Secretary Team	Secretary

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

The Credit Committee Level 3 reports to the Credit Committee Level 2 on all credit related activities of the Bank's group. Power, duties and responsibilities of the Credit Committee Level 3 include:

1. Review and approve credit facilities extended to customer and/or group of customers having aggregate limits not exceeding THB 150 million.
2. Recommend for the Board's approval all lending to related parties for credit proposals which do not exceed THB 150 million.
3. Ensure the Bank financial group's overall loan portfolio meets with the guidelines of regulatory authorities and approved credit policies and procedures.
4. Review and approve recovery action including troubled debts which were purchased from others and review loan classification, loan loss provisions and write-offs, including the approval of debt restructuring/debt settlement without or with haircut/write-off (if any) within the existing loan loss provision for credit facilities extended to the customer and/or group of customers having aggregate limits not exceeding THB 150 million.
5. Assess the risk return trade-off when approving loans to ensure that facilities granted are within the risk appetite of the Bank's Financial Group.
6. Determine, review and override baseline obligor rating of each loan as deemed appropriate.
7. Recommend to the boards of companies in the Bank's Financial Group for approval of credit facilities, and debt restructuring/debt settlement without or with haircut/write off (if any) within the existing loan loss provision for the customer and/or group of customers having aggregate limits not exceeding THB 150 million.
8. Other matters as assigned by the Credit Committee Level 2.

*Note: Aggregate limit is total credits granted to and/or contingent liabilities undertaken for and/or investments made in the customer and/or group of customers or principal outstanding and accrued interest plus investments, whichever is higher.*

Scope: CIMB Thai Bank group-wide

## 16. The Problem Loan Management Working Group

The Problem Loan Management Working Group is composed of:

1. Mr. Subhak Siwaraksa	President and Chief Executive Officer	Chairperson
2. Mrs. Panute Na Chiangmai	Senior Executive Vice President Risk Management Group	Alternate Chairperson
3. Mr. Surachai Chitratsenee or Mr. Chalernpol Decharit	Deputy CEO & Senior Executive Vice President, Business Support Group Senior Vice President NPL & NPA Management Team	Member
4. Mr. Pornchai Padmintra or Ms. Chittavadee Sangthong	Senior Executive Vice President Wholesale Banking Group Executive Vice President Credit and Operational Risk Analytics Division	Member
5. Mr. Jiratchyuth Amyongka or Mrs. Darunee Waiyahong	Senior Executive Vice President Commercial Banking Group First Vice President Commercial Banking Services & Support Team	Member
6. Mrs. Wimonrat Seriniyom	Executive Vice President Corporate Banking Group	Member
7. Mrs. Thitawat Pothanant	First Executive Vice President Credit Risk Division	Member
8. Officer, Credit Committee Secretary Team		Secretary

### Powers, duties and responsibilities:

The Working Group has duties and responsibilities to acknowledge report, give advice and determine problem loan management approaches including:

- Debt rectification
- Debt restructuring
- Settlement and hair cut
- Write-off
- Collateral operation
- Others (as deemed proper and assigned by the Management Committee)

## Meeting Attendance of Directors

In 2014, meeting attendance of Board members and Board committee members was as follows:

Unit: Attendance

No	Director Name (number of meetings attended/total meetings)	(1)		(3)	(4)	(5)	(6)	(7)	(8)
		Board	Audit Committee	Nomination, Remuneration and Corporate Governance Committee	Risk Board Risk Committee*	Manage- ment Committee	Risk Manage- ment Committee	Credit Risk Commit- tee	Credit Commit- tee Level 2
1.	Mr. Chakramon Phasukavanich <sup>/1</sup>	8/12	-	-	-	-	-	-	-
2.	Dato' Robert Cheim Dau Meng <sup>/2/5</sup>	10/12	-	10/11	-	-	-	-	-
3.	Mr. Sukont Kanjana-Huttakit	11/12	17/17	-	-	-	-	-	-
4.	Mrs. Watanan Petersik <sup>/3</sup>	10/12	4/17	9/11	3/5	-	-	-	-
5.	Dato' Shaarani Bin Ibrahim	11/12	16/17	10/11	-	-	-	-	-
6.	Ms. Sopawadee Lertmanaschai <sup>/3/4</sup>	7/12	8/17	-	-	-	-	-	-
7.	Mr. Chitrapongse Kwangsukstith <sup>/4</sup>	9/12	-	-	5/5	-	-	-	-
8.	Mr. Kenny Kim <sup>/5</sup>	8/12	-	-	3/5	-	-	-	-
9.	Ms. Serena Tan Mei Shwen <sup>/4</sup>	6/12	-	-	5/5	-	-	-	-
10.	Mr. Subhak Siwaraksa <sup>/6</sup>	12/12	-	-	5/5	47/49	14/14	8/12	40/54

\*The Board of Directors approved to set up the Board Risk Committee, the first meeting of which was called on 26 June 2014.

No	Director Name (number of meetings attended/total meetings)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
		Retail Business Commit- tee	Assets and Liabilities Manage- ment Committee	IT Strategic Planning Committee	Market Risk Com- mittee Thailand	Marketing & Commu- nication Committee	Product Develop- ment Commit- tee	Problem Loan Manage- ment Working Group	Share- holder meeting
1.	Mr. Chakramon Phasukavanich <sup>/1</sup>	-	-	-	-	-	-	-	1/1
2.	Dato' Robert Cheim Dau Meng <sup>/2/5</sup>	-	-	-	-	-	-	-	1/1
3.	Mr. Sukont Kanjana-Huttakit	-	-	-	-	-	-	-	1/1
4.	Mrs. Watanan Petersik <sup>/3</sup>	-	-	-	-	-	-	-	1/1
5.	Dato' Shaarani Bin Ibrahim	-	-	-	-	-	-	-	1/1
6.	Ms. Sopawadee Lertmanaschai <sup>/3/4</sup>	-	-	-	-	-	-	-	-
7.	Mr. Chitrapongse Kwangsukstith <sup>/4</sup>	-	-	-	-	-	-	-	-
8.	Mr. Kenny Kim <sup>/5</sup>	-	-	-	-	-	-	-	1/1
9.	Ms. Serena Tan Mei Shwen <sup>/4</sup>	-	-	-	-	-	-	-	-
10.	Mr. Subhak Siwaraksa <sup>/6</sup>	16/18	15/16	8/12	14/15	3/4	12/13	10/11	1/1

### Notes:

/1 Mr. Chakramon Phasukavanich declared his intention to resign as Director and Chairman, effective from 28 August 2014.

/2 The Board meeting, held on 29 September 2014, resolved to appoint Dato' Robert Cheim Dau Meng, Vice President, as Chairman in place of Mr. Chakramon Phasukavanich who had resigned.

/3 The Board meeting, held on 30 April 2014, resolved to acknowledge the resignation of Mrs. Watanan Petersik as an Audit Committee member. In addition, the Board resolved to appoint Ms. Sopawadee Lertmanaschai in replacement of Mrs. Watanan Petersik, effective from 30 April 2014.

/4 The Annual General Meeting of Shareholders (AGM), held on 11 April 2014, approved the appointment of three new directors, namely Ms. Sopawadee Lertmanaschai, Mr. Chitrapongse Kwangsukstith and Ms. Serena Tan Mei Shwen. As of the AGM date, the appointment of Mr. Chitrapongse Kwangsukstith and Ms. Sopawadee Lertmanaschai was endorsed by the Bank of Thailand (BOT), while that of Ms. Serena Tan Mei Shwen was pending for the BOT's endorsement. Later, the BOT endorsed for Ms. Serena Tan Mei Shwen to assume a director position, taking effect on 6 May 2014.

- /5 Representative directors from CIMB Bank, namely Dato' Robert Cheim Dau Meng and Mr. Kenny Kim, have declared their intentions not to receive the meeting allowances in the Board and Board committees.
- /6 Most of the committees are chaired by the President and CEO or have the President and CEO as member. Nevertheless, the President and CEO has declared his intention not to receive the meeting allowances in those committees.

## F. SELECTION OF EXECUTIVES

In 2014, the Bank's principal focus was to attract talents with diverse professional backgrounds who could combine a broad spectrum of experience and expertise with integrity and drive to deliver on the Bank's business strategy and achieve its targets. An interview panel was set up in accordance with Bank policy and a selection and nomination process was formulated for all new senior executive appointments.

### 1. Executive Management

As of 31 December 2014, the Bank's executive management was composed of:

1. Mr. Subhak Siwaraksa	President and Chief Executive Officer
2. Mr. Surachai Chitratsene <sup>/1</sup>	Deputy CEO & Senior Executive Vice President Business Support Group
3. Mrs. Panute Na Chiangmai	Senior Executive Vice President Risk Management Group
4. Mr. Narongchai Wongthanimok	Senior Executive Vice President Strategy and Finance Group
5. M.L. Nathchanya Davivongse	Senior Executive Vice President Transaction Banking Group
6. Mr. Silawat Santivisat	Senior Executive Vice President Group Information and Operations Division
7. Mr. Pornchai Padmindra	Senior Executive Vice President Wholesale Banking Group
8. Mr. Jiratchyuth Amyongka	Senior Executive Vice President Commercial Banking Group
9. Mr. Adisorn Sermchaiwong	Senior Executive Vice President Retail Banking Group
10. Mr. Sutee Losoponkul	Senior Executive Vice President Treasury Group
11. Mr. Sittichai Mahaguna	Executive Vice President Corporate Finance and Equity Capital Markets Group
12. Head	Human Resources Management Division
13. Mr. Prapas Thongsuk	Executive Vice President Corporate Communications Division
14. Mr. Thaphop Kleesuwan	Executive Vice President Office of the President & Compliance Department
15. Ms. Siriporn Sanunpairaue	First Executive Vice President Internal Audit Division

*Notes: /1 The Board meeting resolved extending the employment and appointment of Mr. Surachai Chitratsene as Deputy CEO and Senior Executive Vice President, Business Support Group, taking effect from 1 January 2015 to 31 December 2015.*

As of 31 December 2014, CIMB Thai has 13 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. Subhak Siwaraksa	President and Chief Executive Officer
2. Mr. Surachai Chitratsenee	Deputy CEO & Senior Executive Vice President Business Support Group
3. Mrs. Panute Na Chiangmai	Senior Executive Vice President Risk Management Group
4. Mr. Narongchai Wongthanavimok	Senior Executive Vice President Strategy and Finance Group
5. M.L. Nathchanya Davivongse	Senior Executive Vice President Transaction Banking Group
6. Mr. Silawat Santiviset	Senior Executive Vice President Group Information and Operations Division
7. Mr. Adisorn Sermchaiwong	Senior Executive Vice President Retail Banking Group
8. Mr. Pornchai Padmindra	Senior Executive Vice President Wholesale Banking Group
9. Mr. Jiratchyuth Amyongka	Senior Executive Vice President Commercial Banking Group
10. Mr. Sutee Losoponkul	Senior Executive Vice President Treasury Group
11. Mr. Pao Chatakanonta	Senior Executive Vice President Rates, Funding & Structuring
12. Mr. Sittichai Mahaguna	Executive Vice President Corporate Finance and Equity Capital Markets Group
13. Ms. Winita Kimsawadi	Senior Vice President Finance Division

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

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



## 2. Director and Management Remuneration as of 31 December 2014

### 2.1 Monetary remuneration

#### a. Remuneration of Board members

This report describes the current components of the Bank's remuneration policy and details of the remuneration for each person during his/her directorship in 2014. The aggregate remuneration for directors comprising meeting and entertainment allowances for Board members and remuneration for Board committee members amounted to THB 8,564,000 in 2014 (compared with THB 8,160,000 in 2013), as described below:

- |  |     |                                 |
|--|-----|---------------------------------|
| 1. Board of Directors  | THB | 4,856,000 (2013: THB 4,952,000) |
| 2. Audit Committee   | THB | 1,764,000 (2013: THB 1,584,000) |
| 3. Nomination, Remuneration and Corporate Governance Committee | THB | 1,104,000 (2013: THB 1,104,000) |
| 4. Board Risk Committee  | THB | 840,000 (2013: THB -)           |

Unit: THB

		Monetary Remuneration			
		Board and Board Committee Members			
		Board of Directors	Audit Committee	Nomination, Remuneration and Corporate Governance Committee	Board Risk Committee
Name	Positions				
1 Mr. Chakramon Phasukavanich <sup>/1</sup>	Chairman	1,600,000	-	-	-
2 Dato' Robert Cheim Dau Meng <sup>/2/5</sup>	Chairman	-	-	-	-
3 Mr. Sukont Kanjana-Huttakit	Independent Director	528,000	804,000	-	-
4 Mrs. Watanan Petersik <sup>/3</sup>	Independent Director	528,000	160,000	624,000	280,000
5 Dato' Shaarani Bin Ibrahim	Independent Director	528,000	480,000	480,000	-
6 Ms. Sopawadee Lertmanaschai <sup>/3/4</sup>	Independent Director	396,000	320,000	-	-
7 Mr. Chitrapongse Kwangsukstith <sup>/4</sup>	Director	396,000	-	-	280,000
8 Mr. Kenny Kim <sup>/5</sup>	Director	-	-	-	-
9 Ms. Serena Tan Mei Shwen <sup>/4</sup>	Director	352,000	-	-	280,000
10 Mr. Subhak Siwaraksa <sup>/6</sup>	President and CEO	528,000	-	-	-
Total		4,856,000	1,764,000	1,104,000	840,000

#### Notes:

- /1 Mr. Chakramon Phasukavanich declared his intention to resign as Director and Chairman, effective from 28 August 2014.
- /2 The Board meeting, held on 29 September 2014, resolved to appoint Dato' Robert Cheim Dau Meng, Vice President, as Chairman in place of Mr. Chakramon Phasukavanich who had resigned.
- /3 The Board meeting, held on 30 April 2014, resolved to acknowledge the resignation of Mrs. Watanan Petersik as an Audit Committee member. In addition, the Board resolved to appoint Ms. Sopawadee Lertmanaschai in replacement of Mrs. Watanan Petersik, effective from 30 April 2014.
- /4 The Annual General Meeting of Shareholders (AGM), held on 11 April 2014, approved the appointment of three new directors, namely Ms. Sopawadee Lertmanaschai, Mr. Chitrapongse Kwangsukstith and Ms. Serena Tan Mei Shwen. As of the AGM date, the appointment of Mr. Chitrapongse Kwangsukstith and Ms. Sopawadee Lertmanaschai was endorsed by the Bank of Thailand (BOT), while that of Ms. Serena Tan Mei Shwen was pending for the BOT's endorsement. Later, the BOT endorsed for Ms. Serena Tan Mei Shwen to assume a director position, taking effect on 6 May 2014.
- /5 Representative directors from CIMB Bank, namely Dato' Robert Cheim Dau Meng and Mr. Kenny Kim, have declared their intentions not to receive the meeting allowances in the Board and Board committees.
- /6 Most of the committees are chaired by the President and CEO or have the President and CEO as member. Nevertheless, the President and CEO has declared his intention not to receive the meeting allowances in those 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 2014, the aggregate remuneration for 13 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 108.92 million. In addition, the aggregate remuneration for 37 Executive Vice Presidents and above (in accordance with the BOT definition of the term ‘executives’) was THB 212.91 million.

## 2.2 Other benefits

In 2014 the Bank’s contribution towards the provident fund for 13 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 5.44 million. Meanwhile, its contribution towards the provident fund for 37 Executive Vice Presidents and above (in accordance with the BOT definition of the term ‘executives’) was THB 10.12 million

## BOARD OF DIRECTORS PROFILE as of 28 February 2015

Name of Director/ Age / Position/ Date of appointment	Education	Directorship and positions held in other companies/ Organisations and Work experience within last 5 years												
1. Dato’ Robert Cheim Dau Meng* Age 63 years Chairman Member and Alternate Chairman of Nomination, Remuneration and Corporate Governance Committee Date of appointment: 5 November 2008	<ul style="list-style-type: none"><li>- Fellow of the Institute of Chartered Accountants in England and Wales</li><li>- Member of the Malaysian Institute of Accountants</li></ul>	<b>Listed Companies</b>												
		<table><tr><th>Period</th><th>Position</th><th>Company / Organization</th></tr><tr><td>2006 - Feb 2015</td><td>Non-Executive Director</td><td>CIMB Group Holdings Bhd</td></tr></table>	Period	Position	Company / Organization	2006 - Feb 2015	Non-Executive Director	CIMB Group Holdings Bhd						
Period	Position	Company / Organization												
2006 - Feb 2015	Non-Executive Director	CIMB Group Holdings Bhd												
*The Board meeting, held on 29 September 2014, resolved to appoint Dato’ Robert Cheim Dau Meng, Vice Chairman, as Chairman in place of Mr. Chakramon Phasukavanich who had resigned	<b>Training</b>	<b>Non-Listed Companies and other Companies and Organisations</b>												
	<ul style="list-style-type: none"><li>- CIMB Group International Advisory Panel Meeting (17 January 2014)</li><li>- Private Banking 1<sup>st</sup> Regional Offsite Meeting (5-6 March 2014)</li><li>- Fide Forum Focus Group Discussion on “Building a Talent Pool of Directors : Directors Register (7 April 2014)</li><li>- CIMB INSEAD Leadership Program Cohort 5 Capstone (15 May 2014)</li><li>- Invest Malaysia Conference (9-10 June 2014)</li><li>- 2015 Risk Posture Workshop with Group BRC &amp; 3FIs BRC (24 July 2014)</li><li>- Culture Building Initiative Executive Offsite (27-28 October 2014)</li><li>- CIMB Group Annual Management Summit (28-29 November 2014)</li><li>- Anti-Money Laundering &amp; Anti-Terrorism Financing Update for Director (17 December 2014)</li><li>- International Advisory Panel (17 Jan 2015)</li></ul>	<table><tr><th>Period</th><th>Position</th><th>Company / Organization</th></tr><tr><td>6 Nov 2012 - Present</td><td>Director</td><td>Yu Cai Foundation</td></tr><tr><td>2006 - Feb 2015</td><td>Adviser</td><td>CIMB Investment Bank Berhad</td></tr><tr><td>2005 - Present</td><td>Chairman</td><td>Tanjong PLC.</td></tr></table>	Period	Position	Company / Organization	6 Nov 2012 - Present	Director	Yu Cai Foundation	2006 - Feb 2015	Adviser	CIMB Investment Bank Berhad	2005 - Present	Chairman	Tanjong PLC.
Period	Position	Company / Organization												
6 Nov 2012 - Present	Director	Yu Cai Foundation												
2006 - Feb 2015	Adviser	CIMB Investment Bank Berhad												
2005 - Present	Chairman	Tanjong PLC.												
<b>Total share holding in Bank</b>		<b>Work experience within last 5 years</b>												
No. of shares held as of 2014		<table><tr><th>Period</th><th>Position</th><th>Company / Organization</th></tr><tr><td>2005 - 2014</td><td>Director</td><td>CIMB Securities International Pte Ltd.</td></tr><tr><td>1999 - 2006</td><td>Executive Director</td><td>CIMB Investment Bank Berhad</td></tr><tr><td>1993 - 1999</td><td>Chief Executive Officer</td><td>CIMB Investment Bank Berhad</td></tr></table>	Period	Position	Company / Organization	2005 - 2014	Director	CIMB Securities International Pte Ltd.	1999 - 2006	Executive Director	CIMB Investment Bank Berhad	1993 - 1999	Chief Executive Officer	CIMB Investment Bank Berhad
Period	Position	Company / Organization												
2005 - 2014	Director	CIMB Securities International Pte Ltd.												
1999 - 2006	Executive Director	CIMB Investment Bank Berhad												
1993 - 1999	Chief Executive Officer	CIMB Investment Bank Berhad												
- By director himself: None														
- By his spouse and minor children: None														

Name of Director/ Age / Position/ Date of appointment	Education	Directorship and positions held in other companies/ Organisations and Work experience within last 5 years		
2. Mr. Sukont Kanjana-Huttakit* Age 68 years Vice Chairman Independent Director Chairman of Audit Committee Date of appointment: 24 September 2009 *The Board meeting, held on 25 February 2015, resolved to appoint Mr. Sukont Kanjana-Huttakit as Vice Chairman	<div><div><div>- M.A. (Finance), Virginia Polytechnic and State University, U.S.A.</div><div>- B.A. (Finance), Virginia Polytechnic and State University, U.S.A.</div></div><div><div>Training</div><div><div>- 2010: Audit Committee Programme (ACP) Class 30/2010</div><div>- 2007: Director Certification Programme (DCP)</div></div></div></div>	Listed Companies		
		Period	Position	Company / Organization
		2014 - Present	Chairman of Audit Committee	World Corporation PCL.
		2012 - Present	Independent Director	Srisawad Power 1979 PCL.
		Non-Listed Companies and other Companies and Organisations		
		Period	Position	Company / Organization
		2011 - Present	Executive Adviser	Federation of Accounting Professions
		Work experience within last 5 years		
		Period	Position	Company / Organization
		2012 - 2014	Independent Director	Scan Inter Co.,Ltd.
2006 - 2014	Member of Ethics Committee	Tricor Outsourcing (Thailand) Co., Ltd.		
2007 - 2009	Member of Risk Management Committee	TMB Asset Management Co.,Ltd.		
2006 - 2008	Board member and Chairman of Audit Committee	Government Housing Bank		
Aug 2006 - Oct 2006	Board member	CAT Telecom PCL.		
2005 - 2008	Member of Auditing Standard Screening Sub-Committee	Federation of Accounting Professions		
2003 - 2007	Member of Audit Committee	Royal Bangkok Sports Club		
2003 - 2006	Member of Electronic Transactions Commission	Ministry of Information and Communication Technology		
1998 - 2006	Chairman and Senior Partner	PricewaterhouseCoopers Co., Ltd.		
Total share holding in Bank				
No. of shares held as of 2014				
- By director himself: None				
- By his spouse and minor children: None				

Name of Director/ Age / Position/ Date of appointment	Education	Directorship and positions held in other companies/ Organisations and Work experience within last 5 years		
3. Mrs. Watanan Petersik Age 54 Independent Director Chairperson of Nomination, Remuneration and Corporate Governance Committee Member of Board Risk Committee Date of appointment: 25 April 2007	<div><div><div>AB Bryn Mawr College, PA U.S.A.</div></div><div><div>Training</div><div><div>- Bursatra Sdn Bhd: Mandatory Accreditation Programme (MAP) for Directors of Public Listed Companies (17-18 March 2010)</div><div>- Director Accreditation Programme (DAP 83/2010) English Programme: 27 April 2010</div><div>- Certificate, Singapore Institute of Directors course : Role of Directors</div></div></div></div>	Listed Companies		
		Period	Position	Company / Organization
		Present	Independent Director	PTT Global Chemical PCL.
		Non-Listed Companies and other Companies and Organisations		
		Period	Position	Company / Organization
		2010 - Present	Independent Non-Executive Director	CIMB Group Holdings Berhad
		Present	Director	Asia Capital Advisory PTE Ltd
		Present	Senior Adviser	TPG Capital Asia
		Present	Director	Lien Centre for Social Innovation Singapore Management University
		Work experience within last 5 years		
Period	Position	Company / Organization		
-	-	-		
Total share holding in Bank				
No. of shares held as of 2014				
- By director herself : None				
- By her spouse and minor children : None				

Name of Director/ Age / Position/ Date of appointment	Education	Directorship and positions held in other companies/ Organisations and Work experience within last 5 years		
4. Dato' Shaarani Bin Ibrahim Age 65 years Independent Director Member of Audit Committee Member of Nomination,Remuneration and Corporate Governance Committee Date of appointment: 20 January 2009	B.A.(Hons) International Relations, Universiti Malaya	Listed Companies		
		Period	Position	Company / Organization
		-	-	-
		Non-Listed Companies and other Companies and Organisations		
		Period	Position	Company / Organization
		Sep 2010 - Present	Chairman, Chairman of Risk Committee, Member of Audit Committee	CIMB Bank PLC., Cambodia
		Sep 2010 - Present	Independent Director, Chairman of Remuneration Committee, Member of Audit Committee, Member of Nomination Committee	Dragon Group International Limited (DGI), Singapore
		Work experience within last 5 years		
		Period	Position	Company / Organization
		Jan 2011 - Jan 2014	Board Member, Chairman of Audit Committee, Member of Investment Committee	Universiti Putra Malaysia (UPM)
		2005 - 2008	Ambassador of Malaysia	The Kingdom of Thailand
Total share holding in Bank				
No. of shares held as of 2014				
- By director himself: None				
- By his spouse and minor children: None				

Name of Director/ Age / Position/ Date of appointment	Education	Directorship and positions held in other companies/ Organisations and Work experience within last 5 years		
5. Ms. Sopawadee Lertmanaschai Age 61 years Independent Director Member of Audit Committee Date of Appointment: 11 April 2014	- Master of Science (Accounting), Thammasat University	<b>Listed Companies</b>		
	- Bachelor of Law, Thammasat University	<b>Period</b>	<b>Position</b>	<b>Company / Organization</b>
	- Bachelor of Science (Accounting), Thammasat University	2014 - Present	Independent Director	Intouch Holdings PCL.
		2553 - Present	Advisor	Dhipaya Insurance PCL.
		<b>Non-Listed Companies and other Companies and Organisations</b>		
		<b>Period</b>	<b>Position</b>	<b>Company / Organization</b>
	<b>Trianing</b>	2013 - Present	Commissioner and Member, Audit Committee	The Securities And Exchange Commission
	- The Wharton Advanced Management Program, University of Pennsylvania, USA	Present	Director, Sub Performance Assessment Committee	State Enterprise Policy Officer
	- Capital Market Leader Program (CMA 2/2006), Capital Market Academy	Present	Director, Committee Of Management Political Development Fund For Civil Sector	Office Of The Political Development Council, King Prajadhipok's Institute
	- Director Certification Program (DCP) 2/2000, Thai Institute of Directors	Present	Director And Public Relations	Federation of Accounting Professions Under The Royal Patronage of His Majesty The King
<b>Total share holding in Bank</b>  No. of shares held as of 2014 - By director herself: None - By her spouse and minor children: None	- Audit Committee Program (ACP) 27/2009 Thai Institute of Directors Successful Formulation and Execution Strategy (SFE) 6/2010, Thai Institute of Directors	Present	Director	Thai Investors Association
	- Advanced Certificate Course in Politics and Governance in Democratic Systems for Executive (KPI 14/2012), King Prajadhipok's Institute	Present	Director	Thammasat University
	- Intermediate Certificate Course in Good Governance for Executives, King Prajadhipok's Institute	Present	Central Committee	Association
		Present	Director and Secretary	Pridi Panomyong Foundation
		Present	Advisor	Sangvian Foundation
				Federation Of Thai Capital Market Organizations
		<b>Work experience within last 5 years</b>		
		<b>Period</b>	<b>Position</b>	<b>Company / Organization</b>
		2010 - 2013	Secretary General	General, Government Pension Fund
		2010 - 2013	Director	IRPC PCL.
		Until 2013	Chairman	Royal Porcelain PCL.
		Until 2010	Director	Nok Air Co., Ltd.
		2011 - 2013	Director	Thailand Futures Exchange PCL.
		Until Jan.2010	Director And Chairman Audit Committee	Government Housing Bank
		2000 - 2009	Chief Marketing Officer - Markets And Post - Trade Services	The Stock Exchange Of Thailand
		2006 - 2008	Chief Executive Officer	Thailand Securities Depository Co., Ltd.

Name of Director/ Age / Position/ Date of appointment	Education	Directorship and positions held in other companies/ Organisations and Work experience within last 5 years													
6. Mr. Chitrapongse Kwangsukstith Age 65 years Director (Authorized Signatory) Member and Altenate Chairman of Board Risk Committee Date of appointment : 11 April 2014	<ul style="list-style-type: none"><li>- Doctor of Engineering Industrial, Lamar University, U.S.A.</li><li>- M.Eng. (Industrial Engineering), Lamar University, U.S.A.</li><li>- B.Eng. (Mechanical Engineering), Chulalongkorn University, Thailand</li></ul> <p><b>Training</b></p> <ul style="list-style-type: none"><li>- Stanford Executive Program, Stanford University, U.S.A.</li><li>- The National Defence Course, National Defence College, (Class of 4212), Thailand</li><li>- Thai Institute of Directors Association (IOD) DCP 42/2004, FND 9/2004, RCC 10/2010, NCGC</li></ul>	<p><b>Listed Companies</b></p> <table><tr><th>Period</th><th>Position</th><th>Company / Organization</th></tr><tr><td>-</td><td>-</td><td>-</td></tr></table>	Period	Position	Company / Organization	-	-	-							
		Period	Position	Company / Organization											
		-	-	-											
		<p><b>Non-Listed Companies and other Companies and Organisations</b></p> <table><tr><th>Period</th><th>Position</th><th>Company / Organization</th></tr><tr><td>Present</td><td>Director</td><td>TRC Green Co., Ltd.</td></tr><tr><td>Present</td><td>Chairman</td><td>Sakari Resources Ltd.</td></tr><tr><td>Present</td><td>Chairman</td><td>PTT FLNG Ltd.</td></tr></table>		Period	Position	Company / Organization	Present	Director	TRC Green Co., Ltd.	Present	Chairman	Sakari Resources Ltd.	Present	Chairman	PTT FLNG Ltd.
		Period	Position	Company / Organization											
		Present	Director	TRC Green Co., Ltd.											
		Present	Chairman	Sakari Resources Ltd.											
		Present	Chairman	PTT FLNG Ltd.											
		<p><b>Work experience within last 5 years</b></p> <table><tr><th>Period</th><th>Position</th><th>Company / Organization</th></tr><tr><td>2014</td><td>Chairman</td><td>PTT Energy Resources Co., Ltd.</td></tr><tr><td>2008 - 2009</td><td>Chief Operating Officer, Upstream Petroleum and Gas Business Group</td><td>PTT PCL.</td></tr><tr><td>2003 - 2007</td><td>Senior Executive Vice President, Gas Business Unit</td><td>PTT PCL.</td></tr></table>		Period	Position	Company / Organization	2014	Chairman	PTT Energy Resources 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.
		Period	Position	Company / Organization											
2014	Chairman	PTT Energy Resources 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.													



Name of Director/ Age / Position/ Date of appointment	Education	Directorship and positions held in other companies/ Organisations and Work experience within last 5 years		
8. Ms. Serena Tan Mei Shwen Age 36 years Director Member of Board Risk Committee Date of Appointment: 6 May 2014	<ul style="list-style-type: none"><li>- Masters of Business Administration, Massachusetts Institute of Technology, USA</li><li>- Bachelor of Commerce, Accounting &amp; Finance, Macquarie University, Sydney, Australia</li><li>- 7<sup>th</sup> Form Bursary Certificate - (Economics, Statistics, English, History), Aranui High School, Christchurch, New Zealand</li></ul>	Listed Companies		
		Period	Position	Company / Organization
		-	-	-
		Non-Listed Companies and other Companies and Organisations		
		Period	Position	Company / Organization
		2005 - Present	Director	Investments, Khazanah Nasional Berhad, Kuala Lumpur, Malaysia
		Present	Director	Board of Acibadem Saglik ve Hayat Sigorta A.S. (Non-Independent Non-Executive Director)
		Work experience within last 5 years		
		Period	Position	Company / Organization
		Total share holding in Bank		
No. of shares held as of 2014				
- By director herself: None				
- By her spouse and minor children: None				
		April 2008 - Oct 2009	Principal	Olivant Advisors (Seconded from Khazanah), Singapore
		March 2006 - April 2008	Senior Vice President, Office of the Chairman/ CEO	Lippo Bank Tbk (Seconded from Khazanah), Jakarta, Indonesia
		Oct 2005 - March 2006	Vice President	Credit Cards Group Head
		Dec 2003 - Feb 2005	Associate	Boston Consulting Group, Kuala Lumpur, Malaysia
		April 2001 - Dec 2003	Senior Analyst	FIG Specialist, McKinsey & Company, Kuala Lumpur, Malaysia

Name of Director/ Age / Position/ Date of appointment	Education	Directorship and positions held in other companies/ Organisations and Work experience within last 5 years		
9. Mr. Subhak Siwaraksa Age 58 years Director (Authorized Signatory) President and Chief Executive Officer Chairman of Management Committee Chairman of Risk Management Committee Chairman of Assets and Liabilities Management Committee Chairman of Market Risk Committee Thailand Chairman of Credit Risk Committee Chairman of Product Development Committee Chairman of Credit Committee Level 2 Chairman of Retail Business Committee Chairman of IT Strategic Planning Committee Chairman of Marketing and Communications Committee Chairman of Problem Loan Management Working Group Date of appointment : 17 March 2009	<ul style="list-style-type: none"><li>- Ph.D .(Economics), University of Pennsylvania, U.S.A.</li><li>- M.A. (Law and Diplomacy), Fletcher School of Law and Diplomacy, Tufts University, Massachusetts, U.S.A.</li><li>- B.A. (English Literature Honors Program and Economics), Georgetown University, Washington D.C., U.S.A.</li></ul>	<b>Listed Companies</b>		
		<b>Period</b>	<b>Position</b>	<b>Company / Organization</b>
		-	-	-
		<b>Non-Listed Companies and other Companies and Organisations</b>		
		<b>Period</b>	<b>Position</b>	<b>Company / Organization</b>
		2014	Member, Audit Committee	The Stock Exchange of Thailand
		2014	Member, Corporate Governance and Social Responsibility Committee	The Stock Exchange of Thailand
		1 Feb 2013 - Present	Chairman	Sathorn Asset Management Co., Ltd.
		<b>Work experience within last 5 years</b>		
			<b>Period</b>	<b>Position</b>
<b>Total share holding in Bank</b>		2011 - 2013	Governor, Member Audit Committee	The Stock Exchange of Thailand
No. of shares held as of 2014		2008 - 2009	Director	Export-Import Bank of Thailand
- By director himself: None		2008 - 2009	Chairman	TMB Asset Management Co., Ltd.
- By his spouse and minor children: None	<ul style="list-style-type: none"><li>- 2011 Financial Institutions Governance Programme (FGP) Class 3/2011</li><li>- 2010 Certificate, Capital Market Academy Leadership Programme (Class 10 March - July 2010)</li><li>- 2007 National Defence College (Class 2007)</li><li>- 2006 Directors Certification Programme (DCP) Thai Institute of Directors Association (IOD)</li><li>- 2005 Directors Accreditation Programme (DAP) Thai Institute of Directors Association (IOD)</li><li>- 1993 Financial Executive Seminar, Bangkok (FINEX IV)</li></ul>	2003 - 2008	Chief Executive Officer and President	TMB Bank PCL.

Name of Director/ Age / Position/ Date of appointment	Education	Directorship and positions held in other companies/ Organisations and Work experience within last 5 years		
10. Assoc.Prof. Dr. Ismaae Alea Shariah Adviser Age 64 years Shariah Adviser Date of appointment: 1 August 2011	<ul style="list-style-type: none"> <li>- Higher Cert.in Promotion of Peaceful Society, King Prajadhipok's Institute</li> <li>- Ph.D., Al-Fiqh (First Class Hons), Islamic University of Madinah, Saudi Arabia</li> <li>- M.A., Al-Fiqh (Excellence) Islamic University of Madinah, Saudi Arabia</li> <li>- B.A., Sharia (Hons), Islamic University of Madinah, Saudi Arabia</li> <li>- B.A., (Dawah and Usul al- din), Islamic University of Madinah, Saudi Arabia</li> </ul>	<b>Listed Companies</b>		
		<b>Period</b>	<b>Position</b>	<b>Company / Organization</b>
		-	-	-
		<b>Non-Listed Companies and other Companies and Organisations</b>		
		<b>Period</b>	<b>Position</b>	<b>Company / Organization</b>
<b>Total share holding in Bank</b>  No. of shares held as of 2014 - By director himself: None - By his spouse and minor children: None		2007 - Present	Member, Chairman of Halal Affairs	Central Islamic Council of Thailand (CICOT)
		<b>Work experience within last 5 years</b>		
		<b>Period</b>	<b>Position</b>	<b>Company / Organization</b>
		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

Name of Director/ Age / Position/ Date of appointment	Education	Directorship and positions held in other companies/ Organisations and Work experience within last 5 years		
11. Dr. Maroning Salaming Age 49 years Shariah Advisor Date of appointment: 1 August 2011	<ul style="list-style-type: none"><li>- Ph.D. (Principles of Islamic Jurisprudence), Islamic University of Medina, Saudi Arabia</li><li>- M.A. (Principles of Islamic Jurisprudence), Islamic University of Medina, Saudi Arabia</li><li>- B.A. (Islamic Law), Islamic University of Medina, Saudi Arabia</li></ul>	Listed Companies		
		Period	Position	Company / Organization
		-	-	-
		Non-Listed Companies and other Companies and Organisations		
		Period	Position	Company / Organization
		2015 - Present	Expert	Sheikhul Islam
		2013 - 2014	Deputy Secretary General	Southern Border Provinces Administration Center
		2012 - 2014	Specialized Committee Member	Hajj Promotion Committee of Southern Border Provinces of Thailand, pursuant to the appointment order of Southern Border Provinces Administration Center
		2011 - Present	Member of Shariah Advisory Council	Koperasi Bina Berhad
		2010 - Present	Consultant and Working Committee Member	Sheikhul Islam
		2009 - Present	Member of Management Committee of Ph.D	College of Islamic Studies, Prince of Songkla University, Pattani Campus
		2008 – Present	Program Adviser on Ph.D. Thesis	College of Islamic Studies, Prince of Songkla University, Pattani Campus
		2006 - Present	Adviser on Master’s Degree Thesis	College of Islamic Studies, Prince of Songkla University, Pattani Campus
		2005 – Present	Professor of Islamic Law Department Committee Member	College of Islamic Studies, Prince of Songkla University, Pattani Campus
		2015 - Present	Adviser of Director College of Islamic Studies	College of Islamic Studies, Prince of Songkla University, Pattani Campus
Total share holding in Bank		Work experience within last 5 years		
No. of shares held as of 2014		Period	Position	Company / Organization
- By director himself: None		2008 - 2010	Member of Working Committee of Developing	Pursuant to the order of Sub Committee on Policy and Coordination of Judicial Process in Southern Border Provinces
- By his spouse and minor children: None		2007 - 2011	Adoption of Islamic Laws in Southern Border Provinces	Council for Yala Primary Educational Service Area 1
		2011 - 2013	Specialized Council Member	

**MANAGEMENT COMMITTEE PROFILE** as of 28 February 2015

Name of Director/ Age / Position/ Date of appointment	Education	Directorship and positions held in other companies/ Organisations and Work experience within last 5 years		
1. Mr. Surachai Chitratsenee <sup>1</sup> Age 64 years Deputy CEO Senior Executive Vice President Business Support Group Date of appointment: 1 January 2015	<ul style="list-style-type: none"><li>- M.A. (Economics), State University of New York at Binghamton, U.S.A.</li><li>- B.S. (Economics), Central Missouri State University, U.S.A.</li></ul>	Listed Companies		
		Period	Position	Company / Organization
		-	-	-
		Non-Listed Companies and other Companies and Organisations		
		Period	Position	Company / Organization
		Dec 2014 - Present	Director	Sathorn Asset Management Co., Ltd.
		Feb 2014 - Present	Chairman	CT COLL Co.,Ltd
		2005 - Present	Chairman	Center Auto Lease Co.,Ltd.
		Work experience within last 5 years		
		Period	Position	Company / Organization
		2005 - 2010	Chairman	WorldLease Co.,Ltd.
Total share holding in Bank				
No. of shares held as of 2014				
<ul style="list-style-type: none"><li>- By director himself: None</li><li>- By his spouse and minor children: None</li></ul>				
Name of Director/ Age / Position/ Date of appointment	Education	Directorship and positions held in other companies/ Organisations and Work experience within last 5 years		
2. Mrs. Panute Na Chiangmai Age 58 years Senior Executive Vice President Risk Management Group Date of appointment : 1 July 2009	<ul style="list-style-type: none"><li>- Master of Science Business (Marketing), University of Wisconsin-Madison</li><li>- Master of Business Administration (Finance &amp; Management), University of Wisconsin- Madison</li><li>- Bachelor of Education (Education Psychology), Chulalongkorn University</li></ul>	Listed Companies		
		Period	Position	Company / Organization
		-	-	-
		Non-Listed Companies and other Companies and Organisations		
		Period	Position	Company / Organization
		-	-	-
		Work experience within last 5 years		
		Period	Position	Company / Organization
		-	-	-
Total share holding in Bank				
No. of shares held as of 2014				
<ul style="list-style-type: none"><li>- By director herself: None</li><li>- By her spouse and minor children: None</li></ul>				
	Training			
	Financial Institutions Governance Programme (FGP) Class 3/2011			

Name of Director/ Age / Position/ Date of appointment	Education	Directorship and positions held in other companies/ Organisations and Work experience within last 5 years												
3. Mr. Narongchai Wongthanavimok Age 52 years Chief Financial Officer Senior Executive Vice President Strategy and Finance Group Date of appointment: 3 December 2009	<ul style="list-style-type: none"><li>- M.S (Information Systems), Golden Gate University, San Francisco, CA, U.S.A.</li><li>- MBA (Finance), University of Pittsburgh, Pittsburgh, PA, U.S.A.</li><li>- BA. (Econ), Thammasat University</li></ul> <p><b>Training</b></p> <ul style="list-style-type: none"><li>- Diploma, The Joint State - Private Sector Course (Class 24), The National Defence College (Class 2011)</li><li>- Financial Institutions Governance Program (FGP) Class 3/2011, Thai Institute of Directors</li><li>- CIMB-Insead Leaderships program, INSEAD</li><li>- Director Certification Program (DCP) 131/2010, Thai Institute of Directors</li><li>- CFO Becoming a Strategic Partner, University of Pennsylvania, USA</li><li>- Senior Finance Management Program, Executive Development International, UK</li><li>- Chulalongkorn University, Bangkok, Thailand : Certificate in System Analysis</li></ul>	<p><b>Listed Companies</b></p> <table><tr><th>Period</th><th>Position</th><th>Company / Organization</th></tr><tr><td>-</td><td>-</td><td>-</td></tr></table> <p><b>Non-Listed Companies and other Companies and Organisations</b></p> <table><tr><th>Period</th><th>Position</th><th>Company / Organization</th></tr><tr><td>Aug 2012 - Present</td><td>Chairman</td><td>WorldLease Co.,Ltd.</td></tr></table>	Period	Position	Company / Organization	-	-	-	Period	Position	Company / Organization	Aug 2012 - Present	Chairman	WorldLease Co.,Ltd.
		Period	Position	Company / Organization										
		-	-	-										
		Period	Position	Company / Organization										
		Aug 2012 - Present	Chairman	WorldLease Co.,Ltd.										
<p><b>Total share holding in Bank</b></p> <p>No. of shares held as of 2014</p> <ul style="list-style-type: none"><li>- By director himself: None</li><li>- By his spouse and minor children: None</li></ul>														
		<p><b>Work experience within last 5 years</b></p> <table><tr><th>Period</th><th>Position</th><th>Company / Organization</th></tr><tr><td>Aug 2010 - May 2014</td><td>Director (Authorized Signatory)</td><td>CIMB-Principal Asset Management Co., Ltd.</td></tr><tr><td>2004 - 2009</td><td>First Senior Vice President, MIS &amp; Planning Division Head, Finance Group</td><td>Siam Commercial Bank PCL.</td></tr></table>	Period	Position	Company / Organization	Aug 2010 - May 2014	Director (Authorized Signatory)	CIMB-Principal Asset Management Co., Ltd.	2004 - 2009	First Senior Vice President, MIS & Planning Division Head, Finance Group	Siam Commercial Bank PCL.			
Period	Position	Company / Organization												
Aug 2010 - May 2014	Director (Authorized Signatory)	CIMB-Principal Asset Management Co., Ltd.												
2004 - 2009	First Senior Vice President, MIS & Planning Division Head, Finance Group	Siam Commercial Bank PCL.												

Name of Director/ Age / Position/ Date of appointment	Education	Directorship and positions held in other companies/ Organisations and Work experience within last 5 years												
4. M.L.Nathchanya Davivongse Age 46 years Senior Executive Vice President Transaction Banking Group Date of appointment : 1 August 2010	<ul style="list-style-type: none"><li>- MBA (International Business Management &amp; Marketing), Oregon State University, Oregon, U.S.A.</li><li>- B.A. (International inance/ Banking), Oregon State University, Oregon, U.S.A.</li></ul>	<p><b>Listed Companies</b></p> <table><tr><th>Period</th><th>Position</th><th>Company / Organization</th></tr><tr><td>-</td><td>-</td><td>-</td></tr></table> <p><b>Non-Listed Companies and other Companies and Organisations</b></p> <table><tr><th>Period</th><th>Position</th><th>Company / Organization</th></tr><tr><td>-</td><td>-</td><td>-</td></tr></table>	Period	Position	Company / Organization	-	-	-	Period	Position	Company / Organization	-	-	-
		Period	Position	Company / Organization										
		-	-	-										
		Period	Position	Company / Organization										
		-	-	-										
<p><b>Total share holding in Bank</b></p> <p>No. of shares held as of 2014</p> <ul style="list-style-type: none"><li>- By director herself: None</li><li>- By her spouse and minor children: None</li></ul>														
		<p><b>Work experience within last 5 years</b></p> <table><tr><th>Period</th><th>Position</th><th>Company / Organization</th></tr><tr><td>Nov 2009 - Jun 2010</td><td>Director - Regional Sales, Cash Management Corporate</td><td>Deutsche Bank AG, Asia-Pacific Head Office, Singapore</td></tr><tr><td>Nov 2005 - Oct 2009</td><td>Head, Global Transaction Banking</td><td>Deutsche Bank AG, Bangkok</td></tr></table>	Period	Position	Company / Organization	Nov 2009 - Jun 2010	Director - Regional Sales, Cash Management Corporate	Deutsche Bank AG, Asia-Pacific Head Office, Singapore	Nov 2005 - Oct 2009	Head, Global Transaction Banking	Deutsche Bank AG, Bangkok			
Period	Position	Company / Organization												
Nov 2009 - Jun 2010	Director - Regional Sales, Cash Management Corporate	Deutsche Bank AG, Asia-Pacific Head Office, Singapore												
Nov 2005 - Oct 2009	Head, Global Transaction Banking	Deutsche Bank AG, Bangkok												



Name of Director/ Age / Position/ Date of appointment	Education	Directorship and positions held in other companies/ Organisations and Work experience within last 5 years										
5. Mr.Silawat Santivisat Age 51 years Senior Executive Vice President Group Information and Operations Division Date of appointment : 1 September 2012	<ul style="list-style-type: none"><li>- M.M., Sasin Graduate Institute of Business Administration, Chulalongkorn University</li><li>- M.S. (Chemical Engineering), University of Texas, Austin, U.S.A.</li><li>- B. E.(2<sup>nd</sup> class honor), Chulalongkorn University</li></ul> <p><b>Training</b></p> <ul style="list-style-type: none"><li>- Banc Assurance Straight Through Processing in Malaysia by May Bank, Ageas Insurance</li><li>- Leadership Greatness by PacRim Group</li><li>- Executive Programme for Senior Management 2008 by Fiscal Policy Research Institute Foundation</li><li>- Building The Leadership Team for Outstanding for John C.Maxwell/Strategic Management for Service Industries by SASIN</li><li>- On 21st Century Marketing by Philip Kotler by Thailand Management Association (TMA)</li><li>- Lafferty Retail Finance Asia-Pacific 2004 by Lafferty</li><li>- Cash and Treasury Management in Asia Pacific Region 2001, 2002 by Euro Finance</li></ul>	<p><b>Listed Companies</b></p> <table><tr><th>Period</th><th>Position</th><th>Company / Organization</th></tr><tr><td>-</td><td>-</td><td>-</td></tr></table>	Period	Position	Company / Organization	-	-	-				
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		-	-	-								
		<p><b>Non-Listed Companies and other Companies and Organisations</b></p> <table><tr><th>Period</th><th>Position</th><th>Company / Organization</th></tr><tr><td>2 May 2014 - Present</td><td>Director</td><td>CIMB-Principal Asset Management Co., Ltd.</td></tr></table>	Period	Position	Company / Organization	2 May 2014 - Present	Director	CIMB-Principal Asset Management Co., Ltd.				
		Period	Position	Company / Organization								
2 May 2014 - Present	Director	CIMB-Principal Asset Management Co., Ltd.										
<p><b>Work experience within last 5 years</b></p> <table><tr><th>Period</th><th>Position</th><th>Company / Organization</th></tr><tr><td>May 2009 - Aug 2012</td><td>First Senior Vice President, Retail Banking Division</td><td>Kasikorn Bank PCL.</td></tr><tr><td>Jan 2005 - Mar 2009</td><td>Executive Vice President, Transaction Banking / Cash Management Business</td><td>TMB Bank PCL.</td></tr></table>	Period	Position	Company / Organization	May 2009 - Aug 2012	First Senior Vice President, Retail Banking Division	Kasikorn Bank PCL.	Jan 2005 - Mar 2009	Executive Vice President, Transaction Banking / Cash Management Business	TMB Bank PCL.			
Period	Position	Company / Organization										
May 2009 - Aug 2012	First Senior Vice President, Retail Banking Division	Kasikorn Bank PCL.										
Jan 2005 - Mar 2009	Executive Vice President, Transaction Banking / Cash Management Business	TMB Bank PCL.										
<p><b>Total share holding in Bank</b></p> <p>No. of shares held as of 2014</p> <ul style="list-style-type: none"><li>- By director himself: None</li><li>- By his spouse and minor children: None</li></ul>												
Name of Director/ Age / Position/ Date of appointment	Education	Directorship and positions held in other companies/ Organisations and Work experience within last 5 years										
6. Mr. Pornchai Padmindra Age 42 years Senior Executive Vice President Wholesale Banking Group Date of appointment : 1 September 2013	<ul style="list-style-type: none"><li>- Bachelor of Accounting Kasetsart University</li><li>- AFS Scholarship Student Exchange Program</li></ul> <p><b>Training</b></p> <ul style="list-style-type: none"><li>- 2008 Director Accreditation Program (DAP), Class 73/2008</li></ul>	<p><b>Listed Companies</b></p> <table><tr><th>Period</th><th>Position</th><th>Company / Organization</th></tr><tr><td>-</td><td>-</td><td>-</td></tr></table>	Period	Position	Company / Organization	-	-	-				
		Period	Position	Company / Organization								
		-	-	-								
		<p><b>Non-Listed Companies and other Companies and Organisations</b></p> <table><tr><th>Period</th><th>Position</th><th>Company / Organization</th></tr><tr><td>-</td><td>-</td><td>-</td></tr></table>	Period	Position	Company / Organization	-	-	-				
		Period	Position	Company / Organization								
-	-	-										
<p><b>Work experience within last 5 years</b></p> <table><tr><th>Period</th><th>Position</th><th>Company / Organization</th></tr><tr><td>Sep 2011 - Aug 2013</td><td>Executive Vice President, Corporate Banking Team 2</td><td>Thanachart Bank Plc.</td></tr><tr><td>Oct 2008 - Aug 2011</td><td>Executive Vice President, Origination &amp; Client Coverage</td><td>Standard Chartered Bank (Thai) Plc.</td></tr><tr><td>Mar 2007 - Sep 2008</td><td>Managing Director</td><td>Citicorp Securities (Thailand) Ltd.</td></tr></table>	Period	Position	Company / Organization	Sep 2011 - Aug 2013	Executive Vice President, Corporate Banking Team 2	Thanachart Bank Plc.	Oct 2008 - Aug 2011	Executive Vice President, Origination & Client Coverage	Standard Chartered Bank (Thai) Plc.	Mar 2007 - Sep 2008	Managing Director	Citicorp Securities (Thailand) Ltd.
Period	Position	Company / Organization										
Sep 2011 - Aug 2013	Executive Vice President, Corporate Banking Team 2	Thanachart Bank Plc.										
Oct 2008 - Aug 2011	Executive Vice President, Origination & Client Coverage	Standard Chartered Bank (Thai) Plc.										
Mar 2007 - Sep 2008	Managing Director	Citicorp Securities (Thailand) Ltd.										
<p><b>Total share holding in Bank</b></p> <p>No. of shares held as of 2014</p> <ul style="list-style-type: none"><li>- By director himself: None</li><li>- By his spouse and minor children: None</li></ul>												

Name of Director/ Age / Position/ Date of appointment	Education	Directorship and positions held in other companies/ Organisations and Work experience within last 5 years		
7. Mr. Jiratchyuth Amyongka Age 47 years Senior Executive Vice President Commercial Banking Group Date of appointment : 27 September 2013	<ul style="list-style-type: none"><li>- Cert. of Int'l Business &amp; Finance, New York University</li><li>- M.B.A., Indiana University of Pennsylvania</li><li>- Bachelor of Law, Thammasat University</li></ul>	Listed Companies		
		Period	Position	Company / Organization
		-	-	-
	Non-Listed Companies and other Companies and Organisations			
	Period	Position	Company / Organization	
	-	-	-	
Total share holding in Bank	<div>Training</div> <ul style="list-style-type: none"><li>- Great Leadership, Pacrim Group</li><li>- Advance Negotiation skill, Independence Instructor</li><li>- TAP (Talent Acceleration Program) GE, Turkey &amp; London</li></ul>	Work experience within last 5 years		
No. of shares held as of 2014		Period	Position	Company / Organization
- By director himself: None		June 2011 - Sep 2013	Head of SME Banking	Thanachart Bank PCL.
- By his spouse and minor children: None		Feb 2007 - June 2011	Executive Vice President, Strategy, Change Management and Product and Marketing Developmen Head & Sale Head BKK.	Bank of Ayudhya PCL.
		Feb 2007 - 2009	Director, SME Thailand	GE Money Bank PCL.
Name of Director/ Age / Position/ Date of appointment	Education	Directorship and positions held in other companies/ Organisations and Work experience within last 5 years		
8. Mr. Adisorn Sermchaiwong Age 48 years Senior Executive Vice President Retail Banking Group Date of appointment : 11 September 2012	<ul style="list-style-type: none"><li>- MBA, Sasin Graduate Institute of Business Administration of Chulalongkorn University</li><li>- B.E., Chulalongkorn University</li></ul>	Listed Companies		
		Period	Position	Company / Organization
		-	-	-
	Non-Listed Companies and other Companies and Organisations			
	Period	Position	Company / Organization	
	2014 - Present	Director	CIMB-Principal Asset Man- agement Co., Ltd.	
Total share holding in Bank	<div>Training</div> <ul style="list-style-type: none"><li>- 2005 Director Certification Programme</li><li>- Advanced Management Programme, Oxford University</li><li>- Capital Market Academy Leadership Programme, Capital Market Academy (CMA) Class 1</li></ul>	Work experience within last 5 years		
No. of shares held as of 2014		Period	Position	Company / Organization
- By director himself: None		2010 - 2012	Executive Director, Country Head of Channels	UOB Bank PCL.
- By his spouse and minor children: None		2007 - 2010	EVP, Saving & Investment Products	Siam Commercial Bank PCL.
		2002 - 2007	President	SCB Asset Management Co.,Ltd.

Name of Director/ Age / Position/ Date of appointment	Education	Directorship and positions held in other companies/ Organisations and Work experience within last 5 years		
9. Mr. Sutee Losoponkul Age 54 years Senior Executive Vice President Treasury Group Date of appointment: 1 April 2011	<ul style="list-style-type: none"><li>- MBA, National Institute of Development Administration (NIDA)</li><li>- B.Sc. (Industrial Engineering), Prince of Songkla University</li></ul> <p>Training</p> <ul style="list-style-type: none"><li>- Market Risk for Treasury Products, New York Institute of Finance (Financial Times)</li><li>- Asset and Liability Management, Chase Manhattan Bank, Singapore</li><li>- Treasury Training Scheme, Institute of Banking and Finance (IBF), Singapore<ul style="list-style-type: none"><li>• Offshore Deposit Market</li><li>• Foreign Exchange Arithmetic</li><li>• Financial Future</li><li>• Options</li><li>• Citibank Bourse Game</li></ul></li></ul>	<b>Listed Companies</b>		
		<b>Period</b>	<b>Position</b>	<b>Company / Organization</b>
		-	-	-
		<b>Non-Listed Companies and other Companies and Organisations</b>		
		<b>Period</b>	<b>Position</b>	<b>Company / Organization</b>
	4 Mar 2011 - Present	Director	CIMB Securities (Thailand) Co.,Ltd.	
	23 Apr 2013 - Present	Director	The Thai Bond Market Association	
<b>Total share holding in Bank</b>		<b>Work experience within last 5 years</b>		
		<b>Period</b>	<b>Position</b>	<b>Company / Organization</b>
No. of shares held as of 2014		-	-	-
- By director himself: None				
- By his spouse and minor children: None				

Name of Director/ Age / Position/ Date of appointment	Education	Directorship and positions held in other companies/ Organisations and Work experience within last 5 years		
10. Mr. Sittichai Mahaguna Age 48 years Executive Vice President Corporate Finance and Equity Capital Markets Group Date of Appointment: 1 October 2012	<ul style="list-style-type: none"><li>- MBA, Finance, California State University, San Bernardino, USA</li><li>- BBA, Finance, ChulalongkornUniversity</li></ul> <p>Training</p> <ul style="list-style-type: none"><li>- 2013 CIMB-INSEAD Leadership Program</li></ul>	<b>Listed Companies</b>		
		<b>Period</b>	<b>Position</b>	<b>Company / Organization</b>
		-	-	-
		<b>Non-Listed Companies and other Companies and Organisations</b>		
		<b>Period</b>	<b>Position</b>	<b>Company / Organization</b>
	Present	Director	CIMB Securities (Thailand) Co.,Ltd.	
	Present	Director	Investment Banking Club	
<b>Total share holding in Bank</b>		<b>Work experience within last 5 years</b>		
		<b>Period</b>	<b>Position</b>	<b>Company / Organization</b>
No. of shares held as of 2014		Sep 2009 - Sep 2012	Head of Investment Banking	CIMB Securities (Thailand) Co.,Ltd.Head
- By director himself: None		Nov 2006 - Sep 2009	Head of Investment Banking	CIMB-GK Securities (Thailand) Co.,Ltd.
- By his spouse and minor children: None		Feb 2002 - Sep 2006	Executive Vice President, Investment Banking Group	Kimeng Securities (Thailand) Co.,Ltd.

Name of Director/ Age / Position/ Date of appointment	Education	Directorship and positions held in other companies/ Organisations and Work experience within last 5 years		
11. Mr. Prapas Thongsuk Age 51 years Executive Vice President Corporate Communications Division Date of appointment: 1 April 2010	<div><div>- MBA, National Institute of Development Administration (NIDA)</div><div>- B.Ed., Chulalongkorn University</div></div>	Listed Companies		
		Period	Position	Company / Organization
		-	-	-
		Non-Listed Companies and other Companies and Organisations		
		Period	Position	Company / Organization
		-	-	-
		Total share holding in Bank		
		Work experience within last 5 years		
		PeriodPositionCompany / Organization		
No. of shares held as of 2014		2004 - 2010	SVP Corporate Marketing	Krungthai Card PCL.
- By director himself: None				
- By his spouse and minor children: None				

Name of Director/ Age / Position/ Date of appointment	Education	Directorship and positions held in other companies/ Organisations and Work experience within last 5 years			
12. Ms. Siriporn Sanunpairaue Age 50 years First Executive Vice President Internal Audit Division Date of appointment: 22 February 2010	<ul style="list-style-type: none"><li>- MBA, Thammasat University</li><li>- B.Acc., Thammasat University</li></ul>	Listed Companies			
		Period	Position	Company / Organization	
	-	-	-		
	Training <ul style="list-style-type: none"><li>- CIMB-INSEAD Leadership Program</li><li>- CIA Preparation, Institute of Internal Auditors of Thailand</li><li>- Certified Professional Internal Auditor (CPIA), Institute of Internal Auditors of Thailand</li></ul>	Non-Listed Companies and other Companies and Organisations			
		Period	Position	Company / Organization	
		-	-	-	
	Total share holding in Bank		Work experience within last 5 years		
	No. of shares held as of 2014 <ul style="list-style-type: none"><li>- By director herself : None</li><li>- By her spouse and minor children : None</li></ul>		Period	Position	Company / Organization
			2007 - 2008	Head of Internal Audit Department, Senior Vice President	Standard Chartered Bank (Thai) PCL.
			2006 - 2007	Senior Audit Manager, Group Internal Audit	Standard Chartered Bank

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

/1 The Board meeting resolved extending the employment and appointment of Mr. Surachai Chitratsene as Deputy CEO and Senior Executive Vice President, Business Support Group, taking effect from 1 January 2015 to 31 December 2015.

# THE NOMINATION, REMUNERATION, AND CORPORATE GOVERNANCE COMMITTEE REPORT

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In 2014, the Nomination, Remuneration, and Corporate Governance Committee performed its duties, namely to ensure that the Bank considered and nominated names of qualified candidates for positions of directors and senior executives of the bank, and with appropriate remuneration and benefits according to their duties and responsibilities. In addition, the Committee also reviewed the Corporate Governance Policy and Codes of Conduct for directors and employees of the Bank to ensure consistency with the corporate governance criteria of relevant regulatory authorities

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 appropriate remuneration and benefits to 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 referred the results to the Board of Directors with recommendations regarding the appropriate remuneration and benefits.
4. To review and consider the annual salary adjustments and bonuses for the Bank to the Board for approval.
5. To review the Corporate Governance Policy and Codes of Conduct for directors and employees of the Bank to ensure consistency with the corporate governance criteria of relevant regulatory authorities, and to submit to the Board of Directors for approval.
6. To approve corporate governance guidelines for relevant units to align with and present to the Board of Directors for acknowledgement on a yearly basis so as to enhance good corporate governance of the Bank.

The remuneration for the directors and the senior executives in year 2014 is set out in the Corporate Governance Report under the section "Director and Management Remuneration". The Committee has the opinion that such remuneration is in line with their duties and responsibilities, the individuals' performance, the overall economic situation, and the performance of the Bank.



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

# AUDIT COMMITTEE REPORT

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In 2014, the Audit Committee performed specific responsibilities delegated to it by the Board of Directors. Every effort is made to ensure that the Bank complies with the relevant rules and regulations of the Bank of Thailand, Stock Exchange of Thailand, Securities and Exchange Commission, the Bank of Lao PDR, and the relevant regulatory bodies. In addition, it has in place adequate procedures and systems of good corporate governance, appropriate risk management and internal control system that can enhance value for the Bank in line with the objectives and targets set by the Board.

The main areas of focus for the Committee cover the Internal Audit including Credit Review and Compliance of the CIMB Thai Bank Group. The main roles and responsibilities of the Audit Committee are as follows:

1. To assist the Board in discharging its statutory duties and responsibilities relating to accounting, reporting practices and corporate governance.
2. To review the effectiveness of the internal audit function and the compliance function, in particular, approval of annual audit plan and compliance plan, adequacy of scope, functions, competency and resources, review results of internal audit process and, where necessary, remedial action taken, and compliance with relevant guidelines on internal audit issued by the Bank of Thailand, the Stock Exchange of Thailand, the Securities and Exchange Commission and the Bank of Lao PDR.
3. To review the effectiveness of the external auditor, in particular, the appointment, the audit fees, objectivity, performance and independence of the external auditors.
4. To review the comments and recommendations rendered by the regulators, Internal Audit Division, Credit Review Section, Compliance Department and external auditors with an aim to compel the officers concerned to ensure prompt, continuous and effective compliance, and that outstanding issues are followed-up and resolved.
5. To ensure that the accounts are prepared in a timely and accurate manner in accordance with generally accepted accounting principles as well as financial reporting standards.
6. To meet with Executive Management and the external auditors periodically to acknowledge and exchange opinions. In particular, to meet with external auditors without the presence of Executive Management at least twice a year.

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



(Mr. Sukont Kanjana-Huttakit)  
Chairman of Audit Committee



# REPORT OF RESPONSIBILITY OF THE BOARD OF DIRECTORS FOR FINANCIAL STATEMENTS

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The Board of Directors is responsible for the financial statements of CIMB Thai Bank Public Company Limited and its subsidiaries as well as the financial information presented in this annual report. The aforementioned financial statements were 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 Stock Exchange of Thailand.

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 irregular operations or fraud.

The Board of Directors has appointed an Audit Committee comprising Independent Directors to be responsible for the quality of financial statements and the effectiveness of the Bank's 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 on the Bank's and its subsidiaries in relation to the financial statements for the year end 31 December 2014.



Mr. Chitrapongse Kwangsukstith  
Director



Mr. Subhak Siwaraksa  
President and Chief Executive Officer

# AUDITOR'S REPORT

## To the Shareholders of CIMB Thai Bank Public Company Limited

I have audited the accompanying consolidated and bank financial statements of CIMB Thai Bank Public Company Limited and its subsidiaries, and of CIMB Thai Bank Public Company Limited, which comprise the consolidated and bank statements of financial position as at 31 December 2014, and the related consolidated and bank statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other notes.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### Opinion

In my opinion, the consolidated and bank financial statements referred to above present fairly, in all material respects, the consolidated and bank financial position of CIMB Thai Bank Public Company Limited and its subsidiaries, and of CIMB Thai Bank Public Company Limited as at 31 December 2014, and consolidated and bank results of operations and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.



**BOONLERT  
KAMOLCHANOKKUL**

CERTIFIED PUBLIC ACCOUNTANT (THAILAND) NO. 5339  
PRICEWATERHOUSECOOPERS ABAS LTD.  
BANGKOK / 25 FEBRUARY 2015

CIMB THAI BANK  
PUBLIC  
COMPANY LIMITED  
CONSOLIDATED  
AND BANK  
FINANCIAL  
STATEMENTS

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FOR THE YEAR ENDED 31 DECEMBER 2014

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014

	Notes	CONSOLIDATED		THE BANK	
		2014 Baht	2013 Baht	2014 Baht	2013 Baht
<b>Assets</b>					
Cash		3,989,621,938	3,328,748,596	3,987,736,777	3,324,656,939
Interbank and money market items, net	6	6,522,689,913	33,555,652,005	6,453,199,978	33,509,102,456
Derivative assets	7	10,803,916,302	9,100,647,662	10,803,916,302	9,100,647,662
Investments, net	8	55,253,273,115	53,324,961,980	55,253,273,115	53,324,961,980
Investments in subsidiaries, net	8	-	10,523,242	1,324,920,707	1,335,443,948
Loans and accrued interest receivables	9				
Loans		194,610,261,270	175,844,355,534	188,334,023,282	168,952,844,988
Accrued interest receivables		455,304,547	453,532,902	459,212,620	462,586,736
Total loans and accrued interest receivables		195,065,565,817	176,297,888,436	188,793,235,902	169,415,431,724
Less Deferred revenue		(4,642,328,361)	(4,757,282,848)	(163,150,115)	(255,170,649)
Less Allowance for doubtful debts	10	(5,979,008,801)	(5,263,612,956)	(5,447,517,156)	(4,913,545,914)
Less Revaluation allowance for debt restructuring	11	(68,351,237)	(33,422,083)	(68,351,237)	(33,422,083)
Loans and accrued interest receivables, net		184,375,877,418	166,243,570,549	183,114,217,394	164,213,293,078
Customers' liability under acceptance		68,889,332	57,650,960	68,889,332	57,650,960
Properties for sale, net	12	1,826,291,636	1,706,018,723	1,582,424,466	1,597,877,173
Premises and equipment, net	13	3,071,759,407	3,349,094,004	3,002,336,396	3,264,147,293
Intangible assets, net	14	361,802,153	343,053,368	355,963,642	337,319,600
Deferred tax assets	15	932,252,708	1,048,636,577	730,902,722	917,960,906
Receivable from Thai Asset Management Corporation	47	3,572,457,936	3,572,457,936	3,572,457,936	3,572,457,936
Other assets, net	16	3,365,142,396	4,020,544,901	3,196,065,790	3,806,401,726
<b>Total assets</b>		<b>274,143,974,254</b>	<b>279,661,560,503</b>	<b>273,446,304,557</b>	<b>278,361,921,657</b>

Director

Director

The accompanying notes to the consolidated and bank financial statements from page 132 to 232 are an integral part of the financial statements.

# STATEMENTS OF FINANCIAL POSITION (CONT'D)

AS AT 31 DECEMBER 2014

CONSOLIDATED			THE BANK		
Notes	2014 Baht	2013 Baht	2014 Baht	2013 Baht	
Liabilities and shareholders' equity					
Liabilities					
Deposits	17	183,894,650,541	152,132,672,386	184,105,739,854	152,272,534,436
Interbank and money market items, net	18	18,304,766,777	44,866,261,855	18,230,366,777	44,241,461,855
Liability payable on demand		344,291,120	504,867,176	344,291,120	504,867,176
Financial liabilities designated at fair value					
through profit or loss	19	7,693,132,792	5,856,747,052	7,693,132,792	5,856,747,052
Derivative liabilities	7	10,396,602,437	9,651,786,057	10,396,602,437	9,651,786,057
Debt issued and borrowings	20	24,512,208,453	37,706,592,055	24,512,208,453	37,706,592,055
Bank's liability under acceptance		68,889,332	57,650,960	68,889,332	57,650,960
Provisions	21	1,349,021,686	1,401,820,542	1,311,935,645	1,373,071,393
Other liabilities	22	4,892,161,996	5,653,090,246	4,556,103,564	5,281,074,920
Total liabilities		251,455,725,134	257,831,488,329	251,219,269,974	256,945,785,904
Shareholders' equity					
Share capital	23				
Registered					
21,084,878,025 ordinary shares of Baht 0.50 each		10,542,439,013		10,542,439,013	
26,105,495,608 ordinary shares of Baht 0.50 each			13,052,747,804		13,052,747,804
Issued and paid-up share capital					
21,084,878,025 ordinary shares of Baht 0.50 each		10,542,439,013	10,542,439,013	10,542,439,013	10,542,439,013
Premium on share capital		3,867,738,430	3,867,738,430	3,867,738,430	3,867,738,430
Other reserves	24	986,868,234	926,055,341	986,868,234	926,055,341
Accretion of equity interests in subsidiary		(42,753,751)	(42,753,751)	-	-
Retained earnings					
Appropriated - statutory reserve	25	341,300,000	272,000,000	341,300,000	272,000,000
Unappropriated		6,992,657,194	6,264,593,141	6,488,688,906	5,807,902,969
Total shareholders' equity		22,688,249,120	21,830,072,174	22,227,034,583	21,416,135,753
Total liabilities and shareholders' equity		274,143,974,254	279,661,560,503	273,446,304,557	278,361,921,657

The accompanying notes to the consolidated and bank financial statements from page 132 to 232 are an integral part of the financial statements.

# STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	CONSOLIDATED		THE BANK	
		2014 Baht	2013 Baht	2014 Baht	2013 Baht
Interest income	30	13,927,429,582	12,376,299,267	12,460,684,461	11,028,059,321
Interest expenses	31	(6,038,723,192)	(5,851,629,502)	(6,028,333,772)	(5,794,877,075)
<b>Net interest income</b>		<b>7,888,706,390</b>	<b>6,524,669,765</b>	<b>6,432,350,689</b>	<b>5,233,182,246</b>
Fees and service income		1,547,716,018	1,397,769,012	1,236,361,987	1,159,974,191
Fees and service expenses		(208,850,553)	(139,518,172)	(296,494,840)	(220,024,731)
Net fee and service income	32	1,338,865,465	1,258,250,840	939,867,147	939,949,460
Gains on tradings and foreign exchange transactions	33	1,804,875,080	714,313,846	1,804,875,080	714,313,846
Losses on financial liabilities designated at fair value through profit or loss	34	(1,093,726,426)	(100,799,433)	(1,093,726,426)	(100,799,433)
Gains on investments, net	35	329,535,536	421,231,316	329,535,536	316,916,689
Gain sharing from the management of the non-performing loans by Thai Asset Management Corporation	47	-	1,100,714,818	-	1,100,714,818
Other operating income	36	237,961,382	327,606,151	186,960,038	297,211,835
<b>Total operating income</b>		<b>10,506,217,427</b>	<b>10,245,987,303</b>	<b>8,599,862,064</b>	<b>8,501,489,461</b>
<b>Other operating expenses</b>					
Employee expenses		3,742,090,542	3,105,205,377	3,249,134,056	2,656,753,727
Directors' remuneration		9,260,000	9,096,000	8,804,000	8,400,000
Premises and equipment expenses		1,399,493,378	1,336,198,325	1,268,595,392	1,202,692,791
Taxes and duties		408,517,126	286,465,170	393,443,378	269,917,968
Others		1,581,197,029	1,358,077,429	789,876,300	812,035,636
<b>Total other operating expenses</b>		<b>7,140,558,075</b>	<b>6,095,042,301</b>	<b>5,709,853,126</b>	<b>4,949,800,122</b>
Bad and doubtful debts and impairment losses	37	2,129,643,339	2,743,502,820	1,702,567,406	2,367,200,000
<b>Profit before income tax expenses</b>		<b>1,236,016,013</b>	<b>1,407,442,182</b>	<b>1,187,441,532</b>	<b>1,184,489,339</b>
Income tax expenses	38	(247,212,868)	82,664,881	(245,916,503)	97,923,390
<b>Net profit for the year</b>		<b>988,803,145</b>	<b>1,490,107,063</b>	<b>941,525,029</b>	<b>1,282,412,729</b>

The accompanying notes to the consolidated and bank financial statements from page 132 to 232 are an integral part of the financial statements.



# STATEMENTS OF COMPREHENSIVE INCOME (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2014

CONSOLIDATED			THE BANK	
Notes	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Other comprehensive income (expenses)				
Changes in revaluation surplus	(24,262,109)	(35,525,049)	(24,262,109)	(35,525,049)
Gains (losses) on remeasuring available-for-sale investments	240,733,492	(167,876,846)	240,733,492	(167,876,846)
Gains arising from translating the financial statement of a foreign operation	7,337,610	-	7,337,610	-
Losses on cash flow hedges	(149,627,279)	-	(149,627,279)	-
Income tax relating to components of other comprehensive (expenses) income	(13,368,821)	40,680,379	(13,368,821)	40,680,379
Total other comprehensive income (expenses)	60,812,893	(162,721,516)	60,812,893	(162,721,516)
Total comprehensive income for the year	1,049,616,038	1,327,385,547	1,002,337,922	1,119,691,213
Net profit attributable to:				
Equity holders of the Bank	988,803,145	1,490,107,063	941,525,029	1,282,412,729
Non-controlling interests	-	-	-	-
	988,803,145	1,490,107,063	941,525,029	1,282,412,729
Total comprehensive income attributable to:				
Equity holders of the Bank	1,049,616,038	1,327,385,547	1,002,337,922	1,119,691,213
Non-controlling interests	-	-	-	-
	1,049,616,038	1,327,385,547	1,002,337,922	1,119,691,213
Earnings per share for profit attributable to the equity holders of the Bank	40			
Basic earnings per share (Baht per share)	0.05	0.07	0.04	0.06
Weighted average number of ordinary shares (shares)	21,084,878,025	21,084,878,025	21,084,878,025	21,084,878,025

The accompanying notes to the consolidated and bank financial statements from page 132 to 232 are an integral part of the financial statements.

# STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2014

CONSOLIDATED													
Attributable to owners of the Bank													
Other reserves													
Notes	Issued and paid-up share capital Baht	Share premium Baht	Revaluation surplus on assets Baht	Revaluation surplus (deficit) on change in value of investments Baht	Losses arising from translating the financial statement of a foreign operation Baht	Gains on cash flow hedges Baht	Income tax relating to components of other comprehensive income Baht	Total other reserves Baht	Accretion of equity interests in subsidiary Baht	Legal reserve Baht	Retained earnings Baht	Total Baht	
26	Balance as at 1 January 2014	10,542,439,013	3,867,738,430	1,119,425,797	38,143,379	-	-	(231,513,835)	928,055,341	(42,753,751)	272,000,000	6,264,593,141	21,830,072,174
	Dividend paid	-	-	-	-	-	-	-	-	-	-	(210,848,780)	(210,848,780)
	Total comprehensive (expenses) income for the year	-	-	(24,262,109)	240,733,492	7,337,610	(149,627,279)	(13,368,821)	60,812,893	-	-	988,803,145	1,049,616,038
	Appropriated - statutory reserve	-	-	-	-	-	-	-	-	-	69,300,000	(69,300,000)	-
25	Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	19,409,688	19,409,688
	Balance as at 31 December 2014	10,542,439,013	3,867,738,430	1,095,163,688	278,876,871	7,337,610	(149,627,279)	(244,882,656)	988,868,234	(42,753,751)	341,300,000	6,992,657,194	22,688,249,120
	Balance as at 1 January 2013	10,542,439,013	3,867,738,430	1,154,950,846	206,020,225	-	-	(272,194,214)	1,088,776,857	(42,753,751)	187,500,000	4,928,885,419	20,572,565,988
	Dividend paid	-	-	-	-	-	-	-	-	-	-	(105,424,390)	(105,424,390)
26	Total comprehensive (expenses) income for the year	-	-	(35,525,049)	(167,876,846)	-	-	40,680,379	(162,721,516)	-	-	1,490,107,063	1,327,385,547
	Appropriated - statutory reserve	-	-	-	-	-	-	-	-	-	84,500,000	(84,500,000)	-
	Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	35,525,049	35,525,049
	Balance as at 31 December 2013	10,542,439,013	3,867,738,430	1,119,425,797	38,143,379	-	-	(231,513,835)	928,055,341	(42,753,751)	272,000,000	6,264,593,141	21,830,072,174

The accompanying notes to the consolidated and bank financial statements from page 132 to 232 are an integral part of the financial statements.

FOR THE YEAR ENDED 31 DECEMBER 2014

*The accompanying notes to the consolidated and bank financial statements from page 132 to 232 are an integral part of the financial statements.*

# STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2014

	CONSOLIDATED		THE BANK	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
<b>Cash flows from operating activities</b>				
Profit before corporate income tax	1,236,016,013	1,407,442,182	1,187,441,532	1,184,489,339
Adjustments to reconcile net income before income tax to cash in (out) flows from operating activities:				
Depreciation and amortisation	518,920,584	519,559,724	494,154,138	488,984,750
Bad debts and doubtful accounts	2,129,643,339	2,743,502,819	1,702,567,406	2,367,200,000
Reversal of provision for off-balance sheet items	(90,880,000)	-	(90,880,000)	-
Share-based payment	7,396,892	1,769,440	7,396,892	1,769,440
Provision for liabilities	150,899,422	12,616,384	142,690,798	6,861,348
Losses on impairment of properties for sale	69,486,326	57,552,298	203,691	649,137
Losses on impairment of investments	-	8,983,625	-	8,983,625
Reversal of impairment losses on investments in subsidiaries	-	(104,314,627)	-	-
Gain sharing from the management of the non-performing loans by Thai Asset Management Corporation	-	(1,100,714,818)	-	(1,100,714,818)
Unrealised (gains) losses on exchange and derivatives	(1,457,976,392)	745,928,080	(1,457,976,392)	745,928,080
Losses (gains) on properties for sale	591,065,360	390,527,419	(15,912,856)	(27,627,848)
Unrealised losses (gains) on revaluation of investments	22,516,398	(23,953,281)	22,516,398	(23,953,281)
Gains on sale of investments	(453,705,914)	(348,446,867)	(453,705,914)	(348,446,867)
Gains on disposal of premises and equipment	(3,870,312)	(2,026,556)	(3,477,968)	(559,287)
Losses from write off premises and equipment	19,036,757	8,214,659	19,036,757	8,195,290
Losses from write off leasehold rights	2,314,144	69,751	2,314,144	69,751
Losses on financial liabilities designated at fair value through profit or loss	1,093,726,426	100,799,433	1,093,726,426	100,799,433
Interest and dividend income	(13,978,652,436)	(12,542,854,103)	(12,511,907,316)	(11,194,614,158)
Interest expenses	5,110,319,237	5,060,610,547	5,099,929,817	5,003,858,121
<b>Losses from operations before changes in operating assets and liabilities</b>	(5,033,744,156)	(3,064,733,891)	(4,761,882,447)	(2,778,127,945)
(Increase) decrease in operating assets				
Interbank and money market items	27,021,999,228	(23,378,446,731)	27,044,939,614	(23,365,268,593)
Investments held for trading	3,548,028,199	(6,898,913,712)	3,548,028,199	(6,898,913,712)
Loans	(21,762,185,863)	(34,137,352,601)	(20,462,513,058)	(32,429,988,385)
Properties for sale	1,007,089,896	774,818,519	172,716,286	185,732,272
Other assets	656,115,612	(2,434,808,243)	613,934,470	(2,345,881,728)

The accompanying notes to the consolidated and bank financial statements from page 132 to 232 are an integral part of the financial statements.

# STATEMENTS OF CASH FLOWS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2014

	CONSOLIDATED		THE BANK	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
<b>Increase (decrease) in operating liabilities</b>				
Deposits	31,761,978,155	16,999,086,155	31,833,205,418	16,987,955,452
Interbank and money market items	(26,561,495,078)	33,556,589,183	(26,011,095,078)	33,881,789,183
Liability payable on demand	(160,576,057)	159,437,957	(160,576,057)	159,437,957
Short-term borrowings	(14,379,308,526)	11,458,977,283	(14,379,308,526)	11,458,977,283
Provisions	(106,580,457)	(40,528,200)	(106,708,726)	(40,913,185)
Other liabilities	(947,076,805)	1,699,091,037	(900,529,228)	1,606,075,332
<b>Cash flows used in operating activities</b>	(4,955,755,852)	(5,306,783,244)	(3,569,789,133)	(3,579,126,069)
Cash received from interest income	12,311,195,461	10,829,931,549	10,849,596,102	9,478,055,847
Cash paid for interest expenses	(5,452,994,418)	(5,001,602,921)	(5,442,147,607)	(4,945,239,603)
Cash paid for income tax	(58,026,091)	(78,062,755)	-	-
<b>Net cash flows provided by operating activities</b>	1,844,419,100	443,482,629	1,837,659,362	953,690,175
<b>Cash flows from investing activities</b>				
Cash paid for purchases of available-for-sale securities	(54,106,282,038)	(24,915,408,473)	(54,106,282,038)	(24,915,408,473)
Proceeds from disposals of available-for-sale securities	31,109,002,243	8,892,314,510	31,109,002,243	8,892,314,510
Proceeds from maturity of available-for-sale securities	26,015,683,807	4,137,000,000	26,015,683,807	4,137,000,000
Cash paid for purchases of held to maturity securities	(12,020,896,051)	(3,218,057,523)	(12,020,896,051)	(3,218,057,523)
Proceeds from maturity of held to maturity securities	3,972,000,340	8,984,528,846	3,972,000,340	8,984,528,846
Cash paid for purchase of investment in subsidiaries	-	-	-	(550,000,000)
Proceeds from repayment of investment in receivable	48,205,321	25,369,250	48,205,321	25,369,250
Cash paid for purchases of general investments	(182,610)	-	(182,610)	-
Proceeds from disposals of general investments	164,902	22,812,416	164,902	22,812,416
Proceeds from decrease in capital of general investments	31,160,601	31,245,000	31,160,601	31,245,000
Proceeds from paypack of investment in subsidiary	22,540,041	247,704,030	22,540,041	247,704,030
Cash paid for purchases of premises and equipment	(232,063,643)	(225,058,189)	(223,997,232)	(185,015,798)
Proceeds from disposals of premises and equipment	11,974,809	10,134,870	11,398,972	7,002,743
Cash paid for purchases of intangible assets	(140,095,981)	(38,945,913)	(138,631,410)	(37,347,083)
Proceeds from disposals of intangible assets	-	12,712,220	-	12,712,220
Dividend received	51,222,854	166,554,836	51,222,854	166,554,836
Interest received	1,678,324,931	1,408,836,817	1,678,336,020	1,408,836,817
<b>Net cash flows used in investing activities</b>	(3,559,240,474)	(4,458,257,303)	(3,550,274,240)	(4,969,748,209)

The accompanying notes to the consolidated and bank financial statements from page 132 to 232 are an integral part of the financial statements.

# STATEMENTS OF CASH FLOWS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2014

	CONSOLIDATED		THE BANK	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
<b>Cash flows from financing activities</b>				
Dividend paid	(210,848,780)	(105,424,390)	(210,848,780)	(105,424,390)
Proceeds from issuing subordinate debentures	4,066,540,000	-	4,066,540,000	-
Cash paid for redemption of subordinated debentures	(2,500,000,000)	-	(2,500,000,000)	-
Proceeds from issuance of structured bills of exchange and debentures	11,405,500,000	5,614,000,000	11,405,500,000	5,614,000,000
Cash paid for redemption of structured bills of exchange and debentures	(10,392,000,000)	(1,298,000,000)	(10,392,000,000)	(1,298,000,000)
<b>Net cash flows provided by financing activities</b>	2,369,191,220	4,210,575,610	2,369,191,220	4,210,575,610
Foreign currency translation differences	6,503,496	-	6,503,496	-
<b>Net increase in cash and cash equivalents</b>	660,873,342	195,800,936	663,079,838	194,517,576
Cash and cash equivalents at beginning of the year	3,328,748,596	3,132,947,660	3,324,656,939	3,130,139,363
<b>Cash and cash equivalents at the end of the year</b>	<u>3,989,621,938</u>	<u>3,328,748,596</u>	<u>3,987,736,777</u>	<u>3,324,656,939</u>
<b>Supplemental disclosure of cash flows information</b>				
Non-cash transaction:				
Payable from purchase premises and equipment	30,592,954	2,493,469	30,592,954	2,493,469
Properties for sale received from premises and equipment	125,838,175	34,067,000	125,838,175	34,067,000
Write-off promissory notes to offset with gain sharing from Thai Asset Management Corporation	-	108,197,837	-	108,197,837
Change in revaluation surplus in available-for-sale	240,733,432	167,876,846	240,733,492	167,876,846
Interest amortisation from premium or discount	100,700,529	19,003,019	100,700,529	19,003,019

The accompanying notes to the consolidated and bank financial statements from page 132 to 232 are an integral part of the financial statements.



# NOTES TO THE CONSOLIDATED AND BANK FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

## 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 the debt collection business, hire-purchase and leasing business.

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 bank financial statements were authorised by the Board of Directors on 25 February 2015.

## 2 ACCOUNTING POLICIES

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

### 2.1 Basis of preparation of consolidated and bank financial statements

The consolidated and bank financial statements (“the financial statements”) have been prepared in accordance with Thai Generally Accepted Accounting Principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act. The primary financial statements (i.e., statements of financial position, statements of comprehensive income, changes in shareholder equity and cash flow) have been prepared in the format as required by the Notification of the Bank of Thailand (BoT) no. SorNorSor 11/2553, “The Preparation and Format of the Financial Statements of Commercial Bank and Holding Parent Company of Financial Group” dated 3 December 2010.

The consolidated and bank 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 the GAAP requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated and bank financial statements, are disclosed in note 4 to the financial statements.

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

An English-language 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 New financial reporting standards and revised financial reporting standards

### 1) Revised accounting standards which are effective on 1 January 2014:

TAS 1 (revised 2012)	Presentation of financial statements
TAS 7 (revised 2012)	Statement of cash flows
TAS 12 (revised 2012)	Income taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee benefits
TAS 21 (revised 2012)	The effects of changes in foreign exchange rates
TAS 24 (revised 2012)	Related party disclosures
TAS 28 (revised 2012)	Investments in associates
TAS 31 (revised 2012)	Interest in joint ventures
TAS 34 (revised 2012)	Interim financial reporting
TAS 36 (revised 2012)	Impairment of assets
TAS 38 (revised 2012)	Intangible assets
TFRS 2 (revised 2012)	Share-based payment
TFRS 3 (revised 2012)	Business combinations
TFRS 5 (revised 2012)	Non-current assets held for sale and discontinued operations
TFRS 8 (revised 2012)	Operating segments
TFRIC 1	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4	Determining whether an arrangement contains a lease
TFRIC 5	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 7	Applying the restatement approach under TAS 29 financial reporting in hyperinflationary economies
TFRIC 10	Interim financial reporting and impairment
TFRIC 12	Service concession arrangements
TFRIC 13	Customer loyalty programmes
TFRIC 17	Distributions of non-cash assets to owners
TFRIC 18	Transfers of assets from customers
TSIC 15	Operating leases - incentives
TSIC 27	Evaluating the substance of transactions in the legal form of a lease
TSIC 29	Service concession arrangements: Disclosure
TSIC 32	Intangible assets - Web site costs

The Group's management has determined that such revised accounting standard, financial reporting standards and related interpretations will not significantly impact the financial statements being presented.

### 2) New financial reporting standards, revised accounting standards and revised financial reporting standards which are effective on 1 January 2015. These standards are relevant to the Group and are not early adopted:

#### a) Financial reporting standards which are expected to have a significant impact to the Group:

TAS 1 (revised 2014)	Presentation of financial statements
TAS 16 (revised 2014)	Property, plant and equipment
TAS 19 (revised 2014)	Employee benefits

TAS 27 (revised 2014)	Separate financial statements
TAS 28 (revised 2014)	Investments in associates and joint ventures
TAS 34 (revised 2014)	Interim financial reporting
TFRS 10	Consolidated financial statements
TFRS 11	Joint arrangements
TFRS 12	Disclosure of interests in other entities
TFRS 13	Fair value measurement
TFRIC 14 (revised 2014)	TAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction
TFRIC 20	Stripping costs in the production phase of a surface mine

Management evaluates that the new financial reporting standards, revised accounting standards and revised financial reporting standards have no significant impact to the financial statements being presented except TAS 19 (revised 2014). The key changes is actuarial gains and losses are renamed 'remeasurements' and will be recognised immediately in 'other comprehensive income' (OCI). Actuarial gains and losses will no longer be deferred using the corridor approach or recognised in profit or loss. And TFRS 13 which aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across TFRSs. The management is currently assessing the impact from applying TAS 19 (revised 2014) and TFRS 13.

b) Financial reporting standards with minor changes and do not have impact to the Group are as follows:

TAS 2 (revised 2014)	Inventories
TAS 7 (revised 2014)	Statement of cash flows
TAS 8 (revised 2014)	Accounting policies, changes in accounting estimates and errors
TAS 10 (revised 2014)	Events after the reporting period
TAS 11 (revised 2014)	Construction contracts
TAS 12 (revised 2014)	Income taxes
TAS 17 (revised 2014)	Leases
TAS 18 (revised 2014)	Revenue
TAS 20 (revised 2014)	Accounting for government grants & disclosure of government assistance
TAS 21 (revised 2014)	The effects of changes in foreign exchange rates
TAS 23 (revised 2014)	Borrowing costs
TAS 24 (revised 2014)	Related party disclosures
TAS 26 (revised 2014)	Accounting and reporting by retirement benefit plans
TAS 29 (revised 2014)	Financial reporting in hyperinflationary economies
TAS 33 (revised 2014)	Earnings per share
TAS 36 (revised 2014)	Impairment of assets
TAS 37 (revised 2014)	Provisions, contingent liabilities and contingent assets
TAS 38 (revised 2014)	Intangible assets
TAS 40 (revised 2014)	Investment property
TFRS 2 (revised 2014)	Share-based payment
TFRS 3 (revised 2014)	Business combinations
TFRS 5 (revised 2014)	Non-current asset held for sale and discontinued operations
TFRS 6 (revised 2014)	Exploration for and evaluation of mineral resources
TFRS 8 (revised 2014)	Operating segments
TSIC 10 (revised 2014)	Government assistance - No specific relation to operating activities
TSIC 15 (revised 2014)	Operating leases - Incentives
TSIC 25 (revised 2014)	Income taxes - changes in the tax status of an entity or its shareholders
TSIC 27 (revised 2014)	Evaluating the substance of transactions involving the legal form of a lease
TSIC 29 (revised 2014)	Service concession arrangements: Disclosures
TSIC 31 (revised 2014)	Revenue - barter transactions involving advertising services

TSIC 32 (revised 2014)	Intangible assets - Web site costs
TFRIC 1 (revised 2014)	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4 (revised 2014)	Determining whether an arrangement contains a lease
TFRIC 5 (revised 2014)	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 7 (revised 2014)	Applying the restatement approach under IAS29 Financial reporting in hyperinflationary economies
TFRIC 10 (revised 2014)	Interim financial reporting and impairment
TFRIC 12 (revised 2014)	Service concession arrangements
TFRIC 13 (revised 2014)	Customer loyalty programmes
TFRIC 15 (revised 2014)	Agreements for the construction of real estate
TFRIC 17 (revised 2014)	Distributions of non-cash assets to owners
TFRIC 18 (revised 2014)	Transfers of assets from customers

c) New financial reporting standard which is effective on 1 January 2016.

TFRS4 (revised 2014) Insurance contracts

TFRS 4 applies to all insurance contracts (including reinsurance contracts) that an entity issues and to reinsurance contracts that it holds. TFRS 4 is not relevant to the Group's operations.

## 2.3 Revenue recognition

### (a) Interest and discount on loans

Interest income is recognised on an accrual basis. The Bank 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 Bank also reverses interest income on such loans in order to comply with the Bank of Thailand's notification. The Bank continues its income recognition on the accrual basis when the entire amount of the principal and overdue interest has been paid.

The Bank 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 period. 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 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 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) 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.
- (3) 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 statement of financial position date which are classified as 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 statement 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.

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 statement 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 debt. 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 Promissory notes received in connection with transfer of non-performing loans to TAMC

Promissory notes received in connection with the transfer of non-performing loans to Thai Asset Management Corporation ("TAMC"), which are avaled by the Financial Institutions Development Fund ("FIDF"), are regarded as investments in debt securities expected to be held to maturity and therefore stated at cost. The Bank recognises interest income on the promissory notes on an accrual basis using the weighted average interest rate announced by 5 commercial banks for the previous quarter. The Bank will recognise income or expenses with respect to gain or loss sharing from the management of non-performing loans at the end of the agreement, and when the Bank receives allocation from TAMC, or when the gain or loss can be accurately estimated.

## 2.8 Investments in subsidiaries

Subsidiaries are all entities over which the Bank has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. When assessing whether the Bank controls another entity, the Bank considers the existence and effect of voting rights that are currently exercisable or convertible, including potential voting right which held by other entities. The Bank consolidated financial statement of subsidiaries from the date on which control is transferred to the Bank and are no longer consolidated from the date that control ceases.

The Bank applies the purchase method of accounting to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest.

The excess cost of acquisition over the fair value of the Bank's share of the identifiable net assets acquired is recorded as goodwill.

If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the statements of comprehensive income.

Intercompany transactions, balances and unrealised gains or losses on transactions between group companies are eliminated. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

In the Bank's financial statements, investments in subsidiaries are reported using the cost method

A list of the Bank's principal subsidiaries and the financial effects of acquisitions and disposals of subsidiaries are shown in Note 8.7 to the financial statements.

## **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.

## **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, 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 Bank adjusts the revaluation allowance for debt restructuring at the end of every period 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 evaluations every 5 years by external independent valuers, less subsequent depreciation for buildings. All other equipment is stated at cost less accumulated depreciation.

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

The Group records increases in the carrying amount arising on the revaluation of property and plant. These are credited to other comprehensive income and shown the revaluation surplus on assets (included in unrealised gain) in shareholders' equity. Decreases that offset previous increases of the same asset are charged against that reserve; all other decreases are charged to the statement of comprehensive income. Each period the difference between depreciation based on the revalued carrying amount of the asset (the depreciation charged to the statements of comprehensive income) and depreciation based on the asset's original cost is transferred from revaluation reserve to retained earnings.

Depreciation is calculated on the straight-line basis to write off the cost or the revalued amount of each asset, except for land, which is considered to have an indefinite life, to its residual value over the estimated useful life as follows:

Buildings	20 - 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.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

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

On disposal of revalued assets, the related revaluation reserve amounts 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 developing or maintaining computer software programmes are recognised as expenses as incurred. Costs that are directly associated with identifiable and unique software products controlled by the Group, and will likely generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include staff costs of the software development team and an appropriate portion of relevant overhead.

Expenditures which enhance or extend the performance computer software programmes beyond their original specifications are recognised as capital improvement and added to the original cost of the software. Computer software development costs are recognised as assets and are amortised using the straight-line basis over their useful lives.

#### (b) Other intangible assets

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

### 2.14 Impairment of assets

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

### 2.15 Leasehold rights

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

### 2.16 Leases

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

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

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the outstanding finance balance. 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 premises 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.

### (c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each statement of comprehensive income are translated at average exchange rates; and
- All resulting exchange differences are recognised as a separate component of equity.

## 2.18 Financial derivatives

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

### (b) Hedging transactions

The Bank 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 statement of comprehensive income, together with any changes in the fair value of the hedged assets or liabilities that are attributable to the hedged risk.

#### (2) Cash flow hedge

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

### (3) Net investment hedge

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

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

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

## 2.19 Embedded derivatives

The Bank 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 Bank 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 Bank is unable to measure the embedded derivative separately, the Bank 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 Bank will not separately account the embedded derivative from the host contract and classify the host contract under the related accounting standards.

## 2.20 Financial liabilities at fair value through profit or loss

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

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

## 2.21 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 year 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. According to TAS 19 Employee Benefits, the Group set provisions for a pension fund 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. The amount of net actuarial gains and losses recognised in the statements of income is determined by the corridor approach in accordance with TAS 19 and is recognised as income or expense over the expected average remaining service lives of the related employees participating in the defined benefit plan.

## 2.22 Provisions

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

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

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

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

## 2.23 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 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.

## 2.24 Share based payment

In March 2011, the Bank established an Equity Ownership Plan (EOP). At the grant date, the Bank 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 Bank 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 base 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.

## 2.25 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 Bank 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 Bank 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 Bank 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 Bank'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 Bank will incur a loss because its customers, clients or counter parties failed to discharge their contractual obligations.

The Bank'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 Bank 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 Bank has developed a credit scoring system for use in risk evaluation.

In respect of the credit review and approval process, the Bank 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 Bank has established an independent Credit Review Unit to ensure that the credit approval process is transparent and effective.

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

#### 3.1.3 Liquidity risk

Liquidity risk is the risk that the Bank 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.

## 3.2 Fair value estimation

When a financial instrument is traded in an active market, its quoted market price provides the best evidence of fair value. The quoted market price for an asset held or liability to be issued is usually the current bid price and, for an



asset to be acquired or liability held, it is the current offer or asking price. When the current bid and offer prices are unavailable, the price of the most recent transaction may provide evidence of the current fair value provided that there has not been a significant change in economic circumstances between the transaction date and the reporting date. When the Group has matching asset and liability positions, it may appropriately use mid-market prices as a basis for establishing fair values.

When there is infrequent activity in a market, the market is not well established or small volumes are traded relative to the number of trading units of a financial instrument to be valued, quoted market prices may not be indicative of the fair value of the instrument. In these circumstances, as well as when a quoted market price is not available, estimation techniques may be used to determine the fair value with sufficient reliability to satisfy the Group. Techniques that are well established in financial markets include reference to the current market value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. In applying discounted cash flow analysis, an enterprise uses a discount rate equal to the prevailing market rate of interest for financial instruments having substantially the same terms and characteristics, including the creditworthiness of the debtor, the remaining term over which the contractual interest rate is fixed, the remaining term for repayment of the principal and the currency in which payments are to be made.

The fair value of publicly traded derivatives, and trading and available-for-sale investments is based on quoted market prices at the end of the reporting period. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using forward exchange market rates at the end of the reporting period.

#### 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 book 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) Premises, equipment and intangible assets**

Management determines the estimated useful lives and residual values for the Groups' premises, 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 Bank 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 financial statement.

## 6 INTERBANK AND MONEY MARKET ITEMS, NET (ASSETS)

	Consolidated					
	2014			2013		
	At call Million Baht	Term Million Baht	Total Million Baht	At call Million Baht	Term Million Baht	Total Million Baht
<b>Domestic:</b>						
Bank of Thailand and the Financial Institutions Development Fund	2,648	-	2,648	3,829	-	3,829
Commercial banks	116	959	1,075	70	24,735	24,805
Other banks	10	-	10	6	2,000	2,006
Finance, finance and securities, securities, and credit foncier companies	544	-	544	544	-	544
Other financial institutions	<u>30</u>	<u>825</u>	<u>855</u>	<u>684</u>	<u>1</u>	<u>685</u>
Total domestic items	3,348	1,784	5,132	5,133	26,736	31,869
Add Accrued interest receivables	-	-	-	-	11	11
Less Allowance for doubtful debts	<u>-</u>	<u>(3)</u>	<u>(3)</u>	<u>-</u>	<u>(3)</u>	<u>(3)</u>
<b>Domestic items, net</b>	<u>3,348</u>	<u>1,781</u>	<u>5,129</u>	<u>5,133</u>	<u>26,744</u>	<u>31,877</u>
<b>Foreign:</b>						
US dollar	698	-	698	1,067	137	1,204
Yen	48	-	48	54	-	54
Euro	56	-	56	191	151	342
Other currencies	<u>592</u>	<u>-</u>	<u>592</u>	<u>79</u>	<u>-</u>	<u>79</u>
<b>Foreign items, net</b>	<u>1,394</u>	<u>-</u>	<u>1,394</u>	<u>1,391</u>	<u>288</u>	<u>1,679</u>
<b>Domestic and foreign items, net</b>	<u>4,742</u>	<u>1,781</u>	<u>6,523</u>	<u>6,524</u>	<u>27,032</u>	<u>33,556</u>

	The Bank					
	2014			2013		
	At call	Term	Total	At call	Term	Total
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
<b>Domestic:</b>						
Bank of Thailand and the Financial Institutions Development Fund	2,648	-	2,648	3,829	-	3,829
Commercial banks	15	1,000	1,015	28	24,735	24,763
Other banks	-	-	-	1	2,000	2,001
Finance, finance and securities, securities, and credit foncier companies	544	-	544	544	-	544
Other financial institutions	30	825	855	684	1	685
Total domestic items	3,237	1,825	5,062	5,086	26,736	31,822
Add Accrued interest receivables	-	-	-	-	11	11
Less Allowance for doubtful debts	-	(3)	(3)	-	(3)	(3)
<b>Domestic items, net</b>	<u>3,237</u>	<u>1,822</u>	<u>5,059</u>	<u>5,086</u>	<u>26,744</u>	<u>31,830</u>
<b>Foreign:</b>						
US dollar	698	-	698	1,067	137	1,204
Yen	48	-	48	54	-	54
Euro	56	-	56	191	151	342
Other currencies	592	-	592	79	-	79
<b>Foreign items, net</b>	<u>1,394</u>	<u>-</u>	<u>1,394</u>	<u>1,391</u>	<u>288</u>	<u>1,679</u>
<b>Domestic and foreign items, net</b>	<u>4,631</u>	<u>1,822</u>	<u>6,453</u>	<u>6,477</u>	<u>27,032</u>	<u>33,509</u>

As at 31 December 2014, the Bank had promissory notes of Baht 545 million (31 December 2013: Baht 547 million), that were issued by financial institutions which were ordered to be closed, and are avaled by the Financial Institution Development Fund (FIDF).

The FIDF recalled promissory notes amounting to Baht 544 million (31 December 2013: Baht 544 million) to cancel the aval as the FIDF is of the opinion that the Bank has no obligations in respect of the related liabilities. However, the Bank has not yet returned the promissory notes to the FIDF in order to retain its right to claim compensation from the FIDF should the Bank need to undertake responsibility for any obligations in the future.

As at the statements of financial position date, such promissory notes avaled by FIDF had been presented as assets and the related obligations were presented as liabilities in the same amount of Baht 544 million (31 December 2013: Baht 544 million).

## 7 DERIVATIVES

### 7.1 Trading derivatives

Fair value and notional amount classified by type of risk

	Consolidated and the Bank					
	2014			2013		
	Fair value			Fair value		
	Asset Million Baht	Liability Million Baht	Notional amount Million Baht	Asset Million Baht	Liability Million Baht	Notional amount Million Baht
Exchange rate	4,698	5,079	714,137	6,287	7,010	320,054
Interest rate	6,074	4,917	794,882	2,791	2,635	543,805
Commodity	-	-	-	7	7	322
Total	<u>10,772</u>	<u>9,996</u>	<u>1,509,019</u>	<u>9,085</u>	<u>9,652</u>	<u>864,181</u>

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

	Consolidated and the Bank	
	2014 Proportion	2013 Proportion
Financial institutions	93	87
Companies in the Group	5	11
External parties	<u>2</u>	<u>2</u>
Total	<u>100</u>	<u>100</u>

### 7.2 Derivative for hedging

#### 7.2.1 Fair value hedge

	Consolidated and the Bank					
	2014			2013		
	Fair value			Fair value		
	Asset Million Baht	Liability Million Baht	Notional amount Million Baht	Asset Million Baht	Liability Million Baht	Notional amount Million Baht
Interest rate	<u>32</u>	<u>-</u>	<u>571</u>	<u>16</u>	<u>-</u>	<u>626</u>
Total	<u>32</u>	<u>-</u>	<u>571</u>	<u>16</u>	<u>-</u>	<u>626</u>

Fair value hedges are used to hedge the exposure to changes in fair value of financial assets and financial liabilities due to movements in market interest rates. The Group enters into interest rate swaps to hedge against interest rate risk of loans, bill of exchange and negotiable certificate of deposit. The changes in fair value of the hedging instruments and hedged items are recognised in the statements of comprehensive income.

The net gains (losses) arising from fair value hedges for the years ended 31 December 2014 and 2013 can be summarised as follows:

	Consolidated and the Bank	
	2014	2013
	Million Baht	Million Baht
Gains on hedging instruments, net	15	9
Losses on hedged items, net	(16)	(9)

### 7.2.2 Cash flow hedge

	Consolidated and the Bank		
	2014		
	Fair value		
	Assets	Liabilities	Notional amount
	Million Baht	Million Baht	Million Baht
Exchange rate	-	247	
Interest rate	-	153	
Total	-	400	7,862

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 subordinated debentures against foreign exchange rates risk and interest rates risk using Cross Currency and Interest Rate Swap contract with CIMB Bank Berhad and other parties.

The expected periods of cash flow from hedged items that shall affect profits (losses) as at 31 December 2014 can be summarised as follows:

	Consolidated and the Bank		
	2014		
	3 month or less Million Baht	More than 3 month to 1 year Million Baht	More than 1 year to 5 years Million Baht
Cash outflow	106	105	4,616

As at 31 December 2013, the Bank had no derivative designated as cash flow hedge.

## 8 INVESTMENTS, NET

### 8.1 Classified by type of investment

	Consolidated and the Bank	
	2014	2013
	Fair value	Fair value
	Million Baht	Million Baht
<b>Securities held for trading</b>		
Government and state enterprises securities	4,777	9,011
Private sector debt securities	<u>1,968</u>	<u>1,215</u>
<b>Total securities held for trading</b>	<u>6,745</u>	<u>10,226</u>
<b>Available-for-sale securities</b>		
Government and state enterprises securities	20,648	23,494
Private sector debt securities	2,771	2,530
Domestic marketable equity securities	<u>683</u>	<u>594</u>
<b>Total available-for-sales securities</b>	<u>24,102</u>	<u>26,618</u>

	Consolidated and the Bank	
	2014	2013
	Cost/ Amortised Cost	Cost/ Amortised Cost
	Million Baht	Million Baht
<b>Held-to-maturity debt securities</b>		
Government and state enterprises securities	23,731	15,605
Promissory notes issued by		
Thai Asset Management Corporation	8	8
Private sector debt securities	481	604
Investments in receivables (Note 8.6)	<u>104</u>	<u>153</u>
<b>Total</b>	24,324	16,370
<b>Less Allowance for impairment</b>	<u>(62)</u>	<u>(64)</u>
<b>Total held-to-maturity debt securities</b>	<u>24,262</u>	<u>16,306</u>

	Cost	Cost
	Million Baht	Million Baht
<b>General investments</b>		
Domestic non-marketable equity securities	359	390
Overseas non-marketable equity securities	<u>9</u>	<u>9</u>
<b>Total</b>	368	399
<b>Less Allowance for impairment</b>	<u>(224)</u>	<u>(224)</u>
<b>Total general investments</b>	<u>144</u>	<u>175</u>
<b>Investments, net</b>	<u>55,253</u>	<u>53,325</u>



(a) As at 31 December 2014, held-to-maturity debt securities classified as long-term investments included promissory notes which were received from TAMC in settlement for non-performing loans transferred to TAMC (as already discussed in Note 47 to the financial statements) amounting to Baht 8 million (31 December 2013: Baht 8 million). Such promissory notes are non-transferable and avaled by the FIDF.

(b) As at 31 December 2012, the Bank had an investment in the Vayupak Fund 1, which is a marketable security. The cost of such investment is Baht 2,500 million and it is presented at its fair value of Baht 2,665 million, with the gain from revaluation amounting to Baht 165 million presented in shareholders' equity. The presentation of fair value is in accordance with Thai Accounting Standard No. 105 concerning Accounting for Investment in Debt and Equity Securities. The investee fund was established in accordance with a Cabinet resolution passed on 1 July 2003, with a registered capital of Baht 100,000 million. It is a ten-year fund with a policy to guarantee principal and a minimum return. The fund units cannot be redeemed prior to maturity and the Bank presents the investment as long-term investment in available-for-sale securities.

In December 2013, the Bank had redeemed an investment in the Vayupak Fund1 in the whole amount. Gain on redemption of Vayupak Fund 1 was Baht 271 million.

(c) As at 31 December 2014 and 2013, 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

	Consolidated and the Bank							
	2014				2013			
	Periods remaining				Periods remaining			
	1 year Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	Total Million Baht	1 year Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	Total Million Baht
<b>Available-for-sale securities</b>								
Government and state enterprises securities	-	20,456	-	20,456	500	21,057	1,861	23,418
Private sector debt securities	481	2,091	156	2,728	39	2,282	200	2,521
Total	481	22,547	156	23,184	539	23,339	2,061	25,939
Add Allowance for revaluation	3	225	7	235	1	79	5	85
Available-for-sale securities, net	484	22,772	163	23,419	540	23,418	2,066	26,024
<b>Held-to-maturity securities</b>								
Government and state enterprises securities	5,188	18,293	250	23,731	3,855	10,688	1,062	15,605
Promissory notes issued by TAMC	8	-	-	8	-	8	-	8
Private sector debt securities	10	471	-	481	122	482	-	604
Total	5,206	18,764	250	24,220	3,977	11,178	1,062	16,217
Less Allowance for impairment	-	-	-	-	(1)	-	-	(1)
Held-to-maturity securities, net	5,206	18,764	250	24,220	3,976	11,178	1,062	16,216
Total debt securities	5,690	41,536	413	47,639	4,516	34,596	3,128	42,240

### 8.3 Investments representing shareholdings in which the Bank and its subsidiaries hold more than 10%

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

	Consolidated and the Bank	
	2014	2013
	Million Baht	Million Baht
Property development	1	1
Public utilities and services	17	17
Bank and finance	<u>4</u>	<u>4</u>
Total	22	22
<u>Less</u> Allowance for impairment	<u>(12)</u>	<u>(12)</u>
Investments representing shareholdings in which the Group hold more than 10%, net	<u>10</u>	<u>10</u>

### 8.4 Investments in investment units in which the Bank and its subsidiaries hold more than 10%

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

	Consolidated and the Bank			
	2014		2013	
	Cost Million Baht	Fair value Million Baht	Cost Million Baht	Fair value Million Baht
<b>General investments</b>				
Investment in property funds	165	<u>158</u>	195	<u>190</u>
<u>Less</u> Allowance for revaluation	(4)		(2)	
<u>Less</u> Allowance for impairment	<u>(3)</u>		<u>(3)</u>	
<b>General investments, net</b>	<u>158</u>		<u>190</u>	

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

As at 31 December 2014 and 2013, the Group had the following investments in companies, having problems relating to financial positions and operating results:

	Consolidated and the Bank							
	2014				2013			
	Number of companies	Cost Million Baht	Allowance for revaluation/impairment Million Baht	Book value Million Baht	Number of companies	Cost Million Baht	Allowance for revaluation/impairment Million Baht	Book value Million Baht
Listed companies under delisting conditions	-	-	-	-	2	-	-	-
Business continuity and/or weak financial status and operating performance	50	42	(42)	-	50	42	(42)	-
Defaulted debt securities	18	1	(1)	-	18	1	(1)	-
	<u>68</u>	<u>43</u>	<u>(43)</u>	<u>-</u>	<u>70</u>	<u>43</u>	<u>(43)</u>	<u>-</u>

### 8.6 Investments in receivables

	Consolidated and the Bank	
	2014 Million Baht	2013 Million Baht
Investments in receivables	104	153
<u>Less</u> Allowance for impairment	<u>(62)</u>	<u>(62)</u>
Investments in receivables, net	<u>42</u>	<u>91</u>

As at 31 December 2014 and 2013, the outstanding balances of transferred loan receivables can be summarised as follows:

	2014				2013			
	Number of debtors	Principal Million Baht	Purchase price Million Baht	Estimated rate of return (yield) %	Number of debtors	Principal Million Baht	Purchase price Million Baht	Estimated rate of return (yield) %
<b>Consolidated and the Bank</b>								
Total accumulated investments in receivables	5,857	22,948	6,996	19	5,857	22,948	6,996	19
Outstanding investments in receivables as at the statements of financial position date	91	1,318	104	-	104	1,373	153	-

### 8.7 Investments in subsidiaries, net

					The Bank	
					Cost method	
Company name	Nature of business	Type of securities	Percentage of holding		2014	2013
			2014 %	2013 %	2014 Million Baht	2013 Million Baht
Subsidiaries - included in consolidated financial statements						
CT Coll Co., Ltd.	Debt collection	Common stock	100	100	38	38
Center Auto Lease Co., Ltd.	Leasing/hire-purchase	Common stock	100	100	1,203	1,203
World Lease Co., Ltd.	Hire-purchase and motorcycles motorcycle trading	Common stock	100	100	467	467
Subsidiary - not included in consolidated financial statements						
Krung Thai Thanakit Finance Plc.	In process of liquidation	Common stock	-	99	-	10
Total					1,708	1,718
Less Allowance for impairment					(383)	(383)
Investments in subsidiary, net					1,325	1,335

Purchase of investments in ordinary shares in Worldlease Co., Ltd.

On 6 February 2013, the Bank settled the increased capital in Worldlease Co., Ltd. Amounting to Baht 50 million. On 12 February 2013, Worldlease Co., Ltd. has registered its increase of share capital with Ministry of Commerce.

An increase in registered capital of Center Auto Lease Co., Ltd.

On 27 June 2013 that the Board of Directors' meeting No. 7/2013 approved an increase in registered capital of Center Auto Lease Co., Ltd., from Baht 1,500 million to Baht 3,500 million. Center Auto Lease Co., Ltd. called for 25% paid-up capital and the Bank settled the increased capital of Baht 500 million on 23 July 2013. On 29 July 2013, Center Auto Lease Co., Ltd. registered the capital increase with the Ministry of Commerce.

A payback from Krung Thai Thanakit Finance Plc.

On 20 September 2013, Krung Thai Thanakit Finance Plc's shareholder meeting approved a payback to shareholder at the rate of Baht 0.2321 per share from total of 1,076,976,000 registered ordinary shares, or a total of Baht 250 million. The Bank's portion is 1,067,229,773 shares or Baht 248 million.

On 21 May 2014, Krung Thai Thanakit Finance Plc's the Extraordinary general shareholder meeting approved a payback to shareholder at the rate of Baht 0.0211 per share from total of 1,076,976,000 registered ordinary shares, or a total of Baht 22.74 million. The Bank's portion is 1,067,229,773 shares or Baht 22.54 million.

Currently, Krung Thai Thanakit Finance Plc is still in the process of liquidation.

## 9 LOANS AND ACCRUED INTEREST RECEIVABLES, NET

### 9.1 Classified by loan type

	Consolidated		The Bank	
	2014 Million Baht	2013 Million Baht	2014 Million Baht	2013 Million Baht
Bank overdrafts	7,683	7,547	7,690	7,564
Loans	130,700	111,508	134,140	114,441
Bills	32,663	35,333	46,518	46,943
Hire-purchase receivables	23,554	21,432	-	-
Others	25	35	1	16
Total loans	194,625	175,855	188,349	168,964
Valuation reserve from hedging	(15)	(11)	(15)	(11)
Less Deferred revenue	(4,642)	(4,757)	(163)	(255)
Total loans net of deferred revenue	189,968	171,087	188,171	168,698
Add Accrued interest receivables	455	454	459	462
Total loans net of deferred revenue and accrued interest receivables	190,423	171,541	188,630	169,160
Less Allowance for doubtful debts (Note 10)				
Minimum allowance for doubtful accounts required based on BoT's guidelines				
- Individual approach	(3,762)	(2,563)	(3,231)	(2,213)
General provision for further losses	(2,217)	(2,701)	(2,217)	(2,701)
Less Revaluation allowance for debt restructuring (Note 11)	(68)	(33)	(68)	(33)
Loans and accrued interest receivables, net	184,376	166,244	183,114	164,213

## 9.2 Classified by currency and residency of debtors

	Consolidated					
	2014			2013		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Baht	180,988	271	181,259	160,888	266	161,154
US dollar	4,838	1,338	6,176	5,019	1,313	6,332
Other currencies	<u>2,533</u>	<u>-</u>	<u>2,533</u>	<u>3,601</u>	<u>-</u>	<u>3,601</u>
Total loans net of deferred revenue	<u>188,359</u>	<u>1,609</u>	<u>189,968</u>	<u>169,508</u>	<u>1,579</u>	<u>171,087</u>

	The Bank					
	2014			2013		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Baht	179,191	271	179,462	158,499	266	158,765
US dollar	4,838	1,338	6,176	5,019	1,313	6,332
Other currencies	<u>2,533</u>	<u>-</u>	<u>2,533</u>	<u>3,601</u>	<u>-</u>	<u>3,601</u>
Total loans net of deferred revenue	<u>186,562</u>	<u>1,609</u>	<u>188,171</u>	<u>167,119</u>	<u>1,579</u>	<u>168,698</u>

### 9.3 Classified by types of business and loan classification

	Consolidated						
	2014						
	Pass Million Baht	Special mention Million Baht	Sub- standard Million Baht	Doubtful Million Baht	Doubtful of loss Million Baht	hire purchase receivables Million Baht	Total Million Baht
Agricultural and mining	3,072	-	-	2	291	-	3,365
Manufacturing and commerce	50,981	1,997	607	209	1,010	-	54,804
Real estate and construction	16,847	216	-	-	40	-	17,103
Public utilities and services	20,965	1,739	-	67	574	-	23,345
Personal cash	9,513	550	276	-	178	-	10,517
Housing loans	45,805	837	507	458	996	-	48,603
Hire-purchase receivable and financial lease receivable	-	-	-	-	-	19,075	19,075
Others	12,493	157	123	89	270	24	13,156
<b>Total loans net of deferred revenue</b>	<b>159,676</b>	<b>5,496</b>	<b>1,513</b>	<b>825</b>	<b>3,359</b>	<b>19,099</b>	<b>189,968</b>

	Consolidated						
	2013						
	Pass Million Baht	Special mention Million Baht	Sub- standard Million Baht	Doubtful Million Baht	Doubtful of loss Million Baht	hire purchase receivables Million Baht	Total Million Baht
Agricultural and mining	3,004	-	191	-	127	-	3,322
Manufacturing and commerce	51,761	2,415	189	701	653	-	55,719
Real estate and construction	15,005	786	-	20	64	-	15,875
Public utilities and services	19,312	1,530	3	141	552	-	21,538
Personal cash	8,397	429	245	2	121	-	9,194
Housing loans	35,122	517	311	206	659	-	36,815
Hire-purchase receivable and financial lease receivable	-	-	-	-	-	16,930	16,930
Others	11,194	168	91	65	157	19	11,694
<b>Total loans net of deferred revenue</b>	<b>143,795</b>	<b>5,845</b>	<b>1,030</b>	<b>1,135</b>	<b>2,333</b>	<b>16,949</b>	<b>171,087</b>



	The Bank					
	2014					
	Pass Million Baht	Special mention Million Baht	Sub- standard Million Baht	Doubtful Million Baht	Doubtful of loss Million Baht	Total Million Baht
Agricultural and mining	3,072	-	-	2	291	3,365
Manufacturing and commerce	50,981	1,997	607	209	1,010	54,804
Real estate and construction	16,847	216	-	-	40	17,103
Public utilities and services	20,965	1,739	-	67	574	23,345
Personal cash	9,513	550	276	-	178	10,517
Housing loans	45,805	837	507	458	996	48,603
Others	29,794	157	123	90	270	30,434
<b>Total loans net of deferred revenue</b>	<b>176,977</b>	<b>5,496</b>	<b>1,513</b>	<b>826</b>	<b>3,359</b>	<b>188,171</b>

	The Bank					
	2013					
	Pass Million Baht	Special mention Million Baht	Sub- standard Million Baht	Doubtful Million Baht	Doubtful of loss Million Baht	Total Million Baht
Agricultural and mining	3,004	-	191	-	127	3,322
Manufacturing and commerce	51,761	2,415	189	701	653	55,719
Real estate and construction	15,005	786	-	20	64	15,875
Public utilities and services	19,312	1,530	3	141	552	21,538
Personal cash	8,397	429	245	2	121	9,194
Housing loans	35,122	517	311	206	659	36,815
Others	25,754	168	91	65	157	26,235
<b>Total loans net of deferred revenue</b>	<b>158,355</b>	<b>5,845</b>	<b>1,030</b>	<b>1,135</b>	<b>2,333</b>	<b>168,698</b>

## 9.4 Classification of loans

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

### (a) Loans of the Group

	Consolidated							
	2014				2013			
	Loans and accrued interest receivables	Balance after collateral <sup>(1)</sup>	Minimum percentage	Allowance provided in the accounts	Loans and accrued interest receivables	Balance after collateral <sup>(1)</sup>	Minimum Percentage	Allowance provided in the accounts
	Million Baht	Million Baht	%	Million Baht	Million Baht	Million Baht	Percentage %	Million Baht
Minimum allowance for doubtful accounts based on BOT guidelines								
- Pass	176,240	62,925	1	561	158,670	61,640	1	600
- Special mention	7,817	3,961	2	55	7,945	3,607	2	71
- Sub-standard	1,764	1,120	100	1,118	1,239	625	100	622
- Doubtful	1,072	606	100	572	1,281	628	100	583
- Doubtful-of-loss	<u>3,530</u>	<u>1,234</u>	100	1,456	<u>2,406</u>	<u>685</u>	100	687
- General provision for further losses				<u>2,217</u>				<u>2,701</u>
Total	<u>190,423</u>	<u>69,846</u>		<u>5,979</u>	<u>171,541</u>	<u>67,185</u>		<u>5,264</u>

(1) For allowance for sub-standard, doubtful and doubtful-of-loss loans, which is set up in accordance with BOT's notification No. Sor Nor Sor 31/2551, the debt balance after collateral 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.

The Bank								
2014					2013			
Loans and accrued interest receivables Million Baht	Balance after collateral <sup>(1)</sup> Million Baht	Minimum percentage %	Allowance provided in the accounts Million Baht		Loans and accrued interest receivables Million Baht	Balance after collateral <sup>(1)</sup> Million Baht	Minimum Percentage %	Allowance provided in the accounts Million Baht
Minimum allowance for doubtful accounts based on BOT guidelines								
- Pass	177,381	64,073	1	640	158,745	61,721	1	616
- Special mention	5,539	1,683	2	19	5,911	1,573	2	30
- Sub-standard	1,525	921	100	922	1,036	469	100	469
- Doubtful	826	359	100	359	1,135	483	100	483
- Doubtful-of-loss	3,359	1,064	100	1,291	2,333	612	100	615
- General provision for further losses				2,217				2,701
Total	188,630	68,100		5,448	169,160	64,858		4,914

(1) For allowance for sub-standard, doubtful and doubtful-of-loss loans, which is set up in accordance with BOT notification No. Sor Nor Sor 31/2551, the debt balance after collateral 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.

During the year 2013, the Bank set aside additional provision of Baht 898 million (presented as a part of “general provision for further losses”) as a countercyclical buffer for its performing loan portfolio in accordance with the BOT’s direction.

As at 31 December 2014, the Group and the Bank had defaulted loans amounting to Baht 5,773 million and Baht 5,117 million, respectively (31 December 2013: Baht 4,593 million and Baht 4,172 million, respectively), were ceased recognition of interest income.

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

As at 31 December 2014 and 2013, hire-purchase receivables and financial lease receivables of the subsidiaries were classified based on overdue dates as follows:

	Debt balance - net unearned income		Allowance for doubtful accounts	
	2014 Million Baht	2013 Million Baht	2014 Million Baht	2013 Million Baht
Current or overdue less than				
1 installment	16,141	14,474	94	130
Overdue 2-3 installments	2,278	2,034	37	40
Overdue 4-6 installments	238	203	196	153
Overdue 7-12 installments	247	146	213	100
Overdue more than				
12 installments	166	68	160	67
Debtors under litigation	5	5	5	5
Total	19,075	16,930	705	495

**9.5 Non-performing loans**

As at 31 December 2014 and 2013, the Group had the following non-performing loans, according to the criteria set up by the Bank of Thailand and the Office of the Securities and Exchange Commission.

	Consolidated		The Bank	
	2014 Million Baht	2013 Million Baht	2014 Million Baht	2013 Million Baht
Non-performing loans (principal only)				
Banking business	5,698	4,498	5,698	4,498
Other businesses	657	421	-	-

As at 31 December 2014 and 2013, 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.

## 9.6 Hire-purchase and finance lease receivables

As at 31 December 2014, subsidiaries had receivables under hire-purchase agreements and financial leases totalling Baht 18,370 million (31 December 2013: Baht 16,435 million) mostly comprising hire-purchase agreements and financial leases for cars and motorcycles. The term of the agreements are generally between three and six years and interest is mostly charged at a fixed rate.

	Consolidated				
	2014				
	Amounts due under lease agreement				
	Less than 1 year Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	Non - performing loans Million Baht	Total Million Baht
Gross investment in the lease	6,983	15,241	593	737	23,554
<u>Less</u> Unearned finance income	<u>(1,104)</u>	<u>(3,084)</u>	<u>(133)</u>	<u>(158)</u>	<u>(4,479)</u>
Present value of minimum lease payments receivable	5,879	12,157	460	579	19,075
<u>Less</u> Allowance for doubtful accounts					<u>(705)</u>
Net receivables under hire-purchase agreements and financial leases					<u>18,370</u>

	Consolidated				
	2013				
	Amounts due under lease agreement				
	Less than 1 year Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	Non - performing loans Million Baht	Total Million Baht
Gross investment in the lease	6,648	13,542	691	551	21,432
<u>Less</u> Unearned finance income	<u>(1,534)</u>	<u>(2,668)</u>	<u>(170)</u>	<u>(130)</u>	<u>(4,502)</u>
Present value of minimum lease payments receivable	5,114	10,874	521	421	16,930
<u>Less</u> Allowance for doubtful accounts					<u>(495)</u>
Net receivables under hire-purchase agreements and financial leases					<u>16,435</u>

### 9.7 Troubled debt restructuring

As at 31 December 2014 and 2013, the Bank entered into troubled debt restructuring agreements with debtors. The number of debtors and their debt balances (including recorded accrued interest receivables) before restructuring can be summarised below:

	Consolidated and the Bank	
	2014	2013
Number of debtors	2,452	2,081
Debt balances (Million Baht)	1,787	2,674

The restructured debtors referred to above can be classified by method of troubled debt restructuring as described below:

	Consolidated and the Bank		
	2014		
	Debt balances		
	Number of debtors	Before restructuring Million Baht	After restructuring Million Baht
Modification of terms of payments	2,452	1,787	1,787
Total	2,452	1,787	1,787

	Consolidated and the Bank		
	2013		
	Debt balances		
	Number of debtors	Before restructuring Million Baht	After restructuring Million Baht
Modification of terms of payments	2,080	2,291	2,291
Debt restructuring in various forms	1	383	168
Total	2,081	2,674	2,459

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

Period of debts restructuring contracts	Consolidated and the Bank					
	2014			2013		
	Debt balances			Debt balances		
	Number of debtors	Before restructuring Million Baht	After restructuring Million Baht	Number of debtors	Before restructuring Million Baht	After restructuring Million Baht
Not more than 5 years	141	697	697	188	1,483	1,268
5 - 10 years	2,159	656	656	1,733	802	802
10 - 15 years	31	190	190	29	122	122
More than 15 years	121	244	244	131	267	267
Total	2,452	1,787	1,787	2,081	2,674	2,459

Supplemental information relating to the restructured debts for the years ended 31 December 2014 and 2013 are as follows:

	Consolidated and the Bank	
	2014 Million Baht	2013 Million Baht
Loss on debt restructuring	35	18
Interest income	246	269

As at December 2014 and 2013, the troubled debtors for which the Group completed their debt restructuring can be summarised as follows:

	Consolidated and the Bank	
	2014 Million Baht	2013 Million Baht
Number of debtors	7,191	6,876
Debt balances after restructuring (Million Baht)	3,432	3,224

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 2014, the Bank had losses from the revaluation of restructured debts (PV Loss) of Baht 68 million (31 December 2013: Baht 33 million) for which the it provided an allowance for revaluation as a result of debt restructuring.



In addition, as at 31 December 2014, the Bank may have to realise additional losses of about Baht 0.5 million (31 December 2013: Baht 0.4 million) from debt restructuring through waiver of part of the principal or interest receivables if the restructured debtors are able to comply with the conditions as stipulated in the debt restructuring agreements. The Bank had already provided a provision for such losses, which is presented as part of the allowance for doubtful debts in the statements of financial position.

## 10 ALLOWANCE FOR DOUBTFUL DEBTS

	Consolidated								
	2014								
	Pass	Special	Sub-	Doubtful	Doubtful-	General	Total	Hire-	Grand
	Million Baht	mention Million Baht	standard Million Baht	Million Baht	of-loss Million Baht	provision for further losses Million Baht	Million Baht	purchase receivables Million Baht	total Million Baht
Balance as at 1 January 2014	471	30	469	483	615	2,701	4,769	495	5,264
Add Addition during the year	-	-	-	-	-	1,702	1,702	455	2,157
Transfer from revaluation allowance for debt restructuring	-	-	-	-	-	6	6	-	6
Reversal of bad debts	-	-	-	-	-	141	141	-	141
Less Bad debts written off	-	-	(86)	(2)	(1,177)	(10)	(1,275)	(245)	(1,520)
Transfer to revaluation allowance for debt restructuring	-	-	-	-	-	(41)	(41)	-	(41)
Increase (decrease) due to change in classification, collateral value or transfer general allowance to specific allowance	(4)	(11)	538	(122)	1,853	(2,282)	(28)	-	(28)
Balance as at 31 December 2014	467	19	921	359	1,291	2,217	5,274	705	5,979

	Consolidated								
	2013								
	Pass Million Baht	Special mention Million Baht	Sub- standard Million Baht	Doubtful Million Baht	Doubtful- of-loss Million Baht	General provision for further losses Million Baht	Total Million Baht	Hire- purchase receivables Million Baht	Grand total Million Baht
Balance as at 1 January 2013	415	29	383	112	488	1,561	2,988	408	3,396
<u>Add</u> Addition during the year	-	-	-	-	-	2,367	2,367	424	2,791
Transfer from revaluation allowance for debt restructuring	-	-	-	-	-	7	7	-	7
Transfer from interbank and money market	-	-	-	-	-	30	30	-	30
Reversal of bad debts	-	-	-	-	-	86	86	-	86
<u>Less</u> Bad debts written off	-	(20)	(498)	(51)	(63)	(5)	(637)	(337)	(974)
Transfer to revaluation allowance for debt restructuring	-	-	-	-	-	(24)	(24)	-	(24)
Increase (decrease) due to change in classification, collateral value or transfer general allowance to specific allowance	56	21	584	422	190	(1,321)	(48)	-	(48)
Balance as at 31 December 2013	<u>471</u>	<u>30</u>	<u>469</u>	<u>483</u>	<u>615</u>	<u>2,701</u>	<u>4,769</u>	<u>495</u>	<u>5,264</u>

	The Bank						
	2014						
	Pass Million Baht	Special mention Million Baht	Sub- standard Million Baht	Doubtful Million Baht	Doubtful of loss Million Baht	General provision Million Baht	Total Million Baht
Balance as at 1 January 2014	616	30	469	483	615	2,701	4,914
<u>Add</u> Addition during the year	-	-	-	-	-	1,702	1,702
Transfer from revaluations allowance							
for debt restructuring	-	-	-	-	-	6	6
Reversal of bad debts	-	-	-	-	-	141	141
<u>Less</u> Bad debts written off	-	-	(86)	(1)	(1,177)	(10)	(1,274)
Transfer to revaluations allowance for							
debt restructuring	-	-	-	-	-	(41)	(41)
Increase (decrease) due to change							
in classification, collateral							
value or transfer general							
allowance to specific allowance	24	(11)	538	(122)	1,853	(2,282)	-
Balance as at 31 December 2014	640	19	921	360	1,291	2,217	5,448

	The Bank						
	2013						
	Pass Million Baht	Special mention Million Baht	Sub- standard Million Baht	Doubtful Million Baht	Doubtful of loss Million Baht	General provision Million Baht	Total Million Baht
Balance as at 1 January 2013	512	29	383	112	488	1,561	3,085
<u>Add</u> Addition during the year	-	-	-	-	-	2,367	2,367
Transfer from revaluations allowance							
for debt restructuring	-	-	-	-	-	7	7
Transfer from interbank and money market	-	-	-	-	-	30	30
Reversal of bad debts	-	-	-	-	-	86	86
<u>Less</u> Bad debts written off	-	(20)	(498)	(51)	(63)	(5)	(637)
Transfer to revaluations allowance for							
debt restructuring	-	-	-	-	-	(24)	(24)
Increase (decrease) due to change							
in classification, collateral							
value or transfer general							
allowance to specific allowance	104	21	584	422	190	(1,321)	-
Balance as at 31 December 2013	616	30	469	483	615	2,701	4,914

## 11 REVALUATION ALLOWANCE FOR DEBT RESTRUCTURING

	Consolidated and the Bank	
	2014 Million Baht	2013 Million Baht
Balance - beginning of the year	33	16
<u>Add</u> Revaluation allowance transferred from allowance for doubtful debts	41	24
<u>Less</u> Revaluation allowance transferred to allowance for doubtful debts	(6)	(7)
Balance - end of the year	<u>68</u>	<u>33</u>

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

## 12 PROPERTIES FOR SALE, NET

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

	Consolidated			
	As at 1 January 2014 Million Baht	Additions Million Baht	Disposals Million Baht	As at 31 December 2014 Million Baht
Asset from debt repayment				
Immovable				
- Assessed by external appraiser	2,020	35	(198)	1,857
Movable	<u>188</u>	<u>1,646</u>	<u>(1,441)</u>	<u>393</u>
Total	2,208	1,681	(1,639)	2,250
Others	<u>34</u>	<u>126</u>	<u>(10)</u>	<u>150</u>
Total properties for sale	2,242	1,807	(1,649)	2,400
<u>Less</u> Allowance for impairment	<u>(536)</u>	<u>(330)</u>	<u>292</u>	<u>(574)</u>
Properties for sale, net	<u>1,706</u>	<u>1,477</u>	<u>(1,357)</u>	<u>1,826</u>

	Consolidated			
	As at	Additions	Disposals	As at
	1 January			31 December
	2013			2013
	Million Baht	Million Baht	Million Baht	Million Baht
Asset from debt repayment				
Immovable				
- Assessed by external appraiser	2,012	224	(216)	2,020
Movable	<u>71</u>	<u>1,124</u>	<u>(1,007)</u>	<u>188</u>
Total	2,083	1,348	(1,223)	2,208
Others	<u>18</u>	<u>34</u>	<u>(18)</u>	<u>34</u>
Total properties for sale	2,101	1,382	(1,241)	2,242
<u>Less</u> Allowance for impairment	<u>(525)</u>	<u>(155)</u>	<u>144</u>	<u>(536)</u>
Properties for sale, net	<u>1,576</u>	<u>1,227</u>	<u>(1,097)</u>	<u>1,706</u>

	The Bank			
	As at	Additions	Disposals	As at
	1 January			31 December
	2014			2014
	Million Baht	Million Baht	Million Baht	Million Baht
Asset from debt repayment				
Immovable				
- Assessed by external appraiser	<u>2,020</u>	<u>35</u>	<u>(198)</u>	<u>1,857</u>
Total	2,020	35	(198)	1,857
Others	<u>34</u>	<u>126</u>	<u>(10)</u>	<u>150</u>
Total properties for sale	2,054	161	(208)	2,007
<u>Less</u> Allowance for impairment	<u>(456)</u>	<u>-</u>	<u>31</u>	<u>(425)</u>
Properties for sale, net	<u>1,598</u>	<u>161</u>	<u>(177)</u>	<u>1,582</u>

	The Bank			
	As at			As at
	1 January			31 December
	2013	Additions	Disposals	2013
	Million Baht	Million Baht	Million Baht	Million Baht
Asset from debt repayment				
Immovable				
- Assessed by external appraiser	2,012	224	(216)	2,020
Total	2,012	224	(216)	2,020
Others	18	34	(18)	34
Total properties for sale	2,030	258	(234)	2,054
<u>Less</u> Allowance for impairment	(503)	(1)	48	(456)
Properties for sale, net	1,527	257	(186)	1,598

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 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.

### 13 PREMISES AND EQUIPMENT, NET

	Consolidated											
	Cost/appraisal value						Accumulated depreciation					
	As at 1 January 2014 Million Baht	Additions Million Baht	Transfer to properties for sale Million Baht	Disposals/ written off Million Baht	As at 31 December 2014 Million Baht	As at 1 January 2014 Million Baht	Additions Million Baht	Transfer to properties for sale Million Baht	Disposals/ written off Million Baht	As at 31 December 2014 Million Baht	As at Allowance for impairment Million Baht	Net book value Million Baht
Land												
Cost	544	-	(33)	-	511	-	-	-	-	-	-	511
Revaluation surplus (revaluation in 2011)	833	-	(87)	-	746	-	-	-	-	-	-	746
Devaluation of asset (revaluation in 2011)	(38)	-	2	-	(36)	-	-	-	-	-	-	(36)
Buildings												
Cost	1,980	42	(73)	-	1,949	(1,101)	(94)	66	-	(1,129)	-	820
Revaluation surplus (revaluation in 2011)	1,935	-	(28)	-	1,907	(1,677)	(24)	26	-	(1,675)	-	232
Devaluation of asset (revaluation in 2011)	(79)	-	5	-	(74)	64	4	(4)	-	64	-	(10)
Equipment	3,370	218	-	(480)	3,108	(2,486)	(278)	-	451	(2,313)	(12)	783
Assets under installation and/or construction	18	134	-	(126)	26	-	-	-	-	-	-	26
Total	8,563	394	(214)	(606)	8,137	(5,200)	(392)	88	451	(5,053)	(12)	3,072



## 13 PREMISES AND EQUIPMENT, NET (CONT'D)

Consolidated													
Cost/appraisal value				Accumulated depreciation									
As at 1 January 2013 Million Baht	Additions Million Baht	Transfer to properties for sale Million Baht	Disposals/ written off Million Baht	As at 31 December 2013 Million Baht	As at 1 January 2013 Million Baht	Additions Million Baht	Transfer to properties for sale Million Baht	Disposals/ written off Million Baht	As at 31 December 2013 Million Baht	Allowance for impairment Million Baht	Net book value Million Baht		
Land													
Cost	552	-	(8)	-	544	-	-	-	-	-	-	544	
Revaluation surplus (revaluation in 2011)	853	-	(20)	-	833	-	-	-	-	-	-	833	
Devaluation of asset (revaluation in 2011)	(38)	-	-	-	(38)	-	-	-	-	-	-	(38)	
Buildings													
Cost	2,004	11	(35)	-	1,980	(1,038)	(92)	29	-	(1,101)	-	879	
Revaluation surplus (revaluation in 2011)	1,947	-	(12)	-	1,935	(1,660)	(27)	10	-	(1,677)	-	258	
Devaluation of asset (revaluation in 2011)	(90)	-	11	-	(79)	69	4	(9)	-	64	-	(15)	
Equipment	3,169	215	-	(35)	3,349	(2,224)	(281)	-	19	(2,486)	(14)	849	
Assets under installation and/or construction	38	59	-	(58)	39	-	-	-	-	-	-	39	
Total	8,435	285	(64)	(93)	8,563	(4,853)	(396)	30	19	(5,200)	(14)	3,349	

### 13 PREMISES AND EQUIPMENT, NET (CONT'D)

	The Bank											
	Cost/appraisal value						Accumulated depreciation					
	As at 1 January 2014 Million Baht	Additions Million Baht	Transfer to properties for sale Million Baht	Disposals/ written off Million Baht	As at 31 December 2014 Million Baht	As at 1 January 2014 Million Baht	Additions Million Baht	Transfer to properties for sale Million Baht	Disposals/ written off Million Baht	As at 31 December 2014 Million Baht	Allowance for impairment Million Baht	Net book value Million Baht
Land												
Cost	544	-	(33)	-	511	-	-	-	-	-	-	511
Revaluation surplus (revaluation in 2011)	833	-	(87)	-	746	-	-	-	-	-	-	746
Devaluation of asset (revaluation in 2011)	(38)	-	2	-	(36)	-	-	-	-	-	-	(36)
Buildings												
Cost	1,980	42	(73)	-	1,949	(1,101)	(93)	66	-	(1,129)	-	820
Revaluation surplus (revaluation in 2011)	1,935	-	(28)	-	1,907	(1,677)	(24)	26	-	(1,675)	-	232
Devaluation of asset (revaluation in 2011)	(79)	-	5	-	(74)	64	4	(4)	-	64	-	(10)
Equipment	3,165	209	-	(478)	2,896	(2,366)	(255)	-	449	(2,171)	(12)	713
Assets under installation and/or construction	18	134	-	(126)	26	-	-	-	-	-	-	26
Total	8,358	385	(214)	(604)	7,925	(5,080)	(368)	88	449	(4,911)	(12)	3,002

## 13 PREMISES AND EQUIPMENT, NET (CONT'D)

	The Bank											
	Cost/appraisal value						Accumulated depreciation					
	As at 1 January 2013 Million Baht	Additions Million Baht	Transfer to properties for sale Million Baht	Disposals/ written off Million Baht	As at 31 December 2013 Million Baht	As at 1 January 2013 Million Baht	Additions Million Baht	Transfer to properties for sale Million Baht	Disposals/ written off Million Baht	As at 31 December 2013 Million Baht	Allowance for impairment Million Baht	Net book value Million Baht
Land												
Cost	552	-	(8)	-	544	-	-	-	-	-	-	544
Revaluation surplus (revaluation in 2011)	853	-	(20)	-	833	-	-	-	-	-	-	833
Devaluation of asset (revaluation in 2011)	(38)	-	-	-	(38)	-	-	-	-	-	-	(38)
Buildings												
Cost	2,003	12	(35)	-	1,980	(1,037)	(93)	29	-	(1,101)	-	879
Revaluation surplus (revaluation in 2011)	1,947	-	(12)	-	1,935	(1,660)	(27)	10	-	(1,677)	-	258
Devaluation of asset (revaluation in 2011)	(90)	-	11	-	(79)	69	4	(9)	-	64	-	(15)
Equipment	3,013	182	-	(30)	3,165	(2,128)	(253)	-	15	(2,366)	(14)	785
Assets under installation and/or construction	23	53	-	(58)	18	-	-	-	-	-	-	18
Total	8,263	247	(64)	(88)	8,358	(4,756)	(369)	30	15	(5,080)	(14)	3,264

## 14 INTANGIBLE ASSETS, NET

		Consolidated				
		As at 1 January 2014	Increase	Transfer in/(out)	Amortisation	As at 31 December 2014
Amortising period		Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Expenditures in connection with development and improvement of computer systems						
- under development	-	50	94	(85)	-	59
Computer software	5 - 10 years	291	53	81	(124)	301
Licence fee	5 years	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>
Total		343	<u>147</u>	<u>(4)</u>	<u>(124)</u>	362
Less Allowance for impairment		<u>-</u>				<u>-</u>
Net intangible assets		<u>343</u>				<u>362</u>

		Consolidated				
		As at 1 January 2013	Increase	Transfer in/(out)	Amortisation	As at 31 December 2013
Amortising period		Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Expenditures in connection with development and improvement of computer systems						
- under development	-	58	21	(29)	-	50
Computer software	5 - 10 years	370	24	15	(118)	291
Licence fee	5 years	<u>-</u>	<u>3</u>	<u>-</u>	<u>(1)</u>	<u>2</u>
Total		428	<u>48</u>	<u>(14)</u>	<u>(119)</u>	343
Less Allowance for impairment		<u>-</u>				<u>-</u>
Net intangible assets		<u>428</u>				<u>343</u>

		The Bank				
		As at 1 January 2014 Million Baht	Increase Million Baht	Transfer in/(out) Million Baht	Amortisation Million Baht	As at 31 December 2014 Million Baht
Amortising period						
Expenditures in connection with development and improvement of computer systems						
- under development	-	50	94	(85)	-	59
Computer software	5 - 10 years	285	52	81	(123)	295
Licence fee	5 years	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>
Total		337	<u>146</u>	<u>(4)</u>	<u>(123)</u>	356
Less Allowance for impairment		<u>-</u>				<u>-</u>
Net intangible assets		<u>337</u>				<u>356</u>

		The Bank				
		As at 1 January 2013 Million Baht	Increase Million Baht	Transfer in/(out) Million Baht	Amortisation Million Baht	As at 31 December 2013 Million Baht
Amortising period						
Expenditures in connection with development and improvement of computer systems						
- under development	-	58	21	(29)	-	50
Computer software	5 - 10 years	364	23	15	(117)	285
Licence fee	5 years	<u>-</u>	<u>3</u>	<u>-</u>	<u>(1)</u>	<u>2</u>
Total		422	<u>47</u>	<u>(14)</u>	<u>(118)</u>	337
Less Allowance for impairment		<u>-</u>				<u>-</u>
Net intangible assets		<u>422</u>				<u>337</u>

## 15 DEFERRED INCOME TAXES

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

	Consolidated		The Bank	
	2014 Million Baht	2013 Million Baht	2014 Million Baht	2013 Million Baht
Beginning of the year	1,049	876	918	779
Charged/(credited) to profit or loss	(99)	132	(169)	98
Tax charged/(credited) directly to equity	<u>(18)</u>	<u>41</u>	<u>(18)</u>	<u>41</u>
End of the year	<u>932</u>	<u>1,049</u>	<u>731</u>	<u>918</u>

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

	Consolidated			
	Provision Million Baht	Tax losses Million Baht	Temporary differences Million Baht	Total Million Baht
<b>Deferred tax assets</b>				
At 1 January 2014	271	95	934	1,300
Charged/(credited) to profit or loss	(1)	(95)	1	(95)
Charged directly to equity	<u>-</u>	<u>-</u>	<u>20</u>	<u>20</u>
At 31 December 2014	<u>270</u>	<u>-</u>	<u>955</u>	<u>1,225</u>
At 1 January 2013	270	335	544	1,149
Charged/(credited) to profit or loss	1	(240)	371	132
Charged directly to equity	<u>-</u>	<u>-</u>	<u>19</u>	<u>19</u>
At 31 December 2013	<u>271</u>	<u>95</u>	<u>934</u>	<u>1,300</u>

	Consolidated			
	Fair value gain from investment Million Baht	Gain from revaluation of assets Million Baht	Temporary differences Million Baht	Total Million Baht
<b>Deferred tax liabilities</b>				
At 1 January 2014	27	224	-	251
Charged/(credited) to profit or loss	2	(4)	6	4
Tax charge directly to equity	<u>38</u>	<u>-</u>	<u>-</u>	<u>38</u>
At 31 December 2014	<u>67</u>	<u>220</u>	<u>6</u>	<u>293</u>
At 1 January 2013	42	231	-	273
Tax credited directly to equity	<u>(15)</u>	<u>(7)</u>	<u>-</u>	<u>(22)</u>
At 31 December 2013	<u>27</u>	<u>224</u>	<u>-</u>	<u>251</u>

	The Bank			
	Provision Million Baht	Tax losses Million Baht	Temporary differences Million Baht	Total Million Baht
<b>Deferred tax assets</b>				
At 1 January 2014	271	95	803	1,169
Credited to profit or loss	(7)	(95)	(63)	(165)
Charged directly to equity	<u>-</u>	<u>-</u>	<u>20</u>	<u>20</u>
As at 31 December 2014	<u>264</u>	<u>-</u>	<u>760</u>	<u>1,024</u>
At 1 January 2013	270	335	447	1,052
Charged/(credited) to profit or loss	1	(240)	337	98
Charged directly to equity	<u>-</u>	<u>-</u>	<u>19</u>	<u>19</u>
As at 31 December 2013	<u>271</u>	<u>95</u>	<u>803</u>	<u>1,169</u>



	The Bank			
	Fair value	Gain from	Temporary	Total
	gain from investment Million Baht	revaluation of assets Million Baht	differences Million Baht	
Deferred tax liabilities				
At 1 January 2014	27	224	-	251
Charged/(credited) to profit or loss	2	(4)	6	4
Tax charged directly to equity	<u>38</u>	<u>-</u>	<u>-</u>	<u>38</u>
At 31 December 2014	<u>67</u>	<u>220</u>	<u>6</u>	<u>293</u>
At 1 January 2013	42	231	-	273
Tax credited directly to equity	<u>(15)</u>	<u>(7)</u>	<u>-</u>	<u>(22)</u>
At 31 December 2013	<u>27</u>	<u>224</u>	<u>-</u>	<u>251</u>

Deferred income tax assets are recognised for tax loss and carry forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable. As at 31 December 2014, the Group does not has unrecognised tax losses to carry forward against future taxable income (31 December 2013: Baht 483 million).

## 16 OTHER ASSETS, NET

	Consolidated		The Bank	
	2014 Million baht	2013 Million baht	2014 Million baht	2013 Million baht
Accrued interest and dividend receivables	439	447	439	447
Credit support assets on derivatives	2,011	2,798	2,011	2,798
Leasehold rights	4	9	4	9
Advances	17	19	17	17
Others assets awaiting account transfer	106	164	106	164
Commission receivables	52	55	52	55
Withholding tax receivable	82	91	80	89
Marginal deposits	86	120	80	113
Account receivable revenue department	-	64	-	-
Prepaid expenses	101	59	98	54
Others	<u>503</u>	<u>231</u>	<u>345</u>	<u>96</u>
Total	3,401	4,057	3,232	3,842
Less Allowance for impairment	<u>(36)</u>	<u>(36)</u>	<u>(36)</u>	<u>(36)</u>
Other assets, net	<u>3,365</u>	<u>4,021</u>	<u>3,196</u>	<u>3,806</u>

## 17 DEPOSITS

### 17.1 Classified by type of deposits

	Consolidated		The Bank	
	2014 Million Baht	2013 Million Baht	2014 Million Baht	2013 Million Baht
At call	2,243	2,082	2,244	2,084
Savings	49,701	46,046	49,845	46,158
Fixed	128,626	100,152	128,692	100,178
Negotiable certificate of deposit	<u>3,325</u>	<u>3,853</u>	<u>3,325</u>	<u>3,853</u>
Total deposits	<u>183,895</u>	<u>152,133</u>	<u>184,106</u>	<u>152,273</u>

### 17.2 Classified by currency and residency of depositors

	Consolidated					
	2014			2013		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Baht	181,254	1,574	182,828	150,307	1,345	151,652
US dollar	1,041	22	1,063	476	-	476
Other currencies	<u>2</u>	<u>2</u>	<u>4</u>	<u>5</u>	<u>-</u>	<u>5</u>
Total	<u>182,297</u>	<u>1,598</u>	<u>183,895</u>	<u>150,788</u>	<u>1,345</u>	<u>152,133</u>

	The Bank					
	2014			2013		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Baht	181,465	1,574	183,039	150,447	1,345	151,792
US dollar	1,041	22	1,063	476	-	476
Other currencies	<u>2</u>	<u>2</u>	<u>4</u>	<u>5</u>	<u>-</u>	<u>5</u>
Total	<u>182,508</u>	<u>1,598</u>	<u>184,106</u>	<u>150,928</u>	<u>1,345</u>	<u>152,273</u>

## 18 INTERBANK AND MONEY MARKET ITEMS (LIABILITIES)

	Consolidated					
	2014			2013		
	At call	Term	Total	At call	Term	Total
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
<b>Domestic:</b>						
The Bank of Thailand	-	391	391	-	475	475
Commercial banks	78	2,125	2,203	89	37,069	37,158
Other banks	69	2,500	2,569	125	1,300	1,425
Finance, finance and securities, securities, and credit foncier companies	6,585	1,287	7,872	1,957	912	2,869
Other financial institutions	319	1,946	2,265	761	237	998
Total domestic items	7,051	8,249	15,300	2,932	39,993	42,925
<b>Foreign:</b>						
US dollar	499	15	514	469	802	1,271
Other currencies	2,423	68	2,491	603	67	670
Total foreign items	2,922	83	3,005	1,072	869	1,941
Total domestic and foreign items	9,973	8,332	18,305	4,004	40,862	44,866

	The Bank					
	2014			2013		
	At call	Term	Total	At call	Term	Total
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
<b>Domestic:</b>						
The Bank of Thailand	-	391	391	-	475	475
Commercial banks	78	2,050	2,128	89	36,444	36,533
Other banks	69	2,500	2,569	125	1,300	1,425
Finance, finance and securities, securities, and credit foncier companies	6,585	1,287	7,872	1,957	912	2,869
Other financial institutions	319	1,946	2,265	761	237	998
Total domestic items	7,051	8,174	15,225	2,932	39,368	42,300
<b>Foreign:</b>						
US dollar	499	15	514	469	802	1,271
Other currencies	2,423	68	2,491	603	67	670
Total foreign items	2,922	83	3,005	1,072	869	1,941
Total domestic and foreign items	9,973	8,257	18,230	4,004	40,237	44,241

## 19 FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

	Consolidated and the Bank	
	2014 Million Baht	2013 Million Baht
Debentures	3,790	5,000
Bills of Exchange	3,903	857
Total	7,693	5,857

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

	Consolidated and the Bank	
	2014 Proportion	2013 Proportion
Financial institutions	46	14
External parties	54	86
Total	100	100

Financial liabilities designated at fair value through profit or loss are bills of exchange and debentures which will mature in 11 and 5 years respectively with embedded callable range accrual swap. The bills of exchange bear interest rate at 6.10% per annum with a payment of interest every six months. The debentures bear interest rate at between 0 – 4.30% per annum variable to reference index of THBFIX 6 month 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.

In 2014, the Bank issued debentures which will mature in 5 years with embedded callable range accrual swap. The debentures bear interest rate at between 0 - 5.00% per annum variable to reference index of THBFIX 6 month with a payment of interest every six months. The Bank entered into interest rate swaps with other parties.

In 2014, the Bank issued debentures which will mature in 5 years with embedded callable inverse floater derivatives. The debentures bear interest rate at 6.60% per annum minus reference index of THBFIX 6 month with a payment of interest every six months.

In addition, the Bank issued accreting structured bills of exchange embedded interest rate swap with predetermined return rate and conditions. The maturity date is between 7 - 15 years. They bear interest rate at between 3.77% - 5.18% per annum with a payment of interest every six months. The Bank entered into interest rate swaps with other parties.

In 2014, the Bank issued accreting structured bills of exchange embedded callable range accrual swap. The maturity date is 10 years. They bear interest rate at between 0 - 6.50% per annum variable to reference index of THBFIX 6 month 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.

## 20 DEBT ISSUED AND BORROWINGS

	Consolidated and the Bank					
	2014			2013		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
<b>Hybrid instrument</b>						
Hybrid securities of Baht 2,500 million maturing in 2019	-	-	-	62	2,525	2,587
<b>Short term debentures</b>						
Short term debentures maturing in 2015, coupon rate of 2.23% - 2.99% per annum	12,863	-	12,863	20,702	-	20,702
<b>Subordinated debentures</b>						
Subordinate debentures maturing in 2003	544	-	544	544	-	544
Subordinated debentures of RM 400 million, maturing in 2024, coupon rate of 5.60% per annum	-	3,770	3,770	-	-	-
Subordinated debentures of Baht 3,000 million, maturing in 2021, coupon rate of 5.35% per annum	3,000	-	3,000	3,000	-	3,000
Subordinated debentures of Baht 3,000 million, maturing in 2022, coupon rate of 4.80% per annum	3,000	-	3,000	3,000	-	3,000
<b>Structured debentures</b>						
Structured debentures	313	-	313	108	-	108
	<u>19,720</u>	<u>3,770</u>	<u>23,490</u>	<u>27,416</u>	<u>2,525</u>	<u>29,941</u>
<b>Fixed-rate notes</b>						
Bill of exchange maturing at call, coupon rate of 1.70% - 2.95% per annum	1,022	-	1,022	4,265	-	4,265
Bill of exchange maturing in 2014, coupon rate of 2.00% - 2.75% per annum	-	-	-	3,501	-	3,501
	<u>1,022</u>	<u>-</u>	<u>1,022</u>	<u>7,766</u>	<u>-</u>	<u>7,766</u>
<b>Total</b>	20,742	3,770	24,512	35,182	2,525	37,707
<b>Less</b> Current portion of long-term borrowings	<u>(14,742)</u>	<u>-</u>	<u>(14,742)</u>	<u>(29,120)</u>	<u>-</u>	<u>(29,120)</u>
<b>Long-term borrowings, net</b>	<u>6,000</u>	<u>3,770</u>	<u>9,770</u>	<u>6,062</u>	<u>2,525</u>	<u>8,587</u>

a) As at 31 December 2014, the Bank had domestic subordinated debentures of Baht 544 million (31 December 2013: Baht 544 million) which had been transferred to the Bank since the merger date.

(b) On 27 March 2009, the Bank issued 2,500,000 cumulative hybrid instruments with a face value of Baht 1,000 each and an issue price of Baht 1,000 each, or a total of Baht 2,500 million. The debentures have a tenor of 10

years, maturing on 27 March 2019, with an early redemption call option 5 years after the issue date. They bear interest at 5.25% p.a. for the first 5 years, and 6.75% p.a. for years 6-10. Interest is due every 27 March and 27 September (under the specified conditions).

There is a call option in the following two cases:

1. If there are significant changes in tax laws that increase the tax liabilities of the issuer.
2. If the debentures cannot be counted as hybrid tier II debt of the Bank.

In both cases, early redemption must be pre-approved by Bank of Thailand.

On 27 March 2014, the Bank exercised its option to early redeem all cumulative hybrid instruments amounting to Baht 2,500 million, maturing on 27 March 2019, which the Bank was able to early redeem (under the specified conditions). This early redemption was approved by BoT notification For Kor Kor (02) 53/2557 The request for approval of redemption of cumulative hybrid instruments.

(c) On 14 July 2011, the Bank issued unsecured subordinated debentures with a bond holder's representative. The subscription unit is at 3,000,000 units at Baht 1,000 each for a total of Baht 3,000 million carrying a constant interest rate of 5.35% per annum with a payment of interest every six months to individual and institution investors. The debenture has a tenor of 10 years and is due on 14 July 2021 according to the prospectus. The Bank may exercise its right to early redeem the debenture after 5 years subject to approval by the Bank of Thailand under the conditions stated in prospectus.

The Bank has an approval from Bank of Thailand to count the subordinated debenture as tier II capital according to the correspondence For Kor Kor (02) 808/2554.

(d) On 9 November 2012, the Bank issued unsecured subordinated debentures to financial institutions and high net worth investors. The subscription unit is at 3,000,000 units at Baht 1,000 each and issued price of Baht 1,000 each for an aggregate amount of Baht 3,000 million carrying constant interest rate of 4.80% per annum with a payment of interest every six months. The debenture has a tenor of 10 years and is due on 9 November 2022. The Bank may exercise its right to early redeem the debenture after 5 years subject to approval by Bank of Thailand.

The Bank has an approval from Bank of Thailand to count the subordinated debenture as tier II capital according to the correspondence For Kor Kor (02) 1269/2555.

(e) As at 31 December 2014, the Bank had short term debentures of Baht 12,863 million (31 December 2013: Baht 20,702 million) with fixed interest rates, interest will be paid on maturity date.

(f) 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 Bank of Thailand.

The Bank has an approval from Bank of Thailand to count the subordinated debenture as tier II capital according to the correspondence For Kor Kor.(02) 453/2557.

(g) As at 31 December 2014, the Bank had structured debentures of Baht 313 million (31 December 2013: Baht 108 million) as follows:.

- As at 31 December 2013, the Bank had unsecured structured debentures not designated at fair value through profit or loss amounted to Baht 108 million with embedded FX digital option (bullish CNH against USD). The structured debentures will mature in 6 months from respective issuance dates. The Bank will pay 6% per annum at maturity if USD/CNH spot fixing rate on observation date fall below or equal to 99.5% of initial USD/CNH spot

fixing rate. In addition, the Bank will pay 0% per annum at maturity if USD/CNH spot fixing rate on observation date is higher than 99.5% of initial USD/CNH spot fixing rate. Investors have the option to early redeem the above structured debentures at market price after 3 months from issuance date. The Bank is obliged to return the principal at full amount (100%) should the investors holds the debentures to maturity.

- As at 31 December 2014, the Bank issued various unsecured structured debentures amounted to Baht 124 million with embedded FX digital bullish CNH against USD. The structured debentures will mature in 6 months from respective issuance dates. The Bank will pay 5% per annum at maturity if USD/CNH spot fixing rate on observation date fall below or equal to 99.75% of initial USD/CNH spot fixing rate. In addition, the Bank will pay 0% per annum at maturity if USD/CNH spot fixing rate on observation date is higher than 99.75% of initial USD/CNH spot fixing rate. Investors have the option to early redeem the above structured debentures at market price after 90 days from issuance date. The Bank is obliged to return the principal at full amount (100%) should the investors holds the debentures to maturity.
- As at 31 December 2014, the Bank issued various unsecured structured debentures amounted to Baht 149 million with embedded FX digital bullish CNH against USD. The structured debentures will mature in 1 year from respective issuance dates. The Bank will pay 7% per annum at maturity if USD/CNH spot fixing rate on observation date fall below or equal to 99.00% of initial USD/CNH spot fixing rate. In addition, the Bank will pay 0% per annum at maturity if USD/CNH spot fixing rate on observation date is higher than 99.00% of initial USD/CNH spot fixing rate. Investors have the option to early redeem the above structured debentures at market price after 6 months from issuance date. The Bank is obliged to return the principal at full amount (100%) should the investors holds the debentures to maturity.
- As at 31 December 2014, the Bank issued various unsecured structured debentures (Maxi Precious Shark Fin Bearish Gold Derivatives Debentures) of Baht 40 million with 6 months from respective issuance dates. The Bank will pay interest at maturity date according to the movement of the underlying (closing gold price in the morning. "GOLD-AMFIX"), Investors have the option to early redeem the above structured debentures after 90 days from issuance date. The Bank is obliged to return the principal at full amount (100%) should the investors holds the debentures to maturity.

## 21 PROVISIONS

	Consolidated		The Bank	
	2014 Million Baht	2013 Million Baht	2014 Million Baht	2013 Million Baht
Provision for contingent loss from legal cases	33	35	33	35
Reserve for off-statements of financial position items	192	282	192	282
Provision for employee benefits	1,124	1,065	1,087	1,036
Provision for putback option of sold debtors	-	20	-	20
Total provisions	<u>1,349</u>	<u>1,402</u>	<u>1,312</u>	<u>1,373</u>



### Provision for employee benefits

As at 31 December 2014, the pension benefits were only provided to 463 employees (31 December 2013: 491 employees) who were former employees of the Union Bank of Bangkok Public Company Limited which are unfunded obligations. The pension benefits are part of provisions for employee benefits as follows:

	Consolidated		The Bank	
	2014 Million Baht	2013 Million Baht	2014 Million Baht	2013 Million Baht
Present value of post-employment benefit obligations	1,124	1,065	1,087	1,036
Provision for employee benefits	1,124	1,065	1,087	1,036

Movements of provision for pension funds are as follows:

	Consolidated		The Bank	
	2014 Million Baht	2013 Million Baht	2014 Million Baht	2013 Million Baht
Beginning balance	1,065	1,092	1,036	1,069
Current service costs	85	20	79	15
Interest costs	42	9	40	8
Less Pension benefits paid for the year	(68)	(56)	(68)	(56)
Ending balance	1,124	1,065	1,087	1,036

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

	Consolidated		The Bank	
	2014 Million Baht	2013 Million Baht	2014 Million Baht	2013 Million Baht
Current service costs	85	20	79	15
Interest costs	42	9	40	8
Total	127	29	119	23

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

		For the years ended 31 December	
		2014	2013
Discount rate	3.25%		4.00%
Salary increase rate	5.00%		5.00%
Pre-retirement mortality rate	75.00% of Thai Mortality Ordinary Table 2008		75.00% of Thai Mortality Ordinary Table 2008
Disability rate	10% of pre-retirement mortality rate		10% 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		Employees who are eligible for pension benefit: Flat 1.91% of Thai Withdrawal Table, Other employees: 75% of Thai Withdrawal Table
Retirement age	60 years old		60 years old

## 22 OTHER LIABILITIES

	Consolidated		The Bank	
	2014 Million Baht	2013 Million Baht	2014 Million Baht	2013 Million Baht
Credit support liabilities on derivatives	1,351	1,618	1,351	1,618
Amount due to Department of Alternative Energy Development and Efficiency	253	398	253	398
Other liabilities awaiting accounts transfer	380	799	380	799
Accrued interest	782	767	782	767
Deferred commission	243	291	243	291
Accrued expense	1,313	1,144	1,193	1,036
Others	570	636	354	372
Total	<u>4,892</u>	<u>5,653</u>	<u>4,556</u>	<u>5,281</u>

## 23 SHARE CAPITAL

	Consolidated and the Bank			
	2014		2013	
	Number Million shares	Amount Million Baht	Number Million shares	Amount Million Baht
<b>Registered</b>				
Beginning of the year				
- Ordinary shares	26,106	13,053	26,106	13,053
Reduction of shares	(5,021)	(2,511)	-	-
End of the year	<u>21,085</u>	<u>10,542</u>	<u>26,106</u>	<u>13,053</u>
<b>Issued and paid up</b>				
Beginning of the year				
- Ordinary shares	21,085	10,542	21,085	10,542
Issuance of new share	-	-	-	-
End of the year	<u>21,085</u>	<u>10,542</u>	<u>21,085</u>	<u>10,542</u>

On 11 April 2014, the Annual General Meeting of Shareholders approved a decrease in the Bank's registered capital from Baht 13,052,747,804 to Baht 10,542,439,013 by cancelling 5,020,617,583 unsold and unoffered registered ordinary shares with a par value of Baht 0.50 per share, totaling Baht 2,510,308,791.

## 24 OTHER RESERVES

	Consolidated and the Bank	
	2014 Million Baht	2013 Million Baht
Revaluation surplus on assets	1,095	1,119
Revaluation surplus on change in value of investments	279	38
Foreign currency translation	7	-
Deficit from measuring fair value of hedging instrument for cash flow hedge	(149)	-
Income tax relating to components of other reserves	<u>(245)</u>	<u>(231)</u>
Total	<u>987</u>	<u>926</u>

## (a) Revaluation surplus on assets

This represents surplus on assets arising from revaluation of land and premises. The surplus is amortised to retained earnings on a straight-line basis over the remaining life of the related assets and transferred directly to retained earnings.

	Consolidated and the Bank	
	2014 Million Baht	2013 Million Baht
Balance - beginning of the year	1,119	1,155
Less Amortisation	(24)	(36)
Balance - end of the year	1,095	1,119

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

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

	Consolidated and the Bank	
	2014 Million Baht	2013 Million Baht
Revaluation surplus on investments:		
Debt securities	236	134
Equity securities	91	-
Total	327	134
Revaluation deficit on investments:		
Debt securities	-	(49)
Equity securities	(48)	(47)
Total	(48)	(96)
Revaluation surplus on change in value of investments, net	279	38

## 25 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 11 April 2014, the Annual General Meeting of Shareholders of the Bank approved an appropriation of net profit of Baht 38.30 million as a statutory reserve.

On 21 August 2014, the Board of Directors Meeting of the Bank approved an appropriation of net profit of Baht 31.00 million as a statutory reserve.

On 12 April 2013, the Annual General Meeting of Shareholders of the Bank approved an appropriation of net profit of Baht 58.60 million as a statutory reserve.

On 22 August 2013, the Board of Directors Meeting of the Bank approved an appropriation of net profit of Baht 25.90 million as a statutory reserve.

As at 31 December 2014, the Bank had total statutory reserve of Baht 341.30 million (31 December 2013: Baht 272 million).

## 26 DIVIDEND PAYMENT

On 11 April 2014, the Annual General Meeting of Shareholders of the Bank approved to pay dividend from the operating results of 2013 at the rate of Baht 0.01 per share, totaling Baht 210.84 million, which was paid on 9 May 2014.

On 12 April 2013, the Annual General Meeting of Shareholders of the Bank approved to pay dividend from the operating results of 2012 at the rate of Baht 0.005 per share, totalling Baht 105.42 million, which was paid on 10 May 2013.

## 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:

	Total capital 2014 to risk assets		Total capital 2013 to risk assets	
	Million Baht	%	Million Baht	%
Tier I				
Issued and paid up share capital	10,542		10,542	
Share premium	3,868		3,868	
Statutory reserve	341		272	
Unappropriated surplus	6,158		5,020	
Other reserves	737		835	
Deduction on Tier I capital fund	(682)		(918)	
Total Tier I capital fund	20,964	9.91	19,619	9.91
Tier II				
Long-term subordinated debentures and hybrid securities	10,070		7,650	
Reserve for loan classified as pass	641		619	
Total Tier II capital fund	10,711	5.07	8,269	4.17
Total capital funds	31,675	14.98	27,888	14.08

The Bank and its financial group will disclose capital maintenance information as at 31 December 2014 in accordance with the Notification of Bank of Thailand RE: Public Disclosure of Capital Maintenance Information for Commercial Banks and Consolidated Supervision on its website at [www.cimbthai.com](http://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, 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 in 2014, 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 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 7.15 per share (31 December 2013: MYR 7.79 per share).

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

	Number of ordinary shares under the EOP as at	
	2014 Thousand Units	2013 Thousand Units
Beginning of financial year	88	49
Awarded during financial year	280	60
Released during financial year	(48)	(21)
End of financial year	320	88

For the year ended 31 December 2014, the Bank set up share-based payment reserves and expenses amounting to Baht 11.1 million (for the year ended 31 December 2013: Baht 3.4 million).

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

### 29.1 Position classified by type of transaction

	Consolidated					
	2014			2013		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Total assets	270,097	4,047	274,144	274,979	4,683	279,662
Interbank and money						
market items , net	5,129	1,394	6,523	31,876	1,680	33,556
Derivative assets	9,876	928	10,804	7,763	1,338	9,101
Investments, net and						
investments in subsidiaries, net	55,126	127	55,253	53,249	87	53,336
Loans to customers and accrued						
interest receivables, net	182,777	1,599	184,376	164,665	1,579	166,244
Deposits	182,297	1,598	183,895	150,788	1,345	152,133
Interbank and money						
market items	15,300	3,005	18,305	43,712	1,154	44,866
Derivative liabilities	8,679	1,718	10,397	8,139	1,513	9,652
Debt issued and borrowings	20,742	3,770	24,512	35,182	2,525	37,707

	The Bank					
	2014			2013		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Total assets	269,399	4,047	273,446	273,679	4,683	278,362
Interbank and money						
market items, net	5,060	1,393	6,453	31,830	1,679	33,509
Derivative assets	9,876	928	10,804	7,763	1,338	9,101
Investments, net and						
investments in subsidiaries, net	56,451	127	56,578	54,573	87	54,660
Loans to customers and accrued						
interest receivables, net	181,515	1,599	183,114	162,634	1,579	164,213
Deposits	182,508	1,598	184,106	150,928	1,345	152,273
Interbank and money						
market items	15,225	3,005	18,230	43,087	1,154	44,241
Derivative liabilities	8,679	1,718	10,397	8,139	1,513	9,652
Debt issued and borrowings	20,742	3,770	24,512	35,182	2,525	37,707

## 29.2 Performance classified by type of transaction

	Consolidated					
	2014			2013		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Interest income	13,838	89	13,927	12,269	107	12,376
Interest expenses	<u>(5,960)</u>	<u>(79)</u>	<u>(6,039)</u>	<u>(5,663)</u>	<u>(188)</u>	<u>(5,851)</u>
Net interest income (expenses)	7,878	10	7,888	6,606	(81)	6,525
Net fee and services income	1,339	-	1,339	1,258	-	1,258
Gain sharing from the management of the non-performing loans by TAMC	-	-	-	1,101	-	1,101
Other operating income	1,279	-	1,279	1,362	-	1,362
Other operating expenses	<u>(7,140)</u>	-	<u>(7,140)</u>	<u>(6,095)</u>	-	<u>(6,095)</u>
Bad and doubtful debts and impairment losses	<u>(2,130)</u>	-	<u>(2,130)</u>	<u>(2,744)</u>	-	<u>(2,744)</u>
Profit (loss) from continuing operation before income tax expense	<u>1,226</u>	<u>10</u>	<u>1,236</u>	<u>1,488</u>	<u>(81)</u>	<u>1,407</u>

	The Bank					
	2014			2013		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Interest income	12,372	89	12,461	10,921	107	11,028
Interest expenses	<u>(5,950)</u>	<u>(79)</u>	<u>(6,029)</u>	<u>(5,607)</u>	<u>(188)</u>	<u>(5,795)</u>
Net interest income (expenses)	6,422	10	6,432	5,314	(81)	5,233
Net fee and services income	940	-	940	940	-	940
Gain sharing from the management of the non-performing loans by TAMC	-	-	-	1,101	-	1,101
Other operating income	1,228	-	1,228	1,227	-	1,227
Other operating expenses	<u>(5,710)</u>	-	<u>(5,710)</u>	<u>(4,950)</u>	-	<u>(4,950)</u>
Bad and doubtful debts and impairment losses	<u>(1,703)</u>	-	<u>(1,703)</u>	<u>(2,367)</u>	-	<u>(2,367)</u>
Profit (loss) from continuing operation before income tax expense	<u>1,177</u>	<u>10</u>	<u>1,187</u>	<u>1,265</u>	<u>(81)</u>	<u>1,184</u>



## 30 INTEREST INCOME

	Consolidated		The Bank	
	2014 Million Baht	2013 Million Baht	2014 Million Baht	2013 Million Baht
Interbank and money market items	151	283	151	283
Investments and trading transactions	169	167	169	167
Investments in debt securities	1,366	1,257	1,366	1,257
Loans	10,053	8,762	10,767	9,317
Hire-purchase and financial lease income	2,180	1,903	-	-
Others	8	4	8	4
Interest income	<u>13,927</u>	<u>12,376</u>	<u>12,461</u>	<u>11,028</u>

## 31 INTEREST EXPENSES

	Consolidated		The Bank	
	2014 Million Baht	2013 Million Baht	2014 Million Baht	2013 Million Baht
Deposits	3,921	3,636	3,923	3,637
Interbank and money market items	340	434	328	377
Contribution fees to the Deposit Protection Agency	17	15	17	15
Contribution fees to FIDF	911	776	911	776
Debt securities issued				
- Subordinated debentures	354	459	354	459
- Others	485	519	485	519
Others	11	12	10	12
Interest expenses	<u>6,039</u>	<u>5,851</u>	<u>6,028</u>	<u>5,795</u>

## 32 NET FEES AND SERVICES INCOME

	Consolidated		The Bank	
	2014 Million Baht	2013 Million Baht	2014 Million Baht	2013 Million Baht
Fees and services income				
Acceptances, aval and guarantees	115	127	116	143
ATM and debit card fees	109	121	109	121
Brokerage income	562	509	386	362
Management fees	97	154	97	154
Others	665	487	528	380
Fees and services income	<u>1,548</u>	<u>1,398</u>	<u>1,236</u>	<u>1,160</u>
Fees and services expenses				
Collection fees	65	27	184	130
ATM fees	38	37	37	37
Others	106	76	75	53
Fees and services expenses	<u>209</u>	<u>140</u>	<u>296</u>	<u>220</u>
Net fees and services income	<u>1,339</u>	<u>1,258</u>	<u>940</u>	<u>940</u>

## 33 GAINS ON TRADINGS AND FOREIGN EXCHANGE TRANSACTIONS, NET

	Consolidated and the Bank	
	2014 Million Baht	2013 Million Baht
Gains (losses) on trading and foreign exchange transactions		
Foreign currency and foreign exchange rate derivatives	667	1,181
Interest rate derivatives	1,037	(514)
Debt securities	<u>101</u>	<u>47</u>
Gains on trading and foreign exchange transactions, net	<u>1,805</u>	<u>714</u>

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

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

	Consolidated and the Bank	
	2014 Million Baht	2013 Million Baht
Net change in fair value		
Bills of exchange	(709)	54
Debentures	(192)	(35)
Interest expenses	<u>(193)</u>	<u>(120)</u>
Total	<u>(1,094)</u>	<u>(101)</u>

### 35 GAINS ON INVESTMENTS, NET

	Consolidated		The Bank	
	2014 Million Baht	2013 Million Baht	2014 Million Baht	2013 Million Baht
Gains on sales				
Available-for-sale	317	318	317	318
Held-to-maturity	1	3	1	3
General investments	-	5	-	5
Investments in subsidiaries	<u>12</u>	<u>104</u>	<u>12</u>	<u>-</u>
Gains on sales, net	<u>330</u>	<u>430</u>	<u>330</u>	<u>326</u>
Losses on impairment				
General investments	<u>-</u>	<u>(9)</u>	<u>-</u>	<u>(9)</u>
Losses on impairment, net	<u>-</u>	<u>(9)</u>	<u>-</u>	<u>(9)</u>
Gains on investments, net	<u>330</u>	<u>421</u>	<u>330</u>	<u>317</u>

### 36 OTHER OPERATING INCOME

	Consolidated		The Bank	
	2014	2013	2014	2013
	Million Baht	Million Baht	Million Baht	Million Baht
Gains on sales of premises and equipment	4	2	3	1
Gains on sales of properties for sales	-	-	16	27
Income from reversal of bad debts	41	28	-	-
Dividend income	51	167	51	167
Other income	<u>142</u>	<u>131</u>	<u>117</u>	<u>102</u>
Other operating income	<u>238</u>	<u>328</u>	<u>187</u>	<u>297</u>

### 37 BAD AND DOUBTFUL DEBTS AND IMPAIRMENT LOSSES

	Consolidated		The Bank	
	2014	2013	2014	2013
	Million Baht	Million Baht	Million Baht	Million Baht
Loans	2,095	2,726	1,668	2,349
Losses on debt restructuring	<u>35</u>	<u>18</u>	<u>35</u>	<u>18</u>
Total	<u>2,130</u>	<u>2,744</u>	<u>1,703</u>	<u>2,367</u>

### 38 CORPORATE INCOME TAX

	Consolidated		The Bank	
	2014	2013	2014	2013
	Million Baht	Million Baht	Million Baht	Million Baht
Current tax:				
Current tax on profits for the period	<u>149</u>	<u>46</u>	<u>77</u>	<u>-</u>
Total current tax	<u>149</u>	<u>46</u>	<u>77</u>	<u>-</u>
Deferred tax:				
Origination and reversal of temporary differences	3	(369)	74	(338)
Utilisation of tax losses	<u>95</u>	<u>240</u>	<u>95</u>	<u>240</u>
Total deferred tax	<u>98</u>	<u>(129)</u>	<u>169</u>	<u>(98)</u>
Total tax charge(credit)	<u>247</u>	<u>(83)</u>	<u>246</u>	<u>(98)</u>

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the home country of the Bank as follows:

	Consolidated		The Bank	
	2014 Million Baht	2013 Million Baht	2014 Million Baht	2013 Million Baht
Profit before tax	1,236	1,407	1,187	1,184
Tax calculated at a tax rate of 20%	242	251	237	237
Tax effect of:				
Income not subject to tax	(16)	(142)	(16)	(142)
Expenses not deductible for tax purpose	19	53	18	52
Utilisation of previously unrecognised tax losses				
to reduce deferred tax	-	(245)	-	(245)
Effect of changes in tax rates	2	-	7	-
Total tax charge(credit)	247	(83)	246	(98)

The weighted average applicable tax rate in the consolidated and bank financial statements in 2014 was 20% and 21% respectively. The weighted average applicable tax rate in the consolidated and bank financial statements in 2013 was: -6% and -8%, respectively. The decrease is caused by utilisation of previously unrecognised tax losses to reduce deferred tax.

The tax (charge)/credit relating to component of other comprehensive income is as follows:

	Consolidated					
	2014			2013		
	Tax (charge)			Tax (charge)		
	Before tax	credit	After tax	Before tax	credit	After tax
	Million	Million	Million	Million	Million	Million
	Baht	Baht	Baht	Baht	Baht	Baht
Fair value gains:						
Land and buildings	(112)	22	(90)	(49)	10	(39)
Properties for sale	88	(18)	70	14	(3)	11
Cash flow hedges	(150)	30	(120)	-	-	-
Available-for-sale investment	241	(48)	193	(168)	33	(135)
Other comprehensive income	67	(14)	53	(203)	40	(163)
Current tax		149			46	
Deferred tax		98			(129)	
		247			(83)	

	The Bank					
	2014			2013		
	Before tax Million Baht	Tax (charge) credit Million Baht	After tax Million Baht	Before tax Million Baht	Tax (charge) credit Million Baht	After tax Million Baht
Fair value gains:						
Land and buildings	(112)	22	(90)	(49)	10	(39)
Properties for sale	88	(18)	70	14	(3)	11
Cash flow hedges	(150)	30	(120)	-	-	-
Available-for-sale investment	241	(48)	193	(168)	33	(135)
Other comprehensive income	67	(14)	53	(203)	40	(163)
Current tax		77			-	
Deferred tax		169			(98)	
		246			(98)	

In addition, deferred income tax of Baht 4.9 million (31 December 2013: Baht 7.1 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.

### 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 Tisco Asset Management Company Limited - at rate of 3% - 5% 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 2014, Baht 108 million was contributed to the fund by the Bank and its subsidiaries (for the year ended 31 December 2013: Baht 98 million), of which the Bank contributed Baht 94 million (for the year ended 31 December 2013: Baht 82 million).

### 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 year by the weighted average number of ordinary shares held by outside shareholders in issue during the year (Note 23).

There are no potential dilutive ordinary shares in issue for the years ended 31 December 2014 and 2013.

## 41 ENCUMBRANCE OF ASSETS

### 41.1 Assets used as collateral

The Group placed assets such as cash at banks, and government and state enterprise bonds as collateral against the following:

	Consolidated and the Bank	
	2014 Million Baht	2013 Million Baht
Securities sold under repurchase agreements	-	36,436
Utilities usage	7	7
Total	7	36,443

### 41.2 Assets subject to obligation

The Bank has long-term investments in certain equity securities of one company obtained as a result of debt restructuring. Under the debt restructuring agreements, the Bank is obligated to dispose of the investment after agreed periods, which range from 1 year to 10 years commencing from the date of the debt restructuring agreements. As at 31 December 2014 and 2013, the investment had net book value net of allowance for impairment of Baht 1.

Moreover, the Bank has obligated properties foreclosed, which have sales restriction conditions within 3 years from the debt restructuring agreement dates. As at 31 December 2014 and 2013, the properties foreclosed had net book value of Baht 392 million and Baht 392 million, respectively.

As at 31 December 2014 and 2013, the investments subject to such obligation are as follows:

	Consolidated and the Bank			
	2014		2013	
Year of maturity	Number	Cost Million Baht	Number	Cost Million Baht
2013 onwards	3	392	3	392
Assets subject to obligation	3	392	3	392

## 42 COMMITMENTS AND CONTINGENT LIABILITIES

### 42.1 Commitments

As at 31 December 2014 and 2013, significant commitments of the Bank consist of:

	Consolidated and the Bank					
	2014			2013		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
<b>Avals to bills and guarantees of loans:</b>						
Avals to bills (1)	96	-	96	993	-	993
Guarantees of loans	5	-	5	5	-	5
Total avals to bills and guarantees of loans	101	-	101	998	-	998
<b>Liability under unmatured import bills:</b>						
Liability under unmatured import bills	13	592	605	-	569	569
<b>Letters of credit:</b>						
Letters of credit	69	1,610	1,679	22	2,591	2,613
<b>Other commitments:</b>						
Forward and spot contracts						
- Bought	-	308,427	308,427	-	132,662	132,662
- Sold	-	260,867	260,867	-	120,208	120,208
Cross currency and interest rate swap contract						
- Bought	-	56,243	56,243	-	22,038	22,038
- Sold	-	89,874	89,874	-	36,863	36,863
Interest rate swap contracts						
- Fixed rate payee	350,389	28,231	378,620	254,347	17,351	271,698
- Floating rate payee	324,717	92,017	416,734	231,952	46,608	278,560
Foreign exchange option						
- Call option sales contracts	-	33	33	-	-	-
- Put option sales contracts	-	2,477	2,477	-	4,121	4,121
- Call option purchase contracts	-	4,046	4,046	-	4,145	4,145
- Put option purchase contracts	-	33	33	-	16	16
Swaption						
- Sold	100	-	100	-	-	-
Commodity						
- Bought	-	-	-	-	161	161
- Sold	-	-	-	-	161	161



	Consolidated and the Bank					
	2014			2013		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Undrawn bank overdrafts	16,961	-	16,961	15,894	-	15,894
Investments						
- Bought	2,640	-	2,640	2,907	-	2,907
- Sold	4,126	-	4,126	3,677	-	3,677
Other commitments						
Other guarantees	8,030	366	8,396	9,112	929	10,041
Other commitments	706,963	842,614	1,549,577	517,889	385,263	903,152
<b>Total commitments</b>	<b>707,146</b>	<b>844,816</b>	<b>1,551,962</b>	<b>518,909</b>	<b>388,423</b>	<b>907,332</b>

(1) As at 31 December 2013, the Bank availed note payable of a subsidiary amounting to Baht 500 million.

## 42.2 Contingent liabilities

As at 31 December 2014 and 2013, the Group had the following contingent liabilities in connection with court cases in which the Group have been sued as defendants in the Court. The lawsuits were mainly lodged to claim compensation and the management believes that they will have no significant impact on the Group once they are finalised:

	Consolidated and the Bank	
	2014 Million Baht	2013 Million Baht
Sum claimed in cases where the Group is sole defendant	305	577
Sum claimed in cases where the Group is co-defendant		
- Sum of claims that can be specifically attributed to the Group	328	1,189
- Sum of claims that cannot be specifically attributed to the Group	24,578	24,589
<b>Total</b>	<b>25,211</b>	<b>26,355</b>

In the above court cases, Baht 24,500 million relates to claims against the Bank in cases where it is co-defendants with TAMC and other banks. The plaintiffs lodged the claims in respect of transfers of non-performing loans from various banks to TAMC. However, the Bank believes that the outcomes of the cases will not cause material loss because the transfers were made in accordance to the Emergency Decree Establishing the Thai Asset Management Corporation B.E. 2544. In addition, transfers of loans from the Bank to TAMC of about Baht 959 million occurred before the merger of the Bank.

As at 31 December 2014, there were cases in which the court decided in favor of the plaintiffs, with sums claimed totalling Baht 15 million in cases where the Bank was the direct defendant, and Baht 20 million in cases where the Bank was co-defendant. However, the Bank is in the process of appealing the decisions (31 December 2013: Baht 20 million and Baht 30 million, respectively).

As at 31 December 2014, the Group recognised provisions for contingent losses from legal cases of approximately Baht 33 million (31 December 2013: Baht 35 million). The management concluded that such provisions were adequate to cover any possible losses from these legal cases.

In addition, the Group recognised reserve for off-statement of financial position items related to guarantees which the Group have been sued as defendants by Baht 192 million (31 December 2013: Baht 282 million).

### 42.3 Commitments under long-term leases

As at 31 December 2014 and 2013, the Group had entered into a number of agreements to lease land, buildings and vehicles for periods longer than six months, under which future rental fees can be summarised as follows:

Lease periods	Consolidated		The Bank	
	2014 Million Baht	2013 Million Baht	2014 Million Baht	2013 Million Baht
1 - 3 years	363	319	299	278
4 - 5 years	6	5	6	5
6 - 10 years	15	22	15	22
11 - 30 years	2	81	2	81
Total	386	427	322	386

### 42.4 Other commitments

As at 31 December 2014, the Bank had other commitments as it entered into various agreements relating to computer system development consultancy services and computer system and software development. As at 31 December 2014, the Bank was obligated to pay a further Baht 81.8 million and MYR 469 thousand under such agreements (31 December 2013: Baht 92 million and USD 77.3 thousand).

## 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.

	Consolidated		The Bank	
	2014 Million Baht	2013 Million Baht	2014 Million Baht	2013 Million Baht
<b>Subsidiaries</b>				
Revenue:				
Interest income	-	-	715	556
Fee income	-	-	7	21
Gain on payback from liquidated subsidiary	12	104	12	-
Expenses:				
Interest expenses	-	1	2	2
Fee expenses	-	-	119	-
Premises and equipments expenses	-	-	(9)	(9)
Other expenses	-	-	-	104
<b>Parent company</b>				
Revenue:				
Other income	290	127	290	127
Expenses:				
Interest expenses	-	5	-	5
Premises and equipment expenses	34	6	34	6
Other expenses	194	110	194	110
<b>Related companies</b>				
Revenue:				
Interest income	-	3	-	3
Fee income	115	81	115	81
Other income	25	-	25	-
Expenses:				
Interest expenses	(49)	157	(49)	157
Fee expenses	148	83	148	83
Premises and equipment expenses	(6)	8	(6)	8
Other expenses	-	98	-	98

The outstanding balances of significant related-party transactions as at 31 December 2014 and 2013 are as follows:

	Consolidated						
	2014						
	Average loans outstanding Million Baht	Outstanding loans Million Baht	Obligations Million Baht	Other assets Million Baht	Deposits Million Baht	Borrowings Million Baht	Other liabilities Million Baht
<b>Parent company</b>							
CIMB Bank Berhad	-	-	133	834	-	-	1,099
	-	-	133	834	-	-	1,099
<b>Companies under common control</b>							
CIMB Bank (L) Ltd.	-	-	-	-	-	-	28
CIMB Bank Plc, Cambodia	-	-	-	-	-	-	2
CIMB ISLAMIC Bank Berhad	-	-	-	-	-	-	11
CIMB NIAGA	-	-	-	1	-	-	1
CIMB-Principal Asset Management Co., Ltd.	-	-	-	-	-	-	107
Sathorn Asset Management Co., Ltd.	-	-	-	2	39	-	10
	-	-	-	3	39	-	159
<b>Related persons</b>	23	24	-	-	377	-	1
	23	24	-	-	377	-	1

	Consolidated						
	2013						
	Average loans outstanding Million Baht	Outstanding loans Million Baht	Obligations Million Baht	Other assets Million Baht	Deposits Million Baht	Borrowings Million Baht	Other liabilities Million Baht
<b>Subsidiary company</b>							
Krung Thai Tanakit Finance Plc.	-	-	-	-	-	-	13
	-	-	-	-	-	-	13
<b>Parent company</b>							
CIMB Bank Berhad	-	-	78	493	-	-	451
	-	-	78	493	-	-	451
<b>Companies under common control</b>							
CIMB Bank (L) Ltd.	-	-	-	187	-	2,525	267
CIMB NIAGA	-	-	-	1	-	-	-
CIMB-Principal Asset Management Co., Ltd.	-	-	1	-	-	-	45
CIMB Securities (Thailand) Co., Ltd.	-	-	-	-	-	-	923
Sathorn Asset Management Co., Ltd.	-	-	-	1	95	-	34
	-	-	1	189	95	2,525	1,269
<b>Related persons</b>							
	14	23	-	-	107	-	-
	14	23	-	-	107	-	-

	The Bank						
	2014						
	Average loans outstanding Million Baht	Outstanding loans Million Baht	Obligations Million Baht	Other assets Million Baht	Deposits Million Baht	Borrowings Million Baht	Other liabilities Million Baht
<b>Subsidiary companies</b>							
Center Auto Lease Co., Ltd.	13,603	14,630	-	1	70	-	-
CT Coll Co., Ltd.	7	7	-	-	79	-	27
World Lease Co., Ltd.	2,938	2,669	-	1	62	-	-
	<u>16,548</u>	<u>17,306</u>	<u>-</u>	<u>2</u>	<u>211</u>	<u>-</u>	<u>27</u>
<b>Parent company</b>							
CIMB Bank Berhad	-	-	133	834	-	-	1,099
	<u>-</u>	<u>-</u>	<u>133</u>	<u>834</u>	<u>-</u>	<u>-</u>	<u>1,099</u>
<b>Companies under common control</b>							
CIMB Bank (L) Ltd.	-	-	-	-	-	-	28
CIMB Bank Plc, Cambodia	-	-	-	-	-	-	2
CIMB ISLAMIC Bank Berhad	-	-	-	-	-	-	11
CIMB NIAGA	-	-	-	1	-	-	1
CIMB-Principal Asset Management Co., Ltd.	-	-	-	-	-	-	107
Sathorn Asset Management Co., Ltd.	-	-	-	2	39	-	10
	<u>-</u>	<u>-</u>	<u>-</u>	<u>3</u>	<u>39</u>	<u>-</u>	<u>159</u>
<b>Related persons</b>	<u>23</u>	<u>24</u>	<u>-</u>	<u>-</u>	<u>377</u>	<u>-</u>	<u>1</u>
	<u>23</u>	<u>24</u>	<u>-</u>	<u>-</u>	<u>377</u>	<u>-</u>	<u>1</u>

	The Bank						
	2013						
	Average loans outstanding Million Baht	Outstanding loans Million Baht	Obligations Million Baht	Other assets Million Baht	Deposits Million Baht	Borrowings Million Baht	Other liabilities Million Baht
<b>Subsidiary companies</b>							
Center Auto Lease Co., Ltd.	9,822	11,701	-	1	13	-	-
CT Coll Co., Ltd.	6	6	-	-	56	-	10
Krung Thai Tanakit Finance Plc.	-	-	-	-	-	-	13
World Lease Co., Ltd.	2,023	2,862	500	1	70	-	-
	<u>11,851</u>	<u>14,569</u>	<u>500</u>	<u>2</u>	<u>139</u>	<u>-</u>	<u>23</u>
<b>Parent company</b>							
CIMB Bank Berhad	-	-	78	493	-	-	451
	<u>-</u>	<u>-</u>	<u>78</u>	<u>493</u>	<u>-</u>	<u>-</u>	<u>451</u>
<b>Companies under common control</b>							
CIMB Bank (L) Ltd.	-	-	-	187	-	2,525	267
CIMB NIAGA	-	-	-	1	-	-	-
CIMB-Principal Asset Management Co., Ltd.	-	-	1	-	-	-	45
CIMB Securities (Thailand) Co., Ltd.	-	-	-	-	-	-	923
Sathorn Asset Management Co., Ltd.	-	-	-	1	95	-	34
	<u>-</u>	<u>-</u>	<u>1</u>	<u>189</u>	<u>95</u>	<u>2,525</u>	<u>1,269</u>
<b>Related persons</b>	<u>14</u>	<u>23</u>	<u>-</u>	<u>-</u>	<u>107</u>	<u>-</u>	<u>-</u>
	<u>14</u>	<u>23</u>	<u>-</u>	<u>-</u>	<u>107</u>	<u>-</u>	<u>-</u>

As at 31 December 2013, the Bank availed notes payable of a subsidiary amounting to Baht 500 million.

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

As at 31 December 2014 and 2013, the Bank had commitments in financial derivatives with related-party companies as follows:

	2014		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht
<b>Parent company</b>			
Interest rate swap contracts			
- Fixed rate payee	32,485	89	32,574
- Floating rate payee	34,991	4,417	39,408
Forward and spot contracts			
- Bought	-	988	988
- Sold	-	116	116
Cross currency and interest rate swap contracts			
- Bought	-	4,467	4,467
Foreign exchange option			
- Put option sales contracts	-	22	22
- Call option purchase contracts	-	24	24
Swaption			
- Sold	100	-	100
<b>Company under common control</b>			
Forward and spot contracts			
- Bought	-	24	24



	2013		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht
<b>Parent company</b>			
Interest rate swap contracts			
- Fixed rate payee	44,845	89	44,934
- Floating rate payee	37,242	4,937	42,179
Forward and spot contracts			
- Bought	-	1,410	1,410
- Sold	-	121	121
Commodity			
- Bought	-	81	81
- Sold	-	81	81
<b>Companies under common control</b>			
Cross currency and interest rate swap contracts			
- Sold	-	2,268	2,268
Forward and spot contracts			
- Bought	-	116	116
- Sold	-	4	4

#### 44 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 payments.

	Consolidated		The Bank	
	2014 Million Baht	2013 Million Baht	2014 Million Baht	2013 Million Baht
Short-term employee benefits	344	265	323	244
Long-term employee benefits	13	9	12	9
Share based payments (Note 28)	11	3	11	3
Director and management remuneration	368	277	346	256

The details of share based payment are as follows:

	Consolidated and the Bank	
	2014 Thousand Units	2013 Thousand Units
Shares of CIMB Group Holdings Berhad	320	88

#### 45 FINANCIAL INFORMATION BY SEGMENT

Business segment reporting is consisted of :

##### Consumer banking

Consumer banking provides financial services to individuals and commercial customers. The products include consumer sales & distribution, retail financial services, commercial banking and personal financing.

##### Wholesale banking

Wholesale banking comprises of investment banking, corporate banking, and treasury and market.

- Investment banking service provides financial advisory, trade securities transactions, and asset management businesses.
- Corporate banking and treasury and market are responsible for corporate lending and deposit taking, transaction banking, treasury and market activities.

##### Others

Other services comprise of all middle and back office processes, cost centers and nonprofit generating divisions of companies whose results are not material to the Group.

Financial information presented in the consolidated financial statements as at 31 December 2014 and 2013 and for the years ended 31 December 2014 and 2013 are as follows:

	Consolidated				
	2014				
	Consumer banking Million Baht	Wholesale banking Million Baht	Others Million Baht	Elimina- tions Million Baht	Total Million Baht
Net interest income					
External	5,694	1,765	429	-	7,888
Inter-segment	(2)	-	-	2	-
Net fees and service income	1,110	339	(108)	(2)	1,339
Other operating income	389	622	269	(1)	1,279
Other operating expenses	(5,492)	(1,605)	(44)	1	(7,140)
Bad and doubtful debts and impairment losses	(1,913)	(355)	111	27	(2,130)
Income tax expenses	(1)	-	(246)	-	(247)
Net (loss) profit for the year	<u>(215)</u>	<u>766</u>	<u>411</u>	<u>27</u>	<u>989</u>

	Consolidated				
	2013				
	Consumer banking Million Baht	Wholesale banking Million Baht	Others Million Baht	Elimina- tions Million Baht	Total Million Baht
Net interest income					
External	4,627	1,529	369	-	6,525
Inter-segment	(16)	-	-	16	-
Net fees and service income	1,007	293	(26)	(16)	1,258
Other operating income	212	477	1,775	(1)	2,463
Other operating expenses	(4,763)	(1,345)	12	1	(6,095)
Bad and doubtful debts and impairment losses	(1,620)	(56)	(1,116)	48	(2,744)
Income tax expenses	(15)	-	98	-	83
Net (loss) profit for the year	<u>(568)</u>	<u>898</u>	<u>1,112</u>	<u>48</u>	<u>1,490</u>

	Bank business				Hire-purchase business				Other business				Eliminations				Consolidated			
	2014		2013		2014		2013		2014		2013		2014		2013		2014		2013	
	Million	Baht	Million	Baht	Million	Baht	Million	Baht	Million	Baht	Million	Baht	Million	Baht	Million	Baht	Million	Baht	Million	Baht
Total assets	273,446	278,362	19,281	17,129	116	77	(18,699)	(15,906)	274,144	279,662										
Interbank and money market items - net (assets)	6,453	33,509	202	130	79	57	(211)	(140)	6,523	33,556										
Investments, net	55,253	53,325	-	-	-	-	-	-	-	53,325										
Loans and accrued interest receivables, net	183,114	164,213	18,388	16,449	7	6	(17,133)	(14,424)	184,376	166,244										
Deposits	184,106	152,273	-	-	-	-	(211)	(140)	183,895	152,133										
Interbank and money market items (liabilities)	18,230	44,241	17,369	15,179	7	6	(17,301)	(14,560)	18,305	44,866										
Financial liabilities designated at fair value through profit or loss	7,693	5,857	-	-	-	-	-	-	7,693	5,857										
Debt issued and borrowings	24,512	37,707	-	-	-	-	-	-	24,512	37,707										

## 46 FINANCIAL INSTRUMENTS

The Bank's financial instruments, as defined under Thai Accounting Standard No.107 (previously No.48) "Financial Instruments: Disclosure and Presentation", principally comprise cash, interbank and money market items, loans, investments, deposits, liabilities payable on-demand and borrowings. The financial risks associated with these financial instruments and how they are managed is described below.

### 46.1 Credit risk

As at 31 December 2014 and 2013, the Bank had the following off-balance statement of financial position. These are calculated according to the period to maturity starting from the contract dates given in the financial statements:

	Consolidated					
	Counting from 2014			Counting from 2013		
	Less than 1 year	Over 1 year	Total	Less than 1 year	Over 1 year	Total
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Aval to bills	86	10	96	473	20	493
Guarantees of loans	5	-	5	5	-	5
Liabilities under						
unmatured import bills	605	-	605	569	-	569
Letters of credit	1,679	-	1,679	2,613	-	2,613
Acceptance	69	-	69	-	-	-
Other guarantees	8,122	274	8,396	9,790	251	10,041

	The Bank					
	Counting from 2014			Counting from 2013		
	Less than 1 year	Over 1 year	Total	Less than 1 year	Over 1 year	Total
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Aval to bills	86	10	96	973	20	993
Guarantees of loans	5	-	5	5	-	5
Liabilities under						
unmatured import bills	605	-	605	569	-	569
Letters of credit	1,679	-	1,679	2,613	-	2,613
Acceptance	69	-	69	-	-	-
Other guarantees	8,122	274	8,396	9,790	251	10,041

## 46.2 Market risk

### (a) Interest rate risk

As at 31 December 2014 and 2013, financial assets and liabilities classified by type of interest rate were as follows:

Descriptions	Consolidated			
	2014			
	Floating interest rate Million Baht	Fixed interest rate Million Baht	Non-interest bearing Million Baht	Total Million Baht
<b>Financial assets</b>				
Cash	-	-	3,990	3,990
Interbank and money market items, net	471	1,855	4,197	6,523
Investments, net	50	51,768	3,435	55,253
Loans net of deferred revenue	128,634	61,333	1	189,968
Receivable from Thai Asset Management Corporation	-	-	3,572	3,572
Total financial assets	<u>129,155</u>	<u>114,956</u>	<u>15,195</u>	<u>259,306</u>
<b>Financial liabilities</b>				
Deposits	41,379	140,273	2,243	183,895
Interbank and money market items	6,633	10,743	929	18,305
Liabilities payable on demand	-	-	344	344
Financial liabilities designated at fair value through profit or loss	7,693	-	-	7,693
Debt issued and borrowings	-	23,968	544	24,512
Total financial liabilities	<u>55,705</u>	<u>174,984</u>	<u>4,060</u>	<u>234,749</u>

Descriptions	Consolidated			
	2013			
	Floating interest rate Million Baht	Fixed interest rate Million Baht	Non-interest bearing Million Baht	Total Million Baht
<b>Financial assets</b>				
Cash	-	-	3,329	3,329
Interbank and money market items, net	466	29,707	3,383	33,556
Investments, net	99	52,457	769	53,325
Investments in subsidiaries, net	-	-	11	11
Loans net of deferred revenue	110,050	61,036	1	171,087
Receivable from Thai Asset Management Corporation	-	-	3,572	3,572
Total financial assets	<u>110,615</u>	<u>143,200</u>	<u>11,065</u>	<u>264,880</u>
<b>Financial liabilities</b>				
Deposits	41,225	108,826	2,082	152,133
Interbank and money market items	1,682	42,582	602	44,866
Liabilities payable on demand	-	-	505	505
Financial liabilities designated at fair value through profit or loss	5,857	-	-	5,857
Debt issued and borrowings	<u>2,587</u>	<u>34,576</u>	<u>544</u>	<u>37,707</u>
Total financial liabilities	<u>51,351</u>	<u>185,984</u>	<u>3,733</u>	<u>241,068</u>

Descriptions	The Bank			
	2014			
	Floating interest rate Million Baht	Fixed interest rate Million Baht	Non-interest bearing Million Baht	Total Million Baht
<b>Financial assets</b>				
Cash	-	-	3,988	3,988
Interbank and money market items, net	411	1,855	4,187	6,453
Investments, net	50	51,768	3,435	55,253
Investments in subsidiaries, net	-	-	1,325	1,325
Loans net of deferred revenue	130,190	57,981	-	188,171
Receivable from Thai Asset Management Corporation	-	-	3,572	3,572
Total financial assets	<u>130,651</u>	<u>111,604</u>	<u>16,507</u>	<u>258,762</u>
<b>Financial liabilities</b>				
Deposits	41,522	140,340	2,244	184,106
Interbank and money market items	6,633	10,668	929	18,230
Liabilities payable on demand	-	-	344	344
Financial liabilities designated at fair value through profit or loss	7,693	-	-	7,693
Debt issued and borrowings	-	23,968	544	24,512
Total financial liabilities	<u>55,848</u>	<u>174,976</u>	<u>4,061</u>	<u>234,885</u>



Descriptions	The Bank			
	2013			
	Floating interest rate Million Baht	Fixed interest rate Million Baht	Non-interest bearing Million Baht	Total Million Baht
<b>Financial assets</b>				
Cash	-	-	3,325	3,325
Interbank and money market items, net	427	29,707	3,375	33,509
Investments, net	99	52,457	769	53,325
Investments in subsidiaries, net	-	-	1,335	1,335
Loans net of deferred revenue	111,836	56,862	-	168,698
Receivable from Thai Asset Management Corporation	-	-	3,572	3,572
Total financial assets	<u>112,362</u>	<u>139,026</u>	<u>12,376</u>	<u>263,764</u>
<b>Financial liabilities</b>				
Deposits	41,337	108,852	2,084	152,273
Interbank and money market items	1,682	41,957	602	44,241
Liabilities payable on demand	-	-	505	505
Financial liabilities designated at fair value through profit or loss	5,857	-	-	5,857
Debt issued and borrowings	<u>2,587</u>	<u>34,576</u>	<u>544</u>	<u>37,707</u>
Total financial liabilities	<u>51,463</u>	<u>185,385</u>	<u>3,735</u>	<u>240,583</u>

Transactions	Consolidated							Weighted average interest rates %
	2014							
	Repricing or maturity date							
	At call Million Baht	0 - 3 months Million Baht	3 - 12 months Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	No maturity Million Baht	Total Million Baht	
Financial assets								
Interbank and money market items, net	30	1,825	-	-	-	-	1,855	2.64
Investments, net	-	4,614	1,763	44,789	602	-	51,768	3.45
Loans net of deferred revenue	71	22,859	14,908	20,858	2,637	-	61,333	8.68
Total financial assets	101	29,298	16,671	65,647	3,239	-	114,956	
Financial liabilities								
Deposits	8,322	49,433	63,453	19,065	-	-	140,273	2.39
Interbank and money market items	2,411	2,382	5,331	619	-	-	10,743	1.65
Debt issued and borrowings	1,022	2,318	10,858	-	9,770	-	23,968	3.64
Total financial liabilities	11,755	54,133	79,642	19,684	9,770	-	174,984	

Transactions	Consolidated							Weighted average interest rates %
	2013							
	Repricing or maturity date							
	At call Million Baht	0 - 3 months Million Baht	3 - 12 months Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	No maturity Million Baht	Total Million Baht	
Financial assets								
Interbank and money market items, net	2,000	27,707	-	-	-	-	29,707	2.24
Investments, net	-	1,206	4,686	42,940	3,625	-	52,457	3.45
Loans net of deferred revenue	245	25,900	13,788	19,628	1,475	-	61,036	7.48
Total financial assets	2,245	54,813	18,474	62,568	5,100	-	143,200	
Financial liabilities								
Deposits	4,824	41,733	55,064	7,205	-	-	108,826	2.93
Interbank and money market items	1,330	40,070	363	143	676	-	42,582	2.57
Debt issued and borrowings	7,711	17,358	3,507	-	6,000	-	34,576	3.15
Total financial liabilities	13,865	99,161	58,934	7,348	6,676	-	185,984	

	The Bank							
	2014							
	Repricing or maturity date							
Transactions	At call Million Baht	0 - 3 months Million Baht	3 - 12 months Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	No maturity Million Baht	Total Million Baht	Weighted average interest rates %
Financial assets								
Interbank and money market items, net	30	1,825	-	-	-	-	1,855	2.64
Investments, net	-	4,614	1,763	44,789	602	-	51,768	3.45
Loans net of deferred revenue	71	28,941	16,457	10,339	2,173	-	57,981	5.64
Total financial assets	101	35,380	18,220	55,128	2,775	-	111,604	
Financial liabilities								
Deposits	8,322	49,489	63,464	19,065	-	-	140,340	2.40
Interbank and money market items	2,411	2,369	5,294	594	-	-	10,668	1.65
Debt issued and borrowings	1,022	2,318	10,858	-	9,770	-	23,968	3.64
Total financial liabilities	11,755	54,176	79,616	19,659	9,770	-	174,976	

Transactions	The Bank							Weighted average interest rates %
	2013							
	Repricing or maturity date							
	At call Million Baht	0 - 3 months Million Baht	3 - 12 months Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	No maturity Million Baht	Total Million Baht	
Financial assets								
Interbank and money market items, net	2,000	27,707	-	-	-	-	29,707	2.24
Investments, net	-	1,206	4,686	42,940	3,625	-	52,457	3.45
Loans net of deferred revenue	245	28,547	17,579	9,541	950	-	56,862	4.47
Total financial assets	2,245	57,460	22,265	52,481	4,575	-	139,026	
Financial liabilities								
Deposits	4,824	41,748	55,074	7,206	-	-	108,852	2.93
Interbank and money market items	1,330	39,558	325	68	676	-	41,957	2.21
Debt issued and borrowings	7,711	17,358	3,507	-	6,000	-	34,576	3.15
Total financial liabilities	13,865	98,664	58,906	7,274	6,676	-	185,385	

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 the years ended 31 December 2014 and 2013, can be summarised as follows:

	Consolidated					
	2014			2013		
	Average balances Million Baht	Interest and dividend Million Baht	Average rate (%)	Average balances Million Baht	Interest and dividend Million Baht	Average rate (%)
<b>Performing financial assets</b>						
Interbank and money market items, net	4,846	151	3.11	9,252	283	3.06
Investments, net	53,194	1,535	2.89	46,157	1,425	3.09
Loans	<u>178,422</u>	<u>12,234</u>	6.86	<u>153,793</u>	<u>10,665</u>	6.93
Total performing financial assets	<u>236,462</u>	<u>13,920</u>		<u>209,202</u>	<u>12,373</u>	
<b>Performing financial liabilities</b>						
Deposits	162,817	3,921	2.44	139,884	3,636	2.60
Interbank and money market items	19,753	340	1.72	19,182	435	2.27
Financial liabilities designated at fair value through profit or loss	7,981	193	2.42	4,327	120	2.27
Debt issued and borrowings	<u>28,820</u>	<u>838</u>	2.91	<u>29,137</u>	<u>978</u>	3.36
Total performing financial liabilities	<u>219,371</u>	<u>5,292</u>		<u>192,530</u>	<u>5,169</u>	

	The Bank					
	2014			2013		
	Average balances Million Baht	Interest and dividend Million Baht	Average rate (%)	Average balances Million Baht	Interest and dividend Million Baht	Average rate (%)
<b>Performing financial assets</b>						
Interbank and money market items, net	8,798	151	1.71	11,798	283	2.40
Investments, net	54,519	1,587	2.91	47,298	1,591	3.36
Loans	<u>176,541</u>	<u>10,767</u>	6.10	<u>151,233</u>	<u>9,318</u>	6.16
Total performing financial assets	<u>239,858</u>	<u>12,505</u>		<u>210,329</u>	<u>11,192</u>	
<b>Performing financial liabilities</b>						
Deposits	163,091	3,923	2.44	140,076	3,637	2.60
Interbank and money market items	20,462	327	1.60	18,636	377	2.02
Financial liabilities designated at fair value through profit or loss	7,981	193	2.42	4,327	120	2.77
Debt issued and borrowings	<u>28,820</u>	<u>838</u>	2.91	<u>29,137</u>	<u>978</u>	3.36
Total performing financial liabilities	<u>220,354</u>	<u>5,281</u>		<u>192,176</u>	<u>5,112</u>	

## (b) Foreign exchange risk

In addition to the financial assets and liabilities denominated in foreign currencies already disclosed in the relevant notes to the financial statements as at 31 December 2014 and 2013, the Bank has the following net foreign currency positions categorised by major foreign currencies:

(Unit: Equivalent to million USD)

	Consolidated and the Bank					
	2014			2013		
	USD	EURO*	Other currencies*	USD	EURO*	Other currencies*
Spot	205.49	25.43	(107.32)	236.55	112.95	12.77
Forward						
- Forward contract	<u>(216.88)</u>	<u>(24.10)</u>	<u>106.49</u>	<u>(243.62)</u>	<u>(113.06)</u>	<u>(10.91)</u>
Total	<u>(11.39)</u>	<u>1.33</u>	<u>(0.83)</u>	<u>(7.07)</u>	<u>(0.11)</u>	<u>1.86</u>

\* EURO and other currencies are stated in USD equivalents.

### 46.3 Liquidity risk

The period to maturity calculated from the statements of financial position date of financial instruments outstanding as at 31 December 2014 and 2013 were as follows:

Descriptions	Consolidated				
	2014				
	At call Million Baht	Less than 1 year Million Baht	More than 1 year Million Baht	No maturity Million Baht	Total Million Baht
<b>Financial assets</b>					
Cash	3,988	-	-	2	3,990
Interbank and money market items, net	4,701	1,822	-	-	6,523
Investments, net	-	8,993	45,391	869	55,253
Loans net of deferred revenue	14,203 <sup>(1)</sup>	46,298	129,467	-	189,968
Receivable from Thai Asset Managment Corporation	-	-	3,572	-	3,572
<b>Total financial assets</b>	<b>22,892</b>	<b>57,113</b>	<b>178,430</b>	<b>871</b>	<b>259,306</b>
<b>Financial liabilities</b>					
Deposits	51,944	112,886	19,065	-	183,895
Interbank and money market items	9,973	7,706	626	-	18,305
Liabilities payable on demand	344	-	-	-	344
Financial liabilities designated at fair value through profit or loss	-	-	7,693	-	7,693
<b>Debt issued and borrowings</b>	<b>1,566</b>	<b>13,176</b>	<b>9,770</b>	<b>-</b>	<b>24,512</b>
<b>Total financial liabilities</b>	<b>63,827</b>	<b>133,768</b>	<b>37,154</b>	<b>-</b>	<b>234,749</b>

(1) As at 31 December 2014, portions of loans classified as maturity-at-call in the consolidated and bank financial statements, of Baht 6,355 million and Baht 5,698 million respectively, (31 December 2013: Baht 4,919 million and Baht 4,497 million, respectively) are outstanding balances of defaulted loans classified as sub-standard or higher. However, repayment schedules of these loans are dependent upon new restructuring conditions.

Descriptions	Consolidated				
	2013				
	At call Million Baht	Less than 1 year Million Baht	More than 1 year Million Baht	No maturity Million Baht	Total Million Baht
<b>Financial assets</b>					
Cash	3,325	-	-	4	3,329
Interbank and money market items, net	6,524	27,032	-	-	33,556
Investments, net	-	5,892	46,574	859	53,325
Investment in subsidiaries, net	-	-	-	11	11
Loans net of deferred revenue	13,061 <sup>(1)</sup>	45,823	112,203	-	171,087
Receivable from Thai Asset Management Corporation	-	-	3,572	-	3,572
<b>Total financial assets</b>	<b>22,910</b>	<b>78,747</b>	<b>162,349</b>	<b>874</b>	<b>264,880</b>
<b>Financial liabilities</b>					
Deposits	48,128	96,797	7,208	-	152,133
Interbank and money market items	4,004	40,043	819	-	44,866
Liabilities payable on demand	505	-	-	-	505
Financial liabilities designated at fair value through profit or loss	-	-	5,857	-	5,857
Debt issued and borrowings	8,256	20,864	8,587	-	37,707
<b>Total financial liabilities</b>	<b>60,893</b>	<b>157,704</b>	<b>22,471</b>	<b>-</b>	<b>241,068</b>

(1) As at 31 December 2014, portions of loans classified as maturity-at-call in the consolidated and bank financial statements, of Baht 6,355 million and Baht 5,698 million respectively, (31 December 2013: Baht 4,919 million and Baht 4,497 million, respectively) are outstanding balances of defaulted loans classified as sub-standard or higher. However, repayment schedules of these loans are dependent upon new restructuring conditions.

Descriptions	The Bank				
	2014				
	At call Million Baht	Less than 1 year Million Baht	More than 1 year Million Baht	No maturity Million Baht	Total Million Baht
<b>Financial assets</b>					
Cash	3,988	-	-	-	3,988
Interbank and money market items, net	4,631	1,822	-	-	6,453
Investments, net	-	8,993	45,391	869	55,253
Investment in subsidiaries, net	-	-	-	1,325	1,325
Loans net of deferred revenue	15,790 <sup>(1)</sup>	53,922	118,459	-	188,171
Receivable from Thai Asset Management Corporation	-	-	3,572	-	3,572
<b>Total financial assets</b>	<b>24,409</b>	<b>64,737</b>	<b>167,422</b>	<b>2,194</b>	<b>258,762</b>
<b>Financial liabilities</b>					
Deposits	52,088	112,953	19,065	-	184,106
Interbank and money market items	9,973	7,655	602	-	18,230
Liabilities payable on demand	344	-	-	-	344
Financial liabilities designated at fair value through profit or loss	-	-	7,693	-	7,693
Debt issued and borrowings	1,566	13,176	9,770	-	24,512
<b>Total financial liabilities</b>	<b>63,971</b>	<b>133,784</b>	<b>37,130</b>	<b>-</b>	<b>234,885</b>

(1) As at 31 December 2014, portions of loans classified as maturity-at-call in the consolidated and bank financial statements, of Baht 6,355 million and Baht 5,698 million respectively, (31 December 2013: Baht 4,919 million and Baht 4,497 million, respectively) are outstanding balances of defaulted loans classified as sub-standard or higher. However, repayment schedules of these loans are dependent upon new restructuring conditions.



Descriptions	The Bank				
	2013				
	At call Million Baht	Less than 1 year Million Baht	More than 1 year Million Baht	No maturity Million Baht	Total Million Baht
<b>Financial assets</b>					
Cash	3,325	-	-	-	3,325
Interbank and money market items, net	6,477	27,032	-	-	33,509
Investments, net	-	5,892	46,574	859	53,325
Investment in subsidiaries, net	-	-	-	1,335	1,335
Loans net of deferred revenue	14,689 <sup>(1)</sup>	52,254	101,755	-	168,698
Receivable from Thai Asset Management Corporation	-	-	3,572	-	3,572
<b>Total financial assets</b>	<b>24,491</b>	<b>85,178</b>	<b>151,901</b>	<b>2,194</b>	<b>263,764</b>
<b>Financial liabilities</b>					
Deposits	48,242	96,823	7,208	-	152,273
Interbank and money market items	4,004	39,493	744	-	44,241
Liabilities payable on demand	505	-	-	-	505
Financial liabilities designated at fair value through profit or loss	-	-	5,857	-	5,857
Debt issued and borrowings	8,256	20,864	8,587	-	37,707
<b>Total financial liabilities</b>	<b>61,007</b>	<b>157,180</b>	<b>22,396</b>	<b>-</b>	<b>240,583</b>

(1) As at 31 December 2014, portions of loans classified as maturity-at-call in the consolidated and bank financial statements, of Baht 6,355 million and Baht 5,698 million respectively, (31 December 2013: Baht 4,919 million and Baht 4,497 million, respectively) are outstanding balances of defaulted loans classified as sub-standard or higher. However, repayment schedules of these loans are dependent upon new restructuring conditions.

#### 46.4 Fair value

Fair value represents the amount for which an asset could be exchanged or a liability settled between knowledgeable and willing parties in an arm's-length transaction. The Bank has estimated the fair value of financial instruments as follows:

Descriptions	Consolidated			
	2014		2013	
	Book value	Fair value	Book value	Fair value
	Million Baht	Million Baht	Million Baht	Million Baht
<b>Financial assets</b>				
Cash	3,990	3,990	3,329	3,329
Interbank and money market items, net	6,523	6,523	33,556	33,556
Derivatives assets	10,804	10,804	9,101	9,101
Investments, net	55,253	55,567	53,325	53,453
Investment in subsidiaries, net	-	-	11	11
Loans to customers, net	184,376	184,376	166,244	166,244
Receivable from Thai Asset Management Corporation	3,572	3,572	3,572	3,572
Total financial assets	<u>264,518</u>	<u>264,832</u>	<u>269,138</u>	<u>269,266</u>
<b>Financial liabilities</b>				
Deposits	183,895	183,895	152,133	152,133
Interbank and money market items	18,305	18,305	44,866	44,866
Liability payable on demand	344	344	505	505
Financial liabilities designated at fair value through profit or loss	7,693	7,693	5,857	5,857
Derivatives liabilities	10,397	10,397	9,652	9,652
Debt issued and borrowings	<u>24,512</u>	<u>24,313</u>	<u>37,707</u>	<u>37,680</u>
Total financial liabilities	<u>245,146</u>	<u>244,947</u>	<u>250,720</u>	<u>250,693</u>

Descriptions	The Bank			
	2014		2013	
	Book value	Fair value	Book value	Fair value
	Million Baht	Million Baht	Million Baht	Million Baht
<b>Financial assets</b>				
Cash	3,988	3,988	3,325	3,325
Interbank and money market items, net	6,453	6,453	33,509	33,509
Derivatives assets	10,804	10,804	9,101	9,101
Investments, net	55,253	55,567	53,325	53,454
Investment in subsidiaries, net	1,325	1,325	1,335	1,335
Loans to customers, net	183,114	183,114	164,213	164,213
Receivable from Thai Asset Management Corporation	<u>3,572</u>	<u>3,572</u>	<u>3,572</u>	<u>3,572</u>
Total financial assets	<u>264,509</u>	<u>264,823</u>	<u>268,380</u>	<u>268,509</u>
<b>Financial liabilities</b>				
Deposits	184,106	184,106	152,273	152,273
Interbank and money market items	18,230	18,230	44,241	44,241
Liability payable on demand	344	344	505	505
Financial liabilities designated at fair value through profit or loss	7,693	7,693	5,857	5,857
Derivatives liabilities	10,397	10,397	9,652	9,652
Debt issued and borrowings	<u>24,512</u>	<u>24,313</u>	<u>37,707</u>	<u>37,680</u>
Total financial liabilities	<u>245,282</u>	<u>245,083</u>	<u>250,235</u>	<u>250,208</u>

## 46.5 Financial derivatives

The Bank engages in financial derivatives 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 2014 and 2013, financial derivatives as classified by their maturities were as follows:

	Consolidated and the Bank					
	2014			2013		
	Less than 1 year Million Baht	Over 1 year Million Baht	Total Million Baht	Less than 1 year Million Baht	Over 1 year Million Baht	Total Million Baht
Forward and spot contracts						
- Bought	305,000	3,427	308,427	127,988	4,674	132,662
- Sold	260,012	855	260,867	120,169	39	120,208
Cross-currency and interest rate swap contracts						
- Bought	2,571	53,672	56,243	2,960	19,078	22,038
- Sold	37,907	51,967	89,874	13,103	23,760	36,863
Interest rate swap contracts						
- Fixed-rate payee	165,284	213,336	378,620	111,706	159,992	271,698
- Floating-rate payee	181,743	234,992	416,735	111,603	166,957	278,560
Foreign exchange options						
- Call-option sales contract	33	-	33	-	-	-
- Put-option sales contract	818	1,659	2,477	1,577	2,544	4,121
- Call-option purchase contract	2,544	1,502	4,046	1,805	2,340	4,145
- Put-option purchase contract	33	-	33	16	-	16
Swaption						
- Sold	-	100	100	-	-	-
Commodity						
- Bought	-	-	-	161	-	161
- Sold	-	-	-	161	-	161

The Bank sets up policies and relevant risk limits by which it requires risk reporting and control procedures as a control over financial derivative activities. The Bank realises that financial derivatives involve credit risk and considers credit limits for its customers in general. The same credit approval process used when granting loans to a customer is adopted for financial derivative customers, so that the Bank is able to maintain risk at acceptable levels. However, financial derivatives may cause the Bank to incur gains or losses as they are sensitive to foreign exchange rates or interest rates, which can fluctuate materially as the market situation changes.

## 47 AGREEMENT TO TRANSFER NON-PERFORMING LOANS TO TAMC

On 12 October 2001, the Bank entered into an agreement to transfer non-performing loans to TAMC in accordance with the Emergency Decree establishing TAMC.

As at 31 December 2014 and 2013, the Bank and subsidiaries had loans transferred to TAMC as follows:

	Consolidated and the Bank			
	2014		2013	
	Book value Million Baht	Transfer price Million Baht	Book value Million Baht	Transfer price Million Baht
<b>Loans transferred to TAMC</b>				
CAP	82,487	21,932	82,487	21,932
NON CAP	15,774	3,465	15,774	3,465
Total	98,261	25,397	98,261	25,397
<u>Less</u> TAMC notes which have been redeemed by TAMC		(25,389)		(25,389)
Outstanding TAMC notes (included in long-term investments; classified as held-to-maturity debt securities) (Note 8.1 (a))		8		8

The Bank is to receive payment in the form of non-transferable, ten-year promissory notes, availed by the FIDF and bearing interest at the average deposit rate of the 5 major banks. As at 31 December 2014, the Bank recognised interest receivable under these promissory notes amounting to Baht 0.5 million (31 December 2013: Baht 0.4 million).

### Share of the unrealised gain and losses arising from management of the non-performing loans

Under the agreement to transfer non-performing loans to TAMC, the Bank joined TAMC in sharing the gains and losses arising from TAMC's management of said loans, which is to be allocated at the end of the agreement starting from 1 July 2001. The Bank is liable for all initial losses up to 20 percent of the transfer price. Further losses of up to another 20 percent of the transfer price are to be shared equally between the Bank and TAMC, while TAMC is liable for all remaining losses thereafter. According to the agreement, expenses of TAMC and the interest expenses of promissory notes issued by TAMC will be included in the calculation of the gain/loss sharing. Initial profits of up to 20 percent of the transfer price are to be shared equally between the Bank and TAMC. Further gains which, when combined with the initial portion, do not exceed the difference between the book value of the transferred non-performing assets and their transfer price, belong to the Bank. All remaining gains will belong to TAMC. For loan debtors transferred at no cost, collections received after deducting debt management expenses will belong to the Bank.

However, under the agreement to transfer CAP loans to TAMC, on 17 November 2006, the Bank transferred rights over future gain sharing to FIDF, although the Bank is still obligated to share losses with TAMC.

As at 31 December 2014, the Bank recorded receivable from TAMC amounting to Baht 3,572 million (31 December 2013: Baht 3,572 million). The Bank received a confirmation letter issued by Ploenchit Capital Limited, who was appointed as an assets manager to TAMC during its termination on 27 December 2013.

According to the memorandum of gain (loss) sharing no. KorKorMor. 64/2558 between the Comptroller General's Department, FIDF and the Bank, in February 2015, the Comptroller General's Department agreed to pay the outstanding balance of Baht 3,572 million by settlement in cash amounting to Baht 3,370 million and promissory notes issued by Bangkok Commercial Asset Management Co., Ltd. amounting to Baht 202 million. The Bank received the money and the promissory notes on 20 February 2015 and 23 February 2015, respectively.

# CORPORATE INFORMATION

<b>Company Name</b>	: CIMB Thai Bank Public Company Limited
<b>Registration No.</b>	: 0107537002338 (former Bor. Mor. Jor. 480)
<b>Business Type</b>	: Commercial Banking
<b>Head Office</b>	: Langsuan Building, 44Langsuan Road, Lumpini, Patumwan, Bangkok 10330
<b>Telephone</b>	: 0-2638-8000, 0-2626-7000
<b>Fax</b>	: 0-2633-9026
<b>CIMB Thai Care Center</b>	: 0-2626-7777, website:cimbthai.carecenter@cimbthai.com
<b>Investor Relation</b>	: 0-2626-7293
<b>Website:</b>	: www.cimbthai.com

## Reference

<b>Registrar</b> (ordinary shares)	: Thailand Securities Depository Co. Ltd. 62, The Stock Exchange of Thailand Building, 1st Floor, Rachadapisek Road, Klongtoey, Bangkok 10110, Thailand Tel: 0-2229-2800, 0-2654-5599 Fax: 0-2359-1263
<b>Auditors</b>	: PricewaterhouseCoopers ABAS Ltd. 15th Floor, Bangkok City Tower, 179/74-80, South Sathorn Road, Bangkok 10120, Thailand Tel: 0-2344-1000, 0-2286-9999 Fax: 0-2286-5050
<b>Auditors in charge</b>	: - Mr. Boonlert Kamolchanokkul, Certified Public Accountant (Thailand) No. 5339 - Mrs. Anothai Leekijwattana, Certified Public Accountant (Thailand) No. 3442 - Mrs. Unakorn Phruithithada, Certified Public Accountant (Thailand) No. 3257

<b>Registered Capital</b>	THB 10,542,439,012.50 (ten billion five hundred and forty two million four hundred and thirty nine thousand twelve baht and fifty satang), which comprises: : 21,084,878,025 (twenty one billion eighty four million eight hundred seventy eight thousand twenty five) ordinary shares, with a par value of THB 0.50 (fifty satang) : No preference shares
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<b>Issued and Paid-up Share Capital</b>	THB 10,542,439,012.50 (ten billion five hundred and forty two million four hundred and thirty nine thousand twelve baht and fifty satang), comprising 21,084,878,025 (twenty one billion eighty four million eight hundred seventy eight thousand twenty five) ordinary shares, with a par value of THB 0.50 (fifty satang)
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	Email: cimbthai.carecenter@cimbthai.com

## 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 Dec 31, 2014)

Company Name / Address	Type of Business	Type of Share	Paid-up Capital (No. of shares)	Number of Shares Holding	%
1. Center Auto Lease Co., Ltd. 889 Thai CC Tower 25th, 32th Floor, South Sathon Road Yannawa, Sathon, Bangkok Tel. 0-2673-9111	Leasing	Ordinary	350,000,000	349,999,994	99.99
2. CT COLL Co.,Ltd. 128/229-234 Phayathai Plaza Building, 21st Floor, Phayathai Road, Tung Phayathai, Ratchavee, Bangkok Tel. 0-2638-8000	Debt collection service	Ordinary	385,000	384,993	99.99
3. Worldlease Co., Ltd. 889 Thai CC Tower, 34th Floor, South Sathon Road, Yannawa, Sathon, Bangkok Tel. 0-2675-6300 Fax. 0-2675-6299	Leasing	Ordinary	60,000,000	59,999,998	99.99
4. Sriethepchai Plaschem Co., Ltd. (Bankruptcy) 1200, Bangna-Trad Road, Bangna, Bangkok Tel. 0-2398-0027 Fax. 0-2383-0201	Plastic	Ordinary	83,332	31,410	37.69
5. M-Home SPV 3 Co., Ltd. 1006/420 Masterview Executive Place Building, 1st Floor, Charoennakorn Road., Banglumphu, Klongsan, Bangkok	SPV	Ordinary	10,000	1,282	12.82
6. Tawanna Hotel Co., Ltd. 80 Surawongse Road, Bangkok, Tel. 0-2236-0361 Fax. 0-2236-3738	Hotel	Ordinary	33,909	3,390	10.00
7. Sanwa Interfood Co., Ltd. (Abandoned) 2219-2223 New Petchaburi Road, Bangkokpi, Huaykwang, Bangkok	Food	Ordinary	10,000,000	1,000,000	10.00
8. Samchai Plc. 522 Ratchada Complex, Ratchadaphisek Road, Huaykuang, Bangkok	Electrical Appliance	Ordinary	40,000,000	4,000,000	10.00
*9. P.C.Patanasub Co., Ltd. (Dissolution) 1600 New Petchaburi Road, Makkasan, Ratchatewee, Bangkok	Commerce	Ordinary	10,000	9,993	99.93
*10. Krungthai Thanakit Finance Pcl. Sermmit Tower, 15-16th Floor, 159 Sukhumvit 21, Asoke Road, Bangkok	Financial Institute	Ordinary	1,076,976,000	1,067,229,773	99.10
*11. Executive Management Services Manpower Ltd. (Bankruptcy) 295 Rama III Road, Bangkoklaem, Bangkok Tel. 0-2689-2626	Service	Ordinary	2,000	340	17.00
12. Global Leasing Co., Ltd. (Official Receiver) 518/5 Maneeya Center, 8th Floor, Ploenchit Road, Lumpini, Pratumwan, Bangkok 10330	Leasing	Ordinary	2,000,000	200,000	10.00
13. TPF Leasing Co., Ltd. (Bankruptcy) Sangthongthani Tower, 25th Floor, North Sathon Road, Silom, Bangrak, Bangkok	Leasing	Ordinary	6,000,000	600,000	10.00
*14. UTM Advisory & Capital Management Co., Ltd. ((Abandoned)) 44 Langsuan Road, Lumpini, Patumwan, Bangkok Tel. 0-2626-7000	Consultant	Ordinary	100,000	10,000	10.00
15. SPL Development Co., Ltd. (Restored to the Company's Registration) 149 Modern Home Tower, Nontri Road, Yannawa, Bangkok	Real Estate Development	Ordinary	500,000	499,999	99.99
16. Thai-Ultra Auto Part Co., Ltd. (Bankruptcy) 59 Moo 4 Highway Road, Nikompattana, Bankai, Rayong	Auto Parts	Ordinary	6,500,000	650,000	10.00
17. Advance Manufacturing Leasing Co.,Ltd. (Abandoned) 246 Time Square Building, 11th Floor, Sukhumvit Road, 12-14, Khongteoy Bangkok	Leasing	Ordinary	20,000,000	2,000,000	10.00
18. Tun Ruamkarn Co.,Ltd. (Bankruptcy) 133/2 Sukhumvit 21 Road, Klongtoey, Klongtoey, Bangkok.	Finance	Ordinary	240,000	40,000	16.67
19. Modern Appraisal Co.,Ltd. (Abandoned) 3726/162-163 , 3th Floor, Rama III Road, Bangkoklo, Bangkolaem, Bangkok.	Appraisal	Ordinary	20,000	2,000	10.00

*Remark* \* under liquidation process

## Issuance of Debt Securities of the Bank (As of 31 Dec 2014)

Classified by type	Interest rate	Maturity	Collateral	Restrictions and Requirements	Debtures in issue and value as at 31 December 2014 (THB)	Credit ratings (Moody's / Fitch Ratings)	Proxy
1. Subordinated debenture <sup>1</sup>	No	22 December 2003	None	None	544,502,520	None	None
2. Subordinated and unsecured debentures, with a debenture holder's representative (Issue Date: 14 July, 2011)	5.35 % per annum throughout the term of the debentures	14 July 2021	-none-	<p>The debentures are redeemable subject to the following conditions:</p> <p>1. prior to the 5-year anniversary from the issue date, if the issuer is informed by BOT that</p> <p>1.1 the debentures are no longer qualified as Tier II Capital of the issuer or</p> <p>1.2 the debenture can be counted as Tier II Capital of the issuer, but they shall be below 50 per cent of the Tier I Capital of the issuer; or 1.3 The proceeds from the issuance of this debenture, which count as Tier II capital, has to be amortized upon calculated as Tier II capital; or</p> <p>2. at the 5-year anniversary from the issue date or any interest payment date after the 5 year anniversary from the issue date; or</p> <p>3. the issuer can prove that interest payable under the debentures cannot be deducted as expense of the issuer for the taxation benefit of the issuer; or 4. any other conditions as the BOT may prescribe.</p>	3,000,000,000	issue rating A+(tha) by Fitch Thailand	-none-
3. Subordinated and unsecured debentures, with a debenture holder's representative (Issue Date: 9 November, 2012)	4.80 %per annum throughout the term of the debentures	9 November 2022	-none-	<p>The debentures are redeemable if written approval from the Bank of Thailand has been obtained and subject to the following conditions :</p> <p>1. As of the date of 5 year anniversary or as of any interest payment date after the 5 years anniversary or after the 5-year anniversary from the issue date</p> <p>2. the issuer can prove that interest payable under the debentures cannot be deducted as expense of the issuer for the taxation benefit of the issuer;</p> <p>3. any other conditions as the BOT may prescribe.</p>	3,000,000,000	issue rating A+(tha) by Fitch Thailand	-none-



Classified by type	Interest rate	Maturity	Collateral	Restrictions and Requirements	Debentures in issue and value as at 31 December 2014 (THB)	Credit ratings (Moody's / Fitch Ratings)	Proxy
				<p>2. the issuer can prove that interest payable under the debentures cannot be deducted as expense of the issuer for the taxation benefit of the issuer;</p> <p>3. any other conditions as the BOT may prescribe.</p>			
4. Tier II Subordinated Debt <sup>1/2</sup>	5.60 % per annum throughout the term of the debentures	5 July 2024	-none-	<p>Early Redemption</p> <p>For each tranche of the Subordinated Debt where Call Option is applicable, the Issuer may, at its sole discretion, and subject to: (i) prior approval of BOT; and (ii) submission to the BOT, redemption and substitution plans at least thirty (30) days prior to the Call Date; redeem and cancel the Subordinated Debt in whole but not in part on the Call Date at its 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 in other tranches. This is provided that, if required by the BOT, (i) 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 (ii) the issuance of these substitute instruments will not affect the Issuer's ability to perform its business operation.</p>	3,770,020,000 (RM400,000,000)	issue rating AA3 by RAM Rating Services Berhad	-none-

Notes: <sup>1/1</sup> THB 544.50 million transferred from the state-intervened financial institution, Union Asia Finance and Securities Public Co., Ltd.  
<sup>1/2</sup> RM 400 million has hedged with Cash flow Hedge

## Change in shareholding of the directors and senior Executives of the bank

Report of changing in securities holding of Directors' and Senior Executives  
As at end 2014 compared with end 2013:

Name	Official Title	No. share holding As at 31 Dec 14 (Shares)	No. share holding As at 31 Dec 13 (Shares)	No. of share change
Mr.Chakramon Phasukavanich	Chairman	1	1	-

Notes: /1 Mr. Chakramon Phasukavanich declared his intention to resign as Director and Chairman, effective from 28 August 2014.

Directors' and Senior Executives' Share Ownership in Subsidiary Companies  
As at end 2014 compared with end 2013:

Particulars	No. share holding As at 31 Dec 14 (Shares)	No. share holding As at 31 Dec 13 (Shares)	No. of share change
Mr. Thaphop Kleesuwan			
Executive Vice President, Office of the President			
Executive Vice President, Compliance Department			
- Center Auto Lease Co., Ltd	2	2	-
- Worldlease Co., Ltd.	1	1	-
Mr. Sutee Tantana			
Senior Vice President, Alternative Sales Management			
- Worldlease Co., Ltd.	1	1	1
Mr. Tanit Onnuch			
Vice President, SME Service and Support Team Head			
- Center Auto Lease Co.,Ltd.	2	2	-

# CIMB THAI NETWORK

## Silom-Pranakorn Zone

	Telephone	Fax
Bangpo	0-2585-0192, 0-2585-8180	0-2585-0260
Bangrak	0-2234-6209, 0-2234-6435, 0-2234-9884	0-2233-5020
Central Plaza Rama 3	0-2673-7035-6	0-2673-7037
Century Plaza	0-2640-0235-8	02-640-0239
Chakkrawat	0-2622-5660-1, 0-2622-9049	0-2622-5662
Empire Tower	0-2670-1621-2	0-2670-1623
Head Office	0-2626-7101-3	0-2626-7104
Jawarad	0-2233-8696, 0-2234-4002, 0-2234-2552, 0-2234-4527, 0-2234-6713	0-2266-4309
K.S.L. Tower Thanon Si Ayutthaya	0-2642-6762-3	0-2642-6764
Kluaynamthai	0-2712-3185-8	0-2712-3189
Lumpini	0-2286-0149, 0-2286-5388, 0-2286-5761	0-2286-0223
Mahboonkrong Center	0-2686-3964-6	0-2686-3967
Mananak	0-2223-2650, 0-2223-6624, 0-2224-7021	0-2224-7022
Platinum Pratunam	0-2121-8454-57	0-2121-8477
Rajawongse	0-2221-1333, 0-2224-8162-3	0-2222-3190
Ratchadamnoen (Thanon Dinso)	0-2221-7679, 0-2221-7395, 0-2224-8053	0-2224-8052
Sampeng	0-2224-2313, 0-2226-0367	0-2224-2333
Sathupradid	0-2210-2724-6	0-2210-2723
Si Yan	0-2636-9517-9	0-2636-9520
Siam Center	0-2250-1735-6, 0-2658-3865	0-2250-1737
Siam Paragon	0-2610-9742-5	0-2610-9746
Silom	0-2234-3010, 0-2236-4747-8	0-2236-4749
Silom Office	0-2770-4300	0-2770-4311
St.Louis	0-2286-0335, 0-2286-0374, 0-2286-2438	0-2286-0318
Thanon Chan	0-2678-5670-1	0-2678-5672
Thatien	0-2222-4323, 0-2224-8164-5	0-2224-8164
Thewet	0-2280-0481-2, 0-2281-5453, 0-2282-3568	0-2282-4085
Vorachak	0-2223-5058, 0-2223-4988	0-2224-9011
Wall Street Tower	0-2652-4605-8	0-2652-4609
Yannawa	0-2289-3872-3	0-2289-0560

## Bangna-Thonburi Zone

	Telephone	Fax
Bangbon	0-2416-8277-8, 0-2894-4075-6	0-2416-8279
Bangna-Trad	0-2312-6752-4, 0-2312-6630-2	0-2312-6755
Big C Bangphli	0-2312-9695-6	0-2312-9596
Central City Bangna	0-2745-7314-5	0-2745-7316
Central Pinklao	0-2884-6725-7	0-2884-6728
Central Plaza Rama 2	0-2872-4307-8	0-2872-4309
Charansnitwongse	0-2411-0339, 0-2411-3603-4	0-2411-2245
Ekkamai Power Center	0-2714-7370-2	0-2714-7347

GMM Grammy Place	0-2665-8181, 0-2665-9906-7	0-2665-9908
Imperial World Samrong	0-2380-6883-4	0-2380-6894
Lat Krabang	0-2739-1705, 0-2739-1895-6	0-2739-1897
Mega Bangna	0-2105-1205-6	0-2105-1209
Nong Khaem	0-2421-1122, 0-2421-1460, 0-2421-1991	0-2421-3788
On Nuch	0-2730-3066-8	0-2730-3069
Parasise Park Srinakarin	0-2746-0330-1	0-2746-0332
Poochaosmingprai	0-2384-3670, 0-2384-7604-6, 0-2754-3324	0-2384-7605
Samuthprakarn	0-2387-1806, 0-2387-1849, 0-2702-8618-9	0-2389-1349
Seacon Bang Khane	0-2458-2867-70	0-2458-2871
Sena Fest Charoen Nakorn	0-2108-9081-4	0-2108-9085
Suksawad	0-2463-2130, 0-2463-5345-6	0-2463-5344
The Mall Bangkhae	0-2455-3515, 0-2413-0739, 0-2803-0608	0-2803-8609
The Mall Tha Phra	0-2477-7287-8	0-2477-7289
Thonburi	0-2465-0442, 0-2472-1058, 0-2890-3103-4	0-2465-8758
Thonglor	0-2221-7679, 0-2221-7395, 0-2224-8053	0-2391-4790
Wat Sai	0-2415-0909, 0-2415-1235, 0-2415-1378	0-2415-2712
Yaek Asok-Sukhumvit	0-2258-1913, 0-2258-1916, 0-2259-0601	0-2258-1939

### **Donmuang-Ladprao-Southern Zone**

	<b>Telephone</b>	<b>Fax</b>
Amorini Ramintra	0-2919-6085-8	0-2919-6089
Ao Nang Krabi	075-637-400-3	075-637-404
Avenue Ratchayothin	0-2939-4211-4	0-2939-4215
Bang Yai	0-2903-3120, 0-2903-3125	0-2903-3127
Bangkhien	0-2511-4353, 0-2512-1716, 0-2512-1791	0-2511-4320
Big C Huamark	0-2319-8567, 0-2319-8617, 0-2718-5320	0-2319-8575
Big C Nawanakhon	0-2520-4831-3, 0-2520-4799	0-2520-4834
Central Festival Phuket	0-7636-7008-9	0-7636-7010
Chumphon	0-7750-4825, 0-7751-1698, 0-7757-0259	0-7751-1661
Dan Nok Sadao	0-7443-4192-3	0-7443-4194
Donmuang	0-2566-1588, 0-2566-1610, 0-2929-9947	0-2566-1593
Fashion Island	0-2947-5188, 0-2947-5189	0-2947-5190
Fortune Town	0-2642-0891-3	0-2642-0893
Future Park Rangsit	0-2958-5310-3	0-2958-5314
Hat Yai	0-7423-5777, 0-7422-5606-8	0-7422-5151
Huamark	0-2377-1362-3, 0-2377-2555	0-2377-1365
Huey Kwang	0-2277-0554, 0-2277-2863, 0-2277-9955	0-2277-0903
IT Square	0-2576-0476-7, 0-2576-0374	0-2576-0428
Karon	076-286-646-9	076-286-667
Ko Samui	077-447-529-32	077-447-533
Krabi	0-7563-0572-5	0-7563-0576
Ladprao	0-2530-1372, 0-2538-2493-4	0-2530-1371

Min Buri	0-2906-3672-4	0-2906-3675
Muang Thong Thani	0-2981-4135, 0-2981-4172	0-2981-4446
Nakhon Si Thammarat	0-7531-3201-4	0-7531-3707
Namom	0-7438-3006	0-7438-3005
Ngamwongwan	0-2580-1601, 0-2580-1920	0-2580-2451
Patong	076-296-813-4, 076-286-824-5	076-296-821
Phaholyothin	0-2278-1079, 0-2279-5088, 0-2279-8662	0-2279-0737
Phuket	0-7621-1501, 0-7621-7153, 0-7625-8411	0-7621-1502
Ramintra	0-2509-5713, 0-2510-4448	0-2509-5712
Rangsit	0-2531-5893, 0-2567-2232, 0-2959-1990	0-2531-3020
Songkhla	0-7431-1906, 0-7432-4050-1	0-7431-4391
Suntowers Thanon Vibhavadirangsit	0-2617-7617-8	0-2617-7619
Surat Thani	0-7721-3177, 0-7727-3574-5	0-7727-3575
Talat Thai	0-2529-2277, 0-2529-2971	0-2529-4852
Talat Ying Charoen	0-2972-3363-5	0-2972-3366
Thalang Phuket	0-7631-3412-5	0-7631-3416
Thanon Phet Kasem Hat Yai	0-7436-7500-3	0-7436-7504
Thanon Rattanathibet	0-2527-8643-4, 0-2527-8723	0-2527-8722
Thanon Supphasan Rangsan Hat Yai	0-7435-1133-5	0-7435-1136
The Mall Bangkok	0-2704-9156-8	0-2704-9159
Thungsong	075-332-561-4	075-332-565
Wang Hin	0-2942-6206-8	0-2942-6218
Wongsawang Town Center	0-2913-9783-5	0-2913-9786

**Central and Eastern Zone****Telephone****Fax**

Amata Nakron Industrial Estate	038-457-574-7	038-457-578
Chachoengsao	0-3881-3041-3	0-3881-3044
Chanthaburi	0-3934-0212-5	0-3934-0216
Chom Thian	038-303-951-2, 038-304-105-6	038-304-107
Chon Buri	0-3878-2161-4	0-3878-2166
Hun Hin	0-3253-1461-2	0-3253-1463
Kanchanaburi	0-3451-7554-7	0-3451-7558
Nakhon Pathom	0-3428-0198-9, 0-3425-4233-4	0-3425-1028
Nong Mon	0-3874-6135-6	0-3874-5766
Om Noi	0-2810-5211-2	0-2810-5213
Pacific Park Sriracha	0-3877-1480-1, 0-3877-0187	0-3877-1482
Phar Nakhon Si Ayutthaya	0-3523-2932	0-3523-2932
Phetchaburi	0-3242-5148, 0-3242-5302	0-3242-8227
Ratchaburi	0-3231-5988-9, 0-3231-4962-3	0-3231-5588
Rayong	0-3861-1220, 0-3861-1588-9	0-3861-4870
Samut Sakhon	0-3481-0955-6, 0-3481-0242	0-3481-0957
Samut Songkhram	0-3471-1142, 0-3471-2429, 0-3472-3568	0-3472-4046
Suphan Buri	0-3550-2660-3	0-3550-2664
Thanon Liap Hat Pattaya	038-413-673-4, 038-413-786-7	038-413-457
Thanon Pattaya Sai 3	0-3848-8140-1	0-3848-8142
Thanon Phratamnak Pattaya	038-711-306-9	038-7111-310
Tuk Com Chonburi	0-3818-4124-7	0-3818-4128

**North and Northeastern Zone****Telephone****Fax**

Buri Ram	0-4462-5124, 0-4462-5183, 0-4462-5705 0-4462-5715	0-4462-5698
Central Airport Chiang Mai	0-5328-4447-8	0-5328-4449
Chiang Mai	0-5341-8338-40	0-5328-7078
Chiang Rai	0-5371-4029-30, 0-5371-9377-8	0-5371-5905
Khon Kaen	0-4322-0812, 0-4322-0925, 0-4332-2677	0-4322-1731
Lotus Khon Kaen	043-324-232-3, 043-324-789-90	043-324-791
Lumpang	0-5432-3883-4, 0-5432-3902-3	0-5432-3907
Mae Sai	0-5364-2495-7	0-5364-2498
Mae Sot	0-5554-6141-4	0-5554-6145
Manorom	0-5649-1006, 0-5649-1223	0-5649-1224
Nakhon Ratchasima	0-5621-1137, 0-5622-2939, 0-5622-7473	0-5622-7474
Nakhon Sawan	0-4424-4133, 0-4424-4153	0-4425-8161
Nong Khai	0-4241-1728, 0-4241-1738, 0-4241-2791	0-4241-2624
Phitsanulok	0-5525-2179, 0-5525-2199, 0-5524-4060	0-5524-4061
Sakon Nakhon	0-4271-1190, 0-4273-0557, 0-4273-0919	0-4271-1701
Sariburi	0-3631-5303-4, 0-3631-5307, 0-3631-5309	0-3631-5303-4
Surin	0-4452-1464-7	0-4452-1468
Thanon Changkhlan	0-5382-0913-6	0-5382-0917
Thanon Suthep	0-5380-8848-9, 0-5380-8912	0-5380-8913
The Mall Nakhon Ratchasima	0-4439-3391-4	0-4439-3395
Tukcom Landmark Udonthani	042-343-285-7 042-343-290	042-343-291
Ubon Ratchathani	0-4528-4224-5, 0-4531-3395	0-4531-3467
Udon Thani	0-4222-3248-9, 0-4234-4097	0-4224-7184

**FOREIGN EXCHANGE BOOTHS IN BRANCH****Branch****Telephone****Fax**

Ao Nang Krabi	075-637-400-3	075-637-404
Chang Rai	0-5371-4029-30, 0-5371-9377-8	0-5371-5905
Chomthian	038-303-951-2, 038-304-105-6	038-304-107
Hua Hin	0-3253-1461-2	0-3253-1463
Karon	076-286-646 - 9	076-286-667
Lumpini	0-2286-0149, 0-2286-5388, 0-2286-5761	0-2286-0223
Patong	076-296-813-4, 076-286-824-5	076-296-821
Silom	0-2234-3010, 0-2236-4747-8	0-2236-4749
Thanon Phra Tamnak Pattaya	038-711-306-9	0-3871-1310
Wall Street Tower	0-2652-4605-8	0-2652-4609
Yaek Asok-Sukhumvit	0-2258-1913, 0-2258-1916, 0-2259-0601	0-2258-1939
Yannawa	0-2289-3872-3	0-2289-0560

**FOREIGN EXCHANGE BOOTHS STAND ALONE****Location****Telephone****Fax**

Ao Nang Princeville Resort Krabi	075-695-576	075-695-577
Avenue Pattaya Sai 2	038-710-755	038-710-756
Ban Zann	076-366-883	076-366-884

Dhammalert	02-255-1453	02-255-1454
Don Mueang Airport (Arrival 2)	02-504- 3591	02-504-3592
Don Mueang Airport (Arrival)	02-504-3224	02-504-3225
Don Mueang Airport (Departure)	02-504-3390	0-2504-3391
Green Hotel	077-413-235	077-413-388
Hat Lamai 1	077-256-644	077-256-566
Jungceylon 2	076-295-027	076-295-028
Kata Beach	076-330-874	076-330-875
Markland Hotel Pattaya	033-031-726	033-031-727
Mercure Patong	076-292-952	076-292-953
Palm Island Jomtien	077-601-224	077-601-218
Phuket Airport (Departure)	076-326-342	076-326-343
Pratu Tha Phae	053-271-236	053-271-237
Siam Center	0-2658-1530	0-2658-1531
Soi Boakhao Pattaya Klang	038-720-931	038-720-932
Soi Nana	0-2656-7016	0-2656-7017
Sukhumvit Soi 20	0-2261-0408	0-2261-0409
Thanon Loikhro Chiang Mai	053-272-082	053-272-083
Thanon Khaosan (Rikka Inn)	0-2629-4030	0-2629-4031
Thanon Liap Hat Pattaya	038-413-547	038-413-548
Thanon Naresdamri Hua Hin	032-533-018	032-533-019
Thanon Rajuthit 200 Pi	076-292-253	076-292-254
Thanon Rambuttri	0-2629-0171	0-2629-0172
Walking Street Pattaya	038-425-974	038-425-976
Wongwian Karon	076-396-584	076-396-585
Wongwian Pla Loma	038-371-303	038-371-304
Xin City Samui	077-253-642	077-253-643

### Mobile Exchange

Mobile Exchange 1  
 Mobile Exchange 2  
 Mobile Exchange 3





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