

ASEAN CATALYST

Business Strategy

Operating Model

Culture

Annual Report 2016



VISION

“To be Thailand’s Leading ASEAN Bank for all stakeholders.”

MISSION

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

CORPORATE VALUE

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

CTHAI:

Customer

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

Teamwork

We strive to deliver results by maximising our potential. We believe that true potential can only be unleashed from collaboration and teamwork.

Honesty

We place a high value on integrity as professionals in a business where trust is essential. We are accountable for both our shortcomings and successes. This mindset allows our customers to entrust their business with us.

ASEAN

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

Innovation

We are always looking to improve ourselves through innovation. By constantly encouraging creativity, improving capability and identifying opportunities we are able to collectively ensure that we deliver market-leading solutions to our stakeholders.

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CIMB THAI
BANK NETWORK



Mr. Adisorn Sermchaiwong
Head, Consumer Banking Group





Q:

Many people wonder why CIMB Thai has so few branches.

A:

“Branch” is a conventional financial business platform.

At CIMB Thai, we see opportunities all around beyond branches. The “Pull” mode will still be practical for some clients, but we aren’t focusing on this mode. What matters more is the “Push” toward our clients. That is, whatever their lifestyles are, we’ll adjust our strategy to suit them. Further, we’ll constantly remain in the “On” mode.

As visualised in the digital world today, a bank is no longer located in buildings. Our “branches” will always be there wherever and whenever our clients require.

Q:

Every bank says it will take care of SME clients, but SMEs are complaining that banks just don't really understand their situations. Any chance of survival for Thai SMEs?

A:

First, we need to understand that despite SMEs' small size, they all want to make headway. So we must help them develop their potential and access to capital while growing their markets as well.

We have all along worked proactively with SME clients, not for our own good, but for their good. Leveraging on our strengths—CIMB Group's ASEAN network, we work with our clients confidently using data from our expert-analysed databases. In so doing, SMEs' size limitations suddenly bring new opportunities. And that's why I'm confident in Thai SMEs' bright ASEAN prospects.



Mrs. Wareemon Niyomthai
Head, Commercial Banking Group



Mr. Pornchai Padmintra
Head, Wholesale Banking Group



Q:

To most people, CIMB Thai seems to cater only to big businesses or those with overseas investment.

A:

That opinion may derive from a view of CIMB Thai as a full-fledged bank.

It's true, as a leading ASEAN bank, we command a strong foundation supported by a world-class research institute and by professional teams working in and outside Thailand—not to mention myriads of products for businesses, big and small.

Yet, this doesn't mean we're ignoring SMEs.

... We're more than ready to grow small businesses. Our experience with conglomerates is bound to steer SMEs in the right direction and ease all their concerns.

Q:

In a fiercely competitive market where technology ages as fast as geopolitics, the business world has gone into a tailspin. What's CIMB Thai's tactic to cope with this situation?

A:

Risk management isn't risk avoidance or fear of risk taking, but it's about turning risk into opportunities!

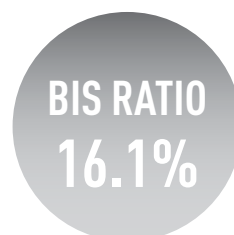
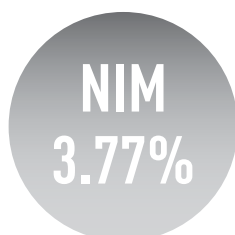
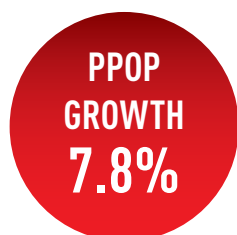
We have skillful, experienced teams in diverse areas. Our risk management professionals constantly track the world market and work with those bent on acquiring up-to-date technology and innovating financial products for clients' choice. The bottom line is: Turn risk into opportunities! Numerous acclaims for our products by international finance & investment magazines over the past few years speak for themselves. At CIMB Thai, we never fear changes. Thinking out of the box, we grapple with whatever changes ahead with ongoing innovative technological applications.



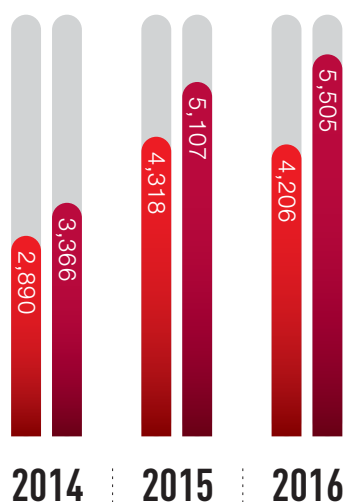


Mr. Sutee Losoponkul
Head, Treasury Group

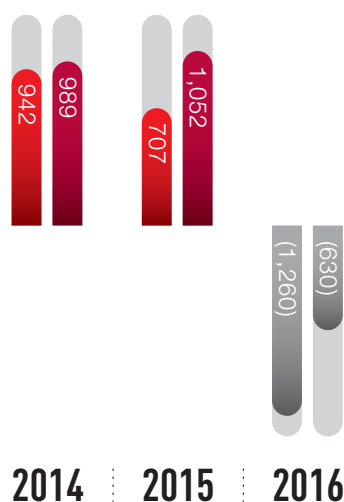
FINANCIAL HIGHLIGHTS



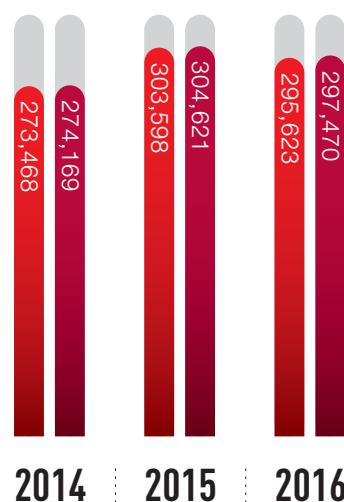
PPOP* (THB Million)



Net Profit (THB Million)



Assets (THB Million)

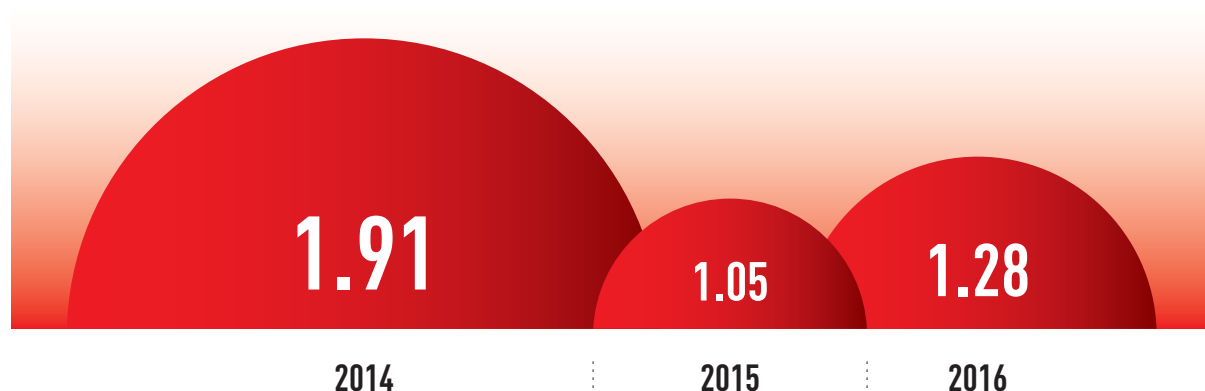


● Bank Only ● Consolidated

● Bank Only ● Consolidated

*PPOP = Pre-provision Operating Profit

SHARE PRICE (THB / Share)



IN THB MILLION

CONSOLIDATED

BANK ONLY

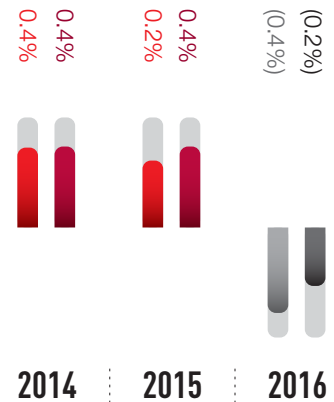
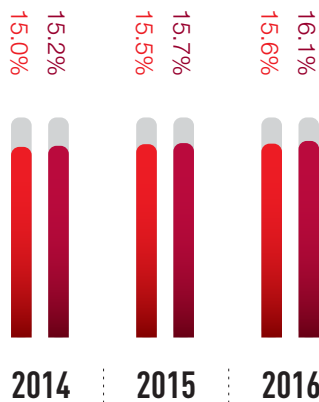
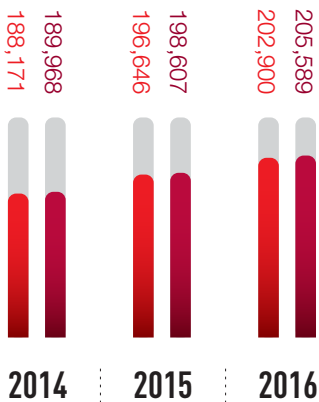
At Year End	2014	2015	2016
Total liabilities	251,578	277,513	270,765
Shareholders' equity	22,591	27,108	26,705
Net interest income	7,889	8,477	9,866
Non - interest income	2,617	3,757	3,062
Total income	10,506	12,234	12,928
Basic earning per share (Baht)	0.05	0.05	(0.03)
Book value per share (Baht)	1.07	1.10	1.11
Share price per share (Baht)	1.91	1.05	1.28

2014	2015	2016
251,328	277,281	270,335
22,140	26,317	25,288
6,432	6,884	7,917
2,168	3,351	2,455
8,600	10,235	10,372
0.04	0.03	(0.05)
1.07	1.10	1.11
-	-	-

Gross Loans (THB Million)

BIS Ratio

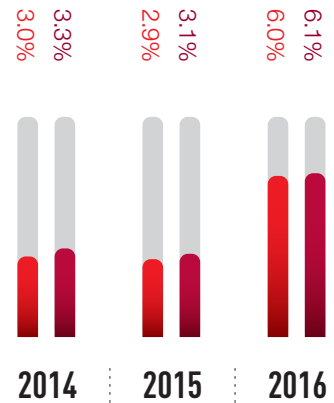
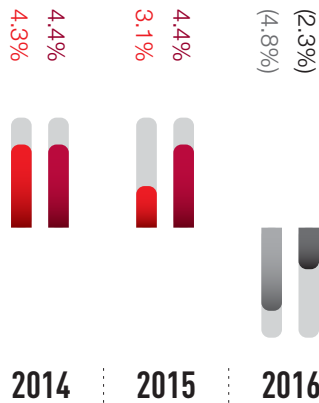
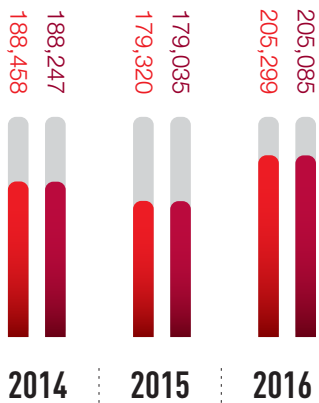
ROA



Deposits and Bills of Exchange (THB Million)

ROE

Gross NPL Ratio



Bank Only Consolidated

Bank Only Consolidated

CHAIRMAN'S MESSAGE



**CHAKRAMON
PHASUKAVANICH**



Chairman
of the Board of Directors

Dear Shareholders,

2016 was themed as "Recharged #teamCIMB" marking a continuation of our journey towards the T18 goals in strengthening our position as the leading ASEAN bank and also building a better CIMB to serve our stakeholders. During the past year, the Thai economy has encountered pressures from falling farm income and weakening demand which has resulted in an environment of gradual economic recovery. Under this tough economic environment, the banking industry faced deteriorated asset quality issues and banks had to make substantial provisions burdening their balance sheet. When looking ahead to 2017, the economy is expected to continue its gradual path of economic recovery however pressures are likely to come from the global environment. Amid these challenges, CIMB Thai will continue to be resilient as we go FORWARD into 2017.

The Bank has reported a consolidated net loss of THB 629.5 million for the first time since inception of the CIMB franchise, and this was largely due to higher provisions from non-performing loans in isolated commodities-related industries as well as arising from the gradual economic recovery. It is noteworthy that despite the decline in net profit, the Bank's core operating fundamentals remained healthy and there are no systemic asset quality issues.

Furthermore, the Bank has made clear progress on a number of strategic initiatives, notably a robust growth in Preferred customer base, branch network optimisation, strengthening of partnerships and collaboration, successes in business transformation, capitalising on our ASEAN-

platform to serve our customers, and maintaining good cost discipline. #teamCIMB were the key factor in driving this success and they continue to work together in growing a stronger and better Bank.

Moreover, good corporate governance is essential for the Bank in achieving its aspiration and CIMB Thai Group is committed to operating our business with transparency and in line with good corporate governance practices, anti-corruption policy, and code of ethics.

FORWARD to 2017, the Bank will raise equity through rights offering to strengthen our capital position and to ensure flexibility in business operations and expansion in accordance with the business plan. The proposed rights offering is backed by a strong commitment from CIMB Group and our BIS and Tier-1 capital ratios post offering will increase to 18.5% and 13.1% respectively.

There was a change in the composition of the Board of Directors during 2016. I would like to thank Mr. Subhak Siwaraksa for his invaluable guidance and leadership to CIMB Thai Group throughout his tenure as President and CEO, and I would like to welcome Mr. Pravej Ongartsittigul and Dato' Lee Kok Kwan, who were appointed as Directors, and Mr. Kittiphun Anutarasoti as the new President and CEO of the Bank.

On behalf of the Board of Directors, I wholeheartedly thank our shareholders for their continuous support and extend my appreciation to management and #teamCIMB for their hard work and dedication. The Board will remain strongly committed to delivering sustainable returns to our shareholders.



"2016 was themed as
"Recharged #teamCIMB"
marking a continuation of our
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in strengthening our position
as the leading ASEAN bank
and also building a better CIMB
to serve our stakeholders."



"The Bank remains focused on being an ASEAN bank and through leveraging our vast regional network, we have been able to deliver innovative solutions and service excellence to our customers."

Dear Shareholders,

2016 was a year of gradual economic recovery for Thailand. GDP growth stood at 3.2% driven by public investments in infrastructure projects and tourism. Drought conditions have improved resulting in an increase in crop output, boosting the agricultural sector. The Monetary Policy Committee (MPC) maintained the policy rates at 1.50% to support the Thai economy. Conversely, domestic pressure stemmed from falling farm income and weakened private consumption and investments. With dampened investor confidence in the private sector, loan growth has been stagnant, and when coupled with domestic factors, the economic environment gave rise to increasing non-performing loans (NPLs) impacting the banking industry, in fact, Bank of Thailand reported an industry-wide NPL increase of 0.28%. Looking ahead to 2017, challenges will likely be dominated by global pressures coming from U.S. trade measures, China's economic slowdown, and higher volatility of the capital markets. Therefore, CIMB Thai will continue to monitor and navigate through the complexities in the external environment to ensure operational sustainability.

Amid the challenging operating conditions, the Bank's core operating fundamentals remained healthy despite recording a loss. Consolidated net loss was reported at THB 629.5 million, compared with a net profit of THB 1,052 million in 2015. The loss was attributed to higher provisions mainly from rising NPLs in isolated commodities-related industries during the year as well as a general increase arising from the gradual pace of economic recovery.

Net interest income increased by THB 1,388.7 million or 16.4% YoY growth, resulting from a decrease in interest expenses. Net fee and service income increased by THB 167.9 million or 11.4% YoY growth, due to higher hire-purchase and financial lease fees and insurance premiums. As a result, the Bank reported its highest ever core pre-provision operating profit at THB 5,505 million or 7.8% YoY growth. Furthermore, the cost to income ratio improved to 57.4%, compared to 58.3% in 2015, a result of better cost management and increased income. Net interest margin over earning assets stood at 3.77% better than 3.27% in 2015, attributable to more efficient funding cost management.

CEO'S MESSAGE



**KITTIPHUN
ANUTARASOTI**



President and
Chief Executive Officer

Gross NPL ratio and loan loss coverage ratio stood at 6.1% and 77.3% respectively. Taking into consideration the NPL sale completed in early January 2017, our proforma gross NPL ratio and loan loss coverage ratio would be 4.8% and 86.4% respectively. There are no systemic asset quality issues at the Bank. The Bank maintained a solid capital position, where our BIS and Tier-1 capital stood at 16.1% and 10.7% respectively, both well above the regulatory requirement and internal capital targets.

The Bank remains focused on being an ASEAN bank and through leveraging our vast regional network, we have been able to deliver innovative solutions and service excellence to our customers. This year we earned the "Best Business Model Execution Award" from The Asian Banker on our collaboration with AIS on Beat Banking. Our business transformation initiative was recognised by Retail Banker International as "Highly Commended in The Most Innovation Business Model." Our Group Information and Operation Division initiatives won the "Best Governance Risk and Compliance Project" from The Asian Banker and the "Excellent Award under Core Process Improvements" at the Thailand ICT Excellence Award. Our treasury and investment banking operation swept the "Most Innovative Deal," "Best Bank Capital Bond of Thailand," "Best Structured Products House," and "Best Credit Derivatives House" awards from The Asset. We are recognised by Thomson Reuters as the "Best Currency Liquidity Provider" and "Best THB FX Spot Contributor." Asiamoney polls the Bank as number 1 for the "Best Overall FX Services,"

"Best FX Products & Services" and "Best FX Research & Market Coverage." Our accolades prove that #teamCIMB is always committed to serving our stakeholders with market-leading solutions.

As we look FORWARD to 2017, we expect the overall economic situation to remain challenging from external factors. As such, the management team will focus on disciplined growth with increased focus on improving risk adjusted return on capital. The management team is committed to placing stronger controls on asset quality. Our strategic priorities will be anchored on the 5 C's – Customer, Culture, Compliance, Cost and Capital. Backed by a strong commitment from CIMB Group, the Bank will engage in a rights offering to reinforce our capital position and balance sheet going into 2017. #teamCIMB is deeply committed to upholding integrity and transparency in our business operation, and continuously supporting CSR projects in relation to educational, social and environmental development.

On behalf of the Management Committee, I would like to sincerely thank our shareholders, customers, and business partners for their unwavering trust and support during the year. I would like to express congratulations and best wishes to Mr. Surachai Chitratsenee, Mrs. Panute Na Chiangmai, Mrs. Siriporn Ambhanwong, and my predecessor, Mr. Subhak Siwaraksa on their retirement. Lastly, I would like to extend my gratitude to #teamCIMB whose hard work and contributions will surely drive us toward being the leading ASEAN bank.

Dear Shareholders,


What an interesting year 2016 turned out to be! Unexpected political outcomes capped a year of triumph for the nationalist-populist agenda, and sparked much debate on the pros and cons of rapid globalisation and technological change. Oil prices sank to their lowest level in 12 years while the pound fell to levels unseen since the 1980s. Meanwhile, self-driving cars made a great leap with Uber piloting a fleet of self-driving cars in the US.

2016 proved to be a year of continued recovery for Thailand. Despite a severe drought, the economy expanded 3.2%, whilst its stock market was one of the best performers in 2016. Its current account surplus also remained strong. Domestically, improved consumer sentiment, continued growth in tourism as well as increased infrastructure spending have been a boon for the consumer, tourism and infrastructure sectors.

Against this backdrop, CIMB Thai recorded a pre-provision operating profit growth of 7.8% Y-o-Y driven by improvements from the consumer and wholesale segments. Cost management initiatives put in place have continued to bear fruit where cost-to-income ratio declined by 84 basis points to 57.4%. CIMB Thai also recorded a positive JAW of 4.2%. However, elevated provisions largely from the commercial segment resulted in CIMB Thai reporting a consolidated net loss of THB 629.5 million.

Wholesale Banking continued to strengthen its ASEAN footprint while further facilitating cross-border deals and referrals. Notable deals included the successful execution of a USD 300 million initial public offering of a leading Thai power company which won “Best IPO Deal of the Year” at the 10th Annual Alpha Southeast Asia Deal & Solution Awards 2016 and the “Best Capital Markets Deal” at the IFRS Asia Awards 2016. In Commercial Banking, the team focused on improving the credit process by strengthening the credit foundation whilst also being proactive on the recovery front. Meanwhile, our Consumer pillar turned profitable for the first time where income grew 534% Y-o-Y.

LETTER FROM GROUP CHIEF EXECUTIVE OFFICER, CIMB GROUP



**TENGKU DATO'
SRI ZAFRUL AZIZ**



Group Chief Executive Officer,
CIMB Group

2016 saw the execution of all our T18 programmes comprising over 400 projects Group-wide, including projects within CIMB Thai. In particular, our programme focusing on the retail business in Thailand made substantial progress by strengthening CIMB Thai's wealth platform in the affluent segment, leveraging digital banking for the mass segment, and forming strategic alliances with AIS and 7-Eleven to provide an alternate banking channel for services such as account opening, deposits, remittance through Speed-Send, foreign currency exchange, personal loan and debit and credit card services.

In 2017, we will continue to build our resilience through several new major initiatives including setting up a digital hub and introducing our new brand positioning, “Forward”. We will also embed the newly outlined strategic priorities anchored on 5Cs – Customer, Culture, Compliance, Cost and Capital – in all existing operations and T18 programmes. More than ever, CIMB Thai will be focused on growing sustainably by improving risk adjusted returns on capital while keeping a watchful eye on asset quality. CIMB Thai has also proposed a rights offering to raise approximately THB 5.5 billion to reinforce its capital position and

balance sheet to support business growth. By leveraging on our in-house expertise, the strength of our local network and regional outreach, enhanced operating model, and our commitment towards inculcating strong teamwork within the Group, CIMB Thai is well-equipped to enter 2017 with a clear roadmap to deliver better products and services to our existing and future customers.

CIMB Group remains committed towards ASEAN and Thailand's future growth potential and development. We believe that the Thai economy will maintain its resilience and continue to be one of the Group's strategic platforms to enhance and facilitate cross-border trade flows among ASEAN countries. Concurrently, we look forward to better performance from CIMB Thai in tandem with the growth of the nation and the region.

Finally, on behalf of CIMB Group, I would like to express my gratitude to the Government of Thailand, the Bank of Thailand, our customers, shareholders, the Board of Directors and colleagues in #teamCIMB and all stakeholders for your continued confidence and support to the success of CIMB Thai.



"CIMB Thai is well-equipped to enter 2017 with a clear roadmap to deliver better products and services to our existing and future customers."

BOARD OF DIRECTORS

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





MANAGEMENT COMMITTEE

1 Mr. Kittiphun Anutarasoti
President and
Chief Executive Officer

4 Mr. Arthit Masathirakul
Senior Executive Vice President
Risk Management Group

2 Mr. Sutee Losoponkul
Senior Executive Vice President
Treasury Group

5 Mr. Pornchai Padmintra
Senior Executive Vice President
Wholesale Banking Group

3 Mr. Adisorn Sermchaiwong
Senior Executive Vice President
Consumer Banking Group

6 Mrs. Bussakorn Puttinan
Senior Executive Vice President
Group Information and Operations Division



7 Mrs. Wareemon Niyomthai
Senior Executive Vice President
Commercial Banking Group

11 Ms. Siriporn Sanunpairaue
Senior Executive Vice President
Internal Audit Division

8 Mrs. Kanokpai Vongsatitporn
Senior Executive Vice President
Human Resources Management Division

12 Mr. Prapas Thongsuk
Executive Vice President
Corporate Communications Division

9 Mr. Jason Leong Kok Yew
Senior Executive Vice President
Finance Group

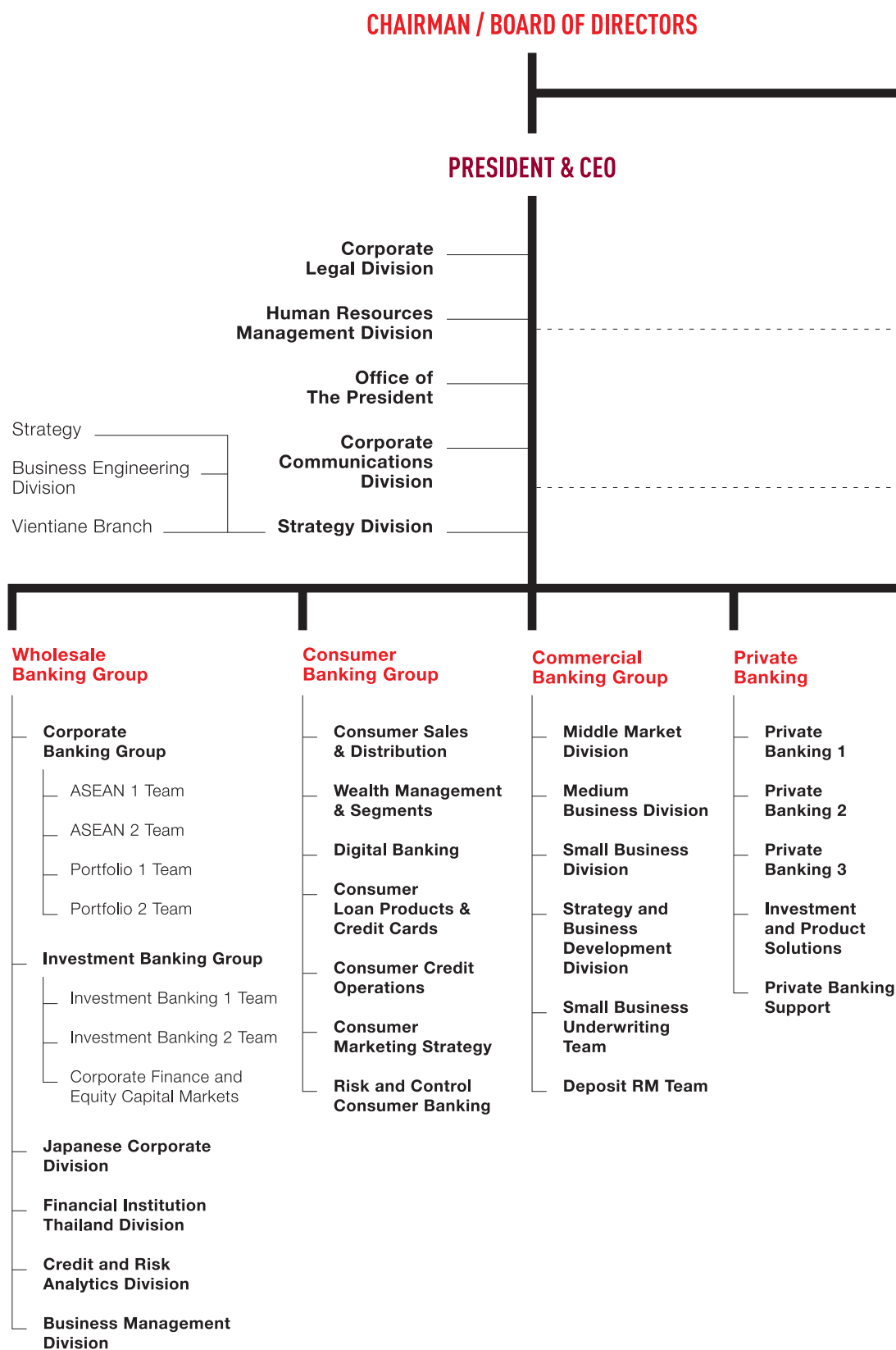
13 Mr. Phisit Sucharitsopit
Executive Vice President
Transaction Banking Group

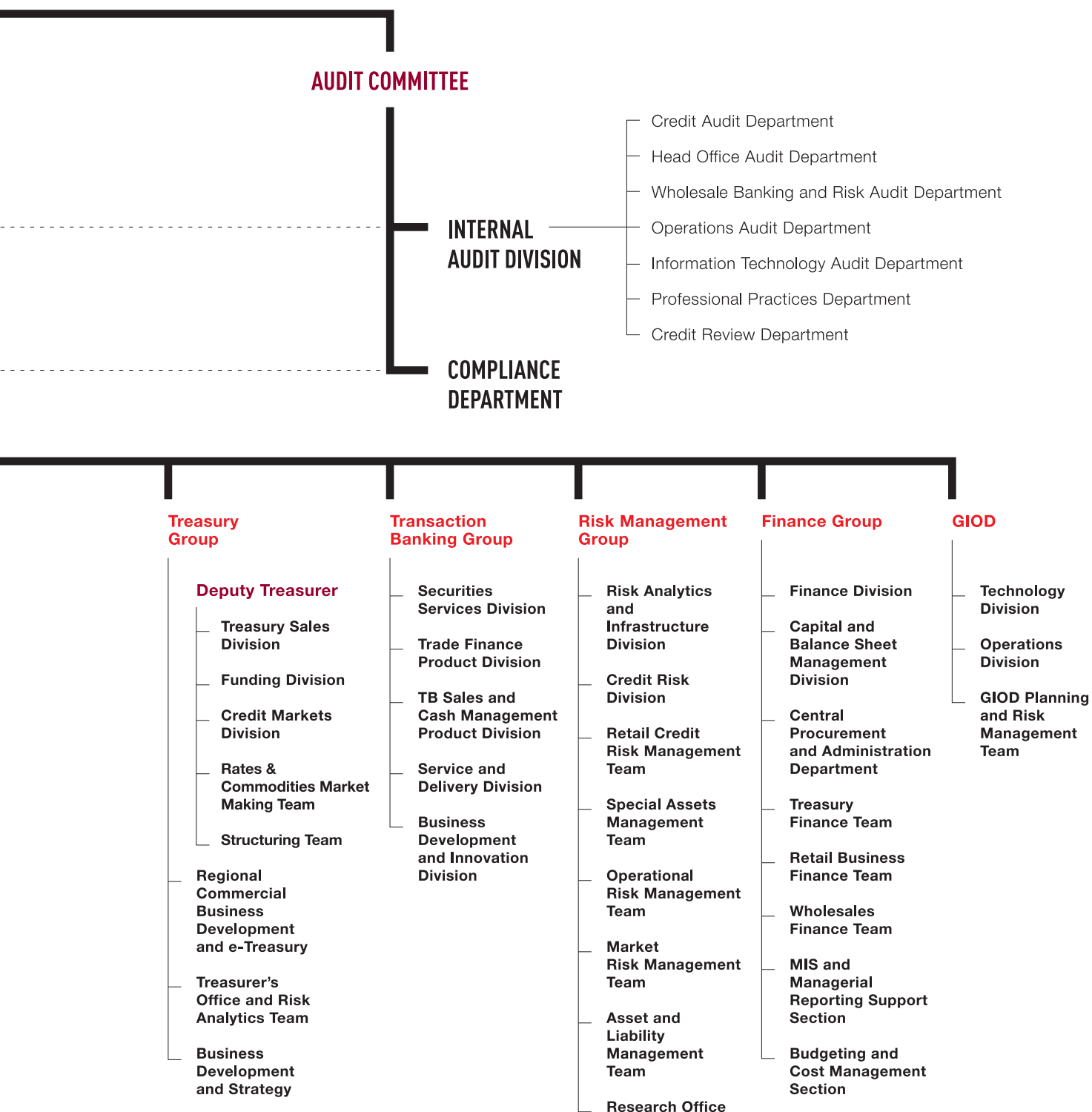
10 Mr. Tan Keat Jin
Senior Executive Vice President
Strategy Division



ORGANISATION CHART

EFFECTIVE FROM 31st JANUARY 2017





CSR PROJECTS AND ACTIVITIES



For the sixth straight year, CIMB THAI Bank has remained committed to carrying out csr projects and activities to give back to the Thai society. Education is the area we emphasised and consider to be a crucial foundation for national development. In 2016, we promoted ICT-based education through handing over of 10 computers and internet learning centres to 35 rural schools to broaden educational opportunities, upgrade educational standards for the youth in remote areas, and facilitate as well as strengthen the educational progress of the schools.



As one of the 15 CSR members of the Thai Bankers' Association, we have consistently participated in a financial literacy program called "Saving for Change," which aims at fostering knowledge on financial planning, financial discipline, and corruption countering culture on an integrated basis for people in society starting from their early age.

This should pave the way for sustainable economic development in the country going forward. We have also invited our instructors from such programs to assist in a seminar titled "4-Knows about Saving" to guide school children, parents and local communities in recording income and expenses for a better understanding of saving and finance at the family level.



Additionally, we have continuously supported social and environmental protection.

In 2016, six projects were carried out with focus on community involvement and building of learning centres, as well as passing on folk wisdom from real experiences of the elder generations to the younger generations. This has not only contributed to knowledge transfer, but also served as an aging therapy for the elderly.



Furthermore, we have invited our customers in various regions, including foundations, non-profit organisations, public and private agencies, and mass media to join as project partners.

These included the Thai Red Cross Society, Bodhivijalaya College, Srinakharinwirot University, Thai Television Channel 3 News Family, Media Associated Co., Ltd., Kingsman C.M.T.I. PCL and My Exhibit Co., Ltd.



Our staff and executive members also participated in various CSR projects and activities under the concept of “Once in a Lifetime as a Volunteer,” to promote awareness of social responsibility, strengthen their bond among one another, and engage with the organisation. These activities included Children’s Day celebration at Bon Kai Youth Centre, blood donation, Share of Love voluntary project for the disabled, and “School Adventure Camp” in Sisaket Province. Moreover, our people learned the way of life of farmers through activities hosted by the community, such as basket weaving with coconut palm fronds, mixing of bio-fertilizers, local desserts baking and so on.

EDUCATIONAL PROJECTS 10 computer learning centre and library projects for 35 schools listed below:

Baan Chalung School, Hat Yai District, Songkhla Province	Baan Mai Thawon School, Sakaew Province	Baan Sapyai School, Sakaew Province
Wat Praduhom School, Sathingphra District, Songkhla Province	Baan Khlong Na Ngam School, Sakaew Province	Baan Noan School, Sakaew Province
Sattahip School, Naval Operations district, Sattahip District, Chonburi Province	Baan Huay School, Sakaew Province	Baan Wangri School, Sakaew Province
Baanphongkhaem School, Satuk District, Buriram Province	Baan Mai Nong Sai Community School, Sakaew Province	Baan Noen Sa-aat School, Sakaew Province
Baan Nong Muang Waan School, Huaythalaeng District, Nakhon Ratchasima Province	Baan Kut Muang School, Sakaew Province	Baan Noan Phasuk School, Sakaew Province
Sawasdee Witthaya School, Khukhan District, Sisaket Province	Baan Thot Charoen School, Sakaew Province	Wat Sara Khun Samoson School, Sakaew Province
Wat Mai Bumrungham School, Songphinong District, Suphanburi Province	Baan Khlong Wua School, Sakaew Province	Wat Huay Duei School, Sakaew Province
Baannanamchum School, Sangkhom District, Udonthani Province	Baan Khlong Yang Prachasan School, Sakaew Province	Baan Nong Mang School, Sakaew Province
Baanlakpan School, Sansai District, Chiangmai Province	Baan Kut Hin School, Sakaew Province	Wat Nong Muang School, Sakaew Province
	Muang Phai School, Sakaew Province	Baan Nong Jaan School, Sakaew Province
	Baan Thai Samaat School, Sakaew Province	Baan Mai Si Jampathong School, Sakaew Province
	Baan Nong Takhianbon School, Sakaew Province	Baan Tha Chang School, Sakaew Province
	Baan Thot Noi School, Sakaew Province	Baan Phakdee Phaendin School, Sakaew Province

SOCIAL AND ENVIRONMENTAL PROJECTS 6 projects as follows:

- | | | |
|--|---|---|
| <ul style="list-style-type: none"> • Share of Love voluntary project (sixed year) • Pa-yoong Trees Reforestation (third year), Watthana Nakhon District, Sakaew Province | <ul style="list-style-type: none"> • Green 24 project in Rayong Province • Blood Donation • Drought crisis relief project, Sakaew Province | <ul style="list-style-type: none"> • Renovation of canteen to celebrate ASEAN DAY at Baan Khao Esaan School, Ratchaburi Province |
|--|---|---|
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ANTI-CORRUPTION

CIMB Thai Bank Public Company Limited has been officially certified to be a **“CAC Member”** by Thailand’s Private Sector Collective Action Coalition Against Corruption. To ensure that the Bank has appropriate guidelines and procedures to counter corruption, we have established an Anti-Corruption Policy and Procedure to be strictly adopted by directors, executives and staff of the Bank and its subsidiaries. We have also reviewed the practices, structure of responsibilities, risk management system, internal control and audit systems to prevent any internal fraud. Apart from the enforcement of the above policy and procedure, we have implemented e-learning on this matter to enhance the staff’s knowledge and understanding.

Moreover, to prevent and reduce circumstances that may incur corruption risk, the Board of Directors has implemented a No Gift Policy to ensure that the Bank operates its business in accordance with corporate governance principles, integrity, transparency and avoidance of any conflicts of interests. Such principles have been adopted by the Bank and its financial business group in their operations and have been expanded to customers and business partners so that they are aware of the policy in place and are cooperating in the fight against corruption of all types. We have disseminated information on such policies on both our official website and CIMBNET, which is the Bank’s intranet.

As the Board of Directors is well aware of the accountability for all stakeholders, it has also instituted a Whistleblowing Policy with a channel put in place on the Bank’s website. Any report of concern or complaint regarding any wrongful acts in duty, internal fraud, and non-compliance by the employees with the Bank’s work rules, is made directly to the Chairman of the Board, Chairman of the Audit Committee, or the President and Chief Executive Officer. The Bank will then carry out an investigation. The whistleblowers or complainants will remain anonymous to prevent them from any possible adverse impacts thereafter.

Thailand's Private Sector Collective Action Coalition Against Corruption (CAC)

CAC
Partners



Supported by



Certificate of Membership

The CAC Council hereby certifies that

CIMB Thai Bank Public Company Limited

*has met the commitments to the CAC declaration on anti-corruption
by putting in place good business principles
and control against bribery,
is now a full member of the CAC*

Bangkok, 16th January 2015


(Dr. Bandit Nijathaworn)
Councillor and Secretary


(Dr. Panas Simasathien)
Chairman

FROM ASEAN COMMUNITY TO RCEP ... POISED TO WEATHER GLOBALISATION CHALLENGES

FROM ASEAN COMMUNITY TO RCEP

ASEAN member countries have for the past years deepened their cooperation in trade and investment as evident from their continuous reduction and removal of trade and investment barriers.

Some service sectors such as ICT, tourism and logistics now enjoy relaxed ownership limits of as high as 70%. While the intra-ASEAN liberalisation process is going on, ASEAN countries also look beyond their commitments in the ASEAN framework with aspirations to increase their integration with the global economies to make ASEAN a broader market.

In the past year, two fronts of economic integration developments were seen between ASEAN countries and those elsewhere, namely the

Trans-Pacific Strategic Economic Partnership Agreement (TPP) and Regional Comprehensive Economic Partnership (RCEP).

TPP is a multilateral free trade agreement with a framework of comprehensive liberalisation issues and is widely accepted for its high standards. There are currently 12 members comprising of the United States, Canada, Mexico, Chile, Peru, Australia, New Zealand, Japan and four ASEAN countries, i.e. Malaysia, Singapore, Brunei and Vietnam. Thailand is not part of the pact so TPP among the said parties has been seen to make Thailand lose opportunity and face higher competition on the export front. However, the existing uncertainty over the integration of TPP following U.S. President Donald Trump's intention to withdraw the U.S. from the pact will help remove Thailand's disadvantage and maintain its competitiveness in such industries as electronics and appliances, automobile and parts, textile and apparel against Vietnam, and mechanical equipment against Malaysia. Thailand will remain a promising destination for investment.

RCEP is a regional framework of trade for economic cooperation between the

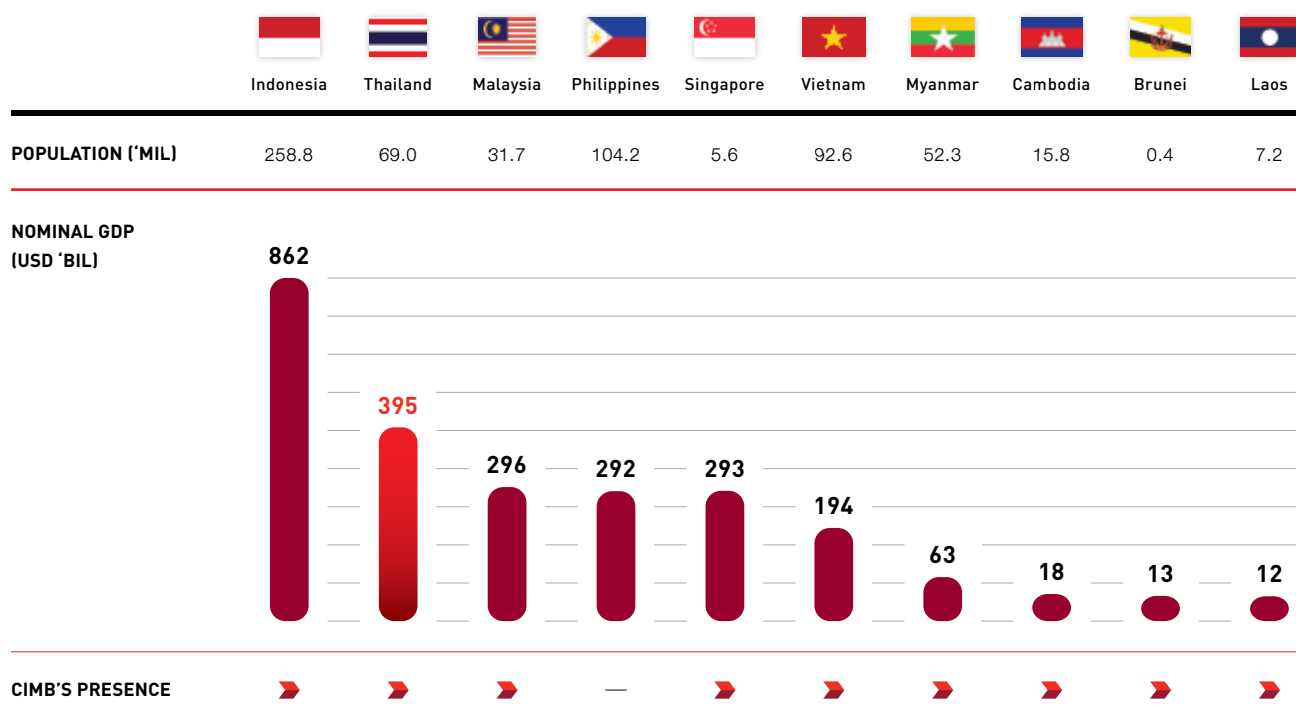
10 ASEAN countries and six partners --- China, Japan, South Korea, India, Australia and New Zealand. It is an extension developed from the five existing trade agreements ASEAN have earlier inked with the said six countries. They are ASEAN-China, ASEAN-Japan, ASEAN-Korea, ASEAN-India, and ASEAN-Australia-New Zealand agreements linking the economies of the region with the global supply chain and facilitating broader ranging trade and investment. It is anticipated that RCEP will be implemented and have concrete plans in 2017, making it the world's largest free trade area. RCEP member states' total GDP amounts to USD 22.8 trillion and their combined population is 3.3 billion or 50 percent of the world population. Their trade volume accounts for USD 10.7 trillion or roughly 30 percent of global trade.

POISED TO WEATHER GLOBALISATION CHALLENGES

As Thailand shares the borderlines and transportation links with the emerging and growing CLMV, investors can rely on Thailand as a production base to support their trade and investment. Thailand should take this opportunity to further foster trade cooperation with RCEP in order to relieve pressure from

CIMB GROUP'S OPERATIONS IN 9 OF 10 ASEAN COUNTRIES

potential exposure to 84% of the region's population and 88% of regional GDP



the U.S.'s changing trade policy which switches to supporting domestic manufacturers and lessening dependence on foreign markets. The U.S. policy is expected to hinder Thailand's economic growth both directly and indirectly because Thailand is a trade partner of not only the U.S., but also China in production for export to the U.S.

LOOKING FORWARD

The financial sector will remain a core business of ASEAN. Financial liberalisation in terms of integrated payment systems among ASEAN member countries, freer capital flows and capital market development through the linkage of capital markets in ASEAN countries have been drawing global investors' attention. During the past year, ASEAN central banks have commenced the operation of a local-currency settlement framework to promote the use of local currencies for settlement of bilateral trade. This will provide more convenience and reduce cost of transaction. It also promotes the role of banks in connection with the business sector.

Looking forward, CIMB Group with its network links in the ASEAN region believes that ASEAN will still be a region of open opportunities. ASEAN is dynamic and flexible and still needs cooperation from countries outside the region. Thus, CIMB Group is ready to support corporate and SME customers in their plans to make their presence or expand their businesses in ASEAN countries such as Malaysia, Indonesia, Singapore, and Thailand by leveraging on CIMB Group's strengths in high expertise and product diversity.

CIMB Thai, as a member of CIMB Group, has all along actively supported Thai companies in their outward investments, especially in the neighbouring countries like Cambodia, Lao PDR, Myanmar and Vietnam, (CLMV) on account of their rapid economic development, abundant resources and low labour costs, as well as their entitlement to the generalised system of preferences (GSP) from several developed countries. This can help maintain or create the competitive advantage of CIMB Thai's customers in penetrating the CLMV countries, and beyond in their future endeavours.

THAI ECONOMY IN 2016 AND OUTLOOK FOR 2017

OVERVIEW OF THE THAI ECONOMY IN 2016

Thai economy in 2016 faced certain internal headwinds, especially the prolonged droughts which caused farm income to grow at a slow pace and weakened grassroots' purchasing power. This had a bearing on SMEs' business operations and purchasing power of consumers in the agricultural sector.

However since the end of the third quarter, farm income and consumers' purchasing power has picked up driven by the easing drought situation. Thai economic growth prospects in 2017 are expected from SMEs which have started to enjoy positive factors and should stimulate the economic expansion. Challenges lying ahead for Thailand will come from external uncer-

tainties. The US's trade protectionist policy of the new US President, China's slowing economy, and the prevailing money and capital market volatility amidst the upward trend of the Fed funds rate and the oil price hike could more or less impact Thailand's economic stability.

OUTLOOK FOR 2017

Thailand's economy in 2017 is forecasted to grow further, though at a decelerated pace. Interest rates have to be kept at low levels to support the economy. Thai entrepreneurs are recommended to take cautious steps in their operations. Although the policy rates will remain constant, the costs of funding through the capital markets may go up following the rising trend of bond yields to cope with the tightening liquidity caused by capital outflows. Investors should make an early decision to raise funds through the bond markets during the period when funding costs are still low to avoid a higher cost burden afterward.

With consideration of the economic challenges lying ahead, CIMB Thai's Research Office views that the rising oil prices should support the prediction of the hike in purchasing power this year. Normally, oil prices move in line with commodity prices and prices of agricultural products. However, purchasing power may not move up

so fast due to high household debt which restricts the acceleration of consumption. In the meantime, the prevailing low private investment and unresolved structural issues in the manufacturing sector, like excess production capacity, lack of labor skill development and low production innovation, which have long discouraged additional private investment, could further weaken the country's long-term competitiveness.

Another inevitable challenge is that encountered by Thai exports which account for 60% of GDP. Although US President Donald Trump has not directly taken trade protectionist measures against Thailand, and Thai exports to the US should improve following US's accelerated economic trends, the US stance towards China could hinder Thailand's exports in supply chain, most of which are consumer goods, and other ASEAN members' exports of raw materials to China in 2017.

Under the current circumstances, Thai private entities, especially labour-intensive ones and those applying basic production technology should get prepared to move their bases more to CLMV (Cambodia, Laos, Myanmar, and Vietnam). So far, several large corporate businesses have already

made their presence there, and SMEs should follow suit by jointly forming clusters and supply chains to serve large businesses. They may otherwise upgrade their production technologies to facilitate linkage of their supply chain with large businesses or explore new markets with growth potential, such as India, Australia and the Middle East to fully exploit the recovering global economy when commodity prices should improve to offset the rising trade protectionism.

Looking forward, despite the expected increase in the US Fed funds rate twice, i.e. in the middle and end of 2017, Thailand's interest rates should remain constant throughout the year. Meanwhile, Thai baht is forecasted to weaken further against the US dollar due to the Fed funds rate hike, and hence resulting in capital outflows. Anyway, the weakening baht could be a boost to Thai exports.

All in all, Thailand's economy in 2016 grew by 3.2%. For 2017, Thai economic growth is predicted at 3.2%, the same as 2016, mainly due to the persisting global market volatility. Domestic consumption, though improving, still cannot offset the external pressures. Thus, public sector investment and tourism will remain to be the main engine to drive the Thai economy.

CIMB THAI'S 2017 STRATEGIC PRIORITIES

The Bank's strategic priorities for 2017 are anchored on the 5 C's – Customer, Culture, Compliance, Cost and Capital.

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

CONSUMER BANKING GROUP

Consumer Banking Group (CB) enjoyed another highly successful year in 2016 in terms of strengthening staff and target customers' relationship and expansion of customer base. We brought about customer experience with services beyond expectation such as E-Saving account opening service through 64 AIS shops nationwide. More importantly, we have been the first and only one bank to establish a mini branch in a 7-Eleven store which enable customers to get better access to banking services. We also continued providing advisory service on wealth management in addition to the diverse

product range to cater to individual customer needs. Positive feedback was received from customers and we've experienced an increase in the number of affluent customers and assets under management (AUM).

In view of loan provision, we have recorded a consistent growth in our quality loan portfolio on the back of tightened loan application criteria allowing for efficient screening of loan applicants. Furthermore, we moved another step ahead with the offering of off-site instant approval of loans via DSE Tablet for heightened customer experience and convenience.

CB's performance in 2016:

- Total operating income was THB 7,134 million, THB 1,135 million higher than that in 2015.
- Net interest income (NII) from all products amounted to THB 5,830 million, a 22% growth year-on-year.
- Profit before tax was THB 1,500 million, THB 1,320 million higher than that in 2015.
- Total loan approval amounted to THB 102,860 million, an increase of 9.9% year-on-year.

TRANSACTION BANKING GROUP

CIMB Thai's Transaction Banking Group (TBG) provides corporate clients and financial institutions with an array of products and services, covering cash management, trade finance and a range of securities services, including security agent and facility agent, escrow account, trustee, custody, and other related services. With CIMB Group's strong ASEAN platform and network, we are well positioned to support and deliver transactional flows across ASEAN and beyond to meet the needs of aspiring enterprises.

Forging ahead toward Target 2018 (T18), TBG made significant progress in 2016 on enhancing product cost competitiveness and profitability, delivering product innovations, and growing operating account base. Under the Bank Negara Malaysia's and the Bank of Thailand's jointly established Local Currency Trade Settlement Framework, CIMB Thai has been among the three Thai banks officially designated as an Appointed Cross Currency Dealer (ACCD) to facilitate ringgit and baht settlement for trade of goods and services between Malaysia and Thailand. The framework has allowed for the launch of new MYR cash management and trade finance products, which benefit Thai importers and exporters trading with Malaysia and further, putting CIMB Thai in the country's top position with the highest MYR ACCD trade flow volume.

Regarding securities services, we are well recognised and are ranked no. 2 in bond registrar services by number of bond issues. The roll-out of BizChannel@CIMB, CIMB Group's premier regional Internet banking platform, has enabled the clients, regardless of which CIMB Group member bank they have their accounts with, to easily access online banking services with the same customer experience. Meanwhile, our cash management services has earned the trust of leading local and multinational companies, such as LG Electronics (Thailand) Co., Ltd., etc.

For 2017, CIMB Thai's TBG will continue to expand its client base and revenue base. Our focus is on client acquisition and extension of digital capabilities targeting ASEAN export/import segments. We aim to keep pace with market trends and strengthen our role as Thailand's leading ASEAN bank.

WHOLESALE BANKING GROUP

Corporate Banking

Corporate Banking Group (CBG) of CIMB Thai provides financial services to a diverse range of business sectors including, commercial, manufacturing, property development and transportation. As most clients have had a long-time relationship with the Bank, we act as their strategic business partner that helps and supports them toward strong and sustainable business growth. We offer our clients business and investment opportunities through CIMB Group's regional network.

In 2016, the Thai economy expanded slightly higher than in 2015. However, certain challenges prevailed amidst the global economic slowdown creating vulnerable situations in several countries, including Thailand. Thailand was hit by droughts, faltering commodity prices and weak grass-root purchasing power, causing trouble to both small and medium businesses and affecting business expansion of large clients. Therefore, CBG focused on maintaining the quality of existing loan portfolios, with prudent consideration of risks in new loan approvals, and close and regular follow-up of clients. Moreover, we studied business and industry conditions in collaboration with Research Office and with cooperation from Risk Management Group we aimed to expand our business in low risk sectors. We focused on large clients with a strong financial position and investment plans into ASEAN, and those with cross-selling opportunities. These include big projects which generate comprehensive income from interest, fee and financial advisory income, and other income from transactional banking and hedging products, as well as equity and debt underwriting.

In 2016, total revenues of Wholesale Banking Group (covering both Corporate Banking and Investment Banking) decreased by approximately 5%, attributable to an increase in proportion of net interest income (NII) from 53% to 57% of total revenue, up by 2% year-on-year, as a result of lending and deposit base expansion, and a decrease in non-net interest income (Non-NII) by approximately 13% due to large clients' project slowdown taking a wait-and-see approach toward 2017. Most revenues came from significant client groups entrusting us as their main bank, including those with ASEAN aspirations, which is in line with our strategy and theme: "Be More Relevant to Important Clients & Accelerate Our ASEAN Initiatives."

In addition to local income generation, Wholesale Banking Group was successful in expanding business to other countries in ASEAN, particularly CLMV, through CIMB Group which has strengths in capital, professionals and partnering networks in ASEAN. We completed business deals with big corporate clients who have large investments both locally and regionally, especially in ASEAN, as we could quickly provide solutions and services that met their expectations. The Bank worked closely with other CIMB Group members in continuously expanding income base in other countries and recorded a cross-border income growth of 12%.

For 2017, CBG will focus on generating firm and consistent income, particularly recurring income and income from cross-selling. Our strategy is to reach out to selected major client groups and to re-align our lending portfolio along with a team restructuring in line with target industry type. This aims to boost efficiency, reduce redundancy, control cost effectively, and manage return on investment properly. Furthermore, we will keep expanding our business and service in ASEAN and increase business with foreign clients investing in Thailand with cooperation from other CIMB Group members.

Investment Banking

2016 was a challenging year for our business operation in the backdrop of minimal economic growth and several negative factors both internally and externally as stated before. Several target clients postponed their merger & acquisition and SET-listing plans and will resume those plans when market condition improves. However, Investment Banking Group (IBG) continued carrying on related processes as preparation for a successful completion of transactions in 2017, which we expect is when major transactions will take place.

We continued reinforcing our teams by collaborating with CIMB Group. We have sector specialists available to provide knowledge and insights of each industry so we can offer comprehensive financial services, including strategic and business operation advisory service, to clients. As a result, we managed to strengthen our relationships and add-value while enhancing competitiveness through innovation of financial products.

In the fourth quarter of 2016, IBG successfully pushed through transactions together with CIMB Group at both national and regional levels, such as a co-underwriter and initial purchaser

of WHA Premium Growth Freehold and Leasehold Real Estate Investment Trust (Second Capital Increase) (WHART) worth THB 3,162 million and co-underwriter and initial purchaser for the IPO of Banpu Power Public Company Limited (BPP) worth THB 13,618 million.

The collaboration and synergy among Corporate Banking Group, Investment Banking Group and CIMB network in ASEAN will contribute to the Bank's potential as an important bank to our important clients, which is another progress toward being the clients' business partner in achieving their ASEAN aspirations.

Key successful deals in 2016 included:

Debt Markets	Role	Issue Size (THB mil)
Bond Switching Transaction	Joint Lead Arranger	18,894
Bank for Agriculture and Agricultural Cooperatives	Lead Arranger	14,300
Government Housing Bank	Lead Arranger	10,000
Government Housing Bank	Lead Arranger	10,000
Bank for Agriculture and Agricultural Cooperatives	Joint Lead Arranger	7,333
TPI Polene Public Company Limited	Lead Arranger	5,445
True Move H Universal Communication Company Limited	Joint Lead Arranger	4,698
Provincial Electricity Authority	Lead Arranger	4,000
State Railway of Thailand	Lead Arranger	4,000
Bangkok Dusit Medical Services Public Company Limited	Lead Arranger	3,000
Central Plaza Hotel Public Company Limited	Lead Arranger	2,500
SPV-SMC (9) Company Limited	Joint Lead Arranger	2,046
Advanced Wireless Network Company Limited	Joint Lead Arranger	1,905
Eastern Power Group Public Company Limited	Lead Arranger	1,500
Pruksa Real Estate Public Company Limited	Joint Lead Arranger	1,333
Toyota Leasing (Thailand) Company Limited	Joint Lead Arranger	1,133
Electricity Generating Authority of Thailand	Lead Arranger	1,400
TTCL Public Company Limited	Lead Arranger	1,075
PTG Energy Public Company Limited	Joint Lead Arranger	1,000
Ananda Development Public Company Limited	Lead Arranger	1,000
Electricity Generating Authority of Thailand	Lead Arranger	1,000
Easy Buy Public Company Limited	Joint Lead Arranger	1,000
Siamgas and Petrochemicals Public Company Limited	Joint Lead Arranger	750

Debt Markets	Role	Issue Size (THB mil)
Krungthai Card Public Company Limited	Joint Lead Arranger	750
Eastern Power Group Public Company Limited	Joint Lead Arranger	620
Jay Mart Public Company Limited	Lead Arranger	600
Provincial Waterworks Authority	Lead Arranger	590
M.K. Real Estate Development Public Company Limited	Lead Arranger	500
Asia Sermkij Leasing Public Company Limited	Lead Arranger	500
Singer Thailand Public Company Limited	Lead Arranger	500
M.K. Real Estate Development Public Company Limited	Lead Arranger	500
SC Asset Corporation Public Company Limited	Lead Arranger	500
Don Muang Tollway Public Company Limited	Lead Arranger	500
SC Asset Corporation Public Company Limited	Lead Arranger	500
AEON Thana Sinsap (Thailand) Public Company Limited	Lead Arranger	400
Origin Property Public Company Limited	Joint Lead Arranger	400
JMT Network Services Public Company Limited	Lead Arranger	300
Asia Sermkij Leasing Public Company Limited	Lead Arranger	300
Ananda Development Public Company Limited	Joint Lead Arranger	300
Krungthai Card Public Company Limited	Joint Lead Arranger	154

Capital Markets	Role	Deal Size (THB mil)
Banpu Power Public Company Limited (BPP)	Co-Underwriter and Initial Purchaser (Joint with CIMB Group)	13,618
Golden Ventures Leasehold Real Estate Investment Trust (GVREIT)	Selling Agent	8,148
Thailand Prime Property Freehold and Leasehold Real Estate Investment Trust (TPRIME)	Selling Agent	5,475
WHA Premium Growth Freehold and Leasehold Real Estate Investment Trust (Second Capital Increase) (WHART)	Co-Underwriter and Initial Purchaser (Joint with CIMB Group)	3,162
TPBI Public Company Limited	Joint Lead Underwriter (Joint with CIMB Group)	1,080
Polyplex (Thailand) Public Company Limited (PTL)	Rights Offering Agent	640

COMMERCIAL BANKING GROUP

Commercial Banking Group (CMG) provides comprehensive financial solutions for business customers with annual sales turnover of up to THB 3 billion through CIMB Thai's business centres situated in strategic locations nationwide. We have also encouraged our customers to expand their businesses into ASEAN, leveraging on CIMB Group's strong network and capabilities.

2016 was a year of transformation and fundamental-building. Business customers were segmented into small business, medium business, and middle market according to their sales turnover. This has enabled systematic offering of products and services that best suited each segment. In addition, we have re-designed the loan approval process and standards to align with the new structure and to be comparable to peers. As a result, the new process has been more effective and standardised, with a shorter turnaround time.

CMG's business performance in 2016 declined in line with the slowing domestic and global economies. There was dampened demand for business loans and debt servicing capability, especially in the agro-industry, with high NPL recorded since the first quarter. Therefore, we accordingly gave priority to asset quality management, rather than market expansion, by developing systematic loan quality tracking and regular portfolio health checks so that the Bank would be able to take timely action and prevent new NPLs.

Looking forward to 2017, we will strengthen our business base with a focus on maintaining satisfactory portfolio quality, geographical and target industry lending, and ongoing process improvement, together with enhancement of employees' potential to respond efficiently to clients' demand and promote sustainable growth in our commercial banking operation.

COMPETITIVE ENVIRONMENT - MARKET SHARES

Unit: THB million

BANK	Assets	Market share	Deposits	Market share	Loans	Market share
BANGKOK BANK	2,944,230	18.3%	2,178,141	19.0%	1,941,093	17.3%
KRUNG THAI BANK	2,689,447	16.7%	1,972,404	17.2%	1,904,089	16.9%
KASIKORNBANK	2,845,868	17.7%	1,794,835	15.6%	1,697,581	15.1%
SIAM COMMERCIAL BANK	2,913,023	18.1%	2,026,272	17.7%	1,939,048	17.2%
BANK OF AYUDHYA	1,883,188	11.7%	1,108,288	9.7%	1,448,882	12.9%
THANACHART CAPITAL	950,512	5.9%	676,557	5.9%	690,907	6.1%
TMB BANK	821,000	5.1%	598,948	5.2%	593,441	5.3%
TISCO FINANCIAL GROUP	271,280	1.7%	155,068	1.4%	224,934	2.0%
KIATNAKIN BANK	233,776	1.5%	109,923	1.0%	176,354	1.6%
CIMB THAI BANK	212,147	1.3%	149,097	1.3%	141,070	1.3%
Others	298,797	1.9%	699,685	6.1%	493,100	4.4%
Total	16,063,268		11,469,217		11,250,499	

Source: Commercial bank's consolidated financial statements as of December 2016

PROCUREMENT OF PRODUCTS AND SERVICES

Source of Funding

As at 31 December 2016, deposits managed by the Bank stood at THB 192.3 billion (including interbank and money market deposits), whilst borrowings (including interbank and money market borrowings) amounted to THB 45.9 billion. Of that total, 85.4% 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 utilising funds in an efficient and effective manner.

Comparing the Bank's loans and deposits, total gross loans with maturity of not more than one year stood at THB 77.2 billion while loans with maturity of more than one year

amounted to THB 129.8 billion. Meanwhile, deposits with maturity of not more than one year stood at THB 191.3 billion and those with maturity of over one year amounted to THB 1.0 billion.

Capital Adequacy Ratio

The Bank's capital adequacy ratio (CAR), common equity tier 1 (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 2016, the Bank's CAR under Basel III calculation was 15.6%, while CET1 capital and tier 1 capital ratios were 10.2% and 10.2%, respectively. The Bank has maintained a robust capital with CAR, CET1 and tier 1 capital ratios well above the Bank of Thailand's minimum requirements of 8.5%, 4.5% and 6.0%, respectively.

Unit: THB billion

Capital Funds	31 December 2016	31 December 2015	31 December 2014
Tier 1 capital	24.1	24.7	21.0
CET1 capital	24.1	24.7	21.0
Tier 2 capital	12.9	10.7	10.7
Total capital funds	37.0	35.4	31.7
Tier 1 capital to risk-weight assets (%)	10.2	10.8	9.9
CET1 capital to risk-weight assets (%)	10.2	10.8	9.9
Tier 2 capital to risk-weight assets (%)	5.4	4.7	5.1
Capital adequacy ratio (%)	15.6	15.5	15.0
Total risk-weight assets	237.4	229.0	211.5

TREASURY GROUP

In 2016, Treasury Group (TG) delivered favourable financial results to CIMB Thai with strong product capabilities in foreign exchange (FX), derivatives and structured products, which earned CIMB Thai altogether eight awards as below:

ASIAMONEY Polls

1. The 1st Best Foreign FX Provider for Overall FX Services
2. The 1st Best Foreign FX Provider for FX Products and Services
3. The 1st Best Foreign FX Provider for FX Research & Market Coverage
4. The 2nd Best Foreign FX Provider for FX Options

The Triple A Asset

5. The Best Structured Product House in Thailand
6. The Best Credit Derivatives House in Thailand

Thomson Reuters

7. The Best Foreign Currency Liquidity Provider in Thailand
8. The Best THB FX Spot Contributor

Furthermore, CIMB Thai has been one of the major players in the debt capital market ranking no. 6, with a 10.16% market share, in the debt underwriting league table published by Bloomberg. In 2016, we were appointed by Thailand's Public Debt Management Office to be a joint lead manager under the Bond Switching Program together with Bangkok

Bank Public Company Limited and Hong Kong and Shanghai Banking Corporation Limited. With innovative debt capital products and solutions, we also acted as the sole lead arranger and lead underwriter of a subordinated perpetual debenture for Ananda Development Public Company Limited, a leading property developer in Thailand.

Looking forward, CIMB Thai's Treasury Group will remain committed to developing innovative products and services to fulfil our customer's need in the areas of wealth management and risk management. We will continue to work with the highest level of professionalism and take into account the rapidly changing business environment in our undertakings.

LIQUIDITY RISK MANAGEMENT POLICY

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

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

The day-to-day responsibility for liquidity risk management and control is delegated to the Asset and Liability Management Committee (ALCO) which meets at least once a month to discuss the liquidity risk and funding profile/plan of the Bank. ALCO is responsible for the overall management and oversight of liquidity and review/recommendation of liquidity risk management policy before seeking approval from the Board of Directors. ALCO is also in charge of approving liquidity risk tolerance. Asset and Liability Management (ALM) Team, which is responsible for the independent monitoring of the liquidity risk profile, works closely with Treasury Group in the surveillance of market conditions. Business units are responsible for establishing and maintaining strong business relations with

their respective depositors and key funding sources. Treasury Group acts as a global fund dealing on a necessity or contingency basis. The Bank has to prudently manage the liquidity position to meet the daily operation needs. It measures and forecasts the respective cash flows arising from the maturity profiles of assets, liabilities, off balance sheet commitments and derivatives over a variety of time horizons under business-as-usual and stress conditions on a regular basis. For companies in the Bank's financial business group, liquidity risk management is decentralised. To support their liquidity, the Bank may consider and approve liquidity lines to them as per respective credit lines approved by the Board of Directors.

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

COLLATERAL POLICY

The Bank's lending policies are the primary basis of assessing the creditworthiness of 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 is a secondary source of repayment and will help alleviate loss in the event of default. The different types of collateral which the Bank accepts are deposits, government bond, debt and equity instruments, land, construction and machinery, etc. The loan to collateral value ratio will vary based upon the risk level of each credit product, the borrower's creditworthiness and liquidity of collaterals. The Bank has established a collateral valuation policy to ensure effective risk management as well as to comply with Bank of Thailand's guidelines. When the collateral is taken, it is important to follow the Bank's policy comprising of among others, a valuation policy and valuation frequency.

DEBT MONITORING GUIDELINES AND FOLLOW-UP PROCEDURES

The Bank has set up the guidelines for closely managing and monitoring watch-list and problem loan accounts in order to speedily resolve its problem loans and standardise the problem loan monitoring process. The guidelines prescribe a monitoring process for watch-list accounts, special mentioned and substandard or worse accounts and the guidelines will be revised periodically to ensure their effectiveness and relevance. In addition to mandatory debt classification in accordance with the Bank of Thailand's guidelines, the Bank has established additional qualitative criteria for early classification of debt with signs of deterioration prior to default. For pre-NPL accounts to be effectively managed, an early warning process has been set up as guidelines for relationship managers to take early action in identifying accounts with potential problem and to develop a proper action plan to solve the problem so that risk to the Bank can be mitigated. The accounts with potential problems are put under watch list and are classified by degree of their problem and risk level into three groups, i.e. watch list – low, watch list – medium and watch list – high. The accounts under watch list – low remain under normal class while those under watch list – medium and high are classified as special mention. These pre-NPL as well as NPL accounts with TDR not yet finalised and with exposure more than THB 10 million, are regularly reported to the Asset Quality Committee (AQC).

AQC was set up to closely monitor development of pre-NPL accounts, NPL accounts with TDR not yet finalised and other accounts requiring close attention. AQC provide guidance to relationship managers on proper actions to be taken against these pre-NPL accounts to quickly and effectively solve the problem before they become NPL, as well as to provide proper solution for debt restructuring of NPL accounts to minimise loss and maximise recovery to the Bank.

DEBT RESTRUCTURING POLICY

The Bank has set a policy to undertake debt restructuring for borrowers who have cooperated with the Bank as well as have 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 the 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 undertaken

prudently so that it does not avoid the requirements regarding debt reclassification, additional provisioning and suspension of income recognition of accrued interest.

Debt restructuring is undertaken with consideration to criteria, process and method provided for debt restructuring, 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. 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 to be set at the rate for each asset category as prescribed by Bank of Thailand Notification No. SorNorSor. 5/2559: criteria for debt classification and provisioning of financial institutions, dated 10 June 2016 or as amended by the Bank of Thailand from time to time. However, the Bank's internal guidelines are more stringent than the regulatory requirements, with combination of the qualitative and quantitative criteria prescribed by the Bank of Thailand, and prudent adoption of a final classification which is based on the weaker result of the two sets of criteria to reflect real risk level of the debtor.

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

HIGHLIGHTS OF CORPORATE BRANDING ACTIVITIES IN 2016

Branding CIMB Thai as an ASEAN bank, with a string of marketing activities to get business results, is the approach we have taken all along to bring brand awareness and customer experience to our target customers. In 2016, we launched a campaign titled "Are You Ready for ASEAN?" to accentuate the strength of our ASEAN franchise with a diverse range of financial products together with professional teams ready to give advice and provide services to both individual and business customers. Furthermore, we

continued to hold an activity to celebrate ASEAN Day on 6 August 2016 with a bicycle race called “One Ride One ASEAN” organised for the second year at Pakthor District of Ratchaburi Province, in which more than 1,200 Thais and foreigners participated. This activity helped to promote our brand as an ASEAN bank and aligned to the official implementation of ASEAN Economic Community (AEC).

Besides brand enhancement, we launched several proactive marketing and sales promotion campaigns on financial products, such as campaigns targeting CIMB Preferred and mutual fund customers, credit card promotion programs on tourism, promotion of online applications for personal loans, and housing loans and credit card as additional channel to provide more convenience to customers. We also joined five Money Expo events in Bangkok, Nakhon Ratchasima, Udonthani, Chiang Mai and Songkhla (Hat Yai) under the “Financial Trainer” theme to expand our nation-wide customer base.

Meanwhile, we have given importance to publicising and updating our business progress to promote our image and professionalism in respect to business development, product innovations and diversity of service channels. In 2016, we launched MYR-THB transaction service, and opened a Sub Branch at Sitabutr which is located in a 7-Eleven store, marking the first-ever Thai commercial bank branch located inside a convenience store. This received considerable public attention and was the talk-of-the-town topic. Moreover, our Research Office’s domestic and global economic research and analysis drew great attention from the media, with topics such as UK’s withdrawal from the Eurozone (Brexit) and the U.S. presidential election, etc.

For 2017, our brand and business positioning is themed “FORWARD”, as set by CIMB Group, reflecting our readiness through our teams, network and financial products to support our customers in moving “FORWARD” towards their target.

ANALYSIS OF FINANCIAL STANDING AND OPERATING PERFORMANCE

1. CONSOLIDATED OPERATING RESULTS

For the year ended 31 December 2016, CIMB Thai group's consolidated operating income rose by THB 694.1 million or 5.7% year-on-year ("YoY") to THB 12,928.1 million, derived from a 16.4% growth in net interest income and an 11.4% expansion in net fee and service income, while other income dropped by 37.7%. Pre-provision operating profit increased by 7.8% YoY to THB 5,504.6 million due to a slight increase in operating expenses of 4.2% YoY.

However, net loss was posted at THB 629.5 million in 2016, compared with net profit of THB 1,052.5 million in 2015, as a result of a 66.6% increase in provisions to mainly buffer the rising NPLs in certain industries during the year and amid the the economic recovering pace.

Net interest margin (NIM) over earning assets stood at 3.77% in 2016, compared with 3.27% in 2015, as a result of more efficient funding cost management.

As at 31 December 2016, total gross loans (inclusive of loans guaranteed by other banks and loans to financial institutions) were THB 206.4 billion, marking a growth of 3.7% from 31 December 2015. Deposits (inclusive of bills of exchange, debentures and selected structured deposit products) amounted to THB 223.5 billion, an increase of 2.4% from THB 218.4 billion at the end of December 2015. The modified loan to deposit ratio went up to 92.4% from 91.2% as at 31 December 2015.

(a) Summary of CIMB Thai group's income

On a YoY basis, net interest income improved by THB 1,388.7 million or 16.4%, attributable to a drop in interest expenses by 21.8%. Meanwhile, net

fee and service income grew by THB 167.9 million or 11.4%, thanks to higher hire-purchase and financial lease fees and insurance premiums. Other operating income dropped by THB 862.6 million or 37.7% mainly from a decrease in treasury business activities.

(b) Cost of funds and operating expenses

CIMB Thai group's interest expenses in 2016 amounted to THB 4.8 billion, going down by THB 1.3 billion, or 21.8%, largely from a decrease in interest expenses on deposits.

For the year ended 31 December 2016, operating expenses moved up by THB 296.2 million or 4.2% YoY from an increase in other expenses but partially offset by declining premises and equipment expenses. The cost to income ratio improved to 57.4% in 2016 compared with 58.3% in 2015 as a result of better cost management and increased income.

(c) Net profit (loss)

Net loss was THB 629.5 million for the year 2016, compared with net profit of THB 1,052.5 million in 2015, as a result of a 66.6% increase in provisions. The increase in provision was mainly to buffer the rising NPLs in certain industries during the year and amid the economic recovering pace.

(d) Return on equity

For the year 2016, CIMB Thai group's return on equity was -2.3% comparable with 4.4% in 2015 and the Bank's return on equity was -4.8% compared with 3.1% in 2015, mainly caused by net loss during the year.

2. CONSOLIDATED FINANCIAL STANDING

Assets

As at 31 December 2016, CIMB Thai group's total assets amounted to THB 297.5 billion, declining by THB 7.2 billion or 2.4% from a year earlier, as detailed below:

Interbank and money market items (assets) were THB 8.5 billion, a THB 5.8 billion or 40.3% drop, mainly attributable to the Bank's liquidity management.

Derivative assets moved down by THB 4.3 billion or 17.0% to THB 21.2 billion, coming mainly from foreign exchange contracts.

Net investments stood at THB 55.1 billion, up by THB 171 million or 0.3%, mainly due to an increase in trading and available-for-sale securities.

Net loans and accrued interest receivables were THB 196.3 billion, up by 2.1% largely in retail segment.

Other assets amounted to THB 7.7 billion, dropping by THB 2.0 billion or 20.5%, mainly as a result of the decrease in marginal deposit derivatives and account receivables – bills of exchange.

Asset quality

(a) Loans and loan concentration

As at 31 December 2016, CIMB Thai group's total loans net of deferred revenue were THB 205.6 billion, a growth of THB 7.0 billion or 3.5% from THB 198.6 billion as at 31 December 2015. Loans principally comprised of loans extended to the manufacturing and commerce sector, housing, and public utilities and service sectors, making up 66.9% of total loans. The housing loans represented the largest proportion, i.e. THB 57.2 billion or 27.8% of total loans. This was in line with the Bank's strategy. Meanwhile, the loans to manufacturing and commerce sector amounted to THB 50.0 billion or 24.3% of total loans, and public utilities and services loans THB 30.4 billion or 14.8% of total loans. Sectors with growth of loans were public utilities and services, personal cash, hire purchase and financial lease and housing loans, recorded at 22.2%, 16.8%, 16.1% and 7.3% respectively compared with those at year-end 2015.

Loans classified by type of business	31 December 2016		31 December 2015		Change	
	THB million	%	THB million	%	THB million	%
Agricultural and mining	4,791	2.3	6,052	3.0	(1,261)	(20.8)
Manufacturing and commerce	49,992	24.3	52,411	26.4	(2,419)	(4.6)
Real estate and construction	12,460	6.1	15,800	8.0	(3,340)	(21.1)
Public utilities and services	30,448	14.8	24,918	12.5	5,530	22.2
Personal cash	13,059	6.4	11,180	5.6	1,879	16.8
Housing loans	57,239	27.8	53,337	26.9	3,902	7.3
Hire purchase receivable and financial lease receivable	24,338	11.8	20,962	10.6	3,376	16.1
Others	13,261	6.5	13,946	7.0	(685)	(4.9)
Total loans net of deferred revenue	205,588	100.0	198,606	100.0	6,982	3.5

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

(b) Classification of assets

As at 31 December 2016, CIMB Thai group's net loans and accrued interest receivables (excluding loans to financial institutions) amounted to THB 206.2 billion, an increase of 3.5% compared with those as at 31 December 2015. Classification of loans is in compliance with Bank of Thailand's notification. Pass loans stood at THB 180.7 billion, special-mention loans amounted to THB 12.8 billion, and non-performing loans classified as sub-standard, doubtful and doubtful of loss were reported at THB 4.6 billion, THB 4.8 billion, and THB 3.4 billion respectively.

CIMB Thai group's loan loss coverage ratio decreased to 77.3% as at 31 December 2016 from 106.5% a year earlier. Total provisions amounted to THB 9.8 billion, which was THB 3.5 billion in excess of Bank of Thailand's reserve requirements.

(c) Non-performing loans (NPL)

Gross non-performing loans ("NPL") stood at THB 12.7 billion, with an equivalent gross NPL ratio of 6.1%. This constituted an increase from 3.1% as at 31 December 2015, due to declining repayment capability of borrowers in certain corporate accounts. However, the Bank has continued to strictly adhere to high credit underwriting standards and risk management policies. It has also focused on improving efficiency in debt monitoring, collection and resolution, as well as managing all accounts more closely.

(d) Income recognition

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

The Bank recognises interest income on restructured loans on the same accrual basis as applicable to the loans discussed above, with the exception of loans that are subject to monitoring in compliance with restructuring conditions,

on which the Bank recognises interest income on a cash basis until the borrower has been able to comply with the restructuring conditions for a period of at least three consecutive months or three consecutive installments, whichever is longer.

Liabilities

As at 31 December 2016, CIMB Thai group's total liabilities amounted to THB 270.8 billion, down by THB 6.7 billion or 2.4% from 31 December 2015 as follows:

Deposits were THB 183.7 billion, going up by THB 13.4 billion or 7.9%, mainly from an increase in savings and fixed deposits offset with current deposits.

Interbank and money market items (liabilities) were THB 11.6 billion, dropping by THB 8.4 billion or 42.1%, as a result of the Bank's liquidity management.

Financial liabilities designated at fair value through profit or loss increased by THB 2.8 billion or 17.7% to THB 18.9 billion, mainly from structured bills of exchange.

Derivative liabilities went down by THB 4.3 billion or 16.8% to THB 21.4 billion, mainly due to foreign exchange contracts.

Debt issued and borrowings amounted to THB 25.6 billion, dropping by THB 8.4 billion or 24.8%, due to the redemption of short-term debentures during the year.

Equity

As at 31 December 2016, CIMB Thai group's equity stood at THB 26.7 billion, representing a decrease of THB 403 million or 1.5% from a year earlier, mainly due to net loss during the year.

Off balance sheets: Commitments

As at 31 December 2016, the Bank and its subsidiaries had combined commitments of THB 2,405.3 billion, up by THB 79.0 billion (3.4%) from THB 2,326.3 billion at the end of 2015, mostly from an increase in derivatives as indicated in the table below:

(Unit: THB million)

Off balance sheets: commitments	31 December 2016	31 December 2015	Variance %
Avals to bills and guarantees of loans	37	54	(31.5)
Liability under unmatured import bills	490	282	73.8
Letters of credit	1,331	1,224	8.7
Other commitments:	2,403,407	2,324,703	3.4
Derivatives	2,367,672	2,288,552	3.5
Undrawn bank overdrafts	18,404	17,678	4.1
Investments	6,668	9,447	(29.4)
Others	10,663	9,026	18.1
Total	2,405,265	2,326,263	3.4

Liquidity

Cash and cash equivalent items, as indicated in the cash flow statement of CIMB Thai group as at 31 December 2016, amounted to THB 1.9 billion, a net decrease of THB 458. 6 million from 2015. Details of the changes are as follows:

Net cash flows used in operating activities in 2016 were THB 11.2 billion. Losses from operations before changes in operating assets and liabilities were THB 4.1 billion, including THB 774.7 million in pre-tax net loss for the year, and adjustments of non-cash items to net profit, largely from the increase in interest and dividend as well as bad debts and doubtful accounts. Operating assets for the year went up by THB 4.2 billion mainly from an increase in loans and investments held for trading. In addition, operating liabilities moved down by THB 11.4 billion, resulting from short-term borrowings.

Net cash flows provided by investing activities were THB 2.0 billion, mostly coming from net cash received for held-to-maturity securities.

Net cash flows provided by financing activities were THB 8.7 billion, comprising of proceeds from net cash received for structured bills of exchange and structured debentures as well as net cash received from subordinated debentures.

Relationship between sources and applications of funds

Two major sources of funds for the Bank are deposits and borrowings, while the applications of funds covered the extension of loans. As at 31 December 2016, the Bank had deposits, borrowings and loans classified by maturity as follows:

(Unit: THB billion)

Maturities	Loans*	%	Deposits*	%	Borrowings*	%
Payable on demand	20.4	9.9	91.1	47.4	6.5	14.2
Up to one year	56.8	27.4	100.2	52.1	6.3	13.7
Over one year	129.8	62.7	1.0	0.5	33.1	72.1
Total	207.0	100.0	192.3	100.0	45.9	100.0

*Including interbank and money market items.

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

(Unit: THB billion)

Categories of Deposit	2016*		2015*		2014*	
	Amount	%	Amount	%	Amount	%
Current deposits	3.1	1.7	3.1	1.7	2.8	1.5
Savings deposits	88.0	45.7	85.0	46.4	58.9	30.3
Fixed deposits	101.2	52.6	94.9	51.9	132.5	68.2
Total	192.3	100.0	183.0	100.0	194.2	100.0

*Including interbank and money market items.

Credit Rating

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

Fitch Ratings	2 August 2016
National Long-Term Rating	AA (tha)
Outlook	Stable
National Long-Term Rating on subordinated debt	AA- (tha)

Moody's Investors Service	12 December 2016
Outlook	Stable
Bank deposits	Baa2/P-2
Baseline credit assessment	ba2
Adjusted baseline credit assessment	baa2
Counterparty risk assessment	Baa1(cr)/P-2(cr)
Issuer rating	Baa2
ST issuer rating	P-2

RAM Ratings	16 June 2016
Financial Institution Ratings	AA2/Stable/P1
Tier-2 Subordinated Debt	AA3/Stable

Financial Ratios

Capital funds and capital adequacy ratio

As at 31 December 2016, the Bank's assets were THB 25.3 billion higher than its liabilities. The difference represented positive shareholders' equity. Its total capital funds amounted to THB 37.0 billion with capital adequacy ratio (BIS ratio) of 15.6%, exceeding the regulatory requirement. At CIMB Thai group-level, the consolidated capital funds amounted to THB 38.0 billion with BIS ratio of 16.1%.

Liquidity and loan to deposit ratio

The Bank maintains the average cash reserve ratio at 1% of the total deposits and several types of borrowings in accordance with BOT regulations. As at 31 December 2016, the Bank's cash in hand, cash at cash center and cash at BOT totaled THB 2.4 billion, while the modified loan to deposit ratio was 90.9% compared with 90.1% as at 31 December 2015. Such level was in line with the business plan and stayed in the Bank's comfortable range.

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 2016, fees paid to the external auditors were as follows:

(1) Audit fees

CIMB Thai group paid the auditors audit fees totaling THB 11.2 million. Other incidental expenses included transport and photocopying expenses.

(2) Non-audit fees

CIMB Thai group paid fees for non-audit services to the Bank's auditors in the fiscal year 2016 amounting to THB 110,000 for the services provided in 2016.

Revenue structure

1. CIMB Thai Bank Public Company Limited

1.1 Total operating income

Unit: THB million

	For the years ended 31 December					
	2016	%	2015	%	2014	%
Interest income						
1. Interest on loans	11,320.1	109.1	11,343.1	110.8	10,767.3	125.2
2. Interest on interbank and money market items	68.7	0.7	73.3	0.7	150.5	1.7
3. Investments	1,313.4	12.7	1,598.2	15.6	1,535.3	17.9
4. Others	21.6	0.2	11.1	0.1	7.6	0.1
Total interest income	12,723.8	122.7	13,025.7	127.2	12,460.7	144.9
Interest expenses						
1. Deposits	2,611.6	25.2	3,893.4	38.0	3,922.9	45.6
2. Interest on interbank and money market items	281.8	2.7	338.1	3.3	327.3	3.8
3. Contribution fee to The Deposit Protection Agency and FIDF	991.1	9.6	1,001.8	9.8	928.4	10.8
4. Debt securities issued and borrowings	871.0	8.4	852.9	8.3	838.4	9.8
5. Others	51.5	0.5	55.2	0.5	11.3	0.1
Total interest expenses	4,807.0	46.4	6,141.4	59.9	6,028.3	70.1
Net interest income	7,916.8	76.3	6,884.3	67.3	6,432.4	74.8
Operating income	2,454.9	23.7	3,350.8	32.7	2,167.5	25.2
Total income	10,371.7	100.0	10,235.1	100.0	8,599.9	100.0

1.2 Non-interest income and expenses

Unit: THB million

	For the years ended 31 December					
	2016	%	2015	%	2014	%
Fee and service income	1,289.7	52.5	1,374.9	41.0	1,236.4	57.1
Fee and service expenses	238.7	9.7	319.3	9.5	296.5	13.7
Net fee and service income	1,051.0	42.8	1,055.6	31.5	939.9	43.4
Gains on trading and foreign exchange transactions, net	1,402.5	57.1	1,819.4	54.3	1,804.9	83.3
Losses on financial liabilities at fair value through profit or loss, net	(810.4)	(33.0)	(458.2)	(13.7)	(1,093.7)	(50.5)
Gains on investments, net	482.6	19.7	551.0	16.5	329.5	15.2
Other operating income	329.2	13.4	383.0	11.4	186.9	8.6
Net non-interest income	2,454.9	100.0	3,350.8	100.0	2,167.5	100.0

2. CIMB Thai's Subsidiaries

Unit: THB million

	For the years ended 31 December					
	2016	%	2015	%	2014	%
1. Center Auto Lease Co., Ltd.						
Interest income	1,734.0	102.9	1,443.7	123.8	1,274.2	127.4
Interest expense	551.0	32.7	526.7	45.2	495.5	49.5
Net interest income	1,183.0	70.2	917.0	78.6	778.7	77.9
Operating income	502.7	29.8	248.8	21.4	221.3	22.1
Total income	1,685.7	100.0	1,165.8	100.0	1,000.0	100.0
2. World Lease Co., Ltd.						
Interest income	948.5	97.0	871.1	100.7	908.7	109.8
Interest expense	183.0	18.7	196.4	22.7	233.9	28.3
Net interest income	765.5	78.3	674.7	78.0	674.8	81.5
Operating income	211.8	21.7	190.6	22.0	152.7	18.5
Total income	977.3	100.0	865.3	100.0	827.5	100.0

Unit: THB million

	For the years ended 31 December					
	2016	%	2015	%	2014	%
3. CT Coll Co., Ltd.						
Interest income	0.7	1.5	1.2	2.0	1.1	1.2
Interest expense	0.2	0.4	0.2	0.3	0.2	0.2
Net interest income	0.5	1.1	1.0	1.7	0.9	1.0
Operating income	45.3	98.9	58.8	98.3	95.0	99.0
Total income	45.8	100.0	59.8	100.0	95.9	100.0

BUSINESS ASSETS

(1) Premises and equipment

As at 31 December 2016, CIMB Thai group had land valued at THB 2,134 million, buildings THB 2,974 million, equipment THB 2,654 million and assets under construction THB 17 million. Net of accumulated depreciation and provisions for impairment of THB 4,109 million, the net book value of the premises and equipment was THB 3,670 million. The land, buildings and condominiums under the Bank and subsidiaries's ownership accommodate the Bank's headquarters, business centres, branches, and subsidiaries' offices.

(2) Commitments under long-term leases

As at 31 December 2016 and 2015, 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		Separate	
	2016 THB million	2015 THB million	2016 THB million	2015 THB million
1 - 3 years	309	237	257	197
4 - 5 years	6	8	6	8
6 - 10 years	5	12	5	12
11 - 30 years	1	2	1	2
Total	321	259	269	219

(3) Other commitments

As at 31 December 2016, the Bank had other commitments in the form of agreements relating to computer system and software development with various companies. It would be obligated to further pay THB 83 million, MYR 3.57 million, USD 6.1 million and SGD 715 thousand under such agreements (as at 31 December 2015: THB 112 million, MYR 1.1 million and USD 27 thousand).

Sale of non-performing assets

- Sukhumvit Asset Management Co., Ltd “SAM”

On 29 December 2016, the Bank entered into the agreement with SAM for the sale of non-performing assets, and the Bank (as the transferors) received first payment of THB 4.22 million as at contract date and last payment of THB 80.28 million from SAM (as the transferee) on 6 January 2017, in accordance with the transfer conditions as specified in the agreement.

- Bangkok Commercial Asset Management Public Company Limited “BAM”

On 28 December 2016, the Bank entered into the agreement with BAM for the sale of non-performing assets, and the Bank (as the transferors) received 8 promissory notes of THB 117.44 million each, totalling of THB 939.52 million from BAM (as the transferee), payment date during 9 April 2017 to 30 December 2018 with interest rate of 2.5% per annum, in accordance with the transfer conditions as specified in the agreement.

RISK MANAGEMENT OVERVIEW

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 undertaking of risk management and mitigation include risk identification, measurement, monitoring and managing under a robust risk management framework, in which returns must commensurate with the risks taken.

The Board Risk Committee (BRC) is appointed by the Board of Directors to ensure independent and greater risk governance and accountability for all types of risks and to report directly to the Board of Directors. BRC is composed of three members who are members of the Board of Directors. Risk Management Committee (RMC) is appointed by the Board of Directors

with responsibilities to review and recommend to BRC and the Board of Directors in various risk areas and any related matters, such as credit risk, operational risk, reputation risk, capital risk (to ensure compliance with Basel regulatory requirements), etc. RMC is composed of members with relevant and seasoned experience and expertise. Its key responsibilities are to review and recommend to BRC and the Board of Directors 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.

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 BRC, RMC, Risk Management Sub-committees and Credit Committee, and assists the Management in managing risks inherent to the Bank and banking businesses. Risk Management Group is independent from other business units involved in risk taking transactions or activities.

In 2016, Asset Quality Committee (AQC) was appointed by BRC with responsibilities to review and provide direction on

managing accounts with credit quality concern and clients with signs of deterioration in credit quality.

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

STRATEGIC RISK

Strategic risk is the risk of losses as a result of insufficient consideration of possible threats to the Bank's activities, insufficiently substantiated prospective business where the Bank could gain advantage over its competitors, 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 a risk appetite and it is subject to approval by the Board of Directors. It uses the following strategic risk management methods: business planning, financial planning, monitoring of approved plan im-

plementation, 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 strategic risks can be summarised as follows:

1. Risk resulting from inappropriate organisational structure and management

The Bank is convinced that a proper organisational structure is one of the critical factors in achieving desired targets. Adhering to 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 of which the Bank must remain vigilant. Implementation of business plans under unfavourable external environments may lead to the Bank performing under its target. 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, analysis and assessment of peer banks are conducted on a regular basis. Subsequent research and strategic findings and recommendations will then be 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 "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 Strategy, 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 facility agreements. 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 the Bank is to create value for shareholders by ensuring that the revenue is generated in balance with the acceptable credit risk appetite. Under the Credit Risk Management Policy, the Bank has put in place credit risk management process, techniques and controls to maintain a check and balance system with clearly defined responsibilities for relationship managers, credit analysts, credit risk assessors, credit approvers and risk management officers. The Risk Management Framework for the Bank and its subsidiaries is continuously enhanced to support the 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 that was developed and implemented for corporate clients, SME rating model for SME clients, insurance model for life & non-life bancassurance customers, specialised lending rating model for specialised customer groups and credit scoring tools and system for retail, secured and unsecured loans as well as hire purchase. Credit rating and credit scoring tools are implemented in systems to ensure efficiency of rating/scoring and model performance monitoring. Moreover, the Bank has also put in place Acquisition Quality Trigger (AQT) to closely monitor the quality of new acquisition of retail customers more effectively.

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

The Bank determines and reviews risk appetite or acceptable risk level considering the forecasted economy in each year,

to be the guideline of business expansion and management. Risk appetite has been monitored on a monthly basis and reported to RMC, BRC, and the Board of Directors.

MARKET RISK

Market risk is defined as any fluctuation in the market value of the trading transaction or investment exposure. Therefore, market risk occurs when the Bank undertakes transactions which are exposed to fluctuation in market parameters such as interest rates, foreign exchange rates, securities prices in 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 risks include the following:

1. Interest rate risk

The interest rate risk in transactions in the trading book are under the supervision of RMC and 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 Unit. The one basis point shift (PV01) limit, Greek Limit, Value-at-Risk (VaR) Limit and stop loss limit are set to control the risks associated with movements in interest rates which might affect the revenue and capital reserves of the Bank.

2. Foreign exchange risk

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

3. Market risk of equity securities and commodity related transactions

The Bank does not invest in trading equity securities other than investments in subsidiaries or affiliated companies,

common shares as resulted from loan restructuring, and property funds which have high potential return and sound management. For commodity derivatives, the Bank fully hedges against commodity risk on a back-to-back basis, therefore market risk exposure on trading equity securities or commodity has never materialised.

LIQUIDITY RISK

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

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

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

conditions on a regular basis. For companies in the Bank's financial business group, liquidity risk management is decentralised. To support their liquidity, the Bank may consider and approve liquidity lines to them as per respective credit lines approved by the Board of Directors.

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

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

INTEREST RATE RISK IN BANKING BOOK

Interest Rate Risk in Banking Book (IRRBB) is defined as the current and potential risk to the Banks' earnings and economic value arising from movement in interest rates.

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

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

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

The Bank manages interest rate risk by adjusting the assets and liabilities structure to be in line with forecast interest rate trends, with consideration to 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 targets under acceptable level of risk.

OPERATIONAL RISK

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

In order to effectively manage operational risks, the Bank has set appropriate policies, 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, RMC 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 BRC 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 (ORC) to discuss, deliberate, assess and give advice on all issues relating to operational risks including fraud and covering key cause factors – human, process, system and external factors.

CIMB Thai's fundamental principle on operational risk is that the responsibility to manage operational risks associated with business ventures, products, services, and systems lines with line management and all staff performing the operations. Their responsibility includes compliance with all internal and external laws, regulations, policies and standards. In so doing, a Designated Compliance & Operational Risk Officer (DCORO) is appointed within each work unit to coordinate and assist in building the risk culture in their 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 bank-wide operational risk policies, and international standards.

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

1. Risk control self-assessment

Each business unit is required to conduct risk control self-assessment and report the results of which regularly

to Risk Management 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 address the problems in a coherent and timely manner. In this context, continuous attention has been given to providing effective and efficient oversight across the organisation, including defining a clear scope of responsibilities and approval authority, establishing checks and balances, and securing data and information. Particular attention has also been given to ensure the continuity of business activities in accordance with international standards while enhancing sound corporate governance.

2. Loss event data reports

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

3. Key risk indicators (KRIs)

KRI is a tool to monitor and manage key operational risk exposures over time to predict upcoming changes in operational risk profiles. KRI provides early warning signals to 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, Management will be able to take appropriate actions to mitigate the risks beforehand.

4. Control issue management (CIM)

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

5. New product approval process

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

6. Complaint management process

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

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

7. Business continuity plan

The Bank has developed and implemented business continuity management bank-wide and in subsidiaries to analyse the business impact of critical business functions. At least once a year, the Bank documents their business continuity plan based on the analysed result as well as exercises on business continuity plan/disaster recovery plan. This is to ensure that critical business functions can recover within a specified time in the event of a crisis, disaster or calamity disrupting the critical business functions. Business continuity management helps preserve the Bank's reputation and maintain customer confidence in the Bank's services.

8. Internal audit and compliance

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

RISK RELATED TO FOREIGN INVESTMENT

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

CORPORATE GOVERNANCE REPORT

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

CORPORATE GOVERNANCE PRINCIPLES

The Bank has developed processes for identifying, assessing and managing 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. With adherence to this policy in its operations, the Bank aims to build trust and confidence among investors and stakeholders, hence improving its competitiveness, enhancing value and promoting stability. The policy was updated to comply with the good governance principles and relevant regulatory requirements. Details of the Bank's corporate governance policy are available on its website: www.cimbthai.com.

CORPORATE GOVERNANCE

1. Rights of Shareholders

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

The Bank is required to hold its annual general meeting of shareholders (AGM) within four months from the fiscal year end. Meetings of shareholders other than general meetings are called extraordinary meetings, which can be convened by the Board at any time it deems fit. The 2016 AGM was held on 19 April 2016.

Before the AGM, from 1 November 2015 to 31 January 2016, shareholders were invited to propose matters for inclusion in the meeting agenda and propose names of qualified candidates for election as directors of the Bank in accordance with the Bank's rules and criteria. For the 2016 AGM, no agenda items and no director nominations were proposed by the shareholders.

To convene the 2016 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 of meeting attendance and voting, proxy grants by shareholders, and the 2015 annual report in hard copy. The Bank has assigned Thailand Securities Depository, the Bank's share registrar, to send notice to shareholders for consideration 14 days before the meeting. This allows shareholders to have time to study the information beforehand. The Bank also published 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 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 2016 AGM, nine shareholders appointed the member of the Audit Committee who is independent director to attend the AGM and vote on the shareholder's behalf.

At the 2016 AGM, 100% of the Board members and 500 shareholders and proxies attended the meeting, with total shares held of 24,018,606,645 shares representing 96.9480% 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 had

assigned the Vice Chairman to run the meeting in order to assure that the shareholders would have equal opportunity to ask questions, raise any issues or make recommendations without language restriction. In addition, the Bank gave multimedia presentation of the proposed information for the meeting and provided simultaneous English translation for foreign shareholders. At the meeting, members of the Board and relevant executive officers answered or clarified related issues clearly and comprehensively. Issues raised and recommendations given were recorded in the meeting minutes. Voting was conducted in an open and transparent manner whereby vote casting for each agenda item followed the order specified in the notice and no modifications were made to the original agenda. Voting results on each agenda item were tallied through the bar code system and ballots of shareholders who disagreed and abstained from voting were kept. After the meeting, the minutes of the meeting were prepared in an accurate and comprehensive manner, including a summary of issues raised and clarifications or views provided as well as detailed votes for each agenda item which showed the number of votes cast for and against the motion, etc. The minutes of the 2016 AGM were submitted to the relevant supervisory authorities within 14 days from the meeting date as prescribed by law, and posted on the Bank's website, www.cimbthai.com, for shareholders' reference.

2. Equitable Treatment of Shareholders

The Bank recognises the importance of fair treatment of all shareholders including its duty on protection of shareholders' interests. Measures are in place to prevent the use of internal information for personal gains by the Board members, executives and employees. The Board has set a policy and procedure to prohibit unauthorised disclosure of material and 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 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 on 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 align with this objective, it has set up CIMB Thai Care Centre to efficiently handle client complaints and queries. The centre maintains a database of client complaints and classifies them by source and type. A report is prepared and forwarded to 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 the local community at large. Details of the Bank's activities are available in the Corporate Social Responsibility section.

4. Disclosure and Transparency

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

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

In 2016, the Bank organised IR activities to provide information both directly and indirectly as follows:

1. Welcomed altogether 14 investors and analysts to meet with management team for inquiry on operating results, altogether seven meetings.
 2. Press release issued whenever the Bank had significant investment or business activities.
 3. Availability of channels for inquiries via email at ir@cimbthai.com, phone at +662-626-7738, or website at http://www.cimbthai.com/CIMB/investor_relations/.
- Dissemination of information to the general public via the media when financial results and business directions are to be announced to interested parties. This allows local and foreign investors and analysts to keep abreast of the Bank's performance and growth.

5. Responsibilities of the Board

A. Board Structure

Members of the Board comprise of professionals with diversified backgrounds in finance, banking, business management, marketing, legal, auditing, accounting and government affairs. At present, there are 10 Board members.

Election of Board members follows the resolution of 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
- 4 non-executive directors
- 4 independent directors (accounting for 40% of the entire Board)

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

The Board appoints one of its directors to be the Chairman. The President and CEO is not eligible to be appointed as the Chairman. In the interest of good governance, the roles of the Chairman and the President and CEO stay separate, with each of them having clearly defined responsibilities. A clear division of responsibilities helps ensure that no single

individual has unfettered decision-making power and enables the Chairman to give objective views on the decisions made by management.

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

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

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

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

C. Roles, Duties and Responsibilities of the Board

1. Leadership and Vision

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

2. 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.

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

When considering related party transactions, if the transactions are related to major shareholders, directors, senior executive vice presidents or those holding the equivalent positions thereto, and executives in the Finance 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 a shareholders' meeting.

3. Related Transactions

As of 31 December 2016, 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 2016.

- 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 Investment Bank Berhad, a subsidiary of CIMB Group which is indirect major shareholder of the Bank	<p>The Bank has utilized the available debenture budget by issuing subordinated debenture of up to THB 5,000 million in Thai Baht or Malaysian Ringgit currency with a tenure of up to 10 years and a call option at year 5.</p> <p>CIMB Investment Bank Berhad and/or affiliated parties within CIMB Group has been appointed to act as a financial advisor / principal advisor / lead arranger / lead manager / book runner / underwriter, with an underwriting fee charged at 0.15% of total issue size in Malaysian Ringgit equivalent to THB 5,000 million</p> <p>This transaction is considered the Banks normal business support under general trading terms.</p>	The Board of Directors' meeting no. 2/2016 held on 26 February 2016 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter) deemed it proper to approve the transaction since it was the Bank's normal business support under general trading terms.
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 renewed the insourcing service agreement with CPAM for two years, valid from 14 April 2016 to 15 April 2018. The provided services cover two areas, including information technology and human resources, with estimated revenue to be generated of THB 970,000.</p> <p>This transaction is considered the Bank's normal business support under general trading terms.</p>	The Board of Directors' meeting no. 3/2016 held on 17 March 2016 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter) deemed it proper to approve the transaction since it was the Bank's normal business support and brought benefits to the Bank.
CIMB Bank Berhad (CIMB Bank), the major shareholder of the Bank holding 93.71% of the Bank's total issued and paid-up shares	<p>CIMB Bank by Group Decision Management, Consumer Banking has assisted the Bank in transferring the knowledge of decision management, customer analysis and statistical model by accessing to non-confidential information of CIMB Thai's customer and performing the analysis of such non-confidential information. There is no cost chargeable to CIMB Thai by CIMB Bank.</p> <p>This transaction is considered the Bank's normal business support under general trading terms.</p>	The Board of Directors' meeting no. 4/2016 held on 28 April 2016 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter) deemed it proper to approve the transaction since it was the Bank's normal business support and brought benefits to the Bank.
CIMB Bank Berhad (CIMB Bank), the major shareholder of the Bank holding 93.71% of the Bank's total issued and paid-up shares	<p>The Bank has made 1P pay back to CIMB Bank at the revised rate of MYR 39.72 per new account opened.</p> <p>This transaction is considered the Bank's normal business support under general trading terms.</p>	The Board of Directors' meeting no. 5/2016 held on 25 May 2016 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter) deemed it proper to approve the transaction since it was the Bank's normal business support and brought benefits to the Bank.
CIMB-Principal Asset Management Co., Ltd. (CPAM), a subsidiary of CIMB Group which is the indirect major shareholder of the Bank	<p>The Bank has made customer referral to CPAM for private fund and provident fund products, with the referral fees as below:</p> <ul style="list-style-type: none"> - New provident fund (no less than 30 employees with monthly contribution over THB 30,000): 50% of set-up fee (approximately THB 0 - 30,000) - Transfer of provident fund <ul style="list-style-type: none"> - Single fund: 30% of first year's provident fund management fee - Pooled fund: 0.15% of transferred NAV <p>This transaction is considered the Bank's normal business support under general trading terms.</p>	The Board of Directors' meeting no. 6/2016 held on 23 June 2016 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter) deemed it proper to approve the transaction since it was the Bank's normal business support and brought benefits to the Bank.

Name and Relationship	Transaction Characteristics and Value	Necessity and Reasonableness with Audit Committee's Opinion
iCIMB MSC, a wholly owned subsidiary of CIMB Holdings which is a subsidiary having CIMB Group as the indirect major shareholder	<p>iCIMB (MSC) Sendirian Berhad has performed the development of ShARP system for the Bank with the operational cost for hubbing (cost allocation) of THB 3,556,956 with the payment term of three years (THB 1,185,652 annually).</p> <p>This transaction is considered the Bank's normal business support under general trading terms.</p>	The Board of Directors' meeting no. 7/2016 held on 26 July 2016 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter) deemed it proper to approve the transaction since it was the Bank's normal business support and brought benefits to the Bank.
CIMB Bank Berhad (CIMB Bank), the major shareholder of the Bank holding 93.71% of the Bank's total issued and paid-up shares	<p>CIMB Bank has charged back the Bank for CIMB Thai Corporate Website Redesign Project, with the cost allocation of THB 1,078,495 per annum or a total of THB 5,392,475 for a period of five years.</p> <p>This transaction is considered the Bank's normal business support under general trading terms.</p>	The Board of Directors' meeting no. 8/2016 held on 25 August 2016 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter) deemed it proper to approve the transaction since it was the Bank's normal business support and brought benefits to the Bank.
Sathorn Asset Management Co., Ltd. (STAMC), a subsidiary of CIMB Group which is the indirect major shareholder of the Bank	<p>The Bank has changed the 1P cost allocation mechanism to STAMC, from new account opened to allocation by number of existing account and number of monetary transaction.</p> <p>The proposed new cost allocation was 3.70%, while the previous cost allocation based on new account opened was 0.02%.</p> <p>This transaction is considered the Bank's normal business support under general trading terms.</p>	The Board of Directors' meeting no. 9/2016 held on 27 September 2016 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter) deemed it proper to approve the transaction since it was the Bank's normal business support and brought benefits to the Bank. Furthermore, the fee charges are reasonable.
CIMB Bank Berhad (CIMB Bank), the major shareholder of the Bank holding 93.71% of the Bank's total issued and paid-up shares	<p>The Bank has outsourced credit migration model to CIMB Bank Berhad for three models as below:</p> <ol style="list-style-type: none"> 1) Credit Risk Migration Model for Non-Retail Portfolio 2) Credit Risk Migration Model for Retail Portfolio (CIMB Thai and subsidiaries) 3) Credit Risk Migration Model for Corporate Bond Portfolio <p>CIMB Bank would only charge fees for the service rendered as abovementioned only if it is not a part of the requirement of CIMB Bank to comply with Bank Negara Malaysia's Basel requirements.</p> <p>This transaction is considered the Bank's normal business support under general trading terms.</p>	The Board of Directors' meeting no. 9/2016 held on 27 September 2016 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter) deemed it proper to approve the transaction since it was the Bank's normal business support and brought benefits to the Bank. Furthermore, the fee charges are reasonable.
iCIMB MSC, a wholly owned subsidiary of CIMB Holdings which is a subsidiary having CIMB Group as the indirect major shareholder	<p>iCIMB (MSC) Sendirian Berhad has operated GEPS system for the Bank, with the operational cost for hubbing (cost allocation) of THB 469,431.50 and payment term of four years (an average of THB 117,357.78 per annum).</p> <p>This transaction is considered the Bank's normal business support under general trading terms</p>	The Board of Directors' meeting no. 10/2016 held on 27 October 2016 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter) deemed it proper to approve the transaction since it was the Bank's normal business support and brought benefits to the Bank. Furthermore, the fee charges are reasonable.
CIMB Securities (Thailand) Co., Ltd. (CIMBS), a wholly owned subsidiary of CIMB Securities International Pte. Ltd. which is a subsidiary having CIMB Group as the major shareholder	<p>The Bank has provided insourcing services of internal audit to CIMBS and CPAM. The service fee would be charged based on estimated working hours of auditors and other relevant fees and expenses, such as traveling expense and accommodation expense in case of upcountry travel, etc.</p> <p>This transaction is considered the Bank's normal business support under general trading terms.</p>	The Board of Directors' meeting no. 10/2016 held on 27 October 2016 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter) deemed it proper to approve the transaction since it was the Bank's normal business support and brought benefits to the Bank. Furthermore, the fee charges are reasonable.
CIMB-Principal Asset Management Co., Ltd. (CPAM), a subsidiary of CIMB Group which is the indirect major shareholder of the Bank		

Name and Relationship	Transaction Characteristics and Value	Necessity and Reasonableness with Audit Committee's Opinion																		
CIMB Group, the indirect major shareholder of the Bank	<p>The Bank has signed an agreement with CIMB Group Sdn Bhd for outsourcing IT service for Regional Corporate Loan Management System (RCLMS), with yearly service fee, excluding taxes, as below:</p> <p style="text-align: right;">Unit: MYR</p> <table><tr><th>Year</th><th>2016</th><th>2017</th><th>2018</th><th>2019</th></tr><tr><td>Total charge</td><td>40,107</td><td>240,641</td><td>625,124</td><td>628,837</td></tr></table> <table><tr><th>Year</th><th>2020</th><th>2021</th><th>2022</th></tr><tr><td>Total charge</td><td>632,660</td><td>636,598</td><td>640,655</td></tr></table> <p>This transaction is considered the Bank's normal business support under general trading terms.</p>	Year	2016	2017	2018	2019	Total charge	40,107	240,641	625,124	628,837	Year	2020	2021	2022	Total charge	632,660	636,598	640,655	<p>The Board of Directors' meeting no. 10/2016 held on 27 October 2016 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter) deemed it proper to approve the transaction since it was the Bank's normal business support and brought benefits to the Bank. Furthermore, the fee charges are reasonable.</p>
Year	2016	2017	2018	2019																
Total charge	40,107	240,641	625,124	628,837																
Year	2020	2021	2022																	
Total charge	632,660	636,598	640,655																	
iCIMB MSC, a wholly owned subsidiary of CIMB Holdings which is a subsidiary having CIMB Group as the indirect major shareholder	<p>The Bank has used a service of Security Operation Center from Tangerine Monitoring Center to ensure the Bank has a 24x7 real time security monitoring to promptly respond to cyber security threat, and has signed an agreement with iCIMB (Malaysia) Sdn Bhd, with a yearly service fee for five years, starting from year 2017, as described below:</p> <p style="text-align: right;">Unit: THB million</p> <table><tr><th>Year</th><th>2017</th><th>2018</th><th>2019</th><th>2020</th><th>2021</th></tr><tr><td>Total charge</td><td>1.2</td><td>1.2</td><td>1.2</td><td>1.2</td><td>1.2</td></tr></table> <p>This transaction is considered the Bank's normal business support under general trading terms.</p>	Year	2017	2018	2019	2020	2021	Total charge	1.2	1.2	1.2	1.2	1.2	<p>The Board of Directors' meeting no. 12/2016 held on 15 December 2016 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter) deemed it proper to approve the transaction since it was the Bank's normal business support and brought benefits to the Bank. Furthermore, the fee charges are reasonable.</p>						
Year	2017	2018	2019	2020	2021															
Total charge	1.2	1.2	1.2	1.2	1.2															
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. 3/2016, held on 17 March 2016, resolved to terminate the engagement of STAMC who provided service on debts recovery, debts restructuring and management of non-performing loan (NPL) and sale of non-performing assets (NPA) which have been categorized as Non-material Function, with the existing agreement expiring on 31 December 2018.</p> <p>The Board of Directors' meeting no. 11/2016, held on 23 November 2016, resolved to approve the reorganization and a setup of new unit namely "Special Assets Management Team" under Risk Management Group to manage NPLs and NPAs starting 1 January 2017, replacing Business Support Group which will be dissolved by 31 December 2016.</p> <p>The Bank and STAMC had negotiated the reduction of service fee for corporate and SME loans, retail secured loans and legal fees with effect from 1 January 2017 in return for the extension of service agreement for another two years. Such reduction in service fee for the remaining two years (2017-2018) under existing agreement would result in a loss of STAMC revenue estimated at around THB 2.8 million. This would be offset by the extension of the service agreement period for another two years, which would generate additional revenue for STAMC estimated at around THB 3 million.</p> <p>This transaction is considered the Bank's normal business support under general trading terms</p>	<p>The Board of Directors' meeting no. 12/2016 held on 15 December 2016 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter) deemed it proper to approve the transaction since it was the Bank's normal business support and brought benefits to the Bank. Furthermore, the fee charges are reasonable.</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)

As of 31 December 2016						
Company name	Contingent liabilities	Outstanding loans / Investments in receivables	Deposits	Borrowings	% Share holding	Joint management
Parent Company						
CIMB Bank Berhad	44	-	-	3,755	93.71	-
Interest rate swap contracts		-	-	-		
- Fixed rate payee	71,805	-	-	-		
- Floating rate payee	102,216					
Forward and spot contracts						
- Bought	510	-	-	-		
Cross currency and interest rate swap contracts		-	-	-		
- Bought	8,507					
- Sold	1,792	-	-	-		
Commodity		-	-	-		
- Bought	56					
- Sold	50	-	-	-		
Credit derivatives						
- Sold	4,523	-	-	-		
Subsidiary companies						
Center Auto Lease Co., Ltd.	-	19,028	134	-	99.99	Director with delegated signature authority: Mr. Adisorn Sermchaiwong Ms. Sasima Thongsamak
CT Coll Co., Ltd.	-	8	56	-	99.99	Directors with delegated signature authority: Mr. Adisorn Sermchaiwong Ms. Onanong Udomkantong Ms. Sasima Thongsamak Mr. Goh Therd Siang
Worldlease Co., Ltd.	-	2,644	24	-	99.99	Directors with delegated signature authority: Mr. Adisorn Sermchaiwong Ms. Onanong Udomkantong
Company under common control						
Sathorn Asset Management Co., Ltd.	-	-	581	-	-	Directors: Mr. Goh Therd Siang
CIMB Securities (Singapore)	-	-	49	-	-	Director with delegated signature authority: Mr. Sutee Losoponkul
CIMB-Principal Asset Management Co., Ltd.	-	-	371	-	-	Director with delegated signature authority: Mr. Adisorn Sermchaiwong
Other related companies						
	-	-	9	-	-	-
Related persons						
	-	38	846	-	-	-

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. Board Risk Committee has been appointed by the Board of Directors with relevant roles, duties and responsibilities defined on overseeing all types of risks and capital management of the Bank and companies in the financial business group and assessing operations to ensure conformity with the risk management plan. 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 adequate time for studying business agendas and to ensure time spent efficiently during the meeting. The Board Secretary is also responsible for taking the minutes of each meeting and preparing the minutes of the meeting, which is adopted by the Board and filed for possible examination by the Board and relevant agencies. In 2016, the Bank held 12 Board meetings (details as disclosed under "Meeting Attendance of Directors").

E. Board/Board Committee Performance Review

The Bank has conducted annual evaluation of the Board/Board-committee performance to allow Board/Board committee members to make a joint review of their performance, raise concerned problems and obstacles, and give observations and recommendations for increased operational efficiency. The evaluation form is divided into: a) self-assessment of Board/Board committee as a whole, comprising six sections: 1) structure and qualifications of the Board/Board committee members, 2) roles, duties and

responsibilities of the Board/Board committee, 3) Board/Board committee meetings, 4) Board/Board committee's performance of duties, 5) relationship with the management, and 6) self-development of the Board/Board committee members and executive officers, and b) self-assessment on an individual basis, comprising three sections: 1) structure and qualifications of the Board/Board committee members, 2) Board/Board committee meetings, and 3) roles, duties and responsibilities of the Board/Board committee. The evaluation results will be compiled and concluded by the Board Secretary before presenting to the Chairman of the Board/Board committee for review to ensure compliance of the practices with the Board/Board committee Charter.

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

F. Remuneration of Directors and Senior Executives

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

- Remuneration of Directors

The Bank's Articles of Association set out broad policies and practices to allow flexibility in determining directors' remuneration based on excellence in business and personal performance as well as the prevailing market conditions. The remuneration packages for directors, as approved by the meeting of shareholders, comprise of 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 2016 annual general meeting of shareholders no. 22 held on 19 April 2016 passed a resolution approving the remuneration for the Board and Board Committee members for 2016, as detailed below:

1. Meeting and entertainment allowances for Board members:

Remuneration (Position)	Year 2016	
	Allowance (Monthly)	Allowance (Per attendance)
1. Meeting allowance		
• Chairman	71,500 THB/person	58,500 THB/person
• Vice Chairman	48,400 THB/person	39,600 THB/person
• Director	24,000 THB/person	20,000 THB/person
2. Entertainment allowance		
• Chairman	70,000 THB/person	-

Directors are responsible for paying their own income tax.

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

Remuneration (Position)	Year 2016	
	Allowance (Monthly)	Allowance (Per attendance)
1. Audit Committee		
• Chairman	39,600 THB/person	32,400 THB/person
• Committee member	22,000 THB/person	18,000 THB/person
2. Other Committees		
• Chairman	28,600 THB/person	23,400 THB/person
• Committee member	22,000 THB/person	18,000 THB/person

Directors are responsible for paying their own income tax.

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

G. Executive Development Programme

The Bank encourages all directors to participate regularly in the executive development programme, which is designed to familiarise the directors with the Bank's businesses, while providing them with an insight into their roles and responsibilities as Board members, and assisting them in developing visionary thinking. So far, the directors have participated in 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 2016, there were two new directors elected by the shareholders' meeting. The new directors underwent an in-house induction programme on an overview of the Bank and its business plans. They also received an information pack that explained 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 upskill each individual to be ready to replace key positions with immediate effect or within a 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 upskill and bridge any gaps
7. Review and complete annual succession plan for approval by the Nomination, Remuneration and Corporate Governance Committee and the Board of Directors

I. Organisation and Personnel

As of 31 December 2016, the total manpower of the Bank was 2,699 employees, of whom 802 work at Bank branches and 1,897 at the head office, as below:

No. of employees	
1. President and Chief Executive Officer	1
2. Risk Management Group	98
3. Business Support Group	81
4. Finance Group	90
5. Group Information and Operations Division	562
6. Wholesale Banking Group	114
7. Retail Banking Group	1,299
8. Commercial Banking Group	155
9. Treasury Group	68
10. Transaction Banking Group	50
11. Human Resources Management Division	52
12. Office of the President	14
13. Corporate Communications Division	20
14. Internal Audit Division	55
15. Strategy Division	7
16. Compliance Department	21
17. Private Banking	12
Total	2,699

Staff Development Programme and Human Resource Management Plan

The Bank is committed to continually developing human resources management system with focus on developing existing internal personnel to become a leader and successor to various key positions in the organization with competency based learning. Training roadmap was in place for branch staff at all levels to ensure increased skills in serving as a professional financial advisor in line with the Retail Banking business management strategies implemented since 2015. Various development programmes have been initiated for branch staff and continued every year, including Winning Wealth Management Programme and Branch Network Talent Development Programme. The Bank has also emphasized on providing all staff levels with leadership programmes, and implemented Learning Management System (LMS) via E-learning as a key mandatory training programmes for all staff. Its focus has also been on building an organization culture under CIMB Group's A Better CIMB theme.

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 2,058.08 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 2016, the Bank organized 258 training courses, comprising 115 internal and 143 external courses at a total cost of THB 19.1 million covering 2,838 staff or 98% of total staff. The average ratio of training for staff was five days per staff per year. In addition to existing leadership development program, the

Bank supported its internal trainers to acquire the certification program of DDI (Development Dimensions International) to internally conduct new leadership programmes such as Working as a High-performing Team, Embracing Change, Fostering Innovation, etc. Courses aimed at increasing work skill were also offered, including Omega Credit Skills, Product Knowledge, Work System, Standard Operating Procedures, etc. Moreover, the Bank has provided scholarship to employees to pursue their MBA and promoted cross-board learning within CIMB Group by sending its employees to undertake training courses offshore such as Group Orientation, INSEAD Programme, Middle Management Development Plan, etc.

Staff Health and Safety Information

Proportion of average leave days of staff classified by type	2016 %	2015 %
Sick leave	30.11	30.76
Work related injury and sick leave	0.0	0.0
Others	69.89	69.24
No. of average sick leave days (days/person)	2.77	2.71
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 19 April 2016:

No.	Name of Shareholders	Number of Shares	% of Total
1.	CIMB BANK BERHAD	23,215,584,403	93.71
2.	BANK JULIUS BAER & CO. LTD, SINGAPORE	760,756,147	3.07
3.	THAI NVDR CO., LTD.	145,854,988	0.59
4.	MR. PISIT PRUKPAIBOON	33,609,986	0.14
5.	MR. PREECHA SUJINANKUL	14,100,000	0.06
6.	MR. PRAWIT PHANSAICHUE	13,452,575	0.05
7.	SCB SET INDEX FUND	11,944,716	0.05
8.	SCB SET BANKING SECTOR INDEX	10,416,925	0.04
9.	MR. WORAPOJ DEEJARIYA	10,000,005	0.04
10.	MRS. JAROONLUK PANICHSHEEWA	9,623,250	0.04
	Other Shareholders	549,388,684	2.22
	Total 6,953 shareholders holding	24,774,731,679	100.00
	Thai shareholders 6,893 shareholders	789,071,961	3.18
	Foreign shareholders 60 shareholders	23,985,659,718	96.82
	Total number of shares	24,774,731,679	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

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 Committee Level 2, Retail Business Committee, Assets and Liabilities Management Committee, IT Strategic Planning Committee, Thailand Underwriting Committee, Marketing and Communications Committee, and Asset Quality Committee.

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.

39/2559 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 three-fourths of the remaining members of the Board.

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

Board of Directors

As of 31 January 2017, the Board of Directors was composed of the following 10 directors:

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

Notes /1 The Annual General Meeting of Shareholders no. 22, held on 19 April 2016, resolved to appoint Mr. Chakramon Phasukavanich, as director of the Board. The Board of Directors meeting, held on 28 April 2016, resolved to appoint as the chairman effective from 1 May 2016.

/2 The Annual General Meeting of Shareholders no. 22, held on 19 April 2016, resolved to appoint Mr. Pravej Ongartsittigul, as Director. The Board of directors meeting, held on 28 April 2016, resolved to appoint as Independent Director and member of Audit Committee effective from 1 May 2016.

/3 The Board of Directors meeting, held on 27 September 2016, resolved to appoint Mr. Kittiphun Anutarasoti, as Director in place of Ms. Sopawadee Lertmanaschai who had resigned and appoint Mr. Kittiphun Anutarasoti as President and Chief Executive Officer effective from 19 October 2016.

Directors Nominated by Major Shareholder

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

Authorised Signatories

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

E. BOARD COMMITTEES (as of 31 January 2017)

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 Committee Level 2
8. Retail Business Committee
9. Assets and Liabilities Management Committee
10. IT Strategic Planning Committee
11. Thailand Underwriting Committee
12. Marketing and Communications Committee
13. Asset Quality Committee

1. Audit Committee

The Audit Committee (AC) is composed of:

1. Mr. Sukont Kanjana-Huttakit	Independent Director	as Chairman
2. Dato' Shaarani Bin Ibrahim	Independent Director	as Member
3. Mr. Pravej Ongartsittigul ^{/1}	Independent Director	as Member
4. Ms. Siriporn Sanunpairaue	Senior Executive Vice President Internal Audit Division	as Secretary for Internal Audit function
5. Mr. Thaphop Kleesuwan	Executive Vice President Compliance Department	as Secretary for Compliance function

Note /1 The Board meeting, held on 28 April 2016, resolved to appoint Mr. Pravej Ongartsittigul, as member of Audit Committee in place of Mrs. Watanan Petersik who had resigned from the Audit Committee effective from 1 May 2016.

Powers, Duties and Responsibilities:

1. Assist the Board in discharging its statutory duties and responsibilities relating to accounting, reporting practices and corporate governance.

The Audit Committee 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 to ensure that appropriate and prompt remedial actions are taken by management.
6. Review the correctness and adequacy of financial statements for submission to the Board of the relevant entities within the CIMB Thai Group.
7. Review all related party transactions submitted by management that may arise within the CIMB Thai Group and keep the Board informed of such transactions.
8. Report to the Board any corrective action or improvement required should the Audit Committee 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 Audit Committee, any member of the Audit Committee has to report such activity to the SEC or the SET.
9. Report all activities of the Audit Committee in the Bank's annual report, which must be signed by the Audit Committee Chairman. The report must contain minimum information as stipulated in the SET regulations.
10. Clearly document the scope, roles and responsibilities of the advisory service from external expert to Audit Committee or appointment of management to perform duty on behalf of Audit Committee, 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 to it by the Board.

Coverage: CIMB Thai group

2. *Nomination, Remuneration and Corporate Governance Committee*

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

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

Powers, Duties and Responsibilities:

1. Nomination:

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

2. Remuneration:

- To develop the policies on remuneration and other benefits payment, as well as remunerations and benefits for directors and persons with management power (EVP upwards) under clear, transparent criteria for proposal to the Board of Directors for consideration and approval, and to submit such policies to the Bank of Thailand upon its request. (Policies on remunerations, benefits and welfares shall cover every aspect of remunerations, including director fees, salaries, allowances, bonuses, as well as relevant options and benefits.)
- To ensure that directors and persons with management power (EVP upwards)'s remunerations commensurate with their duties and responsibilities. Board members who take extra assignments should receive remunerations commensurate with their designated duties and responsibilities.
- To determine performance assessment criteria for board members and persons with management power (EVP upwards) for use in annual remuneration review, taking into account their responsibilities and relevant risks, as well as increase of shareholders' equity in a long run.
- To disclose the policy on remuneration determination and remunerations in various forms, and to prepare a report on remuneration determination that at least covers the objectives, activities and opinions of the Remuneration Committee in the Bank's annual report.

- To review the remuneration and compensation schemes for CIMB Thai employees in line with the industry practices and remuneration framework of the CIMB Group.
 - To recommend the annual salary adjustments and bonuses framework for CIMB Thai Group to the Board of Directors for approval.
3. Corporate Governance:
- To review the Corporate Governance Policy and Codes of Conduct for directors and employees of the Bank to ensure consistency with the corporate governance criteria of relevant regulatory authorities, and to submit to the Board of Directors for approval.
 - To approve corporate governance guidelines for relevant units to align with and present to the Board of Directors for acknowledgement on a yearly basis so as to enhance good corporate governance of the Bank.
4. The Committee may consider other matters assigned by the Board.

3. Board Risk Committee

The Board Risk Committee (BRC) is composed of:

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

Note /1 The Board meeting, held on 22 January 2016, resolved to appoint Dato' Lee Kok Kwan, as BRC Chairman and Mr. Chitrapongse Kwangsukstith as BRC member and alternate Chairman.

Powers, Duties and Responsibilities:

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

Frameworks/Policies/Limits and MATs of CIMB Thai

 - 2.1. To approve new risk frameworks/policies or changes therein or improvement thereof which may result in material increase in risk as permitted by regulator(s) to be approved by the committee assigned by the Board; and
 - 2.2. To approve all risk limits and MATs permitted by regulator(s) to be approved by the committee assigned by the Board.

Frameworks/Policies/Limits and MAT of Financial Group

 - 2.3. To concur on new risk frameworks/policies (only required for the financial group) or changes therein which may result in material increase in risk prior to submission to the respective board of directors of the companies within the financial group for approval.
 - 2.4. To concur on all risk limits and MATs prior to submission to the respective board of directors of the companies within the financial group for approval.
3. Oversee the entire risk and capital management functions of CIMB Thai and its financial group including but not limited to the following:

- 3.1. To ensure capital management frameworks, policies and strategies and its related frameworks, policies and strategies operate effectively and being complied with.
- 3.2. To review and approve the stress testing scenario and risk posture.
4. Review and concur or approve proposals recommended by risk committees including but not limited to the following:
- New third party of CIMB Thai and its financial group
- Approve the new third party(ies) of CIMB Thai (excluding CIMB Principal and CIMB Thai's subsidiaries) before selling their products or to concur on the new 3rd party(ies) of the financial group prior to submission to the respective board of directors of the companies within the financial group for approval.
5. Provide strategic guidance and review decisions made by the various risk committees.
6. Ensure that infrastructure, resources, systems including risk measurement tools and other capabilities of CIMB Thai and its financial group are in place for risk management in order to maintain a satisfactory level of risk management and discipline and the risk awareness culture is pervasive throughout the organisation.
7. Appoint external consultants, from time to time, to review and advise BRC on risk management matters.
8. Approve and ensure the following are in line with regulatory requirements:
- 8.1. Risk-related disclosures; and
- 8.2. Internal control over process of risk-related disclosures.
- Coverage: CIMB Thai financial group (where appropriate)

4. Shariah Sub-Committee

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

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

Powers, Duties and Responsibilities

1. Explore all possibilities in conducting a financial service 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 Sub-Committees involved.

5. Management Committee

The Management Committee is composed of:

1. Mr. Kittiphun Anutarasoti ^{/1}	President and Chief Executive Officer	as Chairman
2. Mr. Sutee Losoponkul	Senior Executive Vice President Treasury Group	as Member
3. Mr. Adisorn Sermchaiwong	Senior Executive Vice President Consumer Banking Group	as Member
4. Mr. Arthit Masathirakul ^{/2}	Senior Executive Vice President Risk Management Group	as Member
5. Mr. Pornchai Padmindra	Senior Executive Vice President Wholesale Banking Group	as Member

6. Mrs. Bussakorn Puttinan ^{/3}	Senior Executive Vice President Group Information and Operations Division	as Member
7. Mrs. Wareemon Niyomthai ^{/4}	Senior Executive Vice President Commercial Banking Group	as Member
8. Mrs. Kanokpai Vongsatitporn ^{/5}	Senior Executive Vice President Human Resources Management Division	as Member
9. Mr. Jason Leong Kok Yew ^{/6}	Senior Executive Vice President Finance Group	as Member
10. Mr. Tan Keat Jin ^{/7}	Senior Executive Vice President Strategy Division	as Member
11. Mr. Prapas Thongsuk	Executive Vice President Corporate Communications Division	as Member
12. Mr. Phisit Sucharitsopit ^{/8}	Executive Vice President Transaction Banking Group	as Member
13. Mr. Thaphop Kleesuwan	Executive Vice President Office of the President & Compliance Department	as Secretary

By invitation

Ms. Siriporn Sanunpairaue Senior Executive Vice President Internal Audit Division

- Notes /1 The Board meeting, held on 27 September 2016, resolved to appoint Mr. Kittiphun Anutarasoti as President and Chief Executive Officer effective from 19 October 2016.
- /2 The Board meeting, held on 24 November 2016, resolved to appoint Mr. Arthit Masathirakul, Senior Executive Vice President as Head of Risk Management Group and Chief Risk Officer effective from 1 January 2017.
- /3 The Board meeting, held on 27 October 2016, resolved to appoint Mrs. Bussakorn Puttinan, Senior Executive Vice President as Head of Group Information and Operations Division effective from 4 January 2017.
- /4 The Board meeting, held on 27 November 2015, resolved to appoint Mrs. Wareemon Niyomthai, Senior Executive Vice President as Head of Commercial Banking Group effective from 8 February 2016.
- /5 The Board meeting, held on 24 November 2016, resolved to appoint Mrs. Kanokpai Vongsatitporn as Senior Executive Vice President of Human Resources Management Division effective from 30 December 2016.
- /6 The Board meeting, held on 24 November 2016, resolved to appoint Mr. Jason Leong Kok Yew as Senior Executive Vice President of Finance Group effective from 30 December 2016.
- /7 The Board meeting, held on 24 November 2016, resolved to appoint Mr. Tan Keat Jin as Senior Executive Vice President of Strategy Division effective from 30 December 2016.
- /8 The Board meeting, held on 27 November 2015, resolved to appoint Mr. Phisit Sucharitsopit, Executive Vice President as Head of Transaction Banking Group effective from 22 February 2016.

Powers, Duties and Responsibilities:

1. Advise the President and CEO;
2. Monitor and evaluate performance of each business division;
3. Review financial and other management reports of the Bank;
4. Devise strategy, business and capital management plans and budgets for the Bank;
5. Identify cross-divisional and cross-border synergies;
6. Deliberate key regulatory issues;
7. Approve delegated authorities on internal operations of non-risk related business unit;

8. Approve, revise and conduct annual reviews of the Bank's internal policies related to administration/operation/ others, which are not required by regulatory bodies to obtain the Board of Directors' approval.
9. Approve the revision of Delegation of Authority and Policies which will be related to the Bank's reorganisation;
10. Approve the appointment and revision of members, duties and responsibilities of Marketing and Communications Committee;
11. Consider and decide on non-financial issues under 1 Platform 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 referring customers through RBG only in case of 3rd Party Products which are not related parties transaction or do not have material change from the existing ones already approved by Risk Management Committee;
14. Approve 3rd Party Products with non-material change to the existing 3rd Party Products which have already been approved by Risk Management Committee;
15. Appoint insurance broker for the bank;
16. Other matters as directed by the Board/President & CEO.

Coverage: CIMB Thai group

6. Risk Management Committee

The Risk Management Committee consists of:

1. Mr. Kittiphun Anutarasoti	President and Chief Executive Officer	as Chairman
2. Mr. Arthit Masathirakul	Senior Executive Vice President Risk Management Group	as Member
3. Mr. Jason Leong Kok Yew	Senior Executive Vice President Finance Group	as Member
4. Mr. Phisit Sucharitsopit	Executive Vice President Transaction Banking Group	as Member
5. Mrs. Bussakorn Puttinan	Senior Executive Vice President Group Information and Operations Division	as Member
6. Mr. Pornchai Padmindra	Senior Executive Vice President Wholesale Banking Group	as Member
or Ms. Chittavadee Sangthong	Executive Vice President Credit and Risk Analytics Division	as Alternate Member
7. Mrs. Wareemon Niyomthai	Senior Executive Vice President Commercial Banking Group	as Member
8. Mr. Adisorn Sermchaiwong	Senior Executive Vice President Consumer Banking Group	as Member
9. Mr. Sutee Losoponkul	Senior Executive Vice President Treasury Group	as Member
10. Mr. Tan Keat Jin	Senior Executive Vice President Strategy Division	as Member

11. Mr. Thaphop Kleesuwan	Executive Vice President Office of the President & Compliance Department	as Member
12. Mr. Anuwat Chuenchon	Vice President Risk Management Group	as Secretary

Powers, Duties and Responsibilities:

Capital management policies and strategies

1. Review and concur on, but not limited to the following, prior to submission to CIMB Thai's Board of Directors (BOD) or board of directors of the companies within the financial group for approval:
 - Capital management policies and strategies including capital management framework, strategic risk framework and annual integrated planning framework;
 - 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 strategies and regulatory requirements; and
 - Risk appetite statement.

Stress testing scenario and risk posture

2. Concur on stress testing scenario and risk posture prior to submission to Board Risk Committee (BRC) for approval.

Risk frameworks, policies, limits and management action triggers (MATs)

3. Approve or concur on risk frameworks, policies, limits and MATs (e.g. market risk, credit risk, operational risk, strategic risk, etc.) of CIMB Thai and its financial group as follows:

For matters required by regulator(s) to be approved by BOD

- To concur on risk frameworks, policies, limits and MATs prior to submission to BOD or board of directors of the companies within the financial group for approval;

For matters permitted by regulator(s) to be approved by BOD delegated committee

- To concur on new or changes resulted in material increase in risk to the existing risk frameworks/policies prior to submission to BRC for consideration;
- To concur on risk limits and MATs of all types prior to submission to BRC for consideration and to approve risk limits of retail loans;
- To approve changes not resulting in material increase in risk levels to the existing risk frameworks/policies of CIMB Thai;
- To concur on changes not resulting in material increase in risk to the existing risk frameworks/policies of companies in the financial group prior to submission to board of directors of the companies in the financial group for approval;

Products/Services ("products") of CIMB Thai or CIMB Thai's financial group

4. Review and concur new/annual review or changes to the existing treasury products prior to submission to BOD for approval.
5. Approve new/annual review or changes resulting in material increase in risk to the existing non-treasury products.
6. Concur new/annual review or changes resulting in material increase in risk to the existing products of the financial group prior to submission to the respective board of directors of the companies within the financial group for approval.

New third party of the Bank and its financial group (excluding CIMB Principal and CIMB Thai's affiliated companies)

7. Concur new third party(ies) prior to submission to BRC for consideration.

Post-implementation review

8. Review and assess the products of the Bank and its financial group and make recommendation for improvement post-implementation.

Underwriting criteria and delegated authorities

9. Approve underwriting criteria (if required) and delegated authorities (including credit facility approval) under product program and other risk-related delegated authorities (excluding credit facility approval) of CIMB Thai;

10. Concur on underwriting criteria (if required) and delegated authorities (including credit facility approval) under product program and other risk-related delegated authorities (excluding credit facility approval) of the financial group prior to submission to board of directors of the companies within the financial group for approval.

Infrastructure, resources, systems

11. Review and ensure that infrastructure, resources, systems and other capabilities of CIMB Thai and its financial group are in place for risk management.

Risk-related disclosures

12. Review and ensure that the Risk-related disclosures and internal control over process of risk-related disclosures are in line with regulatory requirements prior to submission to BRC for consideration.

Compliance

13. Enforce compliance with all the risk management frameworks, policies, risk limits and delegation of authorities of CIMB Thai and its financial group.

Risk identification and measurement

14. Consider or approve methodologies/standards to identify and measure all the risks and strategies to assess, monitor and control the risks to be within the appropriate levels. (e.g. score cut-off for retail portfolio).

Risk measurement tools

15. Review and concur on risk measurement tools including risk models and validation reports (as appropriate) prior to submission to BRC or board of directors of the companies within the financial group for consideration.

Maintenance of asset quality

16. 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.

Business continuity management (BCM) framework and policy

17. Review and concur business continuity management framework and policy of CIMB Thai and its financial group prior to submission to BOD or board of directors of the companies within the financial group for approval.

Appointment of new risk committees

18. Consider and propose the appointment of new risk committees to BRC for approval.

Coverage: CIMB Thai financial group (where appropriate)

7. Credit Committee Level 2

The Credit Committee Level 2 is composed of:

1. Mr. Kittiphun Anutarasoti	President and Chief Executive Officer	as Chairman
2. Mr. Arthit Masathirakul	Senior Executive Vice President Risk Management Group	as Deputy Chairman
3. Mr. Pornchai Padmindra	Senior Executive Vice President Wholesale Banking Group	as Member
or Ms. Chittavadee Sangthong	Executive Vice President Credit & Risk Analytics Division	as Alternate Member
4. Mrs. Wareemon Niyomthai	Senior Executive Vice President Commercial Banking Group	as Member
or Mr. Kusol Sriporaya	Executive Vice President Middle Market Division	as Alternate Member

5. Mr. Pakorn Moj dara	Senior Vice President Special Asset Management Risk Management Group	as Member
6. Mr. Adisorn Chanpong	Executive Vice President Corporate Sales Team 3 Treasury Sales Division	as Member
7. Representative from Credit Committee Secretary Team	Risk Management Group	as Secretary

Powers, Duties and Responsibilities:

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

Credit related decisions

1. Approve credit facilities for customer and/or group of customers/¹ having aggregate limits and global rating (on group basis) as follows:

TABLE 1

Customer Group Rating^{/2}	Customer and/or Group Limit (Excluding DSR Limit)	Customer and/or Group Limit (DSR Limit Only)
All ratings	Up to THB 500 million	Up to THB 500 million
Rating 9 and better	Up to THB 800 million	Up to THB 800 million
Rating 7 and better	Up to THB 2,000 million	Up to THB 2,000 million
Rating 4 and better	Up to THB 3,000 million	Up to THB 3,000 million

/1 Including banking institutions/groups, bank holding companies, subsidiaries and sovereign entities

/2 Group rating is the weighted average of the global obligor rating (based on credit limit excluding DSR limit) of all companies in the customer group:

- Revolving credit: Credit limit* = Approved credit line
- Non-revolving credit: Credit limit* = Outstanding + Available line for drawdown

2. Approve for temporary excess of facility limit for a period of no longer than 1 year and the excess shall not be more than 10% of total limit extended to such customer for customer and/or group of customers/¹ having aggregate limit and/or global rating beyond the Credit Committee Level 2's approval authority as stated in Table 1 but customer and/or group limit (excluding DSR limit) after temporary excess shall not exceed 15% of total capital funds of the Bank.
3. Review and approve annual review for credit facilities originating group-wide and investments in debt instruments including perpetual bond and hybrid financial instruments without embedded derivatives for the customer and/or group of customers/¹ having aggregate limits as follows:

Customer Group Rating	Customer and/or Group Limit (Excluding DSR Limit)	Customer and/or Group Limit (DSR Limit Only)
All ratings	Up to 15% of the Bank's total capital funds	All limits

/1 Including banking institutions/groups, bank holding companies, subsidiaries and sovereign entities

4. Review and approve changes of terms and conditions for credit facilities originating group-wide and investments in debt instruments including perpetual bond and hybrid financial instruments without embedded derivatives, and such changes cause material effect on risk exposure for the customer and/or group of customers/¹ having aggregate limits as follows:

Customer Group Rating	Customer and/or Group Limit (Excluding DSR Limit)	Customer and/or Group Limit (DSR Limit Only)
All ratings	Up to 15% of the Bank's total capital funds	All limits

/1 Including banking institutions/groups, bank holding companies, subsidiaries and sovereign entities.

Note To consider whether the changes of terms and conditions cause material effect on risk exposure or not is at the discretion of Credit Committee Level 2.

5. Review and approve changes of terms and conditions for credit facilities originating group-wide and investments in debt instruments including perpetual bond and hybrid financial instruments without embedded derivatives, and such changes do not cause material effect on risk exposure for the customer and/or group of customers/¹ having aggregate limits as follows:

Customer Group Rating	Customer and/or Group Limit (Excluding DSR Limit)	Customer and/or Group Limit (DSR Limit Only)
All ratings	Up to legal lending limit (BOT criteria)	All limits

/1 Including banking institutions/groups, bank holding companies, subsidiaries and sovereign entities.

Note To consider whether the changes of terms and conditions cause material effect on risk exposure or not is at the discretion of Credit Committee Level 2.

6. Approve temporary extension of annual review for all credit limits.
7. Ensure that CIMB Thai's overall loan portfolio meets with the guidelines of regulatory authorities and approved credit policies, procedures and risk appetite.
8. Review and approve debt restructuring and rescheduling and any recovery action including compromised settlement and write-off within the existing loan loss provision for credit facility extended to the customer and/or group of customers/¹ having aggregate limit as follows:

Customer Group Rating	Customer and/or Group Limit (Excluding DSR Limit)	Customer and/or Group Limit (DSR Limit Only)
All ratings	Up to THB 500 million	Up to THB 500 million

/1 Including banking institutions/groups, bank holding companies, subsidiaries and sovereign entities

9. Review and approve debt restructuring and rescheduling and any recovery action with no write-off/ hair cut for credit facility extended to the customer and/or group of customers/¹ having aggregate limit as follows:

Customer Group Rating	Customer and/or Group Limit (Excluding DSR Limit)	Customer and/or Group Limit (DSR Limit Only)
All ratings	Up to 15% of total capital funds of the Bank	Up to THB 500 million

/1 Including banking institutions/groups, bank holding companies, subsidiaries and sovereign entities

10. Review and approve loan classification, loan loss provisions, final obligor risk rating of all credit limits submitted to/ through the Committee for approval.
11. Assess the risk return trade-off when approving loans and advances to ensure that facilities granted are within the risk appetite of CIMB Thai.
12. Approve PSR passive excess of all credit limits.
13. Review and approve investment in debt instruments including perpetual bond and hybrid financial instruments without embedded derivatives for customer and/or group of customers/1 having aggregate limits and global rating (on group basis) as per Table 1.
14. Recommend for the Board approval, where necessary, all credit proposals and/or investments in debt instruments including perpetual bond and hybrid financial instruments without embedded derivatives for those customers and/or group of customers/1 not under authorities of the Credit Committee Level 2, and all proposals for investment in debt instruments including perpetual bond and hybrid financial instruments with embedded derivatives and all lending to related parties.
15. Recommend to the boards of companies in the financial group for approval of credit facilities and debt restructuring/ debt settlement without or with hair cut/write off (if any) within the existing loan loss provision for the customer and/or group of customers/1 having aggregate limit up to 15% of total capital funds including the management of non-performing assets.

/1 Including banking institutions/groups, bank holding companies, subsidiaries and sovereign entities

Other matters

16. Review and approve the sale of non-performing asset (NPA) which was used for the Bank's operation or for the use of the staff and employees of the Bank with the costs of each NPA of not exceeding THB 50 million.
17. Review and approve the management of NPAs received from the transfer of collateral to the Bank to settle debt or from the public auction of the collateral including approval of offering sale price, sale procedures/ payment conditions and sale of NPAs to a person or group of persons of which the costs of such NPAs are not over THB 500 million.
18. Perform any other functions as and when directed by Board Risk Committee.

Coverage: CIMB Thai Bank

8. Retail Business Committee

The Retail Business Committee consists of:

1. Mr. Kittiphun Anutarasoti	President and Chief Executive Officer	as Chairman
2. Mr. Adisorn Sermchaiwong	Senior Executive Vice President Consumer Banking Group	as Alternate Chairman
3. Mr. Arthit Masathirakul	Senior Executive Vice President Risk Management Group	as Member
or Ms. Sasima Thongsamak	Senior Vice President Retail Risk Team	as Alternate Member

4. Mr. Jason Leong Kok Yew	Senior Executive Vice President Finance Group	as Member
5. Mrs. Bussakorn Puttinan	Senior Executive Vice President Group Information and Operations Division	as Member
6. Mrs. Kanokpai Vongsatitporn	Senior Executive Vice President Human Resources Management Division	as Member
7. Mr. Prapas Thongsuk	Executive Vice President Corporate Communications Division	as Member
8. Ms. Dusanee Klewpatinontha	Executive Vice President Head of Wealth Advisory Acting Head of Wealth Products	as Member
9. Ms. Onanong Udomkantong	Executive Vice President Retail Loan Products	as Member
10. Head Cards and Fee Based Products		as Member
11. Mr. Boonsong Teachakidatikul	Senior Vice President Customer Segment and Digital Banking (Acting)	as Member
12. Ms. Piyawan Thianphranon	Senior Vice President Head of Retail Business Finance Team	as 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. Analyse the medium to long-term development strategies and investment decisions of the Consumer 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) (hereinafter referred to as "retail business") for submission to Management Committee;
3. Approve/concur business plans, budgets, strategic plans and sales promotion of retail business;
4. Review and monitor overall performance of retail business and details are as follows:
 - 4.1 Consumer banking portfolio performance and consumer 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 related to retail business; for example, down time issue, turn-around time, etc
 - 4.4 Risk performance which have impacts on retail business; for example, credit criteria, credit processing and others
 - 4.5 Staff turnover of retail business including other arising issues;
5. Delegate approval authority to Head, Consumer Banking Group and Head, Strategy & Finance Group 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 in the case where expenses are ≤ THB 0.5 million;
6. Delegate approval authority to Head, Consumer Banking Group and Head, Strategy & Finance Group for new marketing plan, sales promotion plan, media and advertising, and other related expenses** (excluding interest rates and fees) only in the case where expenses are ≤ THB 0.5 million;

7. Delegate approval authority 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 in the case where expenses are ≤ THB 0.5 million and acknowledgment of which to be sought at the next RBC meeting; and
8. Perform any other functions as designated by the Management Committee or the President and CEO.

Notes In case of incentive approved of ≤ THB 0.5 million. If the actual incentive paid is over THB 0.5 million, it is required to seek acknowledgment at the next RBC meeting.

**Incentive is any form of payment to the Bank's employees (staff and direct sale staff) in the form of cash or other properties, i.e. gold and other benefits for tax calculation, i.e. trip, etc. which are on top of compensation in the form of salary.*

***Other related expenses include 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, etc.*

9. Assets and Liabilities Management Committee

The Assets and Liabilities Management Committee is composed of:

1. Mr. Kittiphun Anutarasoti	President and Chief Executive Officer	as Chairman
2. Mr. Arthit Masathirakul	Senior Executive Vice President Risk Management Group	as Member
or Mr. Radhapol Chudhangkura	Senior Vice President Risk Management Group	as Alternate Member
or Mr. Somchai Yongkrittaya	Executive Vice President Market Risk Team	as Alternate Member
3. Mr. Jason Leong Kok Yew	Senior Executive Vice President Finance Group	as Member
or Mrs. Pannee Deesilpakij	Senior Vice President Wholesale Finance Team	as Alternate Member
4. Mr. Tan Keat Jin	Senior Executive Vice President Strategy Division	as Member
or Mr. Waravoot Tocharoentanapol	Senior Vice President Strategy Division	as Alternate Member
5. Mr. Sutee Losoponkul	Senior Executive Vice President Treasury Group	as Member
or Mr. Pao Chatakanonta	Senior Executive Vice President Deputy Treasurer	as Alternate Member
or Ms. Panawan Wongakkarakul	Executive Vice President Funding Division	as Alternate Member
6. Mr. Pornchai Padmindra	Senior Executive Vice President Wholesale Banking Group	as Member
or Ms. Somjittra Dhanasobhon	Executive Vice President Business Management Division	as Alternate Member

7. Ms. Wareemon Niyomthai	Senior Executive Vice President Commercial Banking Group	as Member
or Mr. Preepop Woradithee	Senior Vice President Strategy & Portfolio Management & RM Performance & CRM Team	as Alternate Member
8. Mr. Adisorn Sermchaiwong	Senior Executive Vice President Consumer Banking Group	as Member
or Mr. Chayakom Piromrat	Vice President Deposit Products and ATM/Debit Cards	as Alternate Member
9. Mr. Phisit Sucharitsopit	Executive Vice President Transaction Banking Group	as Member
or Ms. Chanida Mujanatongsuk	Senior Vice President Business Development and Innovation Division	as Alternate Member
10. Mr. Radhapol Chudhangkura	Senior Vice President Risk Management Group	as Secretary

Powers, Duties and Responsibilities:

Current operating environment and market update

1. Review the economic outlook and market outlook.

Balance sheet and NII review

2. Review and analyse the Bank's balance sheet plan by business, asset and liability mix, currency, growth, yield and margin;
3. Review variations between actual and planned balance sheet and how these impact loan-deposit and other balance sheet ratios and funding plan and whether the Bank will remain within the established risk appetite;
4. Review net interest income and margin trends including forecast position, and the variances from the planned net interest margin, and detail any required actions as appropriate;
5. Review the impact on earnings (NII) under base case and stressed economic scenarios;
6. Review and ensure the FTP is appropriate and act as the arbitrator between business lines in designing and implementing FTP and promote consistency across the Bank and its subsidiaries; and
7. Review and approve the pricing that requires regulatory approval or notification, e.g. base lending rates (e.g. MLR, MOR, etc.), base rate for consumer lending, board rates for fixed deposits and pricing for new products to be in line with the Bank's strategic objectives and business plan.

Contingency funding plans

8. Review the Contingency Funding Plan (CFP) as an operational business plan and assess the capacity of the plan to ensure that any management action is realistic; and
9. Ensure that early warning indicators are up-to-date and relevant.

Asset and liability management

10. Review ALM framework and policies to ensure they are appropriate for the size and complexity of the current and future operations of the Bank;
11. Promote consistent policies and practices in line with those of CIMB Group;
12. Review and recommend established management action triggers (MATs)/limits for liquidity risk and interest rate risk in banking book to BOD for approval;
13. Set, monitor and review the hedging strategies of the Bank;
14. Review and ensure that the Bank's risk profile is within established MAT/limits for liquidity risk and interest rate

risk in banking book, including reviewing internal and regulatory stress testing results across material currencies within the Bank and its subsidiaries;

15. Review and recommend ALM risk model parameters and model validation results for approval by BRC; and
16. Identify and review the Bank liquidity and funding requirements and appropriate actions to address these requirements.

Approval authority

17. Review and recommend ALM risks framework and policies for BOD approval;
18. Review and approve ALM risks methodologies and standard to be met to comply with approved policies;
19. Review and approve FTP framework, policies and methodologies for the Bank;
20. Review and approve the pricing that requires regulatory approval or notification, e.g. MLR, MOR, base rate for consumer lending, board rates for fixed deposits and pricing for new products to be in line with the Bank's strategic objectives and business plan;
21. Approve the delegated authority (DA) for pricing of deposits for the group business committees; and
22. Escalate to BRC and BOD any MAT/trigger/limits breaches (non-regulatory) that are not viewed as material variance to the approved risk appetite statement and to the capital/liquidity/reputation of the Bank.

Coverage: CIMB Thai financial group (where appropriate)

10. IT Strategic Planning Committee

The IT Strategic Planning Committee is composed of:

1. Mr. Kittiphun Anutarasoti	President and Chief Executive Officer	as Chairman
2. Mr. Jason Leong Kok Yew	Senior Executive Vice President Finance Group	as Alternate Chairman
3. Mr. Tan Keat Jin	Senior Executive Vice President Strategy Division	as Member
4. Mr. Adisorn Sermchaiwong	Senior Executive Vice President Consumer Banking Group	as Member
or Mr. Boonsong Teachakidatikul	Senior Vice President Customer Segment and Digital Banking (Acting)	as Member
5. Mr. Somchai Yongkrittaya	Executive Vice President Market Risk Team	as Member
or Ms. Suchada Phokasub	Executive Vice President Risk Analytics and Infrastructure Division	as Alternate Member
6. Mrs. Bussakorn Puttinan	Senior Executive Vice President Group Information and Operations Division	as Member
7. Mr. Tapakorn Siritanawutichai	Executive Vice President Technology Division	as Member and secretary
8. Mr. Boonkiat Ekwanich	First Vice President Information Technology Audit Department	as 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, acquisitions and efficiencies of technologies as well as relevant equipment;
4. Define and monitor the effectiveness in implementing key IT policies and procedures, such as 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 the assignments;
9. Approve IT project the project cost of which exceeds THB 1 million but not exceeding THB 100 million;
10. Review and endorse recommendations on IT project the project cost of which exceeds THB 100 million;
11. Approve the purchases or the hiring under a special process for IT project;
12. Approve a disbursement of the 1Platform R1.1 budget of up to RM 24 million and the R 2.0 budget of up to RM 2.467 million, totaling around RM 26.467 million;
13. Ensure the success of the 1Platform project implementation through engagement with various stakeholders and relevant bodies;
14. Make and approve decision on the strategy, direction, timeline, resources, staffing, finance and budget of the project;
15. Review project status and approve key project deliverables;
16. Remove roadblocks and provide ongoing support for the project teams;
17. Review the project status;
18. Ensure compliance of 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. Prioritise and examine status of IT projects to ensure compliance with service level agreements.
23. Appoint Pre-IT SPC ReviewTeam to review and ensure completeness of business case papers before submission to ITSPC.

Coverage: CIMB Thai group

11. Thailand Underwriting Committee

The Thailand Underwriting Committee is composed of:

1. Mr. Kittiphun Anutarasoti	President and Chief Executive Officer	as Chairman
2. Mr. Arthit Masathirakul	Senior Executive Vice President Risk Management Group	as Member
3. Mr. Jason Leong Kok Yew	Senior Executive Vice President Finance Group	as Member
or Ms. Pannee Deesilpakij	Senior Vice President Wholesale Finance Team	as Alternate Member

4. Mr. Pornchai Padmindra	Senior Executive Vice President Wholesale Banking Group	as Member
or Ms. Suchada Phokasub	Executive Vice President Risk Analytics and Infrastructure Division	
5. Head of Credit Risk Division		as Member
6. Ms. Sumalee Boonanan	Senior Vice President Treasurer's Office & Risk Analytics Team	as Member
or Ms. Pacharin Sanglerdsilapachai	Vice President Credit Risk Analytics Section	as Alternate Member
7. Mr. Somchai Yongkrittaya	Executive Vice President Market Risk Team	as Member
8. Representative from Risk Management Group		as Secretary

Powers, Duties and Responsibilities:

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

And ensure that the pricing of any proposal is adequate to compensate the risk, sufficient measures are taken to mitigate against adverse market movement and assessment on the extent to which market conditions are conducive to 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 approval to the Board of Directors/delegated Board member(s) of CIMB Thai the firm underwriting or bought deal for debt securities issuance.
 4. Review and recommend to the Board of Directors/delegated Board member(s) for approval of the holding amount of any debt securities for market making purpose with the following conditions:
 - 4.1. The debt securities are underwritten by CIMB Thai.
 - 4.2. Within 90 days from the issue date, the holding amount must be within the limit approved by the Board/delegated Board member(s).
 - 4.3. 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.
- Coverage: CIMB Thai financial group

12. Marketing and Communications Committee

The Marketing and Communications Committee is composed of:

1. Mr. Kittiphun Anutarasoti	President and Chief Executive Officer	as Chairman
2. Mr. Prapas Thongsuk	Executive Vice President Corporate Communications Division	as Alternate Chairman
3. Mr. Jason Leong Kok Yew	Senior Executive Vice President Finance Group	as Member
4. Mr. Adisorn Sermchaiwong	Senior Executive Vice President Consumer Banking Group	as Member
5. Mrs. Kanokpai Vongsatitporn	Senior Executive Vice President Human Resources Management Division	as Member
6. Ms. SunittaYodsheewan	Frist Vice President Public Relations and CSR Team	as Secretary

Powers, Duties and Responsibilities:

1. Provide strategic direction and guidance for CIMB Thai group, aligning it to the Group brand management and positioning, across all businesses and markets;
2. Review and approve all marketing plans, including all above-the-line (ATL) and major below-the-line (BTL) communications;
3. Address all elements with regards to general advertising spend and associated media exposure; and
4. Review and approve all internal and external communications processes and media.

Coverage: CIMB Thai group

13. Asset Quality Committee

The Asset Quality Committee is composed of:

1. Mr. Arthit Masathirakul	Senior Executive Vice President Risk Management Group	as Chairman
2. Mr. Pakorn Moj dara	Senior Vice President Risk Management Group	as Duputy Chairman
or Mr. Chalernpol Decharit	Senior Vice President Risk Management Group	as Alternate Member
3. Head of Credit Risk Division		as Member
4. Mr. Pornchai Padminra	Senior Executive Vice President Wholesale Banking Group	as Member
or Mrs. Chittavadee Sangthong	Executive Vice President Credit and Risk Analytics Division	as Alternate Member

5. Mrs. Wareemon Niyomthai	Senior Executive Vice President Commercial Banking Group	as Member
or Mr. Preepop Woradithee	Senior Team Head Strategy & Portfolio Management & RM Performance & CRM Team Commercial Banking Group	as Alternate Member
6. Mr. Jason Leong Kok Yew	Senior Executive Vice President Finance Group	as Member
or Mrs. Pannee Deesilpakij	Senior Team Head Wholesale Finance Team Finance Group	as Alternate Member
7. Representative from Risk Management Group		as Secretary

By invitation

1. Head, Credit Risk Team 1
2. Head, Credit Risk Team 2
3. Head, Credit Risk Team 3
4. Senior Vice President, Corporate Legal Division
5. Representative from Finance Group

Powers, duties and responsibilities:

1. Deliberate on trends and developments as well as account strategy relating to non-performing loan (NPL)/impaired accounts under negotiation for debt restructuring, watch list medium and high accounts and any other concerned accounts managed by non-retail business units of CIMB Thai (on individual assessment basis). The accounts to be reviewed will be those with account exposure at or above THB 10 million;
2. Review progress/update of new and existing watch list accounts and existing NPL/impaired accounts under negotiation for debt restructuring, to agree on proper credit risk ratings and watch list classification;
3. Review and recommend for Credit Committee/Board's approval on amount of loan loss provisions which is beyond requirement of Bank of Thailand, and other matters in relation to impairment and write back of Impaired Loans;
4. Review and deliberate on possible impaired loan (PIL), NPL default trends and provision trend;
5. Review that the business units have clearly defined asset quality review and early warning indicators process in identifying, classifying, reporting, monitor any problem loan(s) (in particular impaired loans) in line with the Bank's credit risk policy/regulatory authorities/accounting standards.
6. Review restructure and rescheduling report (including TDR/rescheduling/grace period) prior to submission to senior management/relevant authorities.

Meeting Attendance of Directors

In 2016, meeting attendance of Board members and Board committee members was as follows:

Unit: Attendance

No	Director Name (number of meetings attended/total meetings)	(1) Board	(2) Audit Committee	(3) Nomination, Remuneration and Corporate Governance Committee	(4) Board Risk Committee*	(5) Manage- ment Committee	(6) Risk Manage- ment Committee	(7) Credit Risk Commit- tee	(8) Credit Commit- tee Level 2
1.	Mr. Chakramon Phasukavanich ¹	8/12	-	-	-	-	-	-	-
2.	Dato' Robert Cheim Dau Meng	10/12	-	10/11	-	-	-	-	-
3.	Mr. Sukont Kanjana-Huttakit	11/12	15/15	-	-	-	-	-	-
4.	Mrs. Watanan Petersik ²	10/12	2/15	10/11	-	-	-	-	-
5.	Dato' Shaarani Bin Ibrahim	12/12	15/15	11/11	-	-	-	-	-
6.	Mr. Chitrapongse Kwangsukstith	12/12	-	-	10/11	-	-	-	-
7.	Ms. Serena Tan Mei Shwen	12/12	-	-	11/11	-	-	-	-
8.	Dato' Lee Kok Kwan	10/12	-	-	11/11	-	-	-	-
9.	Mr. Pravej Ongartsittigul ³	8/12	11/15	-	-	-	-	-	-
10.	Mr. Kittiphun Anutarasoti ⁴	3/12	-	-	2/11	13/47	3/14	2/11	10/52

No	Director Name (number of meetings attended/total meetings)	(9) Retail Business Commit- tee	(10) Assets and Liabilities Management Committee	(11) IT Strategic Planning Committee	(12) Market Risk Committee Thailand	(13) Marketing & Commu- nication Committee	(14) Product Develop- ment Committee	(15) Problem Loan Manage- ment Working Group	(16) Share- holder meeting
1.	Mr. Chakramon Phasukavanich	-	-	-	-	-	-	-	0/1
2.	Dato' Robert Cheim Dau Meng	-	-	-	-	-	-	-	1/1
3.	Mr. Sukont Kanjana-Huttakit	-	-	-	-	-	-	-	1/1
4.	Mrs. Watanan Petersik	-	-	-	-	-	-	-	1/1
5.	Dato' Shaarani Bin Ibrahim	-	-	-	-	-	-	-	1/1
6.	Mr. Chitrapongse Kwangsukstith	-	-	-	-	-	-	-	1/1
7.	Ms. Serena Tan Mei Shwen	-	-	-	-	-	-	-	1/1
8.	Dato' Lee Kok Kwan	-	-	-	-	-	-	-	1/1
9.	Mr. Pravej Ongartsittigul	-	-	-	-	-	-	-	0/1
10.	Mr. Kittiphun Anutarasoti	3/12	3/14	3/11	4/16	0/0	3/11	2/7	0/1

- Notes: /1 The Annual General Meeting of Shareholders no. 22, held on 19 April 2016, resolved to appoint Mr. Chakramon Phasukavanich, as director of the Board. The Board of Directors meeting, held on 28 April 2016, resolved to appoint as the chairman effective from 1 May 2016.
- /2 The Board meeting, held on 28 April 2016, acknowledged Mrs. Watanan Petersik's resignation from the Audit Committee effective from 1 May 2016.
- /3 The Annual General Meeting of Shareholders no. 22, held on 19 April 2016, resolved to appoint Mr. Pravej Ongartsittigul, as Director. The Board of directors meeting, held on 28 April 2016, resolved to appoint as Independent Director and member of Audit Committee effective from 1 May 2016.
- /4 The Board of Directors meeting, held on 27 September 2016, resolved to appoint Mr. Kittiphun Anutarasoti, as Director in place of Ms. Sopawadee Lertmanaschai who had resigned and appoint Mr. Kittiphun Anutarasoti as President and Chief Executive Officer effective from 19 October 2016.

F. SELECTION OF EXECUTIVES

In 2016, 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 January 2017, the Bank's executive management is composed of:

1. Mr. Kittiphun Anutarasoti ^{/1}	President and Chief Executive Officer
2. Mr. Sutee Losoponkul	Senior Executive Vice President Treasury Group
3. Mr. Adisorn Sermchaiwong	Senior Executive Vice President Consumer Banking Group
4. Mr. Arthit Masathirakul ^{/2}	Senior Executive Vice President Risk Management Group
5. Mr. Pornchai Padmindra	Senior Executive Vice President Wholesale Banking Group
6. Mrs. Bussakorn Puttinan ^{/3}	Senior Executive Vice President Group Information and Operations Division
7. Ms. Siriporn Sanunpairaue	Senior Executive Vice President Internal Audit Division
8. Mrs. Wareemon Niyomthai ^{/4}	Senior Executive Vice President Commercial Banking Group
9. Mrs. Kanokpai Vongsatitporn ^{/5}	Senior Executive Vice President Human Resources Management Division
10. Mr. Jason Leong kok Yew ^{/6}	Senior Executive Vice President Finance Group
11. Mr. Tan Keat Jin ^{/7}	Senior Executive Vice President Strategy Division
12. Mr. Prapas Thongsuk	Executive Vice President Corporate Communications Division

13. Mr. Phisit Sucharitsopit ⁸	Executive Vice President Transaction Banking Group
14. Mr. Thaphop Kleesuwan	Executive Vice President Office of the President & Compliance Department

- Notes /1 The Board meeting, held on 27 September 2016, resolved to appoint Mr. Kittiphun Anutarasoti as President and Chief Executive Officer effective from 19 October 2016.
- /2 The Board meeting, held on 24 November 2016, resolved to appoint Mr. Arthit Masathirakul, Senior Executive Vice President as Head of Risk Management Group and Chief Risk Officer effective from 1 January 2017.
- /3 The Board meeting, held on 27 October 2016, resolved to appoint Mrs. Bussakorn Puttinan, Senior Executive Vice President as Head of Group Information and Operations Division effective from 4 January 2017.
- /4 The Board meeting, held on 27 November 2015, resolved to appoint Mrs. Wareemon Niyomthai, Senior Executive Vice President as Head of Commercial Banking Group effective from 8 February 2016.
- /5 The Board meeting, held on 24 November 2016, resolved to appoint Mrs. Kanokpai Vongsatitporn as Senior Executive Vice President, Human Resources Management Division effective from 30 December 2016.
- /6 The Board meeting, held on 24 November 2016, resolved to appoint Mr. Jason Leong Kok Yew as Senior Executive Vice President, Finance Group effective from 30 December 2016.
- /7 The Board meeting, held on 24 November 2016, resolved to appoint Mr. Tan Keat Jin as Senior Executive Vice President, Strategy Division effective from 30 December 2016.
- /8 The Board meeting, held on 27 November 2015, resolved to appoint Mr. Phisit Sucharitsopit, Executive Vice President as Head of Transaction Banking Group effective from 22 February 2016.

As of 31 January 2017, CIMB Thai has 14 executives from Senior Executive Vice President upward and executives in Accounting and Finance in accordance with the SEC definition of the term 'executives' as below:

1. Mr. Kittiphun Anutarasoti	President and Chief Executive Officer
2. Mr. Arthit Masathirakul	Senior Executive Vice President and Risk Management Group
3. Mr. Pornchai Padmindra	Senior Executive Vice President Wholesale Banking Group
4. Mr. Adisorn Sermchaiwong	Senior Executive Vice President Consumer Banking Group
5. Mr. Sutee Losoponkul	Senior Executive Vice President Treasury Group
6. Mr. Pao Chatakanonta	Senior Executive Vice President Deputy Treasurer
7. Mrs. Bussakorn Puttinan	Senior Executive Vice President Group Information and Operations Division
8. Mrs. Wareemon Niyomthai	Senior Executive Vice President Commercial Banking Group
9. Ms. Siriporn Sanunpairaue	Senior Executive Vice President Internal Audit Division
10. Mrs. Kanokpai Vongsatitporn	Senior Executive Vice President Human Resources Management Division

11. Mr. Jason Leong kok Yew	Senior Executive Vice President Finance Group
12. Mr. Tan Keat Jin	Senior Executive Vice President Strategy Division
13. Mr. Phisit Sucharitsopit	Executive Vice President Transaction Banking Group
14. Ms. Winita Kimsawadi	Senior Vice President Financial Reporting Department, 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 2016

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 director during his/her directorship in 2016. The aggregate remuneration for directors comprising meeting and entertainment allowances for Board members and remuneration for Board committee members amounted to THB 12,142,400 in 2016 (compared with THB 10,384,000 in 2015), as detailed below:

1. Board of Directors	THB	7,272,400 (2015: THB 6,136,000)
2. Audit Committee	THB	2,057,600 (2015: THB 1,824,000)
3. Nomination, Remuneration and Corporate Governance Committee	THB	1,359,200 (2015: THB 1,104,000)
4. Board Risk Committee	THB	1,453,200 (2015: THB 1,320,000)

Unit: THB

Monetary Remuneration						
Board and Board Committee Members						
Name	Positions	Board of Directors	Audit Committee	Nomination, Remuneration and Corporate Governance Committee	Board Risk Committee	
1 Mr. Chakramon Phasukavanich	Chairman	1,600,000	-	-	-	
2 Dato' Robert Cheim Dau Meng	Vice Chairman	1,464,400	-	302,000	-	
3 Mr. Sukont Kanjana-Huttakit	Independent Director	704,000	993,600	-	-	
4 Mrs. Watanan Petersik	Independent Director	508,000	120,000	577,200	-	
5 Dato' Shaarani Bin Ibrahim	Independent Director	528,000	552,000	480,000	-	
6 Mr. Chitrapongse Kwangsukstith	Director	528,000	-	-	444,000	
7 Ms. Serena Tan Mei Shwen	Director	528,000	-	-	444,000	
8 Dato' Lee Kok Kwan	Director	488,000	-	-	565,200	
9 Mr. Pravej Ongartsittigul	Independent Director	396,000	392,000	-	-	
10 Mr. Kittiphun Anutarasoti ¹	President and CEO	132,000	-	-	-	
Total		7,272,400	2,057,600	1,359,200	1,453,200	

Note /1 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 the management members based on the responsibilities, relevant challenges and risks faced by each of them, and how their personal contributions help deliver sustainable shareholder value to support consideration of compensation and bonuses. 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 the management. In 2016, the aggregate remuneration for 15 Senior Executive Vice Presidents and above including those of equivalent positions and the executives of Finance and Accounting (in accordance with the SEC definition of the term 'executives') was THB 105.92 million. In addition, the aggregate remuneration for 44 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 2016, the Bank's contribution towards the provident fund for 15 Senior Executive Vice Presidents and above including those of equivalent positions and the executives of Finance and Accounting (in accordance with the SEC definition of the term 'executives') was THB 4.60 million. Meanwhile, its contribution towards the provident fund for 44 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 31 JANUARY 2017

1

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

Education

MR. CHAKRAMON PHASUKAVANICH
Age 69 years

Chairman of Board of Directors

Date of appointment:
19 April 2016

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

Training

Courses provided by Thai Institute of Directors:-

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

Total shares held in Bank

No. of shares held as
of year-end 2016

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

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

Listed Companies

Period	Position	Company / Organisation
2015 – Present	Independent Director	Indorama Ventures PCL

Non-Listed Companies and other Companies and Organisations

Period	Position	Company / Organisation
16 Dec 2016 - Present	President	Investor Club Association
2015 - Present	Chairman	P.C.S. Machine Group Holding PCL
2004 - Present	Member	Office of the Council of State

Work experience within last 5 years

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

2

**Name of Director/ Age / Position/
Date of appointment****Education****DATO' ROBERT CHEIM DAU MENG**
Age 65 years

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

Date of appointment:
5 November 2008

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

- Member of the Malaysian
Institute of Accountants

Training

- Capital Market Directors Programme
(21-24 March 2016)

- Implementation of FIDE Forum's Directors Register
(2 June 2016)

- Securities Commission-FIDE Forum Dialogue:
Fintech's Impact on Financial Institutions
(29 August 2016)

- Bank Negara Malaysia: Future Finance Conference
(23 September 2016)

- CIMB Annual Management Summit
(11-12 November 2016)

- CIMB Board Risk Workshop
(2 December 2016)

- ICAEW Talk: 4Q South East Asia Economic Insight
(6 December 2016)

Total shares held in Bank

No. of shares held as
of year-end 2016

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

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

Period	Position	Company / Organisation
-	-	-

Non-Listed Companies and other Companies and Organisations

Period	Position	Company / Organisation
1996 - Present	Director	RC Capital Sdn Bhd
2012 - Present	Director	Yu Cai Foundation
Jul 2015 - Present	Chairman/Director	CIMB Investment Bank Bhd
Aug 2015 - Present	Trustee	CIMB Foundation
Nov 2015 - Present	Chairman/Director	CIMB - Principal Asset Management Bhd.

Work experience within last 5 years

Period	Position	Company / Organisation
2006 - Feb 2015	Non-executive Director	CIMB Group Holdings Bhd
2006 - Feb 2015	Adviser	CIMB Investment Bank Bhd
2005 - 2016	Chairman	Tanjong PLC
2005 - 2014	Director	CIMB Securities International Pte Ltd.
1999 - 2006	Executive Director	CIMB Investment Bank Bhd
1993 - 1999	Chief Executive Officer	CIMB Investment Bank Bhd

MR. SUKONT KANJANA-HUTTAKIT
Age 70 yearsIndependent Director
Chairman of Audit CommitteeDate of appointment:
24 September 2009- M.A. (Finance), Virginia Polytechnic
and State University, U.S.A.- B.A. (Finance), Virginia Polytechnic
and State University, U.S.A.**Training**- 2010: Audit Committee Programme (ACP)
Class 30/2010, Thai Institute of Directors- 2007: Director Certification Programme (DCP),
Thai Institute of Directors**Total shares held in Bank**No. of shares held as
of year-end 2016

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

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

Period	Position	Company / Organisation
2015 - Present	Chairman of the Board	JAS Asset PCL
2014 - Present	Independent Director/ Chairman of Audit Committee	World Corporation PCL
2012 - Present	Chairman of the Board	Srisawad Power 1979 PCL

Non-Listed Companies and other Companies and Organisations

Period	Position	Company / Organisation
2011 - Present	Member of Ethics Committee	Federation of Accounting Professions

Work experience within last 5 years

Period	Position	Company / Organisation
2014 - 2015	Vice Chairman and Chairman of Audit Committee	Thai Sri Insurance PCL
2012 - 2014	Independent Director	Scan Inter Co., Ltd.
2006 - 2014	Executive Adviser	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.

4

**Name of Director/ Age / Position/
Date of appointment****Education****MRS. WATANAN PETERSIK**
Age 56 years

Independent Director
Chairperson of Nomination,
Remuneration and Corporate
Governance Committee

Date of appointment:
25 April 2007

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

Training

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

Total shares held in Bank

No. of shares held as
of year-end 2016

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

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

Period	Position	Company / Organisation
2014 - Present	Independent Director	PTT Global Chemical PCL

Non-Listed Companies and other Companies and Organisations

Period	Position	Company / Organisation
Jan 2016 - Present	Director	TPG Star SF Pte Ltd.
Jan 2016 - Present	Director	TPG Growth SF Pte Ltd.
Jan 2016 - Present	Director	TPG Growth III Asia Internet Holdings Pte Ltd.
Feb 2015 - Present	Director	TE Asia Healthcare Advisory Pte Ltd.
Sep 2014 - Present	Director	TE Asia Healthcare Partners Pte Ltd.
2011 - Present	Director	Lien Centre for Social Innovation, Singapore Management University
2010 - Present	Independent Director	CIMB Group Holdings Bhd
2010 - Present	Non-executive Director	
2010 - Present	Independent Director	CIMB Group Sdn Bhd
2010 - Present	Non-executive Director	
2008 - Present	Director	Asia Capital Advisory Pte Ltd.
2007 - Present	Senior Adviser/Consultant	TPG Capital Asia

Work experience within last 5 years

Period	Position	Company / Organisation
-	-	-

DATO' SHAARANI BIN IBRAHIM
Age 67 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

Training

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

Total shares held in Bank

No. of shares held as
of year-end 2016

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

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

Period	Position	Company / Organisation
-	-	-

Non-Listed Companies and other Companies and Organisations

Period	Position	Company / Organisation
Aug 2015 - Present	Director	CIMB Bank PCL, Vietnam
Sep 2010 - Present	Chairman of the Board, Chairman of Risk Committee, Member of Audit Committee	CIMB Bank PCL, 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 / Organisation
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

6

Name of Director/ Age / Position/ Date of appointment

MR. CHITRAPONGSE KWANGSUKSTITH Age 67 years

Director (Authorised Signatory)
Member and Alternate
Chairman of Board Risk Committee

Date of appointment:
11 April 2014

Education

- Doctor of Engineering (Industrial Engineering), Lamar University, U.S.A.
- Master of Engineering (Industrial Engineering), Lamar University, U.S.A.
- Bachelor of Engineering (Mechanical Engineering), Chulalongkorn University, Thailand

Training

- Stanford Executive Program, Stanford University, U.S.A.
- The National Defence Course, National Defence College, (Class of 4212), Thailand
- Director Certification Program (DCP) Class 42/2004, Finance for Non-Finance Directors (FND) Class 9/2004, Role of Compensation Committee (RCC) Class 10/2010 and National Corporate Governance Committee (NCGC), Thai Institute of Directors (IOD)

Total shares held in Bank

No. of shares held as
of year-end 2016

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

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

Listed Companies

Period	Position	Company / Organisation
Present	Director	Thoresen Thai Agencies PCL

Non-Listed Companies and other Companies and Organisations

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

Work experience within last 5 years

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

7

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

Education

MS. SERENA TAN MEI SHWEN
Age 38 years

Director
Member of Board Risk Committee

Date of appointment:
6 May 2014

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

Total shares held in Bank

No. of shares held as
of year-end 2016

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

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

Listed Companies

Period	Position	Company / Organisation
-	-	-

Non-Listed Companies and other Companies and Organisations

Period	Position	Company / Organisation
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 / Organisation
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

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

Education

DATO' LEE KOK KWAN
Age 51 years

Director
Chairman of Board Risk Committee

Date of appointment:
24 December 2015

- Joint Honors (First Class), Bachelor of Business Administration & Economics, Simon Fraser University, Canada
 - Master of Business Administration, Simon Fraser University, Canada
- Training**
- Bursatra Sdn Bhd: Mandatory Accreditation Programme for Directors of Public Listed Companies (2015)

Total shares held in Bank

No. of shares held as of year-end 2016

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

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

Period	Position	Company / Organisation
Present	Director	CIMB Group Holdings Bhd

Non-Listed Companies and other Companies and Organisations

Period	Position	Company / Organisation
Present	Director	CIMB Bank Bhd
Present	Director	Cagamas Holdings Bhd
Present	Adviser	Securities Commission Malaysia
Present	President	Financial Markets Association of Malaysia

Work experience within last 5 years

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

9**Name of Director/ Age / Position/ Date of appointment****MR. PRAVEJ ONGARTSITTIGUL**
Age 61 years

Independent Director
Member of Audit Committee

Date of appointment:
19 April 2016

Education

- Master of Business Administration (Finance), New Hampshire College, U.S.A.
- Master of Business Administration (Decision Support Systems), New Hampshire College, U.S.A.
- Bachelor of Accounting, Faculty of Commerce and Accountancy, Chulalongkorn University

Training

- 2016: Corporate Governance for Capital Market Intermediaries (CGI), Class 17/2016, Thai Institute of Directors
- 2009: Advanced Senior Executive Program, Northwestern University (Kellogg)
- 2007: Director Certification Program, (DCP), Class 86/2007, Thai Institute of Directors
- 2007: Strategic Leadership Program, Capital Market Academy Class 1/2007, Stock Exchange of Thailand
- 2007: Public-Private Partnership Program, Class 1/2007, Royal Thai Police
- 1990: Chartered Bank EDP Auditor, Designation 898/1990, Bank Administration Institute, U.S.A.
- 1987: Chartered Bank Auditor, Designation 3167/1987, Bank Administration Institute, U.S.A.

Total shares held in Bank

No. of shares held as of year-end 2016

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

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

Period	Position	Company / Organisation
May 2016 – Present	Independent Director Member of Audit Committee	CIMB Thai Bank PCL

Non-Listed Companies and other Companies and Organisations

Period	Position	Company / Organisation
Jul 2016 – Present	Independent Director	Advance Medical Co., Ltd.
Apr 2016 – Present	Chairman and Independent Director	AIRA Securities PCL
2006 – Present	Director (Investment Advisory)	Thai Red Cross Society

Work experience within last 5 years

Period	Position	Company / Organisation
2011 - 2015	Secretary General	Office of Insurance Commission
2005 - 2011	Senior Assistant Secretary General	Securities and Exchange Commission
2011 - 2015	Member of Committee for the Protection of Credit Information	Bank of Thailand
2011 - 2015	Member of Financial Institutions Policy Committee	Bank of Thailand
2011 - 2015	Director	Anti-Money Laundering Office

10**Name of Director/ Age / Position/ Date of appointment****MR. KITTIPHUN ANUTARASOTI**
Age 47 years

Director (Authorized Signatory)
 President and Chief Executive Officer
 Chairman of Management Committee
 Chairman of Risk Management Committee
 Alternate Chairman of Credit Committee Level 2
 Chairman of Retail Business Committee
 Chairman of Assets and Liabilities Management Committee
 Chairman of IT Strategic Planning Committee
 Chairman of Marketing and Communications Committee
 Chairman of Thailand Underwriting Committee

Date of appointment:
 19 October 2016

Education

- Master of Business Administration (Finance), Saint Louis University, U.S.A.
- Bachelor of Economics (1st Class Honour & Gold Medal), Chulalongkorn University

Training

- Advanced Management Program – INSEAD Business School
- Financial Institution Risk Analysis – Fitch Training, Singapore
- Structured Derivatives Instruments – JP Morgan, Singapore
- Advanced Credit Training – Bank of America, San Francisco
- Basic Credit Training – Bank of America, San Francisco

Total shares held in Bank

No. of shares held as of year-end 2016

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

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

Period	Position	Company / Organisation
-	-	-

Non-Listed Companies and other Companies and Organisations

Period	Position	Company / Organisation
-	-	-

Work experience within last 5 years

Period	Position	Company / Organisation
2556 – 2559	Senior Executive Vice President	Krungthai Bank PCL
2552 - 2556	First Executive Vice President	Siam Commercial Bank PCL
2543 - 2552	Executive Director	JP Morgan Chase Bank, N.A., Bangkok Branch

11**Name of Director/ Age / Position/ Date of appointment****Education****ASSOC.PROF. DR. ISMAAE ALEE**
Age 66 years

Shariah Advisor

Date of appointment:
1 August 2011

- Higher Certificate in Promotion of Peaceful Society, King Prajadhipok's Institute
- Ph.D., Al-Fiqh (First Class Hons), Islamic University of Madinah, Saudi Arabia
- Master of Arts, Al-Fiqh (Excellence), Islamic University of Madinah, Saudi Arabia
- Bachelor of Arts, Sharia (Hons), Islamic University of Madinah, Saudi Arabia
- Bachelor of Arts, Dawah and Usul al- din, Islamic University of Madinah, Saudi Arabia

Total shares held in Bank

No. of shares held as of year-end 2016

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

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

Period	Position	Company / Organisation
-	-	-

Non-Listed Companies and other Companies and Organisations

Period	Position	Company / Organisation
2014 - Present	Chairman	Orphans Foundation
2007 - Present	Member, Chairman of Halal Affairs	Central Islamic Council of Thailand (CICOT)

Work experience within last 5 years

Period	Position	Company / Organisation
2010 - 2011	Head of Delegation	Thai Haj Delegation
2008 - 2010	Member	Shariah Advisory Council, Securities Commission, Malaysia
2007 - 2010	Associate Professor of Islamic Law	Advisory Council for Peace Building in Southern Border Provinces of Thailand
2006 - 2010	Head	College of Islamic Studies (CIS), Prince of Songkla University (PSU)
2002 - 2010	Director	Doctoral Degree in Islamic Studies of CISPSU College of Islamic Studies CIS-PSU

DR. MARONING SALAMING
Age 51 years

Shariah Advisor

Date of appointment:
1 August 2011

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

Total shares held in BankNo. of shares held as
of year-end 2016

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

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

Period	Position	Company / Organisation
-	-	-

Non-Listed Companies and other Companies and Organisations

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

Work experience within last 5 years

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

MANAGEMENT COMMITTEE'S PROFILE AS OF 31 JANUARY 2017

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Name of Executive/ Age / Position/
Date of appointment

Education

MR. KITTIPHUN ANUTARASOTI**Age 47 years**

Director (Authorized Signatory)
 President and Chief Executive Officer
 Chairman of Management Committee
 Chairman of Risk Management Committee
 Alternate Chairman of Credit Committee Level 2
 Chairman of Retail Business Committee
 Chairman of Assets and Liabilities Management Committee
 Chairman of IT Strategic Planning Committee
 Chairman of Marketing and Communications Committee
 Chairman of Thailand Underwriting Committee

Date of appointment:
 19 October 2016

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

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

Training

- Advanced Management Program – INSEAD
 Business School

- Financial Institution Risk Analysis – Fitch Training,
 Singapore

- Structured Derivatives Instruments – JP Morgan,
 Singapore

- Advanced Credit Training – Bank of America,
 San Francisco

- Basic Credit Training – Bank of America,
 San Francisco

Total shares held in Bank

No. of shares held as
 of year-end 2016

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

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

Listed Companies

Period	Position	Company / Organisation
-	-	-

Non-Listed Companies and other Companies and Organisations

Period	Position	Company / Organisation
-	-	-

Work experience within last 5 years

Period	Position	Company / Organisation
2556 – 2559	Senior Executive Vice President	Krungthai Bank PCL
2552 - 2556	First Executive Vice President	Siam Commercial Bank PCL
2543 - 2552	Executive Director	JP Morgan Chase Bank, N.A., Bangkok Branch

MR. SUTEE LOSOPONKUL
Age 56 yearsSenior Executive Vice President
Treasury GroupDate of appointment:
1 April 2011- MBA, National Institute of Development
Administration (NIDA)- B.Sc. (Industrial Engineering),
Prince of Songkla University**Training**

- The National Defence college of Thailand

- Market Risk for Treasury Products, New York
Institute of Finance (Financial Times)- Asset and Liability Management,
Chase Manhattan Bank, Singapore- Treasury Training Scheme, Institute of Banking
and Finance (IBF), Singapore

• Offshore Deposit Market

• Foreign Exchange Arithmetic

• Financial Future

• Options

• Citibank Bourse Game

Total shares held in BankNo. of shares held as
of year-end 2016

- By himself: None

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

Period	Position	Company / Organisation
-	-	-

Non-Listed Companies and other Companies and Organisations

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

Work experience within last 5 years

Period	Position	Company / Organisation
-	-	-

3

**Name of Executive/ Age / Position/
Date of appointment****MR. ADISORN SERMCHAIWONG**
Age 51 yearsSenior Executive Vice President
Consumer Banking GroupDate of appointment:
11 September 2012**Education**

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

Training

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

Total shares held in BankNo. of shares held as
of year-end 2016

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

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

Period	Position	Company / Organisation
-	-	-

Non-Listed Companies and other Companies and Organisations

Period	Position	Company / Organisation
2013 - Present	Director	CIMB-Principal Asset Management Co., Ltd.
2015 - Present	Director	Finansa Asset Management Ltd.
2015 - Present	Chairman	CT COLL Co., Ltd.
2015 - Present	Chairman	WorldLease Co., Ltd.
2016 - Present	Chairman	Center Auto Lease Co., Ltd.

Work experience within last 5 years

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

MR. ARTHIT MASATHIRAKUL
Age 50 yearsSenior Executive Vice President,
Risk Management GroupDate of appointment:
1 January 2017

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

Training

- Senior Credit Officer Workshop, Standard Chartered Bank, Thailand
- Assets Valuation, Standard Chartered Bank, Hong Kong
- Executive Programme, INSEAD, Fontainebleau, France
- Engaging & Managing People, Standard Chartered Bank, London
- Market Risks, Standard Chartered Bank, Hong Kong
- Credit Skills Assessment (OMEGA), Standard Chartered Bank
- Corporate Finance, Deutsche Bank AG, Singapore

Total shares held in BankNo. of shares held as
of year-end 2016

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

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

Period	Position	Company / Organisation
-	-	-

Non-Listed Companies and other Companies and Organisations

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

Work experience within last 5 years

Period	Position	Company / Organisation
Feb. 2014 – Jul. 2016	Head of Risk	Deutsche Bank AG, Bangkok Branch Bangkok, Thailand
Apr. 2010 - Jan. 2014	Head of Loan Management	The Hongkong and Shanghai Banking Corporation Ltd., Bangkok, Thailand
2005 - 2008	Advisor, Alternate Investment Group	Standard Chartered Bank, Hong Kong
Jul. 1997 – May 2005	Executive Vice President, Group Special Assets Management	Standard Chartered Bank, Bangkok, Thailand

5

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

MR. PORNCCHAI PADMINDRA
Age 44 years

Senior Executive Vice President,
Wholesale Banking Group

Date of appointment:
1 September 2013

Education

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

Training

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

Total shares held in Bank

No. of shares held as
of year-end 2016

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

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

Listed Companies

Period	Position	Company / Organisation
-	-	-

Non-Listed Companies and other Companies and Organisations

Period	Position	Company / Organisation
-	-	-

Work experience within last 5 years

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

6

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

MRS. BUSSAKORN PUTTINAN
Age 59 years

Senior Executive Vice President
Group Information and Operations Division

Date of appointment:
4 January 2017

Education

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

Training

- Core Operations, Managing people, Citibank, Singapore
- Custody Services, E-Business, Citibank, Singapore and Hongkong
- Process Management, Quality ISO, Citibank, Singapore
- Risk in Financial Market, Citibank, Philippines
- Executive Program, Columbia Business School, Columbia University

Total shares held in Bank

No. of shares held as of year-end 2016

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

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

Period	Position	Company / Organisation
-	-	-

Non-Listed Companies and other Companies and Organisations

Period	Position	Company / Organisation
-	-	-

Work experience within last 5 years

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

7**Name of Executive/ Age / Position/ Date of appointment**

MS. SIRIPORN SANUNPAIRAUE
Age 52 years

Senior Executive Vice President
Internal Audit Division

Date of appointment:
1 July 2015

Education

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

Training

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

Total shares held in Bank

No. of shares held as of year-end 2016

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

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

Period	Position	Company / Organisation
-	-	-

Non-Listed Companies and other Companies and Organisations

Period	Position	Company / Organisation
-	-	-

Work experience within last 5 years

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

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

MRS. WAREEMON NIYOMTHAI
Age 50 years

Senior Executive Vice President,
Commercial Banking Group

Date of appointment:
8 February 2016

Education

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

Training

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

Total shares held in Bank

No. of shares held as
of year-end 2016

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

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

Listed Companies

Period	Position	Company / Organisation
-	-	-

Non-Listed Companies and other Companies and Organisations

Period	Position	Company / Organisation
-	-	-

Work experience within last 5 years

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

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

MRS. KANOKPAI VONGSATITPORN
Age 44 years

Senior Executive Vice Presiden,
Human Resources Management Division

Date of appointment:
30 December 2016

Education

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

Training

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

Total shares held in Bank

No. of shares held as
of year-end 2016

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

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

Listed Companies

Period	Position	Company / Organisation
-	-	-

Non-Listed Companies and other Companies and Organisations

Period	Position	Company / Organisation
-	-	-

Work experience within last 5 years

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

10**Name of Executive/ Age / Position/
Date of appointment****Education**

MR. JASON LEONG KOK YEW
Age 44 years

- Bachelor of Economics, Macquarie University, Australia

Senior Executive Vice President,
Finance Group

Date of appointment:
30 December 2016

Total shares held in Bank

No. of shares held as
of year-end 2016

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

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

Listed Companies

Period	Position	Company / Organisation
-	-	-

Non-Listed Companies and other Companies and Organisations

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

Work experience within last 5 years

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

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

MR. TAN KEAT JIN
Age 42 years

Senior Executive Vice President,
Head of Strategy Division

Date of appointment:
30 December 2016

Education

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

Training

- CIMB-INSEAD Executive Development
Programme, Cohort 4

Total shares held in Bank

No. of shares held as
of year-end 2016

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

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

Listed Companies

Period	Position	Company / Organisation
-	-	-

Non-Listed Companies and other Companies and Organisations

Period	Position	Company / Organisation
-	-	-

Work experience within last 5 years

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

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

MR. PRAPAS THONGSUK
Age 53 years

Executive Vice President
Corporate Communications Division

Date of appointment:
1 April 2010

Education

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

Total shares held in Bank

No. of shares held as of year-end 2016

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

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

Period	Position	Company / Organisation
-	-	-

Non-Listed Companies and other Companies and Organisations

Period	Position	Company / Organisation
-	-	-

Work experience within last 5 years

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

13**Name of Executive/ Age / Position/ Date of appointment****MR. PHISIT SUCHARITSOPIT
Age 50 years**

Executive Vice President
Transaction Banking Group

Date of appointment:
22 February 2016

Education

- Master of Science in Financial Engineering, City University of Hong Kong
- Executive Management Program, Haas School of Business, University of California, Berkeley
- Master of Arts (Physics), Wayne State University, Michigan, U.S.A.
- Bachelor of Arts (Math/Computer Science/Physics, Augustana College, Illinois, U.S.A.

Training

- Advanced Management Programme, University of California, Berkeley, U.S.A.

Total shares held in Bank

No. of shares held as of year-end 2016

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

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

Period	Position	Company / Organisation
-	-	-

Non-Listed Companies and other Companies and Organisations

Period	Position	Company / Organisation
-	-	-

Work experience within last 5 years

Period	Position	Company / Organisation
Jun 2014 – Feb 2016	Senior Vice President, Head of Cash Management Services	Standard Chartered Bank (Thai)

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**Name of Executive/ Age / Position/
Date of appointment**
Education
MR. THAPHOP KLEESUWAN
Age 56 years

 Executive Vice President,
 Compliance Department Head

 Date of appointment:
 22 June 2011

 Executive Vice President,
 Office of the President
 and Company Secretary

 Date of appointment:
 21 July 2008

 - LL.M. (Laws in Taxation), DePaul University,
 Chicago, Illinois, U.S.A.

- LL.B., Chulalongkorn University

Training

- Bond-related Regulations Programme
- Measure to Prevent Thai Baht Speculation Programme
- Tone at the Top Programme
- Credit Information Business Act Programme
- Financial Institution Governance Programme, Thai Institute of Directors
- Laws and Regulations for Company Secretary According to New Law on Securities and Exchange Programme, Faculty of Law, Chulalongkorn University
- Commercial Banking Business Regulators Programme, Faculty of Law, Chulalongkorn University
- Company Secretary Programme, Thai Institute of Directors
- Securities Business Operation for Compliance Head Programme by Thai Bankers' Association and the Thai Institute of Banking and Finance Association

Total shares held in Bank

 No. of shares held as
 of year-end 2016

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

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

Period	Position	Company / Organisation
-	-	-

Non-Listed Companies and other Companies and Organisations

Period	Position	Company / Organisation
-	-	-

Work experience within last 5 years

Period	Position	Company / Organisation
2008 - 2010	Director	Sathorn Asset Management Co., Ltd.

THE NOMINATION, REMUNERATION, AND CORPORATE GOVERNANCE COMMITTEE REPORT

In line with the roles and responsibilities of the Nomination, Remuneration, and Corporate Governance Committee, in 2016, the Committee continued to ensure that the Bank considered and nominated names of qualified candidates for positions of directors and senior executives of the Bank, and with appropriate remuneration and benefits according to their duties and responsibilities. In addition, the Committee also reviewed the Bank's staff benefits matter in 2016.

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

1. To nominate qualified directors and senior executives and recommend remuneration and benefits appropriate 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 refer the results to the Board with recommendations regarding the appropriate remuneration and benefits.
4. To review and consider the total annual salary adjustment and bonuses for the Bank employees and propose to the Board for approval.
5. To review the Corporate Governance Policy and Codes of Conduct for directors and employees of the Bank ensuring consistency with the corporate governance criteria of relevant regulatory authorities, and to submit to the Board for approval.
6. To approve corporate governance guidelines for relevant units and present to the Board annually for acknowledgment so as to enhance good corporate governance of the Bank.
7. To review the Bank's staff benefits matter

The Committee is also of the opinion that remuneration for directors and senior executives in year 2016 was 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

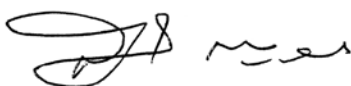
AUDIT COMMITTEE REPORT

In 2016, 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, the Stock Exchange of Thailand, the 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 Department, 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

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

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

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

The Board of Directors is of the opinion that the Bank's overall internal control is at a satisfactory level and reasonably provides reliability of the Bank's and its subsidiaries' financial statements for the year ended 31 December 2016.



Mr. Chitrapongse Kwangsukstith
Director



Mr. Kittiphun Anutarasoti
President and Chief Executive Officer

INDEPENDENT AUDITOR'S REPORT

To the shareholders of CIMB Thai Bank Public Company Limited

My opinion

In my opinion, the consolidated financial statements of CIMB Thai Bank Public Company Limited (the Bank) and its subsidiaries (the Group) and the separate financial statements of the Bank present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Bank as at 31 December 2016, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

What I have audited

I have audited the consolidated and separate financial statements of the Group and the Bank, which comprise the consolidated and separate statements of financial position as at 31 December 2016, and the related consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

Basis for opinion

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

Key audit matters

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

Key audit matter	How my audit addressed the key audit matter
Allowance for doubtful accounts on loans to customers	
Refer to Note 2.9 for the accounting policy of the Group relating to allowance for doubtful accounts. For disclosures relating to loans to customers, refer to Note 9.	
<p>Loans to customers are a significant portion constituting 66% of total assets. As at 31 December 2016 the total loans portfolio of the Group comprises of loans of commercial banking business which constitutes 87.77%, and hire-purchase receivables generated from the operations of the Group's subsidiaries 12.23%. Management applied a quantitative approach and qualitative factors to an estimation of the allowance for doubtful accounts on certain loans and portfolio of loans to customers.</p> <p>Management set up allowances on the Group's individual customers, principally based on the Bank of Thailand's guidelines as well as management's assessment of the repayment capacity of individual customers. Management assessed the financial status of individual customers and may hold additional allowance wherever required. This included considering, in addition to objective criteria, other qualitative factors that include but aren't limited to payment history, financial position and the performance of the customer, key financial ratios, industry trends etc.</p> <p>For non-performing loans, management considered expected future cash flows from debt collection which required appropriate assumptions in accordance about economic conditions and from disposing of collateral which has been appraised by the professional valuers.</p> <p>Considering the economic conditions and credit risk in overall loans to customers, management used judgements and hold overlays as general allowance for further losses, if any.</p> <p>Based on the significance, level of subjectivity and estimation uncertainty, allowance for doubtful accounts on loans to customers is a key area of focus.</p>	<p>I tested the design, implementation and operating effectiveness of key controls over input data and the calculation of allowances as follows:</p> <ul style="list-style-type: none"> • I tested management's controls over data accuracy, assessed the application of appropriate methodologies and appropriateness of systems, processes and internal controls in relation to generating the reliable results. • I tested the key controls (both automated and manual). I involved my information technology specialists to test access controls to the system and controls over the computation of allowance for doubtful accounts, including the completeness and accuracy of customers' accounts used in the computation. I also tested controls over data input into the system, collateral valuation, transfer of data and reconciliations between the loans source systems to the general ledger. • I tested management's controls over review and approval of setting up an allowance for doubtful accounts. • I read minutes of key committee meetings - especially the credit committee, risk committee, management committees and Board of Director meetings of companies in the Group. <p>I didn't find any exception from my testing, with the result that I relied on controls of the Group in my audit. In addition, I also used the following audit procedures.</p> <p>I independently performed a credit analysis where I selected loans based on risk exposures. I tested the classification of those loans and examined the allowance in accordance with the regulatory requirements. On certain loans, management set up an additional allowance, I understood the management's process and assessed the appropriateness of borrower's capacity to pay using internal and external evidence, and assessed the appropriateness of those allowances.</p> <p>I critically assessed for any extra allowance which hadn't been identified by management. I found no material exceptions.</p> <p>For non-performing loans, I tested cash flow projections from repayment and appraisal value of collateral, in order to assess the appropriateness of allowance for doubtful accounts:</p> <ul style="list-style-type: none"> • I challenged the basic cash flow projections prepared by management and assessed the appropriateness of projections by examining them against the relevant supporting evidence and had a detailed discussion with management on the future cash flows expected from customer. I also used professional judgement and external evidence, if any, to assess those projections.

Key audit matter	How my audit addressed the key audit matter
	<ul style="list-style-type: none"> For collateral valuations performed by the professional valuers, I checked their qualifications. Then, I sampled those valuations to check that the management used the latest valuations in the computation of allowance for doubtful accounts. I assessed the appropriateness of the valuation methodologies by considering that the valuers used the methodology allowed by the regulators. I also checked the accuracy of the collateral value deducted from loan outstanding. <p>I tested the management's review and approval process for general provision. I assessed the appropriateness of general provision by using my industry experience and knowledge, in the light of current economic conditions. I also performed an assessment for the appropriateness of general provisions by comparing the proportion of the allowance to the loan of the Bank with other major banks in Thailand.</p> <p>Based on the work I performed I didn't find any difference which is material to overall financial statements.</p>
Valuation of derivative financial instruments	
Refer to Note 2.18 for the accounting policy of the Group relating to derivative financial instruments. For disclosures relating to derivatives refer to the Note 7.	
<p>As at 31 December 2016, the Group's derivatives financial instruments mainly comprise of derivatives, assets and liabilities amounting to Baht 21,235 million amounting to Baht 21,381 million, respectively. Valuation of these derivatives was performed by the management by making judgments in determining the appropriate valuation methodology and use of relevant data which resulted in valuation risk.</p> <p>The valuation of derivatives was my key area of focus. For derivatives financial instruments valuation methodologies were complicated and I applied valuation techniques.</p> <p>Valuation of derivatives financial instruments depends highly on the valuation methodology and market data, inappropriate usage of any of them could have a significant impact on the financial statements.</p>	<p>I assessed the operating effectiveness of the following key controls over the valuation of derivatives financial instruments:</p> <ul style="list-style-type: none"> Controls over the computerised system used for the valuation of derivatives financial instruments. I defined the scope of work with the information technology specialist team during the audit planning phase and used the results of tests of information technology general controls and application controls performed. Manual controls over the completeness, appropriateness and accuracy of data input into the system. I tested the controls over reconciliations for the data uploaded into the systems, and reconciliations between the derivatives source systems and financial reporting systems. <p>I didn't find any exception from my tests and I could rely on these controls for the purpose of my audit.</p> <p>I performed further procedures in addition to control testing. On a sample basis, I independently measured valuations based on market data as a benchmark, then assessed the reason for variance against the Group's valuation result. There was no material variance which wasn't explainable.</p>

Other information

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

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

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

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

Responsibilities of the directors for the consolidated and separate financial statements

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

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

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

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

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

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

Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Bank's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Bank's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

PricewaterhouseCoopers ABAS Ltd.



Anothai Leekitwattana
 Certified Public Accountant (Thailand) No. 3442
 Bangkok
 24 February 2017

**CIMB THAI BANK
PUBLIC COMPANY LIMITED**

**CONSOLIDATED
AND SEPARATE FINANCIAL
STATEMENTS**

31 DECEMBER 2016

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2016

NOTES		CONSOLIDATED		SEPARATE	
		31 December 2016 / Baht	31 December 2015 / Baht	31 December 2016 / Baht	31 December 2015 / Baht
Assets					
Cash		1,938,616,493	2,397,196,928	1,936,147,365	2,395,111,405
Interbank and money market items, net	6	8,527,657,244	14,292,801,636	8,463,665,047	14,229,670,008
Derivative assets	7	21,235,341,272	25,581,046,242	21,235,341,272	25,581,046,242
Investments, net	8	55,061,910,795	54,891,019,817	55,061,910,795	54,891,019,817
Investments in subsidiaries, net	8	-	-	1,324,920,707	1,324,920,707
Loans and accrued interest receivables	9				
Loans		211,437,378,135	203,552,832,710	202,939,467,801	196,736,743,351
Accrued interest receivables		589,798,750	520,569,785	593,582,295	524,470,027
Total loans and accrued interest receivables		212,027,176,885	204,073,402,495	203,533,050,096	197,261,213,378
Less Deferred revenue		(5,848,448,651)	(4,945,478,647)	(38,988,676)	(90,837,521)
Less Allowance for doubtful debts	10	(9,793,289,246)	(6,730,530,954)	(9,666,516,204)	(6,572,231,944)
Less Revaluation allowance for debt restructuring	11	(45,259,015)	(55,383,987)	(45,259,015)	(55,383,987)
Loans and accrued interest receivables, net		196,340,179,973	192,342,008,907	193,782,286,201	190,542,759,926
Customers' liability under acceptance		45,230,520	41,017,884	45,230,520	41,017,884
Properties for sale, net	12	1,285,079,244	1,194,255,368	1,195,702,862	1,109,004,276
Premises and equipment, net	13	3,670,638,674	2,769,718,388	3,609,493,321	2,714,361,639
Intangible assets, net	14	368,387,320	378,987,475	363,158,838	373,090,594
Deferred tax assets	15	1,289,224,887	1,040,358,204	1,075,692,045	862,314,440
Other assets, net	16	7,708,041,398	9,692,983,893	7,529,507,359	9,533,185,948
Total assets		297,470,307,820	304,621,394,742	295,623,056,332	303,597,502,886

*The accompanying notes to the consolidated and bank financial statements from page 144 to 249 are an integral part of these financial statements.

Director



Director



STATEMENTS OF FINANCIAL POSITION (CONT'D)

As at 31 December 2016

NOTES		CONSOLIDATED		SEPARATE	
		31 December 2016 / Baht	31 December 2015 / Baht	31 December 2016 / Baht	31 December 2015 / Baht
Liabilities and equity					
Liabilities					
Deposits	17	183,663,324,706	170,217,136,926	183,877,466,049	170,502,086,949
Interbank and money market items, net	18	11,595,328,411	20,018,416,948	11,595,328,411	19,994,416,948
Liability payable on demand		250,092,171	320,768,448	250,092,171	320,768,448
Financial liabilities designated at fair value					
through profit or loss	19	18,873,674,513	16,039,533,025	18,873,674,513	16,039,533,025
Derivative liabilities	7	21,381,015,668	25,682,672,770	21,381,015,668	25,682,672,770
Debt issued and borrowings	20	25,582,513,107	33,994,659,909	25,582,513,107	33,994,659,909
Bank's liability under acceptance		45,230,520	41,017,884	45,230,520	41,017,884
Provisions	21	1,997,419,699	1,641,262,617	1,919,842,460	1,578,957,438
Other liabilities	22	7,376,288,614	9,557,915,819	6,809,617,409	9,126,765,983
Total liabilities		270,764,887,409	277,513,384,346	270,334,780,308	277,280,879,354
Equity					
Share capital	23				
Registered					
24,774,731,679 ordinary shares of Baht 0.50 each		12,387,365,840		12,387,365,840	
27,410,341,432 ordinary shares of Baht 0.50 each			13,705,170,716		13,705,170,716
Issued and paid-up share capital					
24,774,731,679 ordinary shares of Baht 0.50 each		12,387,365,840	12,387,365,840	12,387,365,840	12,387,365,840
Premium on share capital		5,712,665,258	5,712,665,258	5,712,665,258	5,712,665,258
Other reserves	24	1,094,080,196	720,704,664	1,115,382,330	737,068,079
Accretion of equity interests in subsidiary		(42,753,751)	(42,753,751)	-	-
Retained earnings					
Appropriated - statutory reserve	25	397,800,000	365,950,000	397,800,000	365,950,000
Unappropriated		7,156,262,868	7,964,078,385	5,675,062,596	7,113,574,355
Total equity		26,705,420,411	27,108,010,396	25,288,276,024	26,316,623,532
Total liabilities and equity		297,470,307,820	304,621,394,742	295,623,056,332	303,597,502,886

The accompanying notes to the consolidated and bank financial statements from page 144 to 249 are an integral part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 31 December 2016

	NOTES	CONSOLIDATED		SEPARATE	
		2016 / Baht	2015 / Baht	2016 / Baht	2015 / Baht
Interest income	30	14,671,929,135	14,620,048,451	12,723,807,296	13,025,701,782
Interest expenses	31	(4,806,163,382)	(6,143,023,747)	(4,806,998,270)	(6,141,335,838)
Net interest income		9,865,765,753	8,477,024,704	7,916,809,026	6,884,365,944
Fees and service income		1,837,426,211	1,734,247,566	1,289,666,205	1,374,889,474
Fees and service expenses		(201,845,300)	(266,581,243)	(238,708,889)	(319,343,580)
Net fees and services income	32	1,635,580,911	1,467,666,323	1,050,957,316	1,055,545,894
Gains on tradings and foreign exchange transactions	33	1,402,493,444	1,819,384,602	1,402,493,444	1,819,384,602
Losses on financial instrument designated at fair value through profit or loss	34	(810,387,742)	(458,154,763)	(810,387,742)	(458,154,763)
Gains on investments	35	482,570,051	551,005,717	482,570,051	551,005,717
Other operating income	36	352,086,453	377,101,198	329,240,877	383,010,621
Total operating income		12,928,108,870	12,234,027,781	10,371,682,972	10,235,158,015
Other operating expenses					
Employee expenses		3,857,722,186	3,753,835,420	3,302,361,160	3,236,564,534
Directors' remuneration		12,598,400	11,080,000	12,262,400	10,744,000
Premises and equipment expenses		1,279,866,016	1,404,482,827	1,150,024,878	1,277,119,380
Taxes and duties		461,092,983	458,627,188	441,485,090	442,470,291
Others		1,812,232,818	1,499,238,226	1,259,456,059	950,068,015
Total other operating expenses		7,423,512,403	7,127,263,661	6,165,589,587	5,916,966,220
Bad and doubtful debts and impairment losses	37	6,279,268,383	3,770,112,827	5,785,126,100	3,425,200,000
(Loss) profit before income tax expenses		(774,671,916)	1,336,651,293	(1,579,032,715)	892,991,795
Income tax expenses	38	145,146,699	(284,169,352)	318,811,256	(185,657,054)
Net (loss) profit for the years		(629,525,217)	1,052,481,941	(1,260,221,459)	707,334,741

The accompanying notes to the consolidated and bank financial statements from page 144 to 249 are an integral part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME (CONT'D)

For the year ended 31 December 2016

	CONSOLIDATED		SEPARATE	
	2016 / Baht	2015 / Baht	2016 / Baht	2015 / Baht
Other comprehensive income (expenses)				
Items that will be reclassified subsequently to profit or loss				
(Losses) gains on remeasuring available-for-sale investments	(644,156,155)	12,859,905	(644,156,155)	12,859,905
(Losses) gains arising from translating the financial statement of a foreign operation	(1,206,592)	28,964,409	(1,206,592)	28,964,409
Gains (losses) on cash flow hedges	58,446,328	(25,306,951)	58,446,328	(25,306,951)
Income tax relating to items that will be reclassified subsequently to profit or loss	117,141,965	2,489,409	117,141,965	2,489,409
Total items that will be reclassified subsequently to profit or loss	(469,774,454)	19,006,772	(469,774,454)	19,006,772
Items that will not be reclassified subsequently to profit or loss				
Changes in revaluation surplus	1,078,204,826	(125,210,829)	1,078,204,826	(125,210,829)
Remeasurements of post-employment benefit obligations	(24,267,343)	(107,191,305)	(18,093,944)	(102,130,316)
Income tax relating to items that will not be reclassified subsequently to profit or loss	(210,787,497)	46,480,426	(212,022,177)	45,468,228
Total items that will not be reclassified subsequently to profit or loss	843,149,986	(185,921,708)	848,088,705	(181,872,917)
Total other comprehensive income (expenses)	373,375,532	(166,914,936)	378,314,251	(162,866,145)
Total comprehensive (expenses) income for the years	(256,149,685)	885,567,005	(881,907,208)	544,468,596

The accompanying notes to the consolidated and bank financial statements from page 144 to 249 are an integral part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME (CONT'D)

For the year ended 31 December 2016

	CONSOLIDATED		SEPARATE	
	2016 / Baht	2015 / Baht	2016 / Baht	2015 / Baht
Net (loss) profit attributable to:				
Equity holders of the Bank	(629,525,217)	1,052,481,941	(1,260,221,459)	707,334,741
Non-controlling interests	-	-	-	-
	(629,525,217)	1,052,481,941	(1,260,221,459)	707,334,741
Total comprehensive (expenses) income attributable to:				
Equity holders of the Bank	(256,149,685)	885,567,005	(881,907,208)	544,468,596
Non-controlling interests	-	-	-	-
	(256,149,685)	885,567,005	(881,907,208)	544,468,596
Earnings per share for (loss) profit attributable to the equity holders of the Bank				
40				
Basic (loss) earnings per share (Baht per share)	(0.03)	0.05	(0.05)	0.03
Weighted average number of ordinary shares (shares)	24,774,731,679	21,650,992,558	24,774,731,679	21,650,992,558

The accompanying notes to the consolidated and bank financial statements from page 144 to 249 are an integral part of these financial statements.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 December 2016

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	Remeasurements of post-employment benefit obligations Baht	Revaluation surplus (deficit) on change in value of investments Baht	Gains (losses) arising from translating the financial statement of a foreign operation Baht	Gains (losses) 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	12,387,365,840	5,712,665,258	969,952,859	(231,252,097)	291,736,776	36,302,019	(174,934,230)	(171,100,663)	720,704,664	(42,753,751)	365,950,000	7,964,078,385	27,108,010,396
	-	-	-	-	-	-	-	-	-	-	-	(185,810,488)	(185,810,488)
			1,078,204,826	(24,267,343)	(644,156,155)	(1,206,592)	58,446,328	(63,645,532)	373,375,532	-	-	(629,525,217)	(256,149,685)
	-	-	-	-	-	-	-	-	-	-	31,850,000	(31,850,000)	-
	-	-	-	-	-	-	-	-	-	-	-	39,370,188	39,370,188
26	12,387,365,840	5,712,665,258	2,048,157,685	(255,519,440)	(352,419,379)	35,095,427	(116,487,902)	(264,746,195)	1,094,080,196	(42,753,751)	397,800,000	7,156,262,868	26,705,420,411
	10,542,439,013	3,867,738,430	1,095,163,688	(124,060,792)	278,876,871	7,337,610	(149,627,279)	(220,070,498)	887,619,600	(42,753,751)	341,300,000	6,994,214,366	22,590,557,658
	-	-	-	-	-	-	-	-	-	-	-	(158,136,585)	(158,136,585)
	1,844,926,827	1,844,926,828	-	-	-	-	-	-	-	-	-	-	3,689,853,655
			(125,210,829)	(107,191,305)	12,859,905	28,964,409	(25,306,951)	48,969,835	(166,914,936)	-	-	1,052,481,941	885,567,005
25	-	-	-	-	-	-	-	-	-	-	24,650,000	(24,650,000)	-
	-	-	-	-	-	-	-	-	-	-	-	100,168,663	100,168,663
	12,387,365,840	5,712,665,258	969,952,859	(231,252,097)	291,736,776	36,302,019	(174,934,230)	(171,100,663)	720,704,664	(42,753,751)	365,950,000	7,964,078,385	27,108,010,396

The accompanying notes to the consolidated and bank financial statements from page 144 to 249 are an integral part of these financial statements.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONT'D)

For the year ended 31 December 2016

SEPARATE

ATTRIBUTABLE TO OWNERS OF THE BANK

OTHER RESERVES

NOTES	Issued and paid-up share capital Baht	Share premium Baht	Revaluation surplus on assets Baht	Remeasurements of post-employment benefit obligations Baht	Revaluation surplus (deficit) on change in value of investments Baht	Gains (losses) arising from translating the financial statement of a foreign operation Baht	Gains (losses) on cash flow hedges Baht	Income tax relating to components of other comprehensive expense Baht	Total other reserves Baht	Legal reserve Baht	Retained earnings Baht	Total Baht
Balance as at 1 January 2016	12,387,365,840	5,712,665,258	969,952,859	(210,797,829)	291,736,776	36,302,019	(174,934,230)	(175,191,516)	737,066,079	365,950,000	7,113,574,355	26,316,623,532
Dividend paid	-	-	-	-	-	-	-	-	-	-	(185,810,488)	(185,810,488)
Total comprehensive income (expenses) for the year	-	-	1,078,204,826	(18,083,944)	(644,156,155)	(1,206,592)	58,446,328	(94,880,212)	378,314,251	-	(1,260,221,459)	(881,907,208)
Appropriated - statutory reserve	-	-	-	-	-	-	-	-	-	31,850,000	(31,850,000)	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	39,370,188	39,370,188
Balance as at 31 December 2016	12,387,365,840	5,712,665,258	2,048,157,685	(228,891,773)	(352,419,379)	35,095,427	(116,487,902)	(270,071,728)	1,115,382,330	397,800,000	5,675,062,596	25,288,276,024
Balance as at 1 January 2015	10,542,439,013	3,867,738,430	1,095,163,688	(108,667,513)	278,876,871	7,337,610	(149,627,279)	(223,149,153)	899,934,224	341,300,000	6,488,857,536	22,140,269,203
Dividend paid	-	-	-	-	-	-	-	-	-	-	(158,136,585)	(158,136,585)
Increase in ordinary shares	1,844,926,827	1,844,926,828	-	-	-	-	-	-	-	-	-	3,689,853,655
Total comprehensive (expenses) income for the year	-	-	(125,210,829)	(102,130,316)	12,859,905	28,364,409	(25,306,951)	47,957,637	(162,866,145)	-	707,334,741	544,468,596
Appropriated - statutory reserve	-	-	-	-	-	-	-	-	-	24,650,000	(24,650,000)	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	100,168,663	100,168,663
Balance as at 31 December 2015	12,387,365,840	5,712,665,258	969,952,859	(210,797,829)	291,736,776	36,302,019	(174,934,230)	(175,191,516)	737,066,079	365,950,000	7,113,574,355	26,316,623,532

The accompanying notes to the consolidated and bank financial statements from page 144 to 249 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

For the year ended 31 December 2016

NOTES		CONSOLIDATED		SEPARATE
	2016 / Baht	2015 / Baht	2016 / Baht	2015 / Baht
Cash flows from operating activities				
(Loss) profit before corporate income tax	(774,671,916)	1,336,651,293	(1,579,032,715)	892,991,795
Adjustments to reconcile net income before income tax				
to cash in (out) flows from operating activities:				
Depreciation and amortisation	440,170,964	497,330,736	414,246,806	470,167,340
Bad debts and doubtful accounts	37 6,279,268,383	3,770,112,827	5,785,126,100	3,425,200,000
Provision for off-balance sheet items	302,644,995	14,347,673	302,644,995	14,347,673
Share-based payment	30,526,962	10,277,930	30,526,962	10,277,930
Provision for liabilities	151,748,809	172,221,337	142,650,148	166,067,925
Losses (gains) on impairment of properties for sale	5,250,682	(96,738,212)	1,388,641	248,119
Losses on impairment of other assets	11,684,173	-	11,684,173	-
Losses on impairment of investments	-	4,290,484	-	4,290,484
Unrealised gains on exchange and derivatives	(425,352,139)	(322,857,972)	(425,352,139)	(322,857,972)
Losses (gains) on properties for sale	322,090,738	468,815,242	(108,592,164)	(91,006,865)
Unrealised losses (gains) on revaluation of investments	96,264,552	(571,459)	96,264,552	(571,459)
Gains on sale of investments	(470,349,197)	(728,736,343)	(470,349,197)	(728,736,343)
Gains on disposal of premises and equipment	(29,016,065)	(13,074,954)	(26,932,026)	(11,486,702)
Gains on surplus from of revaluation of assets	(2,392,301)	-	(2,392,301)	-
(Gains) losses on impairment of premises and equipment	(10,064,738)	9,604,772	(10,064,738)	9,604,772
Losses from write off premises and equipment	48,312,019	27,967,972	48,312,019	27,967,972
Losses from write off leasehold rights	10,658,464	36,576	10,658,464	36,576
Losses on financial liabilities designated at fair value through profit or loss	34 810,387,742	458,154,763	810,387,742	458,154,763
Interest and dividend income	(14,691,524,064)	(14,671,879,227)	(12,785,751,455)	(13,077,532,558)
Interest expenses	3,815,050,461	5,141,242,289	3,815,885,348	5,139,554,380

The accompanying notes to the consolidated and bank financial statements from page 144 to 249 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS (CONT'D)

For the year ended 31 December 2016

	CONSOLIDATED		SEPARATE	
	2016 / Baht	2015 / Baht	2016 / Baht	2015 / Baht
Losses from operations				
before changes in operating assets and liabilities	(4,079,311,476)	(3,922,804,273)	(3,938,690,785)	(3,613,282,170)
(Increase) decrease in operating assets				
Interbank and money market items	5,762,463,266	(7,769,716,740)	5,763,323,834	(7,776,075,046)
Investments held for trading	(1,342,468,824)	965,186,346	(1,342,468,824)	965,186,346
Loans	(12,208,351,681)	(12,946,534,144)	(9,261,228,058)	(10,448,746,321)
Properties for sale	1,709,786,609	2,065,664,313	454,003,598	754,590,140
Receivable from Thai Asset Management Corporation	-	3,486,699,265	-	3,486,699,265
Other assets	1,899,646,123	(6,180,186,065)	1,915,526,015	(6,203,974,364)
Increase (decrease) in operating liabilities				
Deposits	13,446,187,779	(13,677,513,614)	13,375,379,100	(13,603,652,904)
Interbank and money market items	(8,423,088,537)	1,713,650,171	(8,399,088,537)	1,764,050,171
Liability payable on demand	(70,676,277)	(23,522,672)	(70,676,277)	(23,522,672)
Short-term borrowings	(14,314,372,766)	9,882,271,652	(14,314,372,766)	9,882,271,652
Provisions	(122,504,066)	(123,010,806)	(122,504,066)	(124,023,003)
Other liabilities	(1,911,540,150)	4,254,220,690	(1,921,335,943)	4,169,679,412
Cash flows used in operating activities	(19,654,230,000)	(22,275,595,877)	(17,862,132,709)	(20,770,799,494)
Cash received from interest income	13,236,817,311	12,884,956,736	11,288,812,167	11,290,617,897
Cash paid for interest expenses	(4,506,261,540)	(5,243,286,425)	(4,507,130,058)	(5,241,650,019)
Cash paid for income tax	(260,166,103)	(158,713,168)	(175,078,844)	(82,567,693)
Net cash flows used in operating activities	(11,183,840,332)	(14,792,638,734)	(11,255,529,444)	(14,804,399,309)

The accompanying notes to the consolidated and bank financial statements from page 144 to 249 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS (CONT'D)

For the year ended 31 December 2016

	CONSOLIDATED		SEPARATE	
	2016 / Baht	2015 / Baht	2016 / Baht	2015 / Baht
Cash flows from investing activities				
Cash paid for purchases of available -for-sale securities	(37,905,998,597)	(29,765,886,180)	(37,905,998,597)	(29,765,886,180)
Proceeds from disposals of available -for-sale securities	32,003,101,453	27,203,327,558	32,003,101,453	27,203,327,558
Proceeds from maturity of available -for-sale securities	1,607,800,000	510,978,043	1,607,800,000	510,978,043
Cash paid for purchases of held to maturity securities	(5,074,765,297)	(4,922,649,754)	(5,074,765,297)	(4,922,649,754)
Proceeds from disposals of held to maturity securities	480,340	-	480,340	-
Proceeds from maturity of held to maturity securities	9,830,560,000	6,666,336,490	9,830,560,000	6,666,336,490
Proceeds from repayment of investment in receivable	2,974,664	20,702,034	2,974,664	20,702,034
Proceeds from disposals of general investments	942,262	6,927,784	942,262	6,927,784
Proceeds from decrease in capital of general investments	31,750,000	30,000,000	31,750,000	30,000,000
Cash paid for purchases of premises and equipment	(248,780,868)	(152,719,262)	(218,862,488)	(140,749,076)
Proceeds from disposals of premises and equipment	39,224,327	21,370,934	36,746,101	19,267,618
Cash paid for purchases of intangible assets	(108,847,701)	(127,149,554)	(107,327,530)	(125,449,171)
Dividend received	19,594,927	51,830,775	61,944,159	51,830,775
Interest received	1,800,077,764	1,934,291,399	1,800,073,714	1,934,284,359
Net cash flows provided by investing activities	1,998,113,274	1,477,360,267	2,069,418,781	1,488,920,480

The accompanying notes to the consolidated and bank financial statements from page 144 to 249 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS (CONT'D)

For the year ended 31 December 2016

	NOTES	CONSOLIDATED		SEPARATE	
		2016 / Baht	2015 / Baht	2016 / Baht	2015 / Baht
Cash flows from financing activities					
Dividend paid	26	(185,810,488)	(158,136,585)	(185,810,488)	(158,136,585)
Proceeds from issuing subordinate debentures		5,007,729,300	-	5,007,729,300	-
Cash paid for redemption of subordinated debentures		(3,000,000,000)	-	(3,000,000,000)	-
Proceeds from issuance of structured bills of exchange and debentures		10,516,592,516	12,802,546,172	10,516,592,516	12,802,546,172
Cash paid for redemption of structured bills of exchange and debentures		(3,610,000,000)	(4,639,000,000)	(3,610,000,000)	(4,639,000,000)
Cash received from capital increase		-	3,689,853,654	-	3,689,853,654
Net cash flows provided by financing activities		8,728,511,328	11,695,263,241	8,728,511,328	11,695,263,241
(Gains) losses on foreign currency translation differences		(1,364,705)	27,590,216	(1,364,705)	27,590,216
Net decrease in cash and cash equivalents		(458,580,435)	(1,592,425,010)	(458,964,040)	(1,592,625,372)
Cash and cash equivalents at beginning of the years		2,397,196,928	3,989,621,938	2,395,111,405	3,987,736,777
Cash and cash equivalents at the end of the years		1,938,616,493	2,397,196,928	1,936,147,365	2,395,111,405
Supplemental disclosure of cash flows information					
Non-cash transaction:					
Payable from purchase premises and equipment		7,885,214	6,082,109	7,885,214	6,082,109
Properties for sale received from premises and equipment		116,468,697	60,976,206	116,468,697	60,976,206
Change in revaluation surplus in available-for-sale		644,156,155	12,859,905	644,156,155	12,859,905
Interest amortisation from premium or discount		404,473,541	385,340,992	404,473,541	385,340,992

The accompanying notes to the consolidated and bank financial statements from page 144 to 249 are an integral part of these financial statements.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2016

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1 GENERAL INFORMATION

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

44 Langsuan Road, Lumpini, Patumwan, Bangkok.

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

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

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

The consolidated and separate financial statements were authorised by the Board of Directors on 24 February 2017.

2 ACCOUNTING POLICIES

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

2.1 Basis of preparation of consolidated and separate financial statements

The consolidated and separate financial statements (“the financial statements”) have been prepared in accordance with Thai Generally Accepted Accounting Principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act. The primary financial

statements (i.e., statements of financial position, statements of comprehensive income, changes in shareholder equity and cash flow) have been prepared in the format as required by the Notification of the Bank of Thailand (BoT) no. SorNorSor 21/2558, “The Preparation and Format of the Financial Statements of Commercial Bank and Holding Parent Company of Financial Group” dated 4 December 2015.

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

The preparation of 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 separate 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 version of the consolidated and separate financial statements have been prepared from the statutory financial statements that are in Thai-language version. In the event of a conflict or a difference in interpretation between the two languages, the Thai language financial statements shall prevail.

2.2 Revised accounting standards, revised financial reporting standards, and related interpretations

2.2.1 New financial reporting standards and revised accounting standards, revised financial reporting standards are effective on 1 January 2016. These standards are relevant to the Group.

a) Financial reporting standards, which have a significant changes:

TAS 16	(revised 2015)	Property, plant and equipment
TAS 19	(revised 2015)	Employee benefits
TAS 36	(revised 2015)	Impairment of assets
TAS 38	(revised 2015)	Intangible assets
TFRS 2	(revised 2015)	Share - based payment
TFRS 8	(revised 2015)	Operating segments
TFRS 13	(revised 2015)	Fair value measurement

TAS 16 (revised 2015), 'Property, plant and equipment' clarifies how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model.

TAS 19 (revised 2015), 'Employee benefits' is amended to apply to contributions from employees or third parties to defined benefit plans and to clarify the accounting treatment of such contributions. The amendment distinguishes between contributions that are linked to service only in the period in which they arise and those linked to service in more than one period.

TAS 36 (revised 2015), 'Impairment of assets' is amended to provide additional disclosure requirement when the recoverable amount of the assets is measured at fair value less costs of disposal. The disclosures include 1) the level of fair value hierarchy and 2) when fair value measurement categorised within level 2 and level 3, disclosures is required for valuation technique and key assumption.

TAS 38 (revised 2015), 'Intangible assets' is amended to clarify how the gross carrying amount and the accumulated amortisation are treated where an entity uses the revaluation model.

TFRS 2 (revised 2015), 'Share based payments' clarifies the definition of a 'vesting condition' and separately defines 'performance condition' and 'service condition'.

TFRS 8 (revised 2015), 'Operating segments' requires disclosure of the judgements made by management in aggregating operating segments. It is also amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported to chief operating decision maker.

TFRS 13 (revised 2015), 'Fair value measurement' is amended to clarify that the portfolio exception in TFRS 13 applies to all contracts (including non-financial contracts) within the scope of TAS 39 (when announced) or TFRS 9 (when announced).

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

TAS 1	(revised 2015)	Presentation of financial statements
TAS 2	(revised 2015)	Inventories
TAS 7	(revised 2015)	Statement of cash flows
TAS 8	(revised 2015)	Accounting policies, changes in accounting estimates and errors
TAS 10	(revised 2015)	Events after the reporting period
TAS 11	(revised 2015)	Construction contracts
TAS 12	(revised 2015)	Income taxes
TAS 17	(revised 2015)	Leases
TAS 18	(revised 2015)	Revenue
TAS 20	(revised 2015)	Accounting for government grants and disclosure of government assistance
TAS 21	(revised 2015)	The effects of changes in foreign exchange rates
TAS 23	(revised 2015)	Borrowing costs
TAS 26	(revised 2015)	Accounting and reporting by retirement benefit plans
TAS 28	(revised 2015)	Investments in associates and joint ventures
TAS 29	(revised 2015)	Financial reporting in hyperinflationary economies

TAS 33	(revised 2015)	Earnings per share
TAS 34	(revised 2015)	Interim financial reporting
TAS 37	(revised 2015)	Provisions, contingent liabilities and contingent assets
TFRS 5	(revised 2015)	Non-current assets held for sale and discontinued operations
TFRS 6	(revised 2015)	Exploration for and evaluation of mineral resources
TFRS 11	(revised 2015)	Joint arrangements
TSIC 10	(revised 2015)	Government assistance - No specific relation to operating activities
TSIC 15	(revised 2015)	Operating leases - Incentives
TSIC 25	(revised 2015)	Income taxes - changes in the tax status of an entity or its shareholders
TSIC 27	(revised 2015)	Evaluating the substance of transactions involving the legal form of a lease
TSIC 29	(revised 2015)	Service concession arrangements: Disclosures
TSIC 31	(revised 2015)	Revenue - barter transactions involving advertising services
TSIC 32	(revised 2015)	Intangible assets - Web site costs
TFRIC 1	(revised 2015)	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4	(revised 2015)	Determining whether an arrangement contains a lease
TFRIC 5	(revised 2015)	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 7	(revised 2015)	Applying the restatement approach under TAS29 Financial reporting in hyperinflationary economies
TFRIC 10	(revised 2015)	Interim financial reporting and impairment
TFRIC 12	(revised 2015)	Service concession arrangements
TFRIC 13	(revised 2015)	Customer loyalty programmes
TFRIC 14	(revised 2015)	TAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction
TFRIC 15	(revised 2015)	Agreements for the construction of real estate
TFRIC 17	(revised 2015)	Distributions of non-cash assets to owners
TFRIC 18	(revised 2015)	Transfers of assets from customers
TFRIC 20	(revised 2015)	Stripping costs in the production phase of a surface mine

2.2.2 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2017. The Group has not yet early adopted these revised standards.

a) Financial reporting standards, which have significant changes and are relevant to the Group:

TAS 1	(revised 2016)	Presentation of financial statements
TAS 19	(revised 2016)	Employee benefits
TAS 27	(revised 2016)	Separate financial statements
TAS 28	(revised 2016)	Investments in associates and joint ventures
TAS 34	(revised 2016)	Interim financial reporting
TFRS 5	(revised 2016)	Non-current assets held for sale and discontinued operations
TFRS 10	(revised 2016)	Consolidated financial statements
TFRS 12	(revised 2016)	Disclosure of interests in other entities

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

- Materiality - an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.
- Disaggregation and subtotals - line items specified in TAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals.
- Notes - confirmation that the notes do not need to be presented in a particular order.

- OCI arising from investments accounted for under the equity method - the share of OCI arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of other comprehensive income.

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

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

TAS 28 (revised 2016), the significant changes are 1) the amendments allow an entity which is not an investment entity, but has an interest in an associate or joint venture which is an investment entity, a policy choice when applying the equity method of accounting. The entity may choose to retain the fair value measurement applied by the investment entity associate or joint venture, or to unwind the fair value measurement and instead perform a consolidation at the level of the investment entity associate or joint venture and 2) the amendments allow an entity a policy choice to account for investments in subsidiaries, joint ventures and associates in its separate financial statements using the equity method.

TAS 34 (revised 2016), the amendments clarify that what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report'; entities taking advantage of the relief must provide a cross-reference from the interim financial statements to the location of that information and make the information available to users on the same terms and at the same time as the interim financial statements.

TFRS 5 (revised 2016), the amendments clarify that when an asset (or disposal group) is reclassified from 'held for sale' to 'held for distribution' or vice versa, this does not constitute a change to a plan of sale or distribution and does not have to be accounted for as such.

TFRS 10 (revised 2016), the amendments clarify that: 1) the exception from preparing consolidated financial statements is also available to intermediate parent entities which are subsidiaries of investment entities and 2) an investment entity should consolidate a subsidiary which is not an investment entity and whose main purpose and activity is to provide services in support of the investment entity's investment activities.

TFRS 12 (revised 2016), the amendments clarify the disclosure requirements of an entity which is an investment entity and exception from preparing consolidated financial statement and instead measured its subsidiaries at fair value is required to disclose information of its subsidiaries according to the requirement in TFRS 12.

The management has assessed and considered that the above revised standards will not have a material impact on the Group.

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

TAS 2	(revised 2016)	Inventories
TAS 7	(revised 2016)	Statement of cash flows
TAS 8	(revised 2016)	Accounting policies, changes in accounting estimates and errors
TAS 10	(revised 2016)	Events after the reporting period
TAS 11	(revised 2016)	Construction contracts
TAS 12	(revised 2016)	Income taxes
TAS 17	(revised 2016)	Leases
TAS 18	(revised 2016)	Revenue

TAS 20	(revised 2016)	Accounting for government grants and disclosure of government assistance
TAS 21	(revised 2016)	The effects of changes in foreign exchange rates
TAS 23	(revised 2016)	Borrowing costs
TAS 24	(revised 2016)	Related party disclosures
TAS 26	(revised 2016)	Accounting and reporting by retirement benefit plans
TAS 29	(revised 2016)	Financial reporting in hyper-inflationary economies
TAS 33	(revised 2016)	Earnings per share
TAS 36	(revised 2016)	Impairment of assets
TAS 37	(revised 2016)	Provisions, contingent liabilities and contingent assets
TAS 40	(revised 2016)	Investment property
TFRS 2	(revised 2016)	Share-based payment
TFRS 3	(revised 2016)	Business combinations
TFRS 4	(revised 2016)	Insurance contracts
TFRS 6	(revised 2016)	Exploration for and evaluation of mineral resources
TFRS 8	(revised 2016)	Operating segments
TFRS 13	(revised 2016)	Fair value measurement
TSIC 10	(revised 2016)	Government Assistance - No specific relation to operating activities
TSIC 15	(revised 2016)	Operating leases - Incentives
TSIC 25	(revised 2016)	Income taxes - Changes in the tax status of an entity or its shareholders
TSIC 27	(revised 2016)	Evaluating the substance of transactions in the legal form of a lease
TSIC 29	(revised 2016)	Service Concession Arrangements: Disclosures
TSIC 31	(revised 2016)	Revenue - Barter transactions involving advertising services
TSIC 32	(revised 2016)	Intangible assets - Web site costs
TFRIC 1	(revised 2016)	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4	(revised 2016)	Determining whether an arrangement contains a lease
TFRIC 5	(revised 2016)	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 7	(revised 2016)	Applying the restatement approach under TAS 29 Financial reporting in hyper-inflationary economies
TFRIC 10	(revised 2016)	Interim financial reporting and impairment
TFRIC 12	(revised 2016)	Service concession arrangements
TFRIC 13	(revised 2016)	Customer loyalty programmes
TFRIC 14	(revised 2016)	TAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction
TFRIC 15	(revised 2016)	Agreements for the construction of real estate
TFRIC 17	(revised 2016)	Distributions of non-cash assets to owners
TFRIC 18	(revised 2016)	Transfers of assets from customers
TFRIC 20	(revised 2016)	Stripping costs in the production phase of a surface mine
TFRIC 21	(revised 2016)	Levies
TAS 104	(revised 2016)	Accounting for Troubled Debt Restructurings
TAS 105	(revised 2016)	Accounting for Investments in Debt and Equity Securities
TAS 107	(revised 2016)	Financial Instruments: Disclosure and Presentation

2.3 Revenue recognition

(a) Interest and discount on loans

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

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

(b) Interest and dividends on investments

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

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

(c) Gains (losses) on sale of investments

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

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

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

(e) Income from hire-purchase contracts

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

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

(f) Other income

Other income is recognised as income on an accrual basis.

2.4 Expense recognition

(a) Interest expenses

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

(b) Commission fee under hire-purchase agreements

The commission fee under hire-purchase agreements is

recognised over the installment period, using the effective rate method.

(c) Other expense

Other expense is recognised as expense on an accrual basis.

2.5 Investments

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

(1) Trading investments are investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price not more than 3 months. Trading investments are traded in active markets and included in short-term investment.

(2) Held-to-maturity investments are investments with fixed maturity that the management has the intent and ability to hold to maturity, and are classified as held-to-maturity and included in long-term investment, except for maturities within 12 months from the statement of financial position date which are classified as short-term investment.

(3) Available-for-sale investments are investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, and are included in long-term investment unless management has expressed the intention of holding the investment for less than 12 months from the statements of financial position date, in which case they are included in short-term investment.

(4) General investments are investments in non-marketable equity securities.

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

Available-for-sale investments are presented in the 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 year. 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 year.

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

General investments are carried at cost less impairment.

The Group tests for impairment when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to the 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 availed 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 (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

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

Acquisition-related costs are expensed as incurred.

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

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

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

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

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

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

2.11 Properties for sale

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

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

2.12 Premises, equipment and depreciation

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

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

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

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

Buildings	40 years
Equipment	5 years and 10 years

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

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

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

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

2.13 Intangible assets

(a) Computer software

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

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

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

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

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

(b) Other intangible assets

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

2.14 Impairment of assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in

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

2.15 Leasehold rights

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

2.16 Leases

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

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

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

2.17 Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

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

2.18 Financial derivatives

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

(a) Trading transactions

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

(b) Hedging transactions

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

(1) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the 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.

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

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

(3) Net investment in foreign operations hedge

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

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

Disclosures about derivative financial instruments to which the Group is a party are provided in Note 45 to the financial statements.

2.19 *Embedded derivatives*

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

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

(b) If the economic characteristics and risks of an embedded derivative are closely related to the economic characteristics and risks of the host contract, the Group will not separately

account the embedded derivative from the host contract and classify the host contract under the related accounting standards.

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

The Bank's management approach with regards to the accounting and assessment of fair value of borrowing transactions with embedded derivative (Structured Note) is consistent with those of International Accounting Standard No. 39 (IAS 39). The Bank has an option to classify the structured note as financial liabilities designated at fair value through profit or loss when

1. It eliminates or significantly reduces an inconsistency of measurement or recognition that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on a different basis; or
2. It is a management tool for risk management and investment, in accordance with
 - Documented risk management or investment strategy; and
 - Group of financial assets or financial liabilities managed and their performance evaluated on a fair value basis.
3. It relates to financial instruments containing one or more embedded derivatives that significantly modify the cash flows resulting from those financial instruments and meets the above criteria for separation of the embedded derivative from the host contract.

Changes in the fair value of financial liabilities designated at fair value through profit or loss are recognised in profit or loss as gain or loss on financial liabilities designated at fair value through profit or loss with the corresponding entry to liabilities in the statements of financial position. The fair value designation, once made, is irrevocable.

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.

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

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

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

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

2.24 Share based payment

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

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

The Bank reverses prepayment againsts share 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 Dividend distribution

Dividend distribution to the Bank's shareholders is recognised on an accrual basis in accordance with the substance of the relevant agreements. Dividend income is recognised when the right to receive payment is established.

2.26 Segment reporting

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

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate

risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance. The Group uses derivative financial instruments to hedge certain exposures.

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

3.1.1 Market risk

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

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

3.1.1.1 Foreign exchange risk

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

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

3.1.1.2 Interest rate risk

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

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

3.1.1.3 Equity position risk

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

3.1.2 Credit risk

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

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

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

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

3.1.3 Liquidity risk

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

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

4 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

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

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

(a) Allowance for doubtful accounts for loans

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

(b) Fair value of financial derivative instruments

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

(c) Impairment of investments

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

(d) Allowance for impairment of property for sale

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

(e) Building, equipment and intangible assets

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

(f) Provision for post retirement benefits and pension fund

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

5 CAPITAL RISK MANAGEMENT

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

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

Moreover, the Bank is required to manage its capital funds in accordance with the Act on Undertaking of Banking Business B.E. 2551. The Bank's capital fund is presented in Note 27 to the financial statements.

6 INTERBANK AND MONEY MARKET ITEMS, NET (ASSETS)

CONSOLIDATED						
	2016			2015		
	At call Million Baht	Term Million Baht	Total Million Baht	At call Million Baht	Term Million Baht	Total Million Baht
Domestic:						
Bank of Thailand and the Financial Institutions Development Fund	2,402	-	2,402	1,006	-	1,006
Commercial banks	82	2,000	2,082	78	-	78
Specialised Financial Institutions	9	1,100	1,109	5	9,700	9,705
Other financial institutions	544	672	1,216	544	433	977
Total domestic items	3,037	3,772	6,809	1,633	10,133	11,766
Add Accrued interest receivables	-	-	-	-	-	-
Less Allowance for doubtful debts	-	(4)	(4)	-	(3)	(3)
Domestic items, net	3,037	3,768	6,805	1,633	10,130	11,763

CONSOLIDATED						
	2016			2015		
	At call Million Baht	Term Million Baht	Total Million Baht	At call Million Baht	Term Million Baht	Total Million Baht
Foreign:						
US dollar	836	33	869	1,842	-	1,842
Yen	18	-	18	-	-	-
Euro	8	-	8	41	-	41
Other currencies	541	289	830	647	-	647
Total foreign items	1,403	322	1,725	2,530	-	2,530
Add Accrued interest receivables	-	1	1	-	-	-
Less Allowance for doubtful debts	-	(3)	(3)	-	-	-
Foreign items, net	1,403	320	1,723	2,530	-	2,530
Domestic and foreign items, net	4,440	4,088	8,528	4,163	10,130	14,293

SEPARATE						
	2016			2015		
	At call Million Baht	Term Million Baht	Total Million Baht	At call Million Baht	Term Million Baht	Total Million Baht
Domestic:						
Bank of Thailand and the Financial Institutions Development Fund	2,402	-	2,402	1,006	-	1,006
Commercial banks	27	2,000	2,027	19	-	19
Specialised Financial Institutions	-	1,100	1,100	-	9,700	9,700
Other financial institutions	544	672	1,216	544	433	977
Total domestic items	2,973	3,772	6,745	1,569	10,133	11,702
Add Accrued interest receivables	-	-	-	-	1	1
Less Allowance for doubtful debts	-	(4)	(4)	-	(4)	(4)
Domestic items, net	2,973	3,768	6,741	1,569	10,130	11,699
Foreign:						
US dollar	836	33	869	1,842	-	1,842
Yen	18	-	18	-	-	-
Euro	8	-	8	41	-	41
Other currencies	541	289	830	648	-	648
Total foreign items	1,403	322	1,725	2,531	-	2,531
Add Accrued interest receivables	-	1	1	-	-	-
Less Allowance for doubtful debts	-	(3)	(3)	-	-	-
Foreign items, net	1,403	320	1,723	2,531	-	2,531
Domestic and foreign items, net	4,376	4,088	8,464	4,100	10,130	14,230

As at 31 December 2016, the Bank had promissory notes of Baht 544 million (31 December 2015: Baht 544 million), that were issued by financial institutions which were ordered to be closed, and are availed by the Financial Institution Development Fund (FIDF).

The FIDF recalled promissory notes amounting to Baht 544 million (31 December 2015: 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 availed 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 2015: Baht 544 million).

7 DERIVATIVES

7.1 Trading derivatives

Fair value and notional amount classified by type of risk

CONSOLIDATED AND SEPARATE						
	2016			2015		
	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	13,786	14,416	990,115	19,767	20,638	1,097,811
Interest rate	6,508	4,803	1,329,051	5,382	3,804	1,167,113
Others	402	291	10,658	78	78	261
Total	20,696	19,510	2,329,824	25,227	24,520	2,265,185

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

CONSOLIDATED AND SEPARATE		
	2016	2015
	Proportion	Proportion
Financial institutions	90	92
Companies under common control	8	5
External parties	2	3
Total	100	100

7.2 Derivative for hedging

7.2.1 Fair value hedge

CONSOLIDATED AND SEPARATE						
	2016			2015		
	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	11	-	470	34	-	512
Total	11	-	470	34	-	512

Fair value hedges are used to hedge the exposure to changes in fair value of financial assets and financial liabilities due to movements in market interest rates. The Group enters into interest rate swaps to hedge against interest rate risk of bill of exchange and negotiable certificate of deposit (31 December 2015: loans, bill of exchange and negotiable certificate of deposit). The Bank recognises gains (losses) from changes in fair value of derivatives, derivative from hedging and hedged items in the statements of comprehensive income.

The net gains (losses) arising from fair value hedges for the years ended 31 December 2016 and 2015 can be summarised as follows:

CONSOLIDATED AND SEPARATE		
	2016	2015
	Million Baht	Million Baht
Gains on hedging instruments, net	(5)	2
Losses on hedged items, net	5	(1)

7.2.2 Cash flow hedge

CONSOLIDATED AND SEPARATE						
	2016			2015		
	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	-	1,208		-	646	
Interest rate	528	663		320	517	
Total	528	1,871	19,939	320	1,163	7,851

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 credit linked bills of exchange and subordinated debentures against foreign exchange rates risk and interest rates risk using Cross Currency and Interest Rate Swap contract with CIMB Bank Berhad and other parties (Notes no 20 (c), (d) and (h)).

The expected periods of cash flow from hedged items that shall affect profits (losses) as at 31 December 2016 and 2015 can be summarised as follows:

CONSOLIDATED AND SEPARATE				
2016				
	3 months or less Million Baht	More than 3 months to 1 year Million Baht	More than 1 year to 5 years Million Baht	More than 5 years Million Baht
Cash outflow	230	275	9,494	3,537

CONSOLIDATED AND SEPARATE				
2015				
	3 months or less Million Baht	More than 3 months to 1 year Million Baht	More than 1 year to 5 years Million Baht	More than 5 years Million Baht
Cash outflow	95	94	3,938	-

8 INVESTMENTS, NET

8.1 Classified by type of investment

CONSOLIDATED AND SEPARATE		
	2016 Fair value Million Baht	2015 Fair value Million Baht
Securities held for trading		
Government and state enterprises securities	4,135	2,042
Private sector debt securities	2,910	3,827
Total securities held for trading	7,045	5,869
Available-for-sale securities		
Government and state enterprises securities	24,497	22,144
Private sector debt securities	5,834	4,276
Domestic marketable equity securities	102	98
Total available-for-sales securities	30,433	26,518

CONSOLIDATED AND SEPARATE		
	Cost/ Amortised Cost Million Baht	Cost/ Amortised Cost Million Baht
Held-to-maturity debt securities		
Government and state enterprises securities	16,791	21,276
Private sector debt securities	702	1,101
Investments in receivables (Note 8.6)	78	81
Total	17,571	22,458
Less Allowance for impairment	(60)	(59)
Total held-to-maturity debt securities	17,511	22,399

CONSOLIDATED AND SEPARATE		
	Cost Million Baht	Cost Million Baht
General investments		
Domestic non-marketable equity securities	292	324
Overseas non-marketable equity securities	9	9
Total	301	333
Less Allowance for impairment	(228)	(228)
Total general investments	73	105
Investments, net	55,062	54,891

As at 31 December 2016 and 2015, 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 SEPARATE								
	2016				2015			
	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
Available-for-sale securities								
Government and state enterprises securities	-	18,871	5,998	24,869	4,093	14,413	3,420	21,926
Private sector debt securities	61	5,350	440	5,851	953	3,072	209	4,234

CONSOLIDATED AND SEPARATE								
	2016				2015			
	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
Total	61	24,221	6,438	30,720	5,046	17,485	3,629	26,160
Add Allowance for revaluation	(1)	(171)	(217)	(389)	19	214	27	260
Available-for-sale securities, net	60	24,050	6,221	30,331	5,065	17,699	3,656	26,420
Held-to-maturity securities								
Government and state enterprises securities	4,032	11,308	1,451	16,791	9,315	11,421	540	21,276
Private sector debt securities	278	424	-	702	560	536	5	1,101
Total	4,310	11,732	1,451	17,493	9,875	11,957	545	22,377
Less Allowance for impairment	-	-	-	-	-	-	-	-
Held-to-maturity securities, net	4,310	11,732	1,451	17,493	9,875	11,957	545	22,377
Total debt securities	4,370	35,782	7,672	47,824	14,940	29,656	4,201	48,797

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

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

CONSOLIDATED AND SEPARATE		
	2016 Million Baht	2015 Million Baht
Property development	1	1
Public utilities and services	17	17
Bank and finance	4	4
Total	22	22
Less Allowance for impairment	(16)	(16)
Investments representing shareholdings in which the Group hold more than 10%, net	6	6

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

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

CONSOLIDATED AND SEPARATE				
	2016		2015	
	Cost Million Baht	Fair value Million Baht	Cost Million Baht	Fair value Million Baht
General investments				
Investment in property funds	104	93	135	128
Less Allowance for revaluation	(8)		(4)	
Less Allowance for impairment	(3)		(3)	
General investments, net	93		128	

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

As at 31 December 2016 and 2015, the Group had the following investments in companies, having problems relating to financial positions and operating results:

CONSOLIDATED AND SEPARATE								
	2016				2015			
	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
Business continuity and/or weak financial status and operating performance	49	42	(42)	-	50	42	(42)	-
Defaulted debt securities	18	1	(1)	-	18	1	(1)	-
	67	43	(43)	-	68	43	(43)	-

8.6 Investments in receivables

CONSOLIDATED AND SEPARATE		
	2016 Million Baht	2015 Million Baht
Investments in receivables	78	81
Less Allowance for impairment	(60)	(59)
Investments in receivables, net	18	22

As at 31 December 2016 and 2015, the outstanding balances of loan receivables can be summarised as follows:

CONSOLIDATED AND SEPARATE								
	2016				2015			
	Number of debtors	Principal Million Baht	Purchase price Million Baht	Estimated rate of return (yield) %	Number of debtors	Principal Million Baht	Purchase price Million Baht	Estimated rate of return (yield) %
Total accumulated investments in receivables	5,857	22,948	6,996	19	5,857	22,948	6,996	19
Outstanding investments in receivables as at the statements of financial position date	79	1,223	78	-	79	1,253	81	-

8.7 Investments in subsidiary, net

SEPARATE						
			Percentage of holding		Cost method	
COMPANY NAME	Nature of business	Type of securities	2016 %	2015 %	2016 Million Baht	2015 Million Baht
Subsidiaries – included in consolidated financial statements						
CT Coll Co., Ltd.	Debt collection	Common stock	100	100	38	38
Center Auto Lease Co., Ltd.	Leasing/hire-Purchase of automobile	Common stock	100	100	1,203	1,203
World Lease Co., Ltd.	Hire-purchase and motorcycles motorcycle trading	Common stock	100	100	467	467
Total					1,708	1,708
Less Allowance for impairment					(383)	(383)
Investments in subsidiaries, net					1,325	1,325

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

9 LOANS AND ACCRUED INTEREST RECEIVABLES, NET

9.1 Classified by loan type

	CONSOLIDATED		SEPARATE	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
Bank overdrafts	6,275	7,189	6,284	7,196
Loans	145,049	140,175	150,792	145,525
Bills	29,933	30,364	45,858	44,034
Hire-purchase receivables	30,148	25,817	-	-
Others	32	25	5	-
Total loans	211,437	203,570	202,939	196,755
Valuation reserve from hedging	-	(18)	-	(18)
Less Deferred revenue	(5,849)	(4,946)	(39)	(91)
Total loans net of deferred revenue	205,588	198,606	202,900	196,646
Add Accrued interest receivables	590	521	594	524
Total loans net of deferred revenue and accrued interest receivables	206,178	199,127	203,494	197,170
Less Allowance for doubtful debts (Note 10)				
Minimum allowance for doubtful accounts required based on BoT's guidelines				
- Individual approach	(6,251)	(4,151)	(6,125)	(3,993)
General provision for further losses	(3,542)	(2,579)	(3,542)	(2,579)
Less Revaluation allowance for debt restructuring (Note 11)	(45)	(55)	(45)	(55)
Loans and accrued interest receivables, net	196,340	192,342	193,782	190,543

9.2 Classified by currency and residency of debtors

	CONSOLIDATED					
	2016			2015		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Baht	191,291	608	191,899	185,201	473	185,674
US dollar	10,774	1,686	12,460	9,686	1,423	11,109
Other currencies	1,214	15	1,229	1,823	-	1,823
Total loans net of deferred revenue	203,279	2,309	205,588	196,710	1,896	198,606

SEPARATE

	2016			2015		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Baht	188,603	608	189,211	183,240	474	183,714
US dollar	10,774	1,686	12,460	9,686	1,423	11,109
Other currencies	1,214	15	1,229	1,823	-	1,823
Total loans net of deferred revenue	200,591	2,309	202,900	194,749	1,897	196,646

9.3 Classified by types of business and loan classification

CONSOLIDATED

2016

	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	4,783	-	-	8	-	-	4,791
Manufacturing and commerce	38,849	3,970	2,549	3,601	1,023	-	49,992
Real estate and construction	10,753	1,420	58	220	9	-	12,460
Public utilities and services	26,531	2,318	797	194	608	-	30,448
Personal cash	11,922	657	230	-	250	-	13,059
Housing loans	53,476	1,340	641	547	1,235	-	57,239
Hire-purchase receivable and financial lease receivable	-	-	-	-	-	24,338	24,338
Others	12,590	185	71	149	239	27	13,261
Total loans net of deferred revenue	158,904	9,890	4,346	4,719	3,364	24,365	205,588

CONSOLIDATED

2015

	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	4,624	1,428	-	-	-	-	6,052
Manufacturing and commerce	43,880	5,125	909	1,206	1,291	-	52,411
Real estate and construction	14,888	903	-	-	9	-	15,800
Public utilities and services	19,827	4,484	38	5	564	-	24,918
Personal cash	10,394	479	125	-	182	-	11,180
Housing loans	50,923	943	611	603	257	-	53,337
Hire-purchase receivable and financial lease receivable	-	-	-	-	-	20,962	20,962
Others	13,467	167	104	110	74	24	13,946
Total loans net of deferred revenue	158,003	13,529	1,787	1,924	2,377	20,986	198,606

SEPARATE

2016

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

SEPARATE

2015

	Pass Million Baht	Special mention Million Baht	Sub- standard Million Baht	Doubtful Million Baht	Doubtful of loss Million Baht	Total Million Baht
Agricultural and mining	4,624	1,428	-	-	-	6,052
Manufacturing and commerce	43,880	5,125	909	1,206	1,291	52,411
Real estate and construction	14,888	903	-	-	9	15,800
Public utilities and services	19,827	4,484	38	5	564	24,918
Personal cash	10,394	479	125	-	182	11,180
Housing loans	50,923	943	611	603	257	53,337
Others	32,493	167	104	110	74	32,948
Total loans net of deferred revenue	177,029	13,529	1,787	1,924	2,377	196,646

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

	2016				2015			
	Loans and accrued interest receivables Million Baht	Net amount used for set allowance for doubtful account (1) Million Baht	Minimum percentage %	Allowance provided in the accounts Million Baht	Loans and accrued interest receivables Million Baht	Net amount used for set allowance for doubtful account (1) Million Baht	Minimum Percentage %	Allowance provided in the accounts Million Baht
Minimum allowance for doubtful accounts based on BOT guidelines								
- Pass	180,669	63,221	1	642	176,620	57,297	1	578
- Special mention	12,774	3,471	2	73	16,132	4,044	2	80
- Sub-standard	4,593	1,919	100	1,917	2,040	1,347	100	1,344
- Doubtful	4,761	2,474	100	2,474	1,951	940	100	940
- Doubtful-of-loss	3,381	1,141	100	1,145	2,384	1,193	100	1,209
General provision for further losses				3,542				2,579
Total	206,178	72,226		9,793	199,127	64,821		6,730

(1) For provision for sub-standard, doubtful and doubtful-of-loss loans, which is set up in accordance with BoT's notification no. Sor Nor Sor 5/2559 (31 December 2015: no. Sor Nor Sor 31/2551), the debt balance used for set allowance for doubtful account is the debt balance remaining after deducting the present value of expected future cash flows from debt collection or from collateral disposal, as the case may be.

SEPARATE								
	2016				2015			
	Loans and accrued interest receivables Million Baht	Net amount used for set allowance for doubtful account (1) Million Baht	Minimum percentage %	Allowance provided in the accounts Million Baht	Loans and accrued interest receivables Million Baht	Net amount used for set allowance for doubtful account (1) Million Baht	Minimum percentage %	Allowance provided in the accounts Million Baht
Minimum allowance for doubtful accounts based on BOT guidelines								
- Pass	181,044	79,661	1	794	177,483	69,610	1	695
- Special mention	10,005	2,217	2	43	13,599	2,564	2	50
- Sub-standard	4,362	1,726	100	1,727	1,787	1,133	100	1,133
- Doubtful	4,719	2,432	100	2,432	1,924	913	100	913
- Doubtful-of-loss	3,364	1,125	100	1,129	2,377	1,186	100	1,202
General provision for further losses				3,542				2,579
Total	203,494	87,161		9,667	197,170	75,406		6,572

(1) For provision for sub-standard, doubtful and doubtful-of-loss loans, which is set up in accordance with BoT's notification no. Sor Nor Sor 5/2559 (31 December 2015: no. Sor Nor Sor 31/2551), the debt balance used for set allowance for doubtful account is the debt balance remaining after deducting the present value of expected future cash flows from debt collection or from collateral disposal, as the case may be.

As at 31 December 2016, the Group and Separate had defaulted loans amounting to Baht 10,657 million and Baht 10,367 million, respectively (31 December 2015: Baht 6,267 million and Baht 5,981 million, respectively), and were ceased recognition of interest income.

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

As at 31 December 2016 and 2015, 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	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
Current or overdue less than 1 installment	21,279	18,143	64	73
Overdue 2-3 installments	2,769	2,533	30	31
Overdue 4-6 installments	232	253	191	212
Overdue 7-12 installments	42	26	42	26
Overdue more than 12 installments	11	2	12	2
Debtors under litigation	5	5	5	5
Total	24,338	20,962	344	349

9.5 Non-performing loans

As at 31 December 2016 and 2015, 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		SEPARATE	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
Non-performing loans (principal only)				
Banking business	12,429	6,088	12,429	6,088
Other businesses	290	287	-	-

As at 31 December 2016 and 2015, 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 2016, subsidiaries had receivables under hire-purchase agreements and financial leases totalling Baht 23,994 million (31 December 2015: Baht 20,613 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**2016****Amounts due under lease agreement**

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

CONSOLIDATED**2015****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	8,318	16,614	516	369	25,817
Less Unearned finance income	(2,152)	(2,600)	(20)	(83)	(4,855)
Present value of minimum lease payments receivable	6,166	14,014	496	286	20,962
Less Allowance for doubtful accounts					(349)
Net receivables under hire-purchase agreements and financial leases					20,613

9.7 Troubled debt restructuring

As at 31 December 2016, the Group has outstanding receivables which have been restructured as follows;

CONSOLIDATED AND SEPARATE

	Number of loans	Outstanding balance before restructuring Million Baht
Restructured before 2016	4,090	1,903
Restructured during the year ended 31 December 2016	1,839	3,654

Details of customers whose debts have been restructured during the year are as follows:

	CONSOLIDATED		SEPARATE	
	Number of loans	Outstanding balance before restructuring Million Baht	Number of loans	Outstanding balance before restructuring Million Baht
Restructured debts	1,839	3,654	1,839	3,654
Total loan customers	378,104	205,588	176,148	202,900

Details of the restructured debts for the years ended 31 December 2016 and 2015, classified into the restructuring methods are as follows;

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

	CONSOLIDATED AND SEPARATE			
	2015			
Restructuring method	Number of loans	Before restructuring Million Baht	Fair value of assets Million Baht	After restructuring Million Baht
Modifications of terms of payments	1,466	3,588	-	3,572
Total	1,466	3,588	-	3,572

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

CONSOLIDATED AND SEPARATE						
Period of debts restructuring contracts	2016			2015		
	Debt balances			Debt balances		
	Number of debtors	Before restructuring	After restructuring	Number of debtors	Before restructuring	After restructuring
		Million Baht	Million Baht		Million Baht	Million Baht
Not more than 5 years	296	875	875	184	783	767
5 - 10 years	919	1,214	1,214	999	2,172	2,172
10 - 15 years	66	134	134	33	82	82
More than 15 years	556	1,120	1,120	250	551	551
Total	1,837	3,343	3,343	1,466	3,588	3,572

Supplemental information relating to the restructured debts for the years ended 31 December 2016 and 2015 are as follows:

CONSOLIDATED AND SEPARATE		
	2016 Million Baht	2015 Million Baht
Interest income	341	341

As at December 2016 and 2015, the troubled debtors for which the Group completed their debt restructuring can be summarised as follows:

CONSOLIDATED AND SEPARATE		
	2016	2015
Number of debtors	5,897	5,976
Debt balances after restructuring (Million Baht)	4,354	4,452

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 2016, the Bank had losses from the revaluation of restructured debts (PV Loss) of Baht 45 million (31 December 2015: Baht 55 million) for which the it provided an allowance for revaluation as a result of debt restructuring.

In addition, as at 31 December 2015, the Bank may have to realise additional losses of about Baht 11 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

2016

	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 2016	504	50	1,133	913	1,202	2,579	6,381	349	6,730
Add Addition during the year	-	-	-	-	-	5,779	5,779	521	6,300
Transfer from revaluation allowance for debt restructuring	-	-	-	-	-	18	18	-	18
Bad debt recoveries	-	-	-	-	-	209	209	-	209
Transfer from interbank and money market items	-	-	-	-	-	2	2	-	2
Less Bad debts written off	-	(11)	(5)	-	(2,851)	(36)	(2,903)	(526)	(3,429)
Transfer to revaluation allowance for debt restructuring	-	-	-	-	-	(10)	(10)	-	(10)
Increase (decrease) due to change in classification, collateral value or transfer general allowance to specific allowance	73	4	599	1,518	2,778	(4,999)	(27)	-	(27)
Balance as at 31 December 2016	577	43	1,727	2,431	1,129	3,542	9,449	344	9,793

CONSOLIDATED

2015

	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 2015	467	19	921	359	1,291	2,217	5,274	705	5,979
Add Addition during the year	-	-	-	-	-	3,425	3,425	362	3,787
Transfer from revaluation allowance for debt restructuring	-	-	-	-	-	24	24	-	24
Bad debt recoveries	-	-	-	-	-	222	222	-	222
Put back on sale of NPL	-	-	-	-	-	7	7	-	7
Less Bad debts written off	-	-	(7)	-	(1,628)	(12)	(1,647)	(718)	(2,365)
Reduction from sale of NPL	-	-	(3)	(173)	(719)	-	(895)	-	(895)
Transfer to revaluation allowance for debt restructuring	-	-	-	-	-	(12)	(12)	-	(12)
Increase (decrease) due to change in classification, collateral value or transfer general allowance to specific allowance	37	31	222	727	2,258	(3,292)	(17)	-	(17)
Balance as at 31 December 2015	504	50	1,133	913	1,202	2,579	6,381	349	6,730

SEPARATE

2016

	Pass Million Baht	Special mention Million Baht	Sub- standard Million Baht	Doubtful Million Baht	Doubtful of loss Million Baht	General provision Million Baht	Total Million Baht
Balance as at 1 January 2016	695	50	1,133	913	1,202	2,579	6,572
Add Addition during the year	-	-	-	-	-	5,779	5,779
Transfer from revaluations allowance for debt restructuring	-	-	-	-	-	18	18
Bad debt recoveries	-	-	-	-	-	209	209
Transfer from interbank and money market items	-	-	-	-	-	2	2
Less Bad debts written off	-	(11)	(5)	-	(2,851)	(36)	(2,903)
Transfer to revaluations allowance for debt restructuring	-	-	-	-	-	(10)	(10)
Increase (decrease) due to change in classification, collateral value or transfer general allowance to specific allowance	100	4	599	1,518	2,778	(4,999)	-
Balance as at 31 December 2016	795	43	1,727	2,431	1,129	3,542	9,667

SEPARATE

2015

	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 2015	640	19	921	359	1,291	2,217	5,449
Add Addition during the year	-	-	-	-	-	3,425	3,425
Transfer from revaluations allowance for debt restructuring	-	-	-	-	-	24	24
Bad debt recoveries	-	-	-	-	-	222	222
Put back on sale of NPL	-	-	-	-	-	7	7
Less Bad debts written off	-	-	(7)	-	(1,628)	(12)	(1,647)
Reduction from sale of NPL	-	-	(3)	(173)	(719)	-	(895)
Transfer to revaluations allowance for debt restructuring	-	-	-	-	-	(12)	(12)
Increase (decrease) due to change in classification, collateral value or transfer general allowance to specific allowance	55	31	222	727	2,258	(3,292)	(1)
Balance as at 31 December 2015	695	50	1,133	913	1,202	2,579	6,572

11 REVALUATION ALLOWANCE FOR DEBT RESTRUCTURING

CONSOLIDATED AND SEPARATE		
	2016 Million Baht	2015 Million Baht
Balance - beginning of the years	55	68
Add Revaluation allowance transferred from allowance for doubtful debts	10	12
Less Bad debt written off	(2)	-
Less Revaluation allowance transferred to allowance for doubtful debts	(18)	(25)
Balance - end of the years	45	55

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

CONSOLIDATED

	As at 1 January 2015 Million Baht	Additions Million Baht	Disposals Million Baht	As at 31 December 2015 Million Baht
Asset from debt repayment				
Immovable				
- Assessed by external appraiser	1,857	135	(637)	1,355
Movable	393	1,615	(1,871)	137
Total	2,250	1,750	(2,508)	1,492
Others	150	69	(149)	70
Total properties for sale	2,400	1,819	(2,657)	1,562
Less Allowance for impairment	(574)	(643)	849	(368)
Properties for sale, net	1,826	1,176	(1,808)	1,194

SEPARATE

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

SEPARATE

	As at 1 January 2015 Million Baht	Additions Million Baht	Disposals Million Baht	As at 31 December 2015 Million Baht
Asset from debt repayment				
Immovable				
- Assessed by external appraiser	1,857	135	(637)	1,355
Total	1,857	135	(637)	1,355
Others	150	69	(149)	70
Total properties for sale	2,007	204	(786)	1,425
Less Allowance for impairment	(425)	-	109	(316)
Properties for sale, net	1,582	204	(677)	1,109

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

13 PREMISES AND EQUIPMENT, NET

CONSOLIDATED

	COST/APPRaisal VALUE					ACCUMULATED DEPRECIATION					Net book value Million Baht
	As at 1 January 2016 Million Baht	Additions Million Baht	Transfer to properties for sale Million Baht	Disposals/ written off Million Baht	As at 31 December 2016 Million Baht	As at 1 January 2016 Million Baht	Additions Million Baht	Transfer to properties for sale Million Baht	Disposals/ written off Million Baht	As at 31 December 2016 Million Baht	Allowance for impairment Million Baht
Land											
Cost	486	-	(33)	-	453	-	-	-	-	-	453
Revaluation surplus (revaluation in 2016)	717	1,049	(67)	-	1,699	-	-	-	-	-	1,699
Devaluation of asset (revaluation in 2016)	(30)	12	-	-	(18)	-	-	-	-	-	(18)
Buildings											
Cost	1,949	16	(116)	-	1,849	(1,176)	(59)	106	-	(1,129)	-
Revaluation surplus (revaluation in 2016)	1,894	(667)	(80)	-	1,147	(1,686)	726	71	-	(889)	-
Devaluation of asset (revaluation in 2016)	(65)	15	28	-	(22)	60	(22)	(27)	-	11	-
Equipment	2,993	229	-	(568)	2,654	(2,356)	(248)	-	514	(2,090)	(12)
Assets under installation and/or construction	6	43	-	(32)	17	-	-	-	-	-	-
Total	7,950	697	(268)	(600)	7,779	(5,158)	397	150	514	(4,097)	(12)
											3,670

13 PREMISES AND EQUIPMENT, NET

CONSOLIDATED

	COST/APPRaisal VALUE				ACCUMULATED DEPRECIATION							Net book value Million Baht
	As at 1 January 2015 Million Baht	Additions Million Baht	Transfer to properties for sale Million Baht	Disposals/ written off Million Baht	As at 31 December 2015 Million Baht	As at 1 January 2015 Million Baht	Additions Million Baht	Transfer to properties for sale Million Baht	Disposals/ written off Million Baht	As at 31 December 2015 Million Baht	Allowance for impairment Million Baht	
Land												
Cost	511	-	(25)	-	486	-	-	-	-	-	-	486
Revaluation surplus (revaluation in 2011)	746	-	(29)	-	717	-	-	-	-	-	-	717
Devaluation of asset (revaluation in 2011)	(36)	-	6	-	(30)	-	-	-	-	-	-	(30)
Buildings												
Cost	1,949	50	(50)	-	1,949	(1,129)	(90)	43	-	(1,176)	-	773
Revaluation surplus (revaluation in 2011)	1,907	-	(13)	-	1,894	(1,675)	(22)	11	-	(1,686)	-	208
Devaluation of asset (revaluation in 2011)	(74)	-	9	-	(65)	64	4	(8)	-	60	-	(5)
Equipment	3,108	157	-	(272)	2,993	(2,313)	(274)	-	231	(2,356)	(22)	615
Assets under installation and/or construction	26	54	-	(74)	6	-	-	-	-	-	-	6
Total	8,137	261	(102)	(346)	7,950	(5,053)	(382)	46	231	(5,158)	(22)	2,770

13 PREMISES AND EQUIPMENT, NET

SEPARATE																	
COST/APPRaisal VALUE						ACCUMULATED DEPRECIATION											
						As at 1 January 2016 Million Baht	Additions Million Baht	Transfer to properties for sale Million Baht	Disposals/ written off Million Baht	As at 31 December 2016 Million Baht	Allowance for impairment Million Baht	Net book value Million Baht					
Land																	
Cost						486	-	(33)	-	-	-	453					
Revaluation surplus (revaluation in 2016)						717	1,049	(67)	-	-	-	1,699					
Devaluation of asset (revaluation in 2016)						(30)	12	-	-	-	-	(18)					
Buildings																	
Cost						1,949	16	(116)	-	1,849	(1,176)	(59)	106	-	(1,129)	-	720
Revaluation surplus (revaluation in 2016)						1,894	(667)	(80)	-	1,147	(1,686)	726	71	-	(889)	-	258
Devaluation of asset (revaluation in 2016)						(65)	15	28	-	(22)	60	(22)	(27)	-	11	-	(11)
Equipment						2,780	200	-	(550)	2,430	(2,199)	(225)	-	497	(1,927)	(12)	491
Assets under installation and/or construction						6	43	-	(32)	17	-	-	-	-	-	-	17
Total						7,737	668	(268)	(582)	7,555	(5,001)	420	150	497	(3,934)	(12)	3,609

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Fair value of land and buildings

As at 31 December 2016, the valuation of land and buildings was performed by independence valuers. The revaluation surplus to other comprehensive income and is shown in 'Revaluation surplus on assets, net' (Note 24).

The following table analyses the non-financial assets carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

FAIR VALUE MEASUREMENTS AT 31 DECEMBER 2016 USING				
	Quoted prices in active markets for identical assets (Level 1) Million Baht	Significant other observable inputs (Level 2) Million Baht	Significant unobservable inputs (Level 3) Million Baht	Total Million Baht
Land and Buildings				
Bangkok Metropolitan Region	-	-	2,723.41	2,723.41
Eastern Thailand	-	-	23.27	23.27
Northern Thailand	-	-	105.10	105.10
Northeastern Thailand	-	-	121.13	121.13
Southern Thailand	-	-	85.31	85.31
Western Thailand	-	-	42.63	42.63
	-	-	3,100.84	3,100.84

There were no transfers between levels of fair valuation during the year.

Valuation processes of the Company

For financial reporting purposes, the Company engages external, independent and qualified valuers to determine the fair value of the Company's land and building. The Company's finance department team reviewed the fair value which performed by and the valuers. This team reported directly to the Board of the Directors.

The external valuations of level 3, Head office's land and buildings have been performed using cost replacement approach and for the branches using market comparison approach which is similar to level 2. However for operating land and buildings there is a limited number of similar sales in the local market and the valuations have been performed using unobservable inputs. There were no change in valuation technique from previous year.

Market Comparison Approach is approach to analyse necessarily value from buying and selling in the market. The procedure is to inspect compared property, which is in buying and selling process, or called market data and consider how it is the same or different from the evaluated property. The sufficiency of data is very important as well as the consideration of every affection factor like location, town and country planning land size, using space and property quality. Then use the valuation techniques including Sales Adjustment-Grid Method and Weighted Quality Score (WQS) to analyse the evaluated property.

Replacement Cost Approach is based on the new replacement cost by considering in terms of the raw construction material, labor cost, operation cost, and profit and less the depreciation that calculated by physical, obsolescence and optimisation of the assets.

Information about fair value measurements using significant unobservable inputs (Level 3)

Description	Fair value at 31 December 2016 Million Baht	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs (probability - weighted average) Million Baht	Relationship of unobservable inputs to fair value
Land and Buildings					
Bangkok Metropolitan Region - Land	1,850.62	Replacement Cost and Market comparison approach	Price per square wah	0.06 - 1.60	The higher/lower the price per areas, the higher/lower the fair value
Bangkok Metropolitan Region - Building	872.79	Replacement Cost and Market comparison approach	Price per square metre	0.00-0.30	The higher/lower the price per areas, the higher/lower the fair value
Eastern Thailand - Land	18.76	Replacement Cost and Market comparison approach	Price per square wah	0.10	The higher/lower the price per areas, the higher/lower the fair value
Eastern Thailand - Building	4.51	Replacement Cost and Market comparison approach	Price per square metre	0.01	The higher/lower the price per areas, the higher/lower the fair value
Northern Thailand - Land	72.71	Replacement Cost and Market comparison approach	Price per square wah	0.10 - 0.16	The higher/lower the price per areas, the higher/lower the fair value
Northern Thailand - Building	32.38	Replacement Cost and Market comparison approach	Price per square metre	0.01	The higher/lower the price per areas, the higher/lower the fair value
Northeastern Thailand - Land	92.98	Replacement Cost and Market comparison approach	Price per square wah	0.13-0.15	The higher/lower the price per areas, the higher/lower the fair value
Northeastern Thailand - Building	28.15	Replacement Cost and Market comparison approach	Price per square metre	0.00 - 0.01	The higher/lower the price per areas, the higher/lower the fair value
Southern Thailand - Land	62.79	Replacement Cost and Market comparison approach	Price per square wah	0.10 - 0.23	The higher/lower the price per areas, the higher/lower the fair value
Southern Thailand - Building	22.52	Replacement Cost and Market comparison approach	Price per square metre	0.01	The higher/lower the price per areas, the higher/lower the fair value
Western Thailand - Land	36.00	Replacement Cost and Market comparison approach	Price per square wah	0.18	The higher/lower the price per areas, the higher/lower the fair value
Western Thailand - Building	6.63	Replacement Cost and Market comparison approach	Price per square metre	0.01	The higher/lower the price per areas, the higher/lower the fair value

14 INTANGIBLE ASSETS, NET

							CONSOLIDATED
	Amortising period	As at 1 January 2016 Million Baht	Increase Million Baht	Transfer in/(out) Million Baht	Write off Million Baht	Amortisation Million Baht	As at 31 December 2016 Million Baht
Expenditures in connection with development and improvement of computer systems							
- under development	-	104	102	(128)	-	-	78
Computer software	5 - 10 years	274	15	123	(9)	(114)	289
Licence fee	5 years	1	-	-	-	-	1
Total		379	117	(5)	(9)	(114)	368
Less Allowance for impairment		-					-
Net intangible assets		379					368

							CONSOLIDATED
	Amortising period	As at 1 January 2015 Million Baht	Increase Million Baht	Transfer in/(out) Million Baht	Write off Million Baht	Amortisation Million Baht	As at 31 December 2015 Million Baht
Expenditures in connection with development and improvement of computer systems							
- under development	-	59	109	(64)	-	-	104
Computer software	5 - 10 years	301	49	37	-	(113)	274
Licence fee	5 years	2	-	-	-	(1)	1
Total		362	158	(27)	-	(114)	379
Less Allowance for impairment		-					-
Net intangible assets		362					379

SEPARATE

	Amortising period	As at 1 January 2016 Million Baht	Increase Million Baht	Transfer In/(out) Million Baht	Write off Million Baht	Amortisation Million Baht	As at 31 December 2016 Million Baht
Expenditures in connection with development and improvement of computer systems							
- under development	-	104	102	(128)	-	-	78
Computer software	5 - 10 years	268	13	123	(8)	(112)	284
Licence fee	5 years	1	-	-	-	-	1
Total		373	115	(5)	(8)	(112)	363
Less Allowance for impairment		-					-
Net intangible assets		373					363

SEPARATE

	Amortising period	As at 1 January 2015 Million Baht	Increase Million Baht	Transfer In/(out) Million Baht	Write off Million Baht	Amortisation Million Baht	As at 31 December 2015 Million Baht
Expenditures in connection with development and improvement of computer systems							
- under development	-	59	109	(64)	-	-	104
Computer software	5 - 10 years	295	47	37	-	(111)	268
Licence fee	5 years	2	-	-	-	(1)	1
Total		356	156	(27)	-	(112)	373
Less Allowance for impairment		-					-
Net intangible assets		356					373

15 DEFERRED INCOME TAXES

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

	CONSOLIDATED		SEPARATE	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
Beginning of the years	1,040	957	862	752
Charged to profit or loss	352	59	319	87
Tax (credited)/charged relation to components of the comprehensive income	(103)	24	(105)	23
End of the years	1,289	1,040	1,076	862

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
Deferred tax assets				
At 1 January 2016	328	-	969	1,297
Charged to profit or loss	66	91	187	344
Charged relation to components of the comprehensive income	5	-	59	64
At 31 December 2016	399	91	1,215	1,705
At 1 January 2015	295	-	955	1,250
Charged to profit or loss	12	-	18	30
Charged/(credited) relation to components of the comprehensive income	21	-	(4)	17
At 31 December 2015	328	-	969	1,297

CONSOLIDATED

	Fair value gain from investment Million Baht	Gain from revaluation of assets Million Baht	Temporary differences Million Baht	Total Million Baht
Deferred tax liabilities				
At 1 January 2016	60	195	2	257
(Credited)/charged to profit or loss	-	(10)	2	(8)
Tax (credited)/charged relation to components of the comprehensive income	(58)	225	-	167
At 31 December 2016	2	410	4	416
At 1 January 2015	67	220	6	293
Credited to profit or loss	-	(25)	(4)	(29)
Tax credited relation to components of the comprehensive income	(7)	-	-	(7)
At 31 December 2015	60	195	2	257

SEPARATE

	Provision Million Baht	Tax losses Million Baht	Temporary differences Million Baht	Total Million Baht
Deferred tax assets				
At 1 January 2016	317	-	802	1,119
Charged to profit or loss	65	91	155	311
Tax charged relation to components of the comprehensive income	3	-	59	62
As at 31 December 2016	385	91	1,016	1,492
At 1 January 2015	285	-	760	1,045
Charged to profit or loss	12	-	46	58
Tax charged/(credited) relation to components of the comprehensive income	20	-	(4)	16
As at 31 December 2015	317	-	802	1,119

SEPARATE

	Fair value gain from investment Million Baht	Gain from revaluation of assets Million Baht	Temporary differences Million Baht	Total Million Baht
Deferred tax liabilities				
At 1 January 2016	60	195	2	257
(Credited)/charged to profit or loss	-	(10)	2	(8)
Tax (credited)/charged relation to components of the comprehensive income	(58)	225	-	167
As at 31 December 2016	2	410	4	416
At 1 January 2015	67	220	6	293
Credited to profit or loss	-	(25)	(4)	(29)
Tax credited relation to components of the comprehensive income	(7)	-	-	(7)
As at 31 December 2015	60	195	2	257

16 OTHER ASSETS, NET

CONSOLIDATED

SEPARATE

	2016 Million baht	2015 Million Baht	2016 Million baht	2015 Million Baht
Accrued interest and dividend receivables	406	489	406	489
Credit support assets on derivatives	5,823	6,715	5,823	6,715
Leasehold rights	-	2	-	2
Advances	22	16	22	16
Others assets awaiting account transfer	89	125	89	125
Commission receivables	47	37	47	37
Withholding tax receivable	98	30	93	27
Marginal deposits	82	84	70	76
Prepaid expenses	122	108	117	106
Others	1,048	2,123	892	1,976
Total	7,737	9,729	7,559	9,569
Less Allowance for impairment	(29)	(36)	(29)	(36)
Other assets, net	7,708	9,693	7,530	9,533

17 DEPOSITS

17.1 Classified by type of deposits

	CONSOLIDATED		SEPARATE	
	2016 Million baht	2015 Million Baht	2016 Million baht	2015 Million Baht
At call	2,353	2,393	2,353	2,396
Savings	82,377	75,497	82,575	75,723
Fixed	95,614	89,359	95,630	89,415
Negotiable certificate of deposit	3,319	2,968	3,319	2,968
Total deposits	183,663	170,217	183,877	170,502

17.2 Classified by currency and residency of depositors

	CONSOLIDATED					
	2016			2015		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Baht	180,580	1,577	182,157	167,286	1,549	168,835
US dollar	825	216	1,041	1,265	40	1,305
Other currencies	281	184	465	8	69	77
Total	181,686	1,977	183,663	168,559	1,658	170,217

	SEPARATE					
	2016			2015		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Baht	180,794	1,577	182,371	167,571	1,549	169,120
US dollar	825	216	1,041	1,265	40	1,305
Other currencies	281	184	465	8	69	77
Total	181,900	1,977	183,877	168,844	1,658	170,502

18 INTERBANK AND MONEY MARKET ITEMS (LIABILITIES)

CONSOLIDATED						
	2016			2015		
	At call Million Baht	Term Million Baht	Total Million Baht	At call Million Baht	Term Million Baht	Total Million Baht
Domestic:						
The Bank of Thailand	-	210	210	-	315	315
Commercial banks	1,189	315	1,504	124	1,024	1,148
Specialized Financial Institutions	9	290	299	11	1,500	1,511
Finance, finance and securities, securities, and credit foncier companies	4,461	1,750	6,211	7,515	2,549	10,064
Other financial institutions	465	408	873	506	1,657	2,163
Total domestic items	6,124	2,973	9,097	8,156	7,045	15,201
Foreign:						
US dollar	1,376	1	1,377	1,039	1,877	2,916
Other currencies	875	246	1,121	1,583	318	1,901
Total foreign items	2,251	247	2,498	2,622	2,195	4,817
Total domestic and foreign items	8,375	3,220	11,595	10,778	9,240	20,018

SEPARATE						
	2016			2015		
	At call Million Baht	Term Million Baht	Total Million Baht	At call Million Baht	Term Million Baht	Total Million Baht
Domestic:						
The Bank of Thailand	-	210	210	-	315	315
Commercial banks	1,189	315	1,504	124	1,000	1,124
Specialized Financial Institutions	9	290	299	11	1,500	1,511
Finance, finance and securities, securities, and credit foncier companies	4,461	1,750	6,211	7,515	2,549	10,064
Other financial institutions	465	408	873	506	1,657	2,163
Total domestic items	6,124	2,973	9,097	8,156	7,021	15,177
Foreign:						
US dollar	1,376	1	1,377	1,039	1,877	2,916
Other currencies	875	246	1,121	1,583	318	1,901
Total foreign items	2,251	247	2,498	2,622	2,195	4,817
Total domestic and foreign items	8,375	3,220	11,595	10,778	9,216	19,994

19 FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

CONSOLIDATED AND SEPARATE		
	2016 Million Baht	2015 Million Baht
Debentures	6,451	8,241
Bills of Exchange	12,423	7,799
Total	18,874	16,040

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

	CONSOLIDATED AND SEPARATE	
	2016 Proportion	2015 Proportion
Financial institutions	63	44
External parties	37	56
Total	100	100

As at 31 December 2016 and 2015, financial liabilities designated at fair value through profit or loss consisted of:

- The Bank issued bills of exchange which will mature in 11 years with embedded callable range accrual swap. The bills of exchange bear interest rate at 6.10% per annum (31 December 2015: 6.10% per annum) with a payment of interest every six months. The Bank entered into callable range accrual swaps with opposite conditions (back-to-back) with CIMB Bank Berhad, the parent company.
- As at 31 December 2015, the Bank issued debentures which will mature in 5 years with embedded callable range accrual swap. The debentures bear interest rate at between 0% - 3.60% 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.
- The Bank issued debentures which will mature in 5 years with embedded callable inverse floater derivatives. The debentures bear interest rate at 6.45 - 6.65 % per annum minus reference index of THBFIX 6 month (31 December 2015: 6.45 - 7.23% per annum minus reference index of THBFIX 6 month) with a payment of interest every six months. The Bank entered into interest rate swaps with other parties.
- The Bank issued accreting structured bills of exchange embedded interest rate swap with predetermined return rate and conditions. The maturity date is between 7 - 23 years (31 December 2015: 7-15 years). They bear interest rate at between 2.68 - 5.18 % per annum (31 December 2015: 3.77 - 5.18% per annum) with a payment of interest at maturity date. The Bank entered into interest rate swaps with other parties.

20 DEBT ISSUED AND BORROWINGS

CONSOLIDATED AND SEPARATE						
	2016			2015		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Short term debentures						
Short term debentures maturing in 2016, coupon rate of 1.5% – 1.6% per annum	3,935	-	3,935	22,104	-	22,104
Subordinated debentures						
Subordinated debentures maturing in 2003	544	-	544	544	-	544
Subordinated debentures of RM 400 million, maturing in 2024, coupon rate of 5.60% per annum	-	3,196	3,196	-	3,371	3,371
Subordinated debentures of RM 570 million, maturing in 2026, coupon rate of 5.35% per annum	-	4,554	4,554	-	-	-
Subordinated debentures of Baht 3,000 million, maturing in 2021, coupon rate of 5.35% per annum	-	-	-	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
Structured debentures						
Structured debentures	50	-	50	10	-	10
	7,529	7,750	15,279	28,658	3,371	32,029
Structured bills of exchange						
Structured bills of exchange	1,800	2,723	4,523	-	-	-
Fixed-rate notes						
Bill of exchange maturing at call, coupon rate of 1.20 % - 1.51% per annum	5,780	-	5,780	1,965	-	1,965
	7,580	2,723	10,303	1,965	-	1,965
Total	15,109	10,473	25,582	30,623	3,371	33,994
Less Current portion of long-term borrowings	(10,309)	-	(10,309)	(24,623)	-	(24,623)
Long-term borrowings, net	4,800	10,473	15,273	6,000	3,371	9,371

(a) As at 31 December 2016, the Bank had short term debentures of Baht 3,935 million (31 December 2015: Baht 22,104 million) with fixed interest rates, interest will be paid on maturity date.

(b) As at 31 December 2016, the Bank had domestic subordinated debentures of Baht 544 million (31 December 2015: Baht 544 million) which had been transferred to the Bank since the merger date.

- (c) On 7 July 2014, the Bank issued MYR 400 million of subordinated debentures pursuant to tier II subordinated debenture programme to overseas investors, 4,000,000 units of MYR 100 each, interest rate of 5.60% per annum with a payment of interest every six months. The debenture has a tenor of 10 years and is due in 2024. The Bank may exercise its right to early redeem the debenture after 5 years subject to approval by the Bank of Thailand.

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

- (d) On 11 July 2016, the Bank issued MYR 570 million of subordinated debentures pursuant to tier II subordinated debenture programme to overseas investors, 5,700,000 units of MYR 100 each, interest rate of 5.35% per annum with a payment of interest every six months. The debenture has a tenor of 10 years and is due in 2026. The Bank may exercise its right to early redeem the debenture after 5 years subject to approval by the Bank of Thailand.

The Bank has an approval from the Bank of Thailand to count the subordinated debenture as tier II capital according to the correspondence For Kor Kor.(02) 414/2559.

- (e) On 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.

On 14 July 2016, the Bank exercised its option to early redeem all unsecured subordinated debentures amounting to Baht 3,000 million, maturing on 14 July 2021, which the Bank was able to early redeem (under the specified conditions). This early redemption was

approved by BoT notification For Kor Kor (02) 23/2559 The approval of redemption of subordinated debentures.

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

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

- (g) As at 31 December 2016, the Bank issued various unsecured structured debentures (Single Barrier Bullish USD against JPY) of Baht 50 million (31 December 2015: Baht 10 million) with 6 months from respective issuance dates. The Bank will pay interest at maturity date according to the movement of the underlying (USD/JPY Spot Rate). Investors have the option to early redeem the above structured debentures starting from 91 days from issuance date. The Bank is obliged to return the principal at full amount should the investors holds the debentures to maturity.

- (h) As at 31 December 2016, the Bank had credit linked bill of exchange of Baht 4,523 million as follows:

- The Bank issued credit linked bills of exchange of Baht 1,800 million which will mature in 10 years. The holder will receive all coupon amounts on respective coupon payment date and the redemption amount on the maturity date, subject to no credit event determination occurring with respect to the reference entity. The credit linked bills of exchange bear interest rate at 3.75% - 4.01% per annum with a payment of interest every six months.
- The Bank issued credit linked note bills of exchange of USD 76 million or equivalence Baht 2,723 million which will mature in 10-15 years. The holder will receive all coupon amounts on respective coupon payment date and the redemption amount on the maturity date, subject

to no credit event determination occurring with respect to the reference entity. The credit linked note bills of exchange bear interest rate at 6M LIBOR+2.24170% to 6M LIBOR+2.39250% per annum with a payment of interest every six months.

21 PROVISIONS

	CONSOLIDATED		SEPARATE	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
Provision for contingent loss from legal cases	30	44	30	44
Reserve for off-statements of financial position items	494	192	494	192
Provision for employee benefits	1,473	1,405	1,396	1,343
Total provisions	1,997	1,641	1,920	1,579

Provision for employee benefits

As at 31 December 2016, the pension benefits were only provided to 390 employees (31 December 2015: 428 employees) who were former employees of the Union Bank of Bangkok Public Company Limited which are unfunded obligations. The pension benefits are part of provisions for employee benefits as follows:

	CONSOLIDATED		SEPARATE	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
Present value of post-employment benefit obligations	1,473	1,405	1,396	1,343
Provision for employee benefits	1,473	1,405	1,396	1,343

Movements of provision for pension funds are as follows:

	CONSOLIDATED		SEPARATE	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
Beginning balance	1,405	1,247	1,343	1,195
Current service costs	114	108	107	102
Interest costs	37	41	36	39
Remeasurements:				
Losses from changes in financial assumptions	60	59	55	55
Experience loss/(gain)	(35)	48	(37)	47
Less Pension benefits paid for the year	(108)	(98)	(108)	(95)
Ending balance	1,473	1,405	1,396	1,343

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

	CONSOLIDATED		SEPARATE	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
Current service costs	114	108	107	102
Interest costs	37	41	36	39
Total	151	149	143	141

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

	Consolidated and Separate	
	For the years ended 31 December	
	2016	2015
Discount rate	2.25 %	2.75%
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 Mortality	10% of Mortality
Pre-retirement withdrawal rate	Employees who are eligible for pension benefit: Flat 1.91% of Thai Withdrawal Table, Other employees 75% of Thai Withdrawal Table	Employees who are eligible for pension benefit: Flat 1.91% of Thai Withdrawal Table, Other employees 75% of Thai Withdrawal Table
Retirement age	60 years old	60 years old

Sensitivity analysis for each significant assumptions :

	CONSOLIDATED					
	Impact on defined benefit obligation					
	Change in assumption		Increase in assumption		Decrease in assumption	
	2016	2015	2016	2015	2016	2015
Weighted average discount rate	0.5%	0.5%	Decrease by 4.24%	Decrease by 4.21%	Increase by 4.54%	Increase by 4.51%
Weighted average rate of salary increase	1.0%	1.0%	Increase by 9.68%	Increase by 9.68%	Decrease by 8.58%	Decrease by 8.58%

SEPARATE

Impact on defined benefit obligation						
	Change in assumption		Increase in assumption		Decrease in assumption	
	2016	2015	2016	2015	2016	2015
Weighted average discount rate	0.5%	0.5%	Decrease by 4.14%	Decrease by 4.13%	Increase by 4.43%	Increase by 4.41%
Weighted average rate of salary increase	1.0%	1.0%	Increase by 9.46%	Increase by 9.48%	Decrease by 8.41%	Decrease by 8.43%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the employee benefit obligations recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

As at 31 December 2016, the weighted average duration of the defined benefit obligation is 10 years (31 December 2015: 10 years).

Expected maturity analysis of undiscounted benefits:

CONSOLIDATED				
2016				
	Less than a year Million Baht	Between 1 - 5 years Million Baht	Over 5 years Million Baht	Total Million Baht
Retirement benefits	95	347	1,373	1,815

CONSOLIDATED				
2015				
	Less than a year Million Baht	Between 1 - 5 years Million Baht	Over 5 years Million Baht	Total Million Baht
Retirement benefits	89	322	1,405	1,816

SEPARATE

2016

	Less than a year Million Baht	Between 1 – 5 years Million Baht	Over 5 years Million Baht	Total Million Baht
Retirement benefits	88	338	1,285	1,711

SEPARATE

2015

	Less than a year Million Baht	Between 1-5 years Million Baht	Over 5 years Million Baht	Total Million Baht
Retirement benefits	87	313	1,326	1,726

22 OTHER LIABILITIES

CONSOLIDATED

SEPARATE

	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
Credit support liabilities on derivatives	3,923	5,397	3,923	5,397
Amount due to Department of Alternative Energy Development and Efficiency	111	114	111	114
Other liabilities awaiting accounts transfer	466	746	466	746
Accrued interest	662	937	662	937
Deferred commission	146	194	146	194
Accrued expense	1,258	1,346	1,133	1,212
Others	810	824	369	527
Total	7,376	9,558	6,810	9,127

23 SHARE CAPITAL

CONSOLIDATED AND SEPARATE				
	2016		2015	
	Number Million shares	Amount Million Baht	Number Million shares	Amount Million Baht
Registered				
Beginning of the years				
– Ordinary shares	27,410	13,705	21,085	10,542
Issurance/(reduction) of shares	(2,635)	(1,318)	6,325	3,163
End of the years	24,775	12,387	27,410	13,705
Issued and paid up				
Beginning of the years				
– Ordinary shares	24,775	12,387	21,085	10,542
Issurance of new share	-	-	3,690	1,845
End of the years	24,775	12,387	24,775	12,387

On 19 April 2016, the Annual General Meeting of Shareholders approved the decrease in the Bank's registered capital totaling Baht 1,317,804,876.50 from Baht 13,705,170,716 to Baht 12,387,365,839.50 with a par value of Baht 0.50 per share. The Bank registered the reduction in its capital with the Ministry of Commerce on 21 April 2016.

On 10 April 2015, the Annual General Meeting of Shareholders approved an increase in the Bank's registered capital totaling Baht 3,162,731,704 from Baht 10,542,439,013 to Baht 13,705,170,716 with a par value of Baht 0.50 per share. On 22 April 2015, the Bank registered the capital increase with the Ministry of Commerce.

On 6 November 2015, the Bank has registered its increase of paid-up share capital with the Department of Business Development, the Ministry of Commerce. Therefore, the paid-up share capital is Baht 12,387,365,839.5 which is 24,774,731,679 ordinary shares with a par value of Baht 0.50.

24 OTHER RESERVES

CONSOLIDATED		
	2016 Million Baht	2015 Million Baht
Revaluation surplus on assets	2,048	970
Revaluation (deficit) surplus on change in value of investments	(352)	292
Remeasurements of post-employment benefit Obligations	(256)	(230)
Foreign currency translation	35	36
Deficit from measuring fair value of hedging instrument for cash flow hedge	(116)	(175)
Income tax relating to components of other reserves comprehensive expenses	(265)	(172)
Total	1,094	721

SEPARATE		
	2016 Million Baht	2015 Million Baht
Revaluation surplus on assets	2,048	970
Revaluation (deficit) surplus on change in value of investments	(352)	292
Remeasurements of post - employment benefit obligations	(229)	(211)
Foreign currency translation	35	36
Deficit from measuring fair value of hedging instrument for cash flow hedge	(116)	(175)
Income tax relating to components of other reserves comprehensive expenses	(271)	(175)
Total	1,115	737

(a) Revaluation surplus on assets

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

CONSOLIDATED AND SEPARATE		
	2016 Million Baht	2015 Million Baht
Balance - beginning of the years	970	1,095
Add Appraisal during the years	1,122	-
Less Amortisation	(44)	(125)
Balance - end of the years	2,048	970

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

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

CONSOLIDATED AND SEPARATE		
	2016 Million Baht	2015 Million Baht
Revaluation surplus on investments:		
Debt securities	18	263
Equity securities	44	35
Total	62	298
Revaluation deficit on investments:		
Debt securities	(406)	(2)
Equity securities	(8)	(4)
Total	(414)	(6)
Revaluation (deficit) surplus on change in value of investments, net	(352)	292

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 10 April 2015, the Annual General Meeting of Shareholders of the Bank approved an appropriation of net profit of Baht 47.10 million as a statutory reserve for the year 2014. However, the bank has set aside net profit to be reserve of Baht 31.00 million during the year 2014. Therefore, the bank set aside additional net profit to be reserve of Baht 16.10 million.

On 27 August 2015, the Board of Directors Meeting of the Bank approved an appropriation of net profit of Baht 8.55 million as a statutory reserve.

On 19 April 2016, the Annual General Meeting of Shareholders of the Bank approved an appropriation of net profit of Baht 35.4 million as a statutory reserve for the year 2015. However, the bank has set aside net profit to be reserve Baht 8.55 million during the year 2015. Therefore, the bank set aside additional net profit to be reserve of Baht 26.85 million.

On 25 August 2016, the Board of Directors Meeting of the Bank approved an appropriation of net profit of Baht 5 million as a statutory reserve.

As at 31 December 2016, the Bank had total statutory reserve of Baht 397.80 million (31 December 2015: Baht 365.95 million).

26 DIVIDEND PAYMENT

On 19 April 2016, the Annual General Meeting of Shareholders of the Bank approved to pay dividend from the operating results of 2015 at the rate of Baht 0.0075 per share, totaling Baht 185.81 million, which was paid on 19 May 2016.

On 10 April 2015, the Annual General Meeting of Shareholders of the Bank approved to pay dividend from the operating results of 2014 at the rate of Baht 0.0075 per share, totaling Baht 158 million, which was paid on 8 May 2015.

27 CAPITAL FUNDS

The primary objectives of the Bank's capital management are to maintain the Bank's ability to continue as a going concern and to maintain a capital adequacy ratio in accordance with the Act on Undertaking of Banking business B.E. 2551. The capital funds comprise:

Capital fund (Full consolidate supervision)	2016 Million Baht	Total capital to risk assets %	2015 Million Baht	Total capital to risk assets %
Tier I				
Issued and paid up share capital	12,387		12,387	
Share premium	5,713		5,713	
Statutory reserve	398		366	
Unappropriated surplus	7,863		7,041	
Other reserves	1,294		680	
Deduction on Tier I capital fund	(2,346)		(1,237)	
Total Tier I capital fund	25,309	10.73	24,950	10.99
Tier II				
Long-term subordinated debentures	12,087		10,020	
Reserve for loan classified as pass	643		575	
Total Tier II capital fund	12,730	5.40	10,595	4.67
Total capital funds	38,039	16.13	35,545	15.66

Capital funds (Separate)	2016 Million Baht	Total capital to risk assets %	2015 Million Baht	Total capital to risk assets %
Tier I				
Issued and paid up share capital	12,387		12,387	
Share premium	5,713		5,713	
Statutory reserve	398		366	
Unappropriated surplus	7,013		6,537	
Other reserves	1,337		723	
Deduction on Tier I capital fund	(2,739)		(1,040)	
Total Tier I capital fund	24,109	10.16	24,686	10.78
Tier II				
Long-term subordinated debentures	12,086		10,020	
Reserve for loan classified as pass	799		695	
Total Tier II capital fund	12,885	5.42	10,715	4.68
Total capital funds	36,994	15.58	35,401	15.46

As at 31 December 2016, the Bank's regulatory capital after deducting capital add-on arising from single lending was Baht 36,994 million (31 December 2015: Baht 35,401 Million).

The Bank has maintained capital fund under BoT notification of international capital requirement standards under the Basel III regulatory framework and will disclose capital maintenance information as at 31 December 2016 in accordance with the Notification of the Bank of Thailand Re: Public Disclosure of Capital Maintenance Information for Commercial Banks and Consolidated Supervision on its website at www.cimbthai.com within four months after the statements of financial position date.

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 from 2014 onwards, proceeds from disposal will be returned to the Bank. In the event of retirement, disability or death of the eligible employee, the release of shares will be accelerated to the date of termination of employment and the shares will be assigned to the employee or designated beneficiary.

The weighted average fair value of shares granted in this financial period, which were purchased over a specified period before awarding to the eligible employees of the Bank, was MYR 4.17 per share (31 December 2015: MYR 5.97 per share).

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

NUMBER OF ORDINARY		
	shares under the EOP as at	
	2016 units '000	2015 units '000
Beginning of financial years	649	320
Awarded during financial years	1,044	462
Released during financial years	(351)	(133)
End of financial years	1,342	649

For the year ended 31 December 2016, the Bank set up share-based payment reserves and expenses amounting to Baht 31 million (for the year ended 31 December 2015: Baht 20 million).

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

29.1 Position classified by type of transaction

	CONSOLIDATED					
	2016			2015		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Total assets	291,294	6,176	297,470	298,738	5,883	304,621
Interbank and money						
market items, net	6,805	1,723	8,528	11,763	2,530	14,293
Derivative assets	18,881	2,354	21,235	24,200	1,381	25,581
Investments, net and						
investments in subsidiaries, net	55,056	6	55,062	54,805	86	54,891
Loans to customers and accrued						
interest receivables, net	194,248	2,092	196,340	190,457	1,885	192,342
Deposits	181,686	1,977	183,663	168,559	1,658	170,217
Interbank and money						
market items	10,029	1,566	11,595	15,200	4,818	20,018
Financial liabilities designated						
at fair value through						
profit or loss	18,874	-	18,874	16,040	-	16,040
Derivative liabilities	16,596	4,785	21,381	21,661	4,022	25,683
Debt issued and borrowings	15,110	10,473	25,583	30,624	3,371	33,995

SEPARATE						
	2016			2015		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Total assets	289,447	6,176	295,623	297,715	5,883	303,598
Interbank and money						
market items, net	6,741	1,723	8,464	11,700	2,530	14,230
Derivative assets	18,881	2,354	21,235	24,200	1,381	25,581
Investments, net and						
investments in subsidiaries, net	56,381	6	56,387	56,130	86	56,216
Loans to customers and accrued						
interest receivables, net	191,690	2,092	193,782	188,658	1,885	190,543
Deposits	181,900	1,977	183,877	168,844	1,658	170,502
Interbank and money						
market items	10,029	1,566	11,595	15,176	4,818	19,994
Financial liabilities designated						
at fair value through						
profit or loss	18,874	-	18,874	16,040	-	16,040
Derivative liabilities	16,596	4,785	21,381	21,661	4,022	25,683
Debt issued and borrowings	15,110	10,473	25,583	30,624	3,371	33,995

29.2 Performance classified by type of transaction

CONSOLIDATED						
	2016			2015		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Interest income	14,557	115	14,672	14,473	147	14,620
Interest expenses	(4,443)	(363)	(4,806)	(5,868)	(275)	(6,143)
Net interest income (expenses)	10,114	(248)	9,866	8,605	(128)	8,477
Net fees and services income	1,636	-	1,636	1,468	-	1,468
Other operating income	1,426	-	1,426	2,289	-	2,289
Other operating expenses	(7,424)	-	(7,424)	(7,124)	(3)	(7,127)
Bad and doubtful debts and impairment losses	(6,074)	(205)	(6,279)	(3,770)	-	(3,770)
(Loss) profit from continuing operation before income tax expense	(322)	(453)	(775)	1,468	(131)	1,337

SEPARATE

	2016			2015		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Interest income	12,609	115	12,724	12,879	147	13,026
Interest expenses	(4,444)	(363)	(4,807)	(5,866)	(275)	(6,141)
Net interest income (expenses)	8,165	(248)	7,917	7,013	(128)	6,885
Net fees and services income	1,051	-	1,051	1,055	-	1,055
Other operating income	1,404	-	1,404	2,295	-	2,295
Other operating expenses	(6,166)	-	(6,166)	(5,914)	(3)	(5,917)
Bad and doubtful debts and impairment losses	(5,580)	(205)	(5,785)	(3,425)	-	(3,425)
(Loss) profit from continuing operation before income tax expense	(1,126)	(453)	(1,579)	1,024	(131)	893

30 INTEREST INCOME

CONSOLIDATED

SEPARATE

	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
Interbank and money market items	69	73	69	73
Investments and trading transactions	153	141	153	141
Investments in debt securities	1,160	1,458	1,160	1,458
Loans	10,588	10,624	11,320	11,343
Hire-purchase and financial lease income	2,680	2,313	-	-
Others	22	11	22	11
Interest income	14,672	14,620	12,724	13,026

31 INTEREST EXPENSES

	CONSOLIDATED		SEPARATE	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
Deposits	2,611	3,891	2,612	3,893
Interbank and money market items	282	342	282	338
Contribution fees to the Deposit Protection Agency	18	19	18	19
Contribution fees to FIDF	973	983	973	983
Debt securities issued				
- Subordinated debentures	569	557	569	557
- Others	302	296	302	296
Others	51	55	51	55
Interest expenses	4,806	6,143	4,807	6,141

32 NET FEES AND SERVICES INCOME

	CONSOLIDATED		SEPARATE	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
Fees and services income				
Acceptances, aval and guarantees	101	111	101	111
ATM and debit card fees	109	116	109	116
Brokerage income	662	587	373	367
Management fees	111	190	111	190
Others	855	730	596	590
Fees and services income	1,838	1,734	1,290	1,374
Fees and services expenses				
Collection fees	21	89	72	174
ATM fees	40	41	40	41
Others	141	136	127	104
Fees and services expenses	202	266	239	319
Net fees and services income	1,636	1,468	1,051	1,055

33 GAINS ON TRADINGS AND FOREIGN EXCHANGE TRANSACTIONS, NET

CONSOLIDATED AND SEPARATE		
	2016 Million Baht	2015 Million Baht
Gains (losses) on tradings and foreign exchange transactions		
Foreign currency and foreign exchange rate derivatives	1,049	1,031
Interest rate derivatives	461	614
Debt securities	(108)	174
Gains on tradings and foreign exchange transactions, net	1,402	1,819

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 SEPARATE		
	2016 Million Baht	2015 Million Baht
Net change in fair value		
Bills of exchange	(314)	(333)
Debentures	(175)	102
Interest expenses	(321)	(227)
Total	(810)	(458)

35 GAINS ON INVESTMENTS, NET

CONSOLIDATED AND SEPARATE		
	2016 Million Baht	2015 Million Baht
Gains on sales		
Available-for-sale	481	553
Held-to-maturity	1	-
General investments	1	2
Gains on sales, net	483	555
Losses on impairment		
General investments	-	4
Losses on impairment, net	-	4
Gains on investments, net	483	551

36 OTHER OPERATING INCOME

	CONSOLIDATED		SEPARATE	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
Gains on sales of premises and equipment	29	13	27	11
Gains on sales of properties for sales	-	-	109	91
Income from reversal of bad debts	150	58	-	-
Dividend income	20	52	62	52
Other income	153	254	131	229
Other operating income	352	377	329	383

37 BAD AND DOUBTFUL DEBTS AND IMPAIRMENT LOSSES

	CONSOLIDATED		SEPARATE	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
Loans	6,273	3,770	5,779	3,425
Interbank and money market items	6	-	6	-
Total	6,279	3,770	5,785	3,425

38 CORPORATE INCOME TAX

	CONSOLIDATED		SEPARATE	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
Current tax:				
Current tax on profits for the years	207	343	-	273
Total current tax	207	343	-	273
Deferred tax:				
Increase in deferred tax assets (Note 15)	(344)	(30)	(311)	(58)
Decrease in deferred tax liabilities (Note 15)	(8)	(29)	(8)	(29)
Total deferred tax	(352)	(59)	(319)	(87)
Total tax charge	(145)	284	(319)	186

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the home country of the Bank as follows:

	CONSOLIDATED		SEPARATE	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
(Loss) profit before tax	(775)	1,337	(1,579)	893
Tax calculated at a tax rate of 20%	(155)	267	(316)	179
Tax effect of:				
Income not subject to tax	(17)	(10)	(17)	(10)
Expenses not deductible for tax purpose	21	36	19	20
Adjustment in respect of prior years	3	(6)	(5)	(3)
Unrealized profit from intercompany transactions	3	(3)	-	-
Total tax charge	(145)	284	(319)	186

The weighted average applicable tax rate in the consolidated and bank financial statements as at 31 December 2016 was 19% and 20% respectively, (31 December 2015: 21% and 21% respectively).

The tax credit relating to component of other comprehensive income is as follows:

	CONSOLIDATED					
	2016			2015		
	Before tax Million Baht	Tax (charge)/ credit Million Baht	After tax Million Baht	Before tax Million Baht	Tax (charge)/ credit Million Baht	After tax Million Baht
Fair value gains:						
Land and buildings	1,033	(207)	826	(53)	11	(42)
Properties for sale	45	(9)	36	(72)	15	(57)
Cash flow hedges	58	(12)	46	(26)	5	(21)
Remeasurements of post - employment benefit obligation	(24)	5	(19)	(107)	21	(86)
Available-for-sale financial asset	(644)	129	(515)	13	(3)	10
Other comprehensive income (expenses)	468	(94)	374	(245)	49	(196)
Current tax		207			343	
Deferred tax		(352)			(59)	
		(145)			284	

SEPARATE

	2016			2015		
	Before tax Million Baht	Tax (charge)/ credit Million Baht	After tax Million Baht	Before tax Million Baht	Tax (charge)/ credit Million Baht	After tax Million Baht
Fair value gains:						
Land and buildings	1,033	(207)	826	(53)	11	(42)
Properties for sale	45	(9)	36	(72)	15	(57)
Cash flow hedges	58	(12)	46	(26)	5	(21)
Remeasurements of post-employment benefit obligation	(18)	4	(14)	(102)	20	(82)
Available-for-sale financial asset	(644)	129	(515)	13	(3)	10
Other comprehensive income (expenses)	474	(95)	379	(240)	48	(192)
Current tax		-			273	
Deferred tax		(319)			(87)	
		(319)			186	

In addition, deferred income tax of Baht 10 million (31 December 2015: Baht 25 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 CIMB Principal Asset Management Company Limited - at rate of 3% - 15% of their basic salaries, and the Bank and its subsidiaries contribute at rate of 5%, and disburse to staff when their employment is terminated under the terms and conditions of the fund. For the year ended 31 December 2016, Baht 113 million was contributed to the fund by the Bank and its subsidiaries (for the year ended 31 December 2015: Baht 113 million), of which the Bank contributed Baht 98 million (for the year ended 31 December 2015: Baht 99 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 period by the weighted average number of ordinary shares held by outside shareholders in issue during the period (Note 23).

There are no potential dilutive ordinary shares in issue for the years ended 31 December 2016 and 2015.

41 ENCUMBRANCE OF ASSETS

41.1 Assets used as collateral

The Group placed assets such as government and state enterprise bonds as collateral against the following:

CONSOLIDATED AND SEPARATE		
	2016 Million Baht	2015 Million Baht
Securities sold under repurchase agreements	-	132
Utilities usage	8	8
Total	8	140

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 2016 and 2015, 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 2016, the properties foreclosed had net book value of Baht 651 million (31 December 2015: Baht 511 million).

As at 31 December 2016 and 2015, the investments subject to such obligations are as follows:

CONSOLIDATED AND SEPARATE				
	2016		2015	
Year of maturity	Numbers	Cost Million Baht	Numbers	Cost Million Baht
2016 onwards	5	651	4	511
Assets subject to obligation	5	651	4	511

42 COMMITMENTS AND CONTINGENT LIABILITIES

42.1 Commitments

As at 31 December 2016 and 2015, significant commitments of the Bank consist of:

CONSOLIDATED AND SEPARATE						
	2016			2015		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Avals to bills and guarantees of loans:						
Avals to bills	28	-	28	41	-	41
Guarantees of loans	9	-	9	13	-	13
Total avals to bills and guarantees of loans	37	-	37	54	-	54
Liability under unmatured import bills:						
Liability under unmatured import bills	23	467	490	27	255	282
Letters of credit:						
Letters of credit	22	1,309	1,331	63	1,161	1,224
Other commitments:						
Forward and spot contracts						
- Bought	-	387,446	387,446	-	463,412	463,412
- Sold	-	364,404	364,404	-	375,770	375,770
Cross currency and interest rate swap contract						
- Bought	-	142,870	142,870	-	97,083	97,083
- Sold	-	113,050	113,050	-	163,237	163,237
Interest rate swap contracts						
- Fixed rate payee	552,141	80,430	632,571	466,852	85,560	552,412
- Floating rate payee	579,814	134,576	714,390	423,796	206,321	630,117
Foreign exchange option						
- Call option sales contracts	-	57	57	-	444	444
- Put option sales contracts	-	995	995	-	2,188	2,188
- Call option purchase contracts	-	1,074	1,074	-	3,002	3,002
- Put option purchase contracts	-	157	157	-	527	527
Swaption						
- Sold	-	-	-	100	-	100
Commodity						
- Bought	-	107	107	-	199	199
- Sold	-	106	106	-	61	61

CONSOLIDATED AND SEPARATE						
	2016			2015		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Credit derivatives						
- Bought	1,800	2,723	4,523	-	-	-
- Sold	1,800	2,723	4,523	-	-	-
Bond forward						
- Sold	1,399	-	1,399	-	-	-
Investments						
- Bought	2,880	-	2,880	4,437	-	4,437
- Sold	3,788	-	3,788	5,010	-	5,010
Undrawn bank overdrafts	18,404	-	18,404	17,678	-	17,678
Other guarantees	10,194	469	10,663	8,729	297	9,026
Other commitments	1,172,220	1,231,187	2,403,407	926,602	1,398,101	2,324,703
Total commitments	1,172,302	1,232,963	2,405,265	926,746	1,399,517	2,326,263

42.2 Contingent liabilities

As at 31 December 2016 and 2015, the Group had the following contingent liabilities in connection with court cases in which the Group have been sued as defendants in court. The lawsuits were mainly lodged to claim compensation and the management believes that they will have no significant impact on the Group once they are finalised:

CONSOLIDATED AND SEPARATE		
	2016 Million Baht	2015 Million Baht
Sum claimed in cases where the Group is sole defendant	296	296
Sum claimed in cases where the Group is co-defendant		
- Sum of claims that can be specifically attributed to the Group	357	438
- Sum of claims that cannot be specifically attributed to the Group	766	24,665
Total	1,419	25,399

As at 31 December 2015, in the above court cases, a sum of Baht 24,500 million relates to claims against the Bank in cases where it is co-defendant 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 these cases will not cause material loss because the transfers were made in accordance with the Emergency Decree Establishing the Thai Asset Management Corporation B.E. 2544. In addition, transfers of loans from the Bank to TAMC amounting to approximately Baht 959 million, occurred before the merger of the Bank.

As at 31 December 2016, included in the above-mentioned amounts are cases in which the court was judged in favor of the plaintiffs where the Bank is the direct defendant and where the Bank is a co-defendant with others with sums claimed

totaling Baht 9 million and Baht 71 million, respectively. However, the Bank is in the process of appealing the decisions (31 December 2015: Baht 20 million and Baht 25 million, respectively).

As at 31 December 2016, the Group recognised provisions for contingent loss from legal cases of approximately Baht 30 million (31 December 2015: Baht 45 million). The management concluded and believed that such provisions were adequate to cover any possible loss from these legal cases.

In addition, the Group recognised reserves of Baht 494 million (31 December 2015: Baht 192 million) for off-statement of financial position items related to guarantees for which the Group have been sued as defendants.

42.3 Commitments under long-term leases

As at 31 December 2016 and 2015, the Group had entered into a number of agreements to lease land, buildings and vehicles for periods of longer than 6 months, under which future rental fees can be summarised as follows:

LEASE PERIODS	CONSOLIDATED		SEPARATE	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
1 - 3 years	309	237	257	197
4 - 5 years	6	8	6	8
6 - 10 years	5	12	5	12
11 - 30 years	1	2	1	2
Total	321	259	269	219

42.4 Other commitments

As at 31 December 2016, the Bank has other commitments in the form of various agreements relating to computer system and software development. The Bank is obligated to pay a further Baht 83 million, MYR 3.57 million and USD 6.1 million and SGD 715 thousand under such agreements (31 December 2015: Baht 112 million, MYR 1.1 million and USD 27 thousand).

Sale of non-performing assets

- Sukhumvit Asset Management Co., Ltd “SAM”
On 29 December 2016, the Bank entered into the agreement with SAM for sale of non-performing assets, and the Bank (as the transferors) received first payment of Baht 4.22 million as at contract date and last payment of Baht 80.28 million from SAM (as the transferee) on 6 January 2017, in accordance with the transfer conditions as specified in the agreement.
- Bangkok Commercial Asset Management Public Company Limited “BAM”
On 28 December 2016, the Bank entered into the agreement with BAM for sales of non-performing assets, and the Bank (as the transferors) received 8 promissory notes of Baht 117.44 million each, totalling of Baht 939.52 million from BAM (as the transferee), payment date during 9 April 2017 to 30 December 2018 with interest rate of 2.5% per annum, in accordance with the transfer conditions as specified in the agreement.

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		SEPARATE	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
Subsidiaries				
Revenue:				
Interest income	-	-	733	720
Fee income	-	-	5	4
Dividend income	-	-	42	-
Expenses:				
Interest expenses	-	-	1	2
Fee expenses	-	-	51	85
Premises and equipments expenses	-	-	(6)	(9)
Parent company				
Revenue:				
Losses on tradings and foreign exchange transactions	(470)	(561)	(470)	(561)
Expenses:				
Interest expenses	97	48	97	48
Fee expenses	42	20	42	20
Premises and equipment expenses	6	5	6	5
Related companies				
Revenue:				
Fee income	215	188	215	188
Expenses:				
Interest expenses	14	12	14	12
Fee expenses	36	133	36	133
Premises and equipment expenses	(9)	(8)	(9)	(8)

The outstanding balances of significant related party transactions as at 31 December 2016 and 2015 are as follows:

CONSOLIDATED							
2016							
	Average loans outstanding Million Baht	Outstanding loans Million Baht	Obligations Million Baht	Other assets Million Baht	Deposits Million Baht	Borrowings Million Baht	Other liabilities Million Baht
Parent company							
CIMB Bank Berhad	-	-	44	2,838	-	3,755	3,713
	-	-	44	2,838	-	3,755	3,713
Companies under common control							
CIMB Bank Plc, Cambodia	-	-	-	-	-	-	1
CIMB ISLAMIC Bank Berhad	-	-	-	-	-	-	22
CIMB NIAGA	-	-	-	1	-	-	4
CIMB Securities (Singapore)	-	-	-	-	49	-	-
CIMB-Principal Asset Management Co., Ltd.	-	-	-	-	371	-	-
Sathorn Asset Management Co., Ltd.	-	-	-	1	581	-	8
	-	-	-	2	1,001	-	35
Other related companies	-	-	-	-	9	-	-
	-	-	-	-	9	-	-
Related persons	26	41	-	-	847	-	1
	26	41	-	-	847	-	1

CONSOLIDATED

2015

	Average loans outstanding Million Baht	Outstanding loans Million Baht	Obligations Million Baht	Other assets Million Baht	Deposits Million Baht	Borrowings Million Baht	Other liabilities Million Baht
Parent company							
CIMB Bank Berhad	-	-	83	1,709	-	43	2,762
	-	-	83	1,709	-	43	2,762
Companies under common control							
CIMB Bank Plc, Cambodia	-	-	-	-	-	-	43
CIMB ISLAMIC Bank Berhad	-	-	-	-	-	-	7
CIMB NIAGA	-	-	-	2	-	-	-
CIMB Securities (Singapore)	-	-	-	-	-	-	4
CIMB-Principal Asset Management Co., Ltd.	-	-	-	-	-	-	218
Sathorn Asset Management Co., Ltd.	-	-	-	1	265	-	47
	-	-	-	3	265	-	319
Related persons	15	11	-	-	576	-	8
	15	11	-	-	576	-	8

	Average loans outstanding Million Baht	Outstanding loans Million Baht	Obligations Million Baht	Other assets Million Baht	Deposits Million Baht	Borrowings Million Baht	Other liabilities Million Baht
Subsidiary companies							
Center Auto Lease Co., Ltd.	17,702	19,028	-	-	134	-	-
World Lease Co., Ltd.	2,758	2,644	-	-	24	-	-
CT Coll Co., Ltd.	6	8	-	1	56	-	8
	20,466	21,680	-	1	214	-	8
Parent company							
CIMB Bank Berhad	-	-	44	2,838	-	3,755	3,713
	-	-	44	2,838	-	3,755	3,713
Companies under common control							
CIMB Bank Plc, Cambodia	-	-	-	-	-	-	1
CIMB ISLAMIC Bank Berhad	-	-	-	-	-	-	22
CIMB NIAGA	-	-	-	1	-	-	4
CIMB Securities (Singapore)	-	-	-	-	49	-	-
CIMB-Principal Asset Management Co., Ltd.	-	-	-	-	371	-	-
Sathorn Asset Management Co., Ltd.	-	-	-	1	581	-	8
	-	-	-	2	1,001	-	35
Other related companies	-	-	-	-	9	-	-
	-	-	-	-	9	-	-
Related persons	23	38	-	-	846	-	-
	23	38	-	-	846	-	-

SEPARATE

2015

	Average loans outstanding Million Baht	Outstanding loans Million Baht	Obligations Million Baht	Other assets Million Baht	Deposits Million Baht	Borrowings Million Baht	Other liabilities Million Baht
Subsidiary companies							
Center Auto Lease Co., Ltd.	15,507	16,353	-	-	123	-	-
World Lease Co., Ltd.	2,624	2,671	-	-	66	-	-
CT Coll Co., Ltd.	7	6	-	1	96	-	6
	18,138	19,030	-	1	285	-	6
Parent company							
CIMB Bank Berhad	-	-	83	1,709	-	43	2,762
	-	-	83	1,709	-	43	2,762
Companies under common control							
CIMB Bank Plc, Cambodia	-	-	-	-	-	-	43
CIMB ISLAMIC Bank Berhad	-	-	-	-	-	-	7
CIMB NIAGA	-	-	-	2	-	-	-
CIMB Securities (Singapore)	-	-	-	-	-	-	4
CIMB-Principal Asset Management Co., Ltd.	-	-	-	-	-	-	218
Sathorn Asset Management Co., Ltd.	-	-	-	1	265	-	47
	-	-	-	3	265	-	319
Related persons	15	11	-	-	576	-	8
	15	11	-	-	576	-	8

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

As at 31 December 2016 and 2015, the Bank has commitments in financial derivatives with related parties as follows :

2016			
	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Parent company			
Interest rate swap contracts			
- Fixed rate payee	71,708	97	71,805
- Floating rate payee	100,134	2,082	102,216
Forward and spot contracts			
- Bought	-	510	510
Cross currency and interest rate swap contracts			
- Bought	-	8,507	8,507
- Sold	-	1,792	1,792
Commodity			
- Bought	-	56	56
- Sold	-	50	50
Credit derivatives			
- Sold	1,800	2,723	4,523

2015			
	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Parent company			
Interest rate swap contracts			
- Fixed rate payee	22,965	97	23,062
- Floating rate payee	88,749	4,267	93,016
Forward and spot contracts			
- Bought	-	807	807
- Sold	-	66	66
Cross currency and interest rate swap contracts			
- Bought	-	4,134	4,134
- Sold	-	1,804	1,804
Swaption			
- Sold	100	-	100
Commodity			
- Bought	-	130	130

Director and management remuneration

The Bank has not extended extraordinary monetary and/or non-monetary benefits to Bank directors and executives at the level of executive vice president and higher, as well as to financial controllers. The benefits were beyond those normally granted, such as director's fees, director's bonuses (if any), income tax, executives' salary and bonus (if any) and share based payment.

	CONSOLIDATED		SEPARATE	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
Short-term employee benefits	461	409	432	383
Long-term employee benefits	22	16	22	14
Share based payments (Note 28)	31	20	31	20
Director and management remuneration	514	445	485	417

The details of share based payment are as follows:

	CONSOLIDATED AND SEPARATE	
	2016 thousand units	2015 thousand units
Shares of CIMB Group Holdings Berhad	1,044	462

44 FINANCIAL INFORMATION BY SEGMENT

Business segment reporting is consisted of :

Consumer banking

Consumer banking provides financial services to individuals and commercial customers. The products include consumer sales & distribution, retail financial services, commercial banking and personal financing.

Wholesale banking

Wholesale banking comprises of investment banking, corporate banking, and treasury and market.

- Investment banking service provides financial advisory, trade securities transactions, and asset management businesses.
- Corporate banking and treasury and market are responsible for corporate lending and deposit taking, transaction banking, treasury and market activities.

Others

Other services comprise of all middle and back office processes, cost centers and nonprofit generating divisions of companies whose results are not material to the Group.

Financial information presented in the consolidated financial statements as at 31 December 2016 and 2015 and for the years ended 31 December 2016 and 2015 are as follows:

CONSOLIDATED					
2016					
	Consumer banking Million Baht	Wholesale banking Million Baht	Others Million Baht	Eliminations Million Baht	Total Million Baht
Net interest income					
External	7,457	1,931	478	-	9,866
Net fees and service income	1,374	271	(9)	-	1,636
Other operating income	367	855	248	(44)	1,426
Other operating expenses	(5,374)	(1,686)	(365)	1	(7,424)
Bad and doubtful debts and impairment losses	(4,234)	(1,098)	(974)	27	(6,279)
Income tax expenses	77	(51)	119	-	145
Net (loss) profit for the year	(333)	222	(503)	(16)	(630)

CONSOLIDATED					
2015					
	Consumer banking Million Baht	Wholesale banking Million Baht	Others Million Baht	Eliminations Million Baht	Total Million Baht
Net interest income					
External	6,541	1,705	231	-	8,477
Net fees and service income	1,117	362	(11)	-	1,468
Other operating income	429	1,212	649	(1)	2,289
Other operating expenses	(5,444)	(1,568)	(116)	1	(7,127)
Bad and doubtful debts and impairment losses	(2,680)	(811)	(296)	17	(3,770)
Income tax expenses	8	(191)	(97)	(4)	(284)
Net (loss) profit for the year	(29)	709	360	13	1,053

	BANK BUSINESS			HIRE-PURCHASE BUSINESS			OTHER BUSINESSES			ELIMINATIONS			CONSOLIDATED	
	2016 Million Baht	2015 Million Baht		2016 Million Baht	2015 Million Baht		2016 Million Baht	2015 Million Baht		2016 Million Baht	2015 Million Baht		2016 Million Baht	2015 Million Baht
Total assets	295,623	303,598		24,783	21,368		77	113		(23,013)	(20,458)		297,470	304,621
Interbank and money market items, net (assets)	8,464	14,230		222	252		56	96		(214)	(285)		8,528	14,293
Investments, net	55,062	54,891		-	-		-	-		-	-		55,062	54,891
Loans and accrued interest receivables, net	193,782	190,543		24,013	20,633		9	6		(21,464)	(18,840)		196,340	192,342
Deposits	183,877	170,502		-	-		-	-		(214)	(285)		183,663	170,217
Interbank and money market items (liabilities)	11,595	19,994		21,669	19,043		8	7		(21,677)	(19,026)		11,595	20,018
Financial liabilities designated at fair value through profit or loss	18,874	16,040		-	-		-	-		-	-		18,874	16,040
Debt issued and borrowings	25,583	33,995		-	-		-	-		-	-		25,583	33,995

45 FINANCIAL INSTRUMENTS

The Bank's financial instruments, as defined under Thai Accounting Standard No.107 (previously No.48) "Financial Instruments: Disclosure and Presentation", principally comprise of 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.

45.1 Credit risk

As at 31 December 2016 and 2015, 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 AND SEPARATE						
	Counting from 2016			Counting from 2015		
	Less than 1 year Million Baht	Over 1 year Million Baht	Total Million Baht	Less than 1 year Million Baht	Over 1 year Million Baht	Total Million Baht
Aval to bills	28	-	28	41	-	41
Guarantees of loans	9	-	9	13	-	13
Liabilities under						
unmatured import bills	490	-	490	282	-	282
Letters of credit	1,331	-	1,331	1,224	-	1,224
Acceptance	45	-	45	41	-	41
Other guarantees	9,739	924	10,663	8,514	512	9,026

45.2 Market risk

(a) Interest rate risk

As at 31 December 2016 and 2015, financial assets and liabilities classified by type of interest rate were as follows:

CONSOLIDATED				
2016				
Descriptions	Floating interest rate Million Baht	Fixed interest rate Million Baht	Non-interest bearing Million Baht	Total Million Baht
Financial assets				
Cash	-	-	1,939	1,939
Interbank and money market items, net	440	4,594	3,494	8,528
Investments, net	19	54,868	175	55,062
Loans net of deferred revenue	138,887	66,702	-	205,589
Accounts receivable - bill of exchange	-	775	-	775
Total financial assets	139,346	126,939	5,608	271,893

CONSOLIDATED

2016

Descriptions	Floating interest rate Million Baht	Fixed interest rate Million Baht	Non-interest bearing Million Baht	Total Million Baht
Financial liabilities				
Deposits	72,514	108,796	2,353	183,663
Interbank and money market items	4,554	6,053	988	11,595
Liabilities payable on demand	-	-	250	250
Financial liabilities designated at fair value through profit or loss	18,874	-	-	18,874
Debt issued and borrowings	-	25,039	544	25,583
Total financial liabilities	95,942	139,888	4,135	239,965

CONSOLIDATED

2015

Descriptions	Floating interest rate Million Baht	Fixed interest rate Million Baht	Non-interest bearing Million Baht	Total Million Baht
Financial assets				
Cash	-	-	2,397	2,397
Interbank and money market items, net	1,443	10,133	2,717	14,293
Investments, net	22	54,169	700	54,891
Loans net of deferred revenue	134,965	63,642	-	198,607
Accounts receivable - bill of exchange	86	1,557	-	1,643
Total financial assets	136,516	129,501	5,814	271,831
Financial liabilities				
Deposits	58,450	109,374	2,393	170,217
Interbank and money market items	8,384	10,171	1,463	20,018
Liabilities payable on demand	-	-	321	321
Financial liabilities designated at fair value through profit or loss	16,040	-	-	16,040
Debt issued and borrowings	-	33,451	544	33,995
Total financial liabilities	82,874	152,996	4,721	240,591

SEPARATE

2016

Descriptions	Floating interest rate Million Baht	Fixed interest rate Million Baht	Non-interest bearing Million Baht	Total Million Baht
Financial assets				
Cash	-	-	1,936	1,936
Interbank and money market items, net	385	4,594	3,485	8,464
Investments, net	19	54,868	175	55,062
Loans net of deferred revenue	138,860	64,040	-	202,900
Accounts receivable - bill of exchange	-	775	-	775
Total financial assets	139,264	124,277	5,596	269,137
Financial liabilities				
Deposits	72,712	108,812	2,353	183,877
Interbank and money market items	4,554	6,053	988	11,595
Liabilities payable on demand	-	-	250	250
Financial liabilities designated at fair value through profit or loss	18,874	-	-	18,874
Debt issued and borrowings	-	25,038	544	25,582
Total financial liabilities	96,140	139,903	4,135	240,178

SEPARATE

2015

Descriptions	Floating interest rate Million Baht	Fixed interest rate Million Baht	Non-interest bearing Million Baht	Total Million Baht
Financial assets				
Cash	-	-	2,395	2,395
Interbank and money market items, net	1,387	10,133	2,710	14,230
Investments, net	22	54,169	700	54,891
Loans net of deferred revenue	136,860	59,786	-	196,646
Accounts receivable - bill of exchange	86	1,557	-	1,643
Total financial assets	138,355	125,645	5,805	269,805

SEPARATE

2015

Descriptions	Floating interest rate Million Baht	Fixed interest rate Million Baht	Non-interest bearing Million Baht	Total Million Baht
Financial liabilities				
Deposits	58,676	109,430	2,396	170,502
Interbank and money market items	8,384	10,147	1,463	19,994
Liabilities payable on demand	-	-	321	321
Financial liabilities designated at fair value through profit or loss	16,040	-	-	16,040
Debt issued and borrowings	-	33,451	544	33,995
Total financial liabilities	83,100	153,028	4,724	240,852

CONSOLIDATED

2016

Transactions	Repricing or maturity date							Weighted average interest rates %
	At call Million Baht	0 - 3 months Million Baht	3 - 12 months Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	No maturity Million Baht	Total Million Baht	
Financial assets								
Interbank and money market items, net	289	4,305	-	-	-	-	4,594	1.77
Investments, net	-	2,510	1,974	39,803	10,581	-	54,868	2.92
Loans net of deferred revenue	2,242	21,114	11,118	29,224	3,004	-	66,702	6.65
Accounts receivable - bill of exchange	-	60	715	-	-	-	775	2.73
Total financial assets	2,531	27,989	13,807	69,027	13,585	-	126,939	
Financial liabilities								
Deposits	9,863	52,944	45,001	988	-	-	108,796	1.57
Interbank and money market items	2,832	1,304	1,481	226	210	-	6,053	1.22
Debt issued and borrowings	5,780	3,738	247	-	15,274	-	25,039	2.87
Total financial liabilities	18,475	57,986	46,729	1,214	15,484	-	139,888	

Transactions	Repricing or maturity date						Total Million Baht	Weighted average interest rates %
	At call Million Baht	0 - 3 months Million Baht	3 - 12 months Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	No maturity Million Baht		
Financial assets								
Interbank and money								
market items, net	-	10,133	-	-	-	-	10,133	1.53
Investments, net	-	3,763	11,269	34,497	4,640	-	54,169	3.52
Loans net of								
deferred revenue	1,565	22,157	10,954	26,226	2,740	-	63,642	6.96
Accounts receivable								
- bill of exchange	-	60	722	775	-	-	1,557	2.73
Total financial assets	1,565	36,113	22,945	61,498	7,380	-	129,501	
Financial liabilities								
Deposits	17,046	54,321	36,219	1,788	-	-	109,374	2.04
Interbank and money								
market items	931	1,230	7,481	529	-	-	10,171	1.27
Debt issued and								
borrowings	1,965	13,270	8,844	-	9,372	-	33,451	2.73
Total financial liabilities	19,942	68,821	52,544	2,317	9,372	-	152,996	

SEPARATE

2016

Transactions	Repricing or maturity date						Total Million Baht	Weighted average interest rates %
	At call Million Baht	0 - 3 months Million Baht	3 - 12 months Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	No maturity Million Baht		
Financial assets								
Interbank and money								
market items, net	289	4,305	-	-	-	-	4,594	1.77
Investments, net	-	2,510	1,974	39,803	10,581	-	54,868	2.92
Loans net of								
deferred revenue	2,242	26,555	15,126	17,623	2,494	-	64,040	6.89
Accounts receivable								
- bill of exchange	-	60	715	-	-	-	775	2.73
Total financial assets	2,531	33,430	17,815	57,426	13,075	-	124,277	
Financial liabilities								
Deposits	9,863	52,950	45,011	988	-	-	108,812	1.57
Interbank and money								
market items	2,832	1,304	1,481	226	210	-	6,053	1.22
Debt issued and								
borrowings	5,780	3,738	247	-	15,273	-	25,038	2.87
Total financial liabilities	18,475	57,992	46,739	1,214	15,483	-	139,903	

Transactions	Repricing or maturity date						Total Million Baht	Weighted average interest rates %
	At call Million Baht	0 - 3 months Million Baht	3 - 12 months Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	No maturity Million Baht		
Financial assets								
Interbank and money								
market items, net	-	10,133	-	-	-	-	10,133	1.53
Investments, net	-	3,763	11,269	34,497	4,640	-	54,169	3.52
Loans net of								
deferred revenue	1,565	26,922	12,357	16,586	2,356	-	59,786	6.96
Accounts receivable								
- bill of exchange	-	60	722	775	-	-	1,557	2.73
Total financial assets	1,565	40,878	24,348	51,858	6,996	-	125,645	
Financial liabilities								
Deposits	17,046	54,367	36,219	1,798	-	-	109,430	2.04
Interbank and money								
market items	931	1,218	7,469	529	-	-	10,147	1.27
Debt issued and								
borrowings	1,965	13,270	8,844	-	9,372	-	33,451	2.73
Total financial liabilities	19,942	68,855	52,532	2,327	9,372	-	153,028	

The outstanding balances of loans which have floating interest rates or fixed interest rates include loans on which interest recognition is discontinued (presented before deducting allowance for doubtful account losses).

The average balances of the financial assets and liabilities of the Bank generating revenues and expenses, calculated based on the average balances outstanding during the period, and the average interest and dividend rate for the years ended 31 December 2016 and 2015, can be summarised as follows:

CONSOLIDATED

	2016			2015		
	Average balances Million Baht	Interest and dividend Million Baht	Average rate (%)	Average balances Million Baht	Interest and dividend Million Baht	Average rate (%)
Performing financial assets						
Interbank and money market items, net	5,703	69	1.21	8,665	73	0.85
Investments, net	55,810	1,313	2.35	56,617	1,598	2.82
Loans	202,475	13,268	6.55	194,376	12,937	6.66
Total performing financial assets	263,988	14,650		259,658	14,608	
Performing financial liabilities						
Deposits	166,032	2,610	1.57	173,969	3,891	2.24
Interbank and money market items	20,303	282	1.39	21,006	342	1.63
Financial liabilities designated at fair value through profit or loss	18,001	810	4.50	11,507	227	1.97
Debt issued and borrowings	29,533	871	2.95	27,735	853	3.08
Total performing financial liabilities	233,869	4,573		234,217	5,313	

SEPARATE

	2016			2015		
	Average balances Million Baht	Interest and dividend Million Baht	Average rate (%)	Average balances Million Baht	Interest and dividend Million Baht	Average rate (%)
Performing financial assets						
Interbank and money market items, net	8,572	69	0.80	11,725	73	0.63
Investments, net	55,810	1,313	2.35	57,942	1,650	2.85
Loans	200,132	11,320	5.66	192,249	11,343	5.90
Total performing financial assets	264,514	12,702		261,916	13,066	

SEPARATE						
	2016			2015		
	Average balances Million Baht	Interest and dividend Million Baht	Average rate (%)	Average balances Million Baht	Interest and dividend Million Baht	Average rate (%)
Performing financial liabilities						
Deposits	166,304	2,612	1.57	174,176	3,893	2.24
Interbank and money market items	21,864	282	1.29	22,034	338	1.53
Financial liabilities designated at fair value through profit or loss	18,001	810	4.50	11,507	227	1.97
Debt issued and borrowings	29,533	871	2.95	27,735	853	3.08
Total performing financial liabilities	235,702	4,575		235,452	5,311	

(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 2016 and 2015, the Bank has the following net foreign currency positions categorised by major foreign currencies:

(Unit: Equivalent to million USD)

CONSOLIDATED AND SEPARATE						
	2016			2015		
	USD	EURO*	Other currencies*	USD	EURO*	Other currencies*
Spot	345.03	31.25	(223.58)	409.23	40.66	(86.00)
Forward						
- Forward contract	(410.10)	(31.34)	217.45	(438.04)	(39.24)	82.91
Total	(65.07)	0.09	(6.13)	(28.81)	1.42	(3.09)

* EURO and other currencies are stated in USD equivalents.

45.3 Liquidity risk

The period to maturity calculated from the statements of financial position date of financial instruments outstanding as at 31 December 2016 and 2015 were as follows:

CONSOLIDATED					
2016					
Descriptions	At call Million Baht	Less than 1 year Million Baht	More than 1 year Million Baht	No maturity Million Baht	Total Million Baht
Financial assets					
Cash	1,936	-	-	3	1,939
Interbank and money market items, net	4,440	3,798	290	-	8,528
Investments, net	-	4,484	50,384	194	55,062
Loans net of deferred revenue	20,369 ⁽¹⁾	43,541	141,679	-	205,589
Accounts receivable – bill of exchange	-	775	-	-	775
Total financial assets	26,745	52,598	192,353	197	271,893
Financial liabilities					
Deposits	84,731	97,944	988	-	183,663
Interbank and money market items	8,375	2,785	435	-	11,595
Liabilities payable on demand	250	-	-	-	250
Financial liabilities designated at fair value through profit or loss	-	-	18,874	-	18,874
Debt issued and borrowings	6,325	3,985	15,273	-	25,583
Total financial liabilities	99,681	104,714	35,570	-	239,965

⁽¹⁾ As at 31 December 2016, portions of loans classified as maturity-at-call in the consolidated and separate financial statements, of Baht 12,720 million and Baht 12,430 million respectively, (31 December 2015: Baht 6,374 million and Baht 6,088 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.

2015

Descriptions	At call Million Baht	Less than 1 year Million Baht	More than 1 year Million Baht	No maturity Million Baht	Total Million Baht
Financial assets					
Cash	2,395	-	-	2	2,397
Interbank and money market items, net	4,163	10,130	-	-	14,293
Investments, net	-	15,530	39,136	225	54,891
Loans net of deferred revenue	15,072 ⁽¹⁾	42,579	140,956	-	198,607
Accounts receivable - bill of exchange	-	868	775	-	1,643
Total financial assets	21,630	69,107	180,867	227	271,831
Financial liabilities					
Deposits	77,890	90,523	1,804	-	170,217
Interbank and money market items	10,778	9,077	163	-	20,018
Liabilities payable on demand	321	-	-	-	321
Financial liabilities designated at fair value through profit or loss	-	-	16,040	-	16,040
Debt issued and borrowings	2,509	22,114	9,372	-	33,995
Total financial liabilities	91,498	121,714	27,379	-	240,591

⁽¹⁾ As at 31 December 2016, portions of loans classified as maturity-at-call in the consolidated and bank financial statements, of Baht 12,720 million and Baht 12,430 million respectively, (31 December 2015: Baht 6,374 million and Baht 6,088 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.

SEPARATE

2016

Descriptions	At call Million Baht	Less than 1 year Million Baht	More than 1 year Million Baht	No maturity Million Baht	Total Million Baht
Financial assets					
Cash	1,936	-	-	-	1,936
Interbank and money market items, net	4,376	3,798	290	-	8,464
Investments, net	-	4,484	50,384	194	55,062
Loans net of deferred revenue	20,378 ⁽¹⁾	52,982	129,540	-	202,900
Accounts receivable - bill of exchange	-	775	-	-	775
Total financial assets	26,690	62,039	180,214	194	269,137
Financial liabilities					
Deposits	84,929	97,960	988	-	183,877
Interbank and money market items	8,375	2,785	435	-	11,595
Liabilities payable on demand	250	-	-	-	250
Financial liabilities designated at fair value through profit or loss	-	-	18,874	-	18,874
Debt issued and borrowings	6,324	3,985	15,273	-	25,582
Total financial liabilities	99,878	104,730	35,570	-	240,178

SEPARATE

2015

Descriptions	At call Million Baht	Less than 1 year Million Baht	More than 1 year Million Baht	No maturity Million Baht	Total Million Baht
Financial assets					
Cash	2,395	-	-	-	2,395
Interbank and money market items, net	4,100	10,130	-	-	14,230
Investments, net	-	15,530	39,136	225	54,891
Loans net of deferred revenue	16,998 ⁽¹⁾	48,741	130,907	-	196,646
Accounts receivable - bill of exchange	-	868	775	-	1,643
Total financial assets	23,493	75,269	170,818	225	269,805

SEPARATE

2015

Descriptions	At call Million Baht	Less than 1 year Million Baht	More than 1 year Million Baht	No maturity Million Baht	Total Million Baht
Financial liabilities					
Deposits	78,119	90,579	1,804	-	170,502
Interbank and money market items	10,778	8,687	529	-	19,994
Liabilities payable on demand	321	-	-	-	321
Financial liabilities designated at fair value through profit or loss	-	-	16,040	-	16,040
Debt issued and borrowings	2,509	22,114	9,372	-	33,995
Total financial liabilities	91,727	121,380	27,745	-	240,852

⁽¹⁾ As at 31 December 2016, portions of loans classified as maturity-at-call in the consolidated and separate financial statements, of Baht 12,720 million and Baht 12,430 million respectively, (31 December 2015: Baht 6,374 million and Baht 6,088 million, respectively) are outstanding balances of defaulted loans classified as sub-standard or higher. However, repayment schedules of these loans are dependent upon new restructuring conditions.

45.4 Fair value

The Bank has estimated the fair value of financial instruments as follows:

CONSOLIDATED

Descriptions	2016		2015	
	Book value Million Baht	Fair value Million Baht	Book value Million Baht	Fair value Million Baht
Financial assets				
Cash	1,939	1,939	2,397	2,397
Interbank and money market items, net	8,528	8,528	14,293	14,293
Derivatives assets	21,235	21,235	25,581	25,581
Investments, net	55,062	55,248	54,891	55,309
Loans to customers and accrued interest receivables, net	196,340	196,340	192,342	192,342
Accounts receivable - bill of exchange	775	775	1,643	1,643
Total financial assets	283,879	284,065	291,147	291,565

CONSOLIDATED

	2016		2015	
Descriptions	Book value Million Baht	Fair value Million Baht	Book value Million Baht	Fair value Million Baht
Financial liabilities				
Deposits	183,663	183,667	170,217	170,258
Interbank and money market items	11,595	11,595	20,018	20,064
Liability payable on demand	250	250	321	321
Financial liabilities designated at fair value through profit or loss	18,874	18,874	16,040	16,040
Derivatives liabilities	21,381	21,381	25,683	25,683
Debt issued and borrowings	25,583	25,386	33,995	34,235
Total financial liabilities	261,346	261,153	266,274	266,601

SEPARATE

	2016		2015	
Descriptions	Book value Million Baht	Fair value Million Baht	Book value Million Baht	Fair value Million Baht
Financial assets				
Cash	1,936	1,936	2,395	2,395
Interbank and money market items, net	8,464	8,464	14,230	14,230
Derivatives assets	21,235	21,235	25,581	25,581
Investments, net	55,062	55,248	54,891	55,309
Loans to customers and accrued interest receivables, net	193,782	193,782	190,543	190,543
Accounts receivable - bill of exchange	775	775	1,643	1,643
Total financial assets	281,254	281,440	289,283	289,701
Financial liabilities				
Deposits	183,877	183,881	170,502	170,543
Interbank and money market items	11,595	11,595	19,994	19,994
Liability payable on demand	250	250	321	321
Financial liabilities designated at fair value through profit or loss	18,874	18,874	16,040	16,040
Derivatives liabilities	21,381	21,381	25,683	25,683
Debt issued and borrowings	25,582	25,386	33,995	34,235
Total financial liabilities	261,559	261,367	266,535	266,816

45.5 Financial derivatives

The Bank engages in financial derivative activities as required in the normal course of business to meet its clients' needs and to manage risks arising from fluctuations in foreign exchange rates and interest rates.

As at 31 December 2016 and 2015, financial derivatives as classified by their maturities were as follows:

CONSOLIDATED AND SEPARATE						
	2016			2015		
	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	383,591	3,855	387,446	455,908	7,504	463,412
- Sold	356,157	8,247	364,404	371,917	3,853	375,770
Cross-currency and interest rate swap contracts						
- Bought	38,801	104,069	142,870	9,659	87,424	97,083
- Sold	35,727	77,323	113,050	81,143	82,094	163,237
Interest rate swap contracts						
- Fixed-rate payee	255,328	377,243	632,571	258,112	294,300	552,412
- Floating-rate payee	302,362	412,029	714,391	307,395	322,722	630,117
Foreign exchange options						
- Call-option sales contract	57	-	57	444	-	444
- Put-option sales contract	569	426	995	1,148	1,040	2,188
- Call-option purchase contract	614	460	1,074	1,956	1,046	3,002
- Put-option purchase contract	157	-	157	527	-	527
Swaption						
- Sold	-	-	-	-	100	100
Commodity						
- Bought	107	-	107	199	-	199
- Sold	106	-	106	61	-	61
Credit derivatives						
- Bought	-	4,523	4,523	-	-	-
- Sold	-	4,523	4,523	-	-	-
Bond forward						
- Sold	1,099	300	1,399	-	-	-

The Bank sets up policies and relevant risk limits by which it requires risk reporting and control procedures as a control over financial derivative activities. The Bank realises that financial derivatives involve credit risk and considers credit limits for its customers in general. The same credit approval process used when granting loans to a customer is adopted for financial derivative customers, so that the Bank is able to maintain risk at acceptable levels. However, financial derivatives may cause the Bank to incur gains or losses as they are sensitive to foreign exchange rates or interest rates, which can fluctuate materially as the market situation changes.

46 FAIR VALUE

46.1 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the assets and liabilities that are measured at fair value at 31 December 2016 and 2015.

CONSOLIDATED AND SEPARATE				
	2016			
	Level 1 Million Baht	Level 2 Million Baht	Level 3 Million Baht	Total Million Baht
Assets				
Securities held for trading	-	7,045	-	7,045
Available-for-sale securities	102	30,331	-	30,433
Derivative assets	-	21,235	-	21,235
Total assets	102	58,611	-	58,713
Liabilities				
Financial liabilities designated at fair value through profit or loss	-	18,874	-	18,874
Derivatives liabilities	-	21,381	-	21,381
Total liabilities	-	40,255	-	40,255

CONSOLIDATED AND SEPARATE				
	2015			
	Level 1 Million Baht	Level 2 Million Baht	Level 3 Million Baht	Total Million Baht
Assets				
Securities held for trading	-	5,869	-	5,869
Available-for-sale securities	98	26,420	-	26,518
Derivative assets	-	25,581	-	25,581
Total assets	98	57,870	-	57,968

CONSOLIDATED AND SEPARATE

2015

	Level 1 Million Baht	Level 2 Million Baht	Level 3 Million Baht	Total Million Baht
Liabilities				
Financial liabilities designated at fair value through profit or loss	-	16,040	-	16,040
Derivatives liabilities	-	25,683	-	25,683
Total liabilities	-	41,723	-	41,723

The following table presents the Group's financial assets and liabilities that are not measured at fair value at 31 December 2016 and 2015.

CONSOLIDATED

2016

	Level 1 Million Baht	Level 2 Million Baht	Level 3 Million Baht	Total Million Baht
Assets				
Cash	1,939	-	-	1,939
Interbank and money market items, net	3,895	4,633	-	8,528
Held-to-maturity debt securities	-	17,678	-	17,678
General investments	-	-	73	73
Loans and accrued interest receivables, net	-	196,340	-	196,340
Total assets	5,834	218,651	73	224,558
Liabilities				
Deposits	-	183,667	-	183,667
Interbank and money market items, net	-	11,595	-	11,595
Liability payable on demand	-	250	-	250
Debt issued and borrowings	-	25,386	-	25,386
Total liabilities	-	220,898	-	220,898

CONSOLIDATED

2015

	Level 1 Million Baht	Level 2 Million Baht	Level 3 Million Baht	Total Million Baht
Assets				
Cash	2,397	-	-	2,397
Interbank and money market items, net	3,618	10,675	-	14,293
Held-to-maturity debt securities	-	22,795	-	22,795
General investments	-	-	105	105
Loans and accrued interest receivables, net	-	192,342	-	192,342
Total assets	6,015	225,812	105	231,932
Liabilities				
Deposits	-	170,258	-	170,258
Interbank and money market items, net	-	20,064	-	20,064
Liability payable on demand	-	321	-	321
Debt issued and borrowings	-	34,235	-	34,235
Total liabilities	-	224,878	-	224,878

SEPARATE

2016

	Level 1 Million Baht	Level 2 Million Baht	Level 3 Million Baht	Total Million Baht
Assets				
Cash	1,936	-	-	1,936
Interbank and money market items, net	3,831	4,633	-	8,464
Held-to-maturity debt securities	-	17,678	-	17,678
General investments	-	-	73	73
Loans and accrued interest receivables, net	-	193,782	-	193,782
Total assets	5,767	216,093	73	221,933
Liabilities				
Deposits	-	183,881	-	183,881
Interbank and money market items, net	-	11,595	-	11,595
Liability payable on demand	-	250	-	250
Debt issued and borrowings	-	25,386	-	25,386
Total liabilities	-	221,112	-	221,112

2015

	Level 1 Million Baht	Level 2 Million Baht	Level 3 Million Baht	Total Million Baht
Assets				
Cash	2,395	-	-	2,395
Interbank and money market items, net	3,555	10,675	-	14,230
Held-to-maturity debt securities	-	22,795	-	22,795
General investments	-	-	105	105
Loans and accrued interest receivables, net	-	190,543	-	190,543
Total assets	5,950	224,013	105	230,068
Liabilities				
Deposits	-	170,543	-	170,543
Interbank and money market items, net	-	19,994	-	19,994
Liability payable on demand	-	321	-	321
Debt issued and borrowings	-	34,235	-	34,235
Total liabilities	-	225,093	-	225,093

Methods and assumptions used by the Group for fair value estimation of financial instruments as disclosure are as below:

Cash and Interbank and money market items, net

The carrying amounts of cash and interbank and market items, net (assets) presented in the statement of financial position approximate fair values.

Investments, net

The determination of fair value for investments, net, is as disclosed in Note 2.5 to the financial statements except the estimated fair value for held to maturity debt securities and general investment are based on quoted and observable market price. Where there is no ready market in certain securities, the Group are initially recognised at purchase price plus transaction costs and subsequently accounted for at amortised cost using effective interest method, less allowance for decrease in value, if any, and general investment is stated at cost, less allowance for decrease in value, if any.

Loans to customers, net

Loan to customer, net including non-performing loans with floating rate interest, the fair value is estimated by using loans and accrued interest receivables deduct allowance for doubtful debts.

Accounts receivable - bill of exchange

The carrying amounts of account receivable - bill of exchange presented in the statement of financial position approximate fair values.

Deposits

For deposits with maturities of less than one year, the carrying amounts are a reasonable estimate of their fair value. For deposit with maturities of one year or more, fair values are estimated using discounted cash flows based on prevailing market rates for similar deposits from customers.

Interbank and money market items, net (liabilities)

The carrying amounts of interbank and money market items, net (liabilities) presented in the statement of financial position approximate fair values.

Liability payable on demand

The carrying amounts of liability payable on demand presented in the statement of financial position approximate fair values.

Debt issued and borrowings

The fair value of debt issued and borrowings are estimated based on market price or amortised cost.

46.2 Valuation techniques used to derive Level 2 fair values

Level 2 trading and hedging derivatives comprise forward foreign exchange contracts and interest rate swaps. These forward foreign exchange contracts have been fair valued using forward exchange rates that are quoted in an active market. Interest rate swaps are fair valued using forward interest rates extracted from observable yield curves. The effects of discounting are generally insignificant for Level 2 derivatives.

Level 2 debt investments are fair valued using a discounted cash flow approach, which discounts the contractual cash flows using discount rates derived from observable market prices of other quoted debt instruments of the counterparties.

46.3 Fair value measurements using significant unobservable inputs (Level 3)

CONSOLIDATED AND SEPARATE		
General Investments		
	2016 Million Baht	2015 Million Baht
Opening balance	105	144
Gains recognised in profit and loss	1	2
Provision	-	(4)
Sale	(1)	(7)
Decrease in capital of general investments	(32)	(30)
Closing balance	73	105

Investment classified under Level 3 is general investment which is presented at costs less allowance for impairment (if any). Fair value is calculated based on the net assets value of the invested company according to the proportion that the Bank invested. Management believe that the book value is not significantly different from fair value.

47 SUBSEQUENT EVENTS

Capital increase

On 19 January 2017 and 24 February 2017, the Board of Director's meeting and the Extraordinary General Meeting of Shareholders passed a resolution approving the increase of the Bank's registered capital in an amount of Baht 2,752,747,964.00 from the current registered capital of Baht 12,387,365,839.50 to Baht 15,140,113,803.50 by means of the issuance of 5,505,495,928 new ordinary shares at the par value of Baht 0.50 per share to the existing shareholders proportionate to their shareholding at a ratio of 2 right shares for every 9 existing CIMB Thai shares, at the offering price of Baht 1 per share.

CORPORATE INFORMATION

Company Name :	CIMB Thai Bank Public Company Limited
Registration Number :	0107537002338 (formerly BorMorJor. 480)
Business Type :	Commercial Banking
Head Office :	Langsuan Building, 44 Langsuan Road, Lumpini, Patumwan, Bangkok 10330, Thailand
Telephone Number :	+66-2638-8000 and +66-2626-7000
Facsimile Number :	+66-2633-9026
CIMB Thai Care Center :	Telephone Number+66-2626-7777
E-mail Address :	cimbthai.carecenter@cimbthai.com
Investor Relations :	Telephone Number+66-2626-7738
E-mail Address :	ir@cimbthai.com
Company Secretary :	Telephone Number+66-2638-8287 and +66-2638-8274
E-mail Address :	cs@cimbthai.com
Website :	http://www.cimbthai.com

REFERENCES

Registrar :	Thailand Securities Depository Co., Ltd.
Address :	93 Rachadapisek Road, Dindaeng, Dindaeng, Bangkok 10400, Thailand
Telephone Number :	+66-2009-9000
Facsimile Number :	+66-2009-9991
SET Contact Center :	+66-2009-9999
Website :	http://www.set.or.th/tsd
E-mail Address :	SETContactCenter@set.or.th

Auditor :	PricewaterhouseCoopers ABAS Ltd.
Address :	15th Floor, Bangkok City Tower, 179/74-80, South Sathorn Road, Bangkok 10120, Thailand
Telephone Number :	+66-2344-1000, +66-2286-9999
Facsimile Number :	+66-2286-5050
By :	Mrs. Anothai Leekijwattana, Certified Public Accountant (Thailand) No. 3442 Mrs. Unakorn Phruithithada, Certified Public Accountant (Thailand) No. 3257 Mr. Paiboon Tunkul, Certified Public Accountant (Thailand) No. 4298

STOCK INFORMATION

Registered Capital :

THB 12,387,365,839.50 (twelve billion three hundred eighty-seven million three hundred sixty-five thousand eight hundred thirty-nine baht and fifty satang), which comprises of

- 24,774,731,679 (twenty-four billion seven hundred seventy-four million seven hundred thirty-one thousand six hundred and seventy-nine) ordinary shares, with a par value of THB 0.50 (fifty satang)
- No preference shares

Issued and Paid-up Share Capital :

THB 12,387,365,839.50 (twelve billion three hundred eighty-seven million three hundred sixty-five thousand eight hundred thirty-nine baht and fifty satang), which comprises of

- 24,774,731,679 (twenty-four billion seven hundred seventy-four million seven hundred thirty-one thousand six hundred and seventy-nine) ordinary shares, with a par value of THB 0.50 (fifty satang)
- No preference shares

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FIND US!

Bloomberg (bloomberg.com) ticker: CIMBT

SET (set.or.th) symbol: CIMBT

Entities in which CIMB Thai Bank invests 10% or more of total issued shares (as of 31 December 2016)

Company name / Address	Type of business	Type of share	Paid-up capital (No. of shares)	Number of shares held	%
1. Center Auto Lease Co., Ltd. 43 Thai CC Tower 25 th , 32 nd Floor, South Sathon Road, Yannawa, Sathon, Bangkok Tel. +66-2673-9111, 0-2684-6500	Leasing	Ordinary	350,000,000	349,999,994	99.99
2. CT COLL Co., Ltd. 128/229-234 Phayathai Plaza Building, 21 st Floor, Phayathai Road, Thung Phayathai, Ratchathevi, Bangkok Tel. +66-2626-7070	Debt collection service	Ordinary	385,000	384,993	99.99
3. Worldlease Co., Ltd. 43 Thai CC Tower, 34 th Floor, South Sathon Road, Yannawa, Sathon, Bangkok Tel. +66-2675-6300 Fax. +66-2675-6299	Leasing	Ordinary	60,000,000	59,999,998	99.99
4. Srithepthai Plaschem Co., Ltd. (bankrupt) 1200 Bangna-Trad Road, Bangna, Bangkok Tel. +66-2398-0027 Fax. +66-2383-0201	Plastic products	Ordinary	83,332	31,410	37.69
5. M-Home SPV 3 Co., Ltd. (liquidated) 1006/420 Masterview Executive Place Building, 1 st Floor, Charoenakorn Road., Banglumphu, Klongsan, Bangkok	SPV	Ordinary	10,000	1,282	12.82
6. Tawana Hotel Co., Ltd. 80 Surawongse Road, Siphaya, Bangrak, Bangkok Tel. +66-2236-0361 Fax. +66-2236-3738	Hotel	Ordinary	33,909	3,390	10.00
7. Sanwa Interfood Co., Ltd. 2219-2223 New Petchburi Road, Bangkapi, Huaykwang, Bangkok	Instant foods	Ordinary	10,000,000	1,000,000	10.00
8. Samchai Plc. 522 Ratchada Complex, Ratchadaphisek Road, Samsen Nok, Huaykuang, Bangkok	Electrical appliance	Ordinary	40,000,000	4,000,000	10.00
9. P.C. Patanasub Co., Ltd. (dissolved) 1600 New Petchaburi Road, Makkasan, Ratchathevi, Bangkok	Commerce	Ordinary	10,000	9,993	99.93
10. Executive Management Services Manpower Ltd. (bankrupt) 295 Rama III Road, Bangkholaem, Bangkok Tel. +66-2689-2626	Office equipment and furniture rental	Ordinary	2,000	340	17.00
11. Global Leasing Co., Ltd. (under official receivership) 518/5 Maneeya Center, 8 th Floor, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330 Tel. +66-2652-0730	Leasing	Ordinary	2,000,000	200,000	10.00
12. TPF Leasing Co., Ltd. (bankrupt) 82 Sangthongthani Tower, 25 th Floor, North Sathon Road, Silom, Bangrak, Bangkok	Leasing	Ordinary	6,000,000	600,000	10.00
13. UTM Advisory & Capital Management Co., Ltd. (abandoned) 44 CIMB Thai Head Office, 18 th Floor, Langsuan Road, Lumpini, Pathumwan, Bangkok	Consultancy	Ordinary	100,000	10,000	10.00
14. SPL Development Co., Ltd. (abandoned) 149 Modern Home Tower, Nonsi Road, Chong Nonsi, Yannawa, Bangkok	Real estate development	Ordinary	500,000	499,999	99.99
15. Thai-Ultra Auto Part Co., Ltd. (bankrupt) 59 Moo 4 Highway Road, Nikompattana, Bankai, Rayong	Auto parts distribution	Ordinary	6,500,000	650,000	10.00
16. Advance Manufacturing Leasing Co., Ltd. (abandoned) 246 Time Square Building, 11 th Floor, Sukhumvit 12-14 Road, Khongteoy, Bangkok	Leasing	Ordinary	20,000,000	2,000,000	10.00
17. Tun Ruamkarn Co., Ltd. (bankrupt) 133/2 Sukhumvit 21 Road, Klongtoey, Klongtoey, Bangkok	Finance	Ordinary	240,000	40,000	16.67
18. Modern Appraisal Co., Ltd. (abandoned) 3726/162-163, 3 rd Floor, Rama III Road, Bangkhlo, Bangkolaem, Bangkok	Appraiser	Ordinary	20,000	2,000	10.00

Issuance of debt securities of the Bank (as of 31 December 2016)

Classified by type	Interest rate	Maturity	Collateral	Restrictions and Requirements	Value of debt securities not yet redeemed as of 31 Dec 2016 (THB)		Credit ratings (Moody's / Fitch Ratings)	Bond holder representative
1. Subordinated debenture ¹	None	22 December 2003	None	None	544,502,520	None	None	None
2. Subordinated and unsecured debenture, with debenture holder representative (Issued: 9 November 2012)	4.80% per annum	9 November 2022	None	<p>The debenture is pre-redeemable if written approval from the Bank of Thailand has been obtained and subject to the following conditions:</p> <p>1) Upon the end of 5-year period from the issue date or at any interest payment date after the 5-year period from the issue date, or</p> <p>2) The issuer can prove that interest payable under the debenture cannot be deducted as expense of the issuer for the taxation benefit of the issuer, or</p> <p>3) Any other conditions as the Bank of Thailand may prescribe later.</p> <p>To seek approval from the Bank of Thailand as stated above, the issuer shall first propose its redemption and substitution plans to the Bank of Thailand.</p>	3,000,000,000	Issue rating A+(tha) by Fitch Ratings (Thailand) Ltd.	Bank of Ayudhya Plc.	
3. Tier 2 subordinated debt ²	5.60% per annum	5 July 2024	None	<p>For early redemption for each tranche of the subordinated debt where call option is applicable, the issuer may, at its sole discretion and subject to prior approval from the Bank of Thailand and submission to the Bank of Thailand 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 in the principal amount together with all deferred and accrued but unpaid interest (if any), under the subordinated debt.</p> <p>The optional redemption by the issuer of the subordinated debt of one tranche does not trigger the redemption of the subordinated debt of other tranches.</p>	3,371,180,000 (MYR 400,000,000)	Issue rating AA3 by RAM Rating Services Berhad	None	

Classified by type	Interest rate	Maturity	Collateral	Restrictions and Requirements	Value of debt securities not yet redeemed as of 31 Dec 2016 (THB)			Bond holder representative
						Credit ratings (Moody's / Fitch Ratings)		
4. Tier 2 subordinated debt ²	5.35% per annum	11 July 2026	None	<p>This is provided that, if required by the Bank of Thailand, 1) the redemption and substitution plans will include the issuance, either immediately or before the redemption, of financial instruments of equivalent or superior quality in substitution for the subordinated debt to be redeemed; and 2) the issuance of these substitute instruments will not affect the issuer's ability to perform its business operation.</p>	MYR 570,000,000	Issue rating AA3 by RAM Rating Services Bernad	None	

Notes: 1. Referring to a subordinated debt instrument transferred from a financial institution under regulatory intervention, i.e. Union Asia Finance Co., Ltd., in the amount of THB 544.50 million.
2. Referring to subordinated debt instruments with cash flow hedge in the amount of MYR 400 million and MYR 570 million .

Change in Directors' and Senior Executives' Shareholding in the Bank

Information as at 31 December 2016 compared with information as at 31 December 2015:

Name	Position	No. of shares held as at 31 Dec 16 (Shares)	No. of shares held as at 31 Dec 15 (Shares)	No. of shares changed
Mr. Chakramon Phasukavanich ¹	Chairman	1	-	1

Notes /1 The Annual General Meeting of Shareholders no. 22, held on 19 April 2016, resolved to appoint Mr. Chakramon Phasukavanich, as director of the Board. The Board of Directors meeting, held on 28 April 2016, resolved to appoint as the chairman effective from 1 May 2016.

Directors' and Senior Executives' Shareholding in Subsidiary Companies

Information as at 31 December 2016 compared with information as at 31 December 2015:

Particulars	No. of shares held as at 31 Dec 16 (Shares)	No. of shares held as at 31 Dec 15 (Shares)	No. of shares changed
Mr. Adisorn Sermchaiwong Senior Executive Vice President, Consumer Banking Group - Worldlease Co., Ltd.	1	1	-
Mr. Thaphop Kleesuan Executive Vice President, Office of the President and Compliance Department - Center Auto Lease Co., Ltd.	2	2	-
- Worldlease Co., Ltd.	1	1	-
Ms. Onanong Udomkantong Executive Vice President, Retail Loan Products - CT Coll Co., Ltd.	1	1	-
Mr. Tanit Onnuch First Vice President, Central Procurement and Administration Department - Center Auto Lease Co., Ltd.	2	2	-

CIMB THAI BANK NETWORK

BANGKOK AND METROPOLITAN

	Telephone	Fax
Bang Yai	0-2903-3120, 0-2903-3125	0-2903-3127
Bangbon	0-2416-8277-8, 0-2894-4075-6	0-2416-8279
Bangkhen	0-2511-4353, 0-2512-1716, 0-2512-1791	0-2511-4320
Bangrak	0-2234-6209, 0-2234-6435, 0-2234-9884	0-2233-5020
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
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
Charansnitwongse	0-2411-0339, 0-2411-3603-4	0-2411-2245
Ekkamai Power Center	0-2714-7370-2	0-2714-7347
Empire Tower	0-2670-1621-2	0-2670-1623
Fashion Island	0-2947-5188, 0-2947-5189	0-2947-5190
Future Park Rangsit	0-2958-5310-3	0-2958-5314
GMM Grammy Place	0-2665-8181, 0-2665-9906-7	0-2665-9908
Head Office	0-2626-7101-3	0-2626-7104
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
Imperial World Samrong	0-2380-6883-4	0-2380-6894
IT Square	0-2576-0476-7, 0-2576-0374	0-2576-0428
Jawarad	0-2233-8696, 0-2234-4002, 0-2234-2552, 0-2234-4527, 0-2234-6713	0-2266-4309
Kluaynamthai	0-2712-3185-8	0-2712-3189
Ladprao	0-2530-1372, 0-2538-2493-4	0-2530-1371
Lumpini	0-2286-0149, 0-2286-5388, 0-2286-5761	0-2286-0223
Mananak	0-2223-2650, 0-2223-6624, 0-2224-7021	0-2224-7022
Mega Bangna	0-2105-1205-6	0-2105-1209
Muang Thong Thani	0-2981-4135, 0-2981-4172	0-2981-4446
Ngamwongwan	0-2580-1601, 0-2580-1920	0-2580-2451
Nong Khaem	0-2421-1122, 0-2421-1460, 0-2421-1991	0-2421-3788
Paradise Park Srinakarin	0-2746-0330-1	0-2746-0332
Phaholyothin	0-2278-1079, 0-2279-5088, 0-2279-8662	0-2279-0737
Rajawongse	0-2221-1333, 0-2224-8162-3	0-2222-3190
Rangsit	0-2531-5893, 0-2567-2232, 0-2959-1990	0-2531-3020
Samuthprakarn	0-2387-1806, 0-2387-1849, 0-2702-8618-9	0-2389-1349
Sena Fest Charoen Nakorn	0-2108-9081-4	0-2108-9085

(Note: Updated as of 31st December 2016)

BANGKOK AND METROPOLITAN

	Telephone	Fax
Siam Paragon	0-2610-9742-5	0-2610-9746
Silom Office	0-2770-4300	0-2770-4311
Sitabutr Mini Branch	0-614-060677	0-2214-7445
Suksawad	0-2463-2130, 0-2463-5345-6	0-2463-5344
Suntowers Thanon Vibhavadirangsit	0-2617-7617-8	0-2617-7619
Talat Ying Charoen	0-2972-3363-5	0-2972-3366
Thanon Rattanathibet	0-2527-8643-4, 0-2527-8723	0-2527-8722
Thatien	0-2222-4323, 0-2224-8164-5	0-2224-8164
The Mall Bangkapi	0-2704-9156-8	0-2704-9159
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
Thewet	0-2280-0481-2, 0-2281-5453, 0-2282-3568	0-2282-4085
Thonglor	0-2221-7679, 0-2221-7395, 0-2224-8053	0-2391-4790
Vorachak	0-2223-5058, 0-2223-4988	0-2224-9011
Wang Hin	0-2942-6206-8	0-2942-6218
Wat Sai	0-2415-0909, 0-2415-1235, 0-2415-1378	0-2415-2712
Wongsawang Town Center	0-2913-9783-5	0-2913-9786
Yannawa	0-2289-3872-3	0-2289-0560

SOUTHERN ZONE

	Telephone	Fax
Central Festival Phuket	0-7636-7008-9	0-7636-7010
Hat Yai	0-7423-5777, 0-7422-5606-8	0-7422-5151
Ko Samui	0-7744-7529-32	0-7744-7533
Krabi	0-7563-0572-5	0-7563-0576
Nakhon Si Thammarat	0-7531-3201-4	0-7531-3707
Phuket	0-7621-1501, 0-7621-7153, 0-7625-8411	0-7621-1502
Songkhla	0-7431-1906, 0-7432-4050-1	0-7431-4391
Surat Thani	0-7721-3177, 0-7727-3574-5	0-7727-3575
Thanon Phet Kasem Hat Yai	0-7436-7500-3	0-7436-7504

(Note: Updated as of 31st December 2016)

CENTRAL ZONE

Telephone

Fax

Hua 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
Om Noi	0-2810-5211-2	0-2810-5213
Phetchaburi	0-3242-5148, 0-3242-5302	0-3242-8227
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

EASTERN ZONE

Telephone

Fax

Amata Nakron Industrial Estate	0-3845-7574-7	0-3845-7578
Chanthaburi	0-3934-0212-5	0-3934-0216
Chon Buri	0-3878-2161-4	0-3878-2166
Nong Mon	0-3874-6135-6	0-3874-5766
Pacific Park Sriracha	0-3877-1480-1, 0-3877-0187	0-3877-1482
Rayong	0-3861-1220, 0-3861-1588-9	0-3861-4870
Thanon Pattaya Sai 3	0-3848-8140-1	0-3848-8142

NORTH EASTERN ZONE

Telephone

Fax

Khon Kaen	0-4322-0812, 0-4322-0925, 0-4332-2677	0-4322-1731
Nakhon Ratchasima	0-5621-1137, 0-5622-2939, 0-5622-7473	0-5622-7474
Surin	0-4452-1464-7	0-4452-1468
Ubon Ratchathani	0-4528-4224-5, 0-4531-3395	0-4531-3467
Udon Thani	0-4222-3248-9, 0-4234-4097	0-4224-7184

(Note: Updated as of 31st December 2016)

NORTHERN ZONE

	Telephone	Fax
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
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
Meechok	0-5323-0240-3	0-5323-0244
Nakhon Sawan	0-4424-4133, 0-4424-4153	0-4425-8161
Phitsanulok	0-5525-2179, 0-5525-2199, 0-5524-4060	0-5524-4061

FOREIGN EXCHANGE BOOTHS IN BRANCH

BRANCH	Telephone	Fax
Hua Hin	0-3253-1461-2	0-3253-1463
Lumpini	0-2286-0149, 0-2286-5388, 0-2286-5761	0-2286-0223
Yannawa	0-2289-3872-3	0-2289-0560

FOREIGN EXCHANGE BOOTHS STAND ALONE

LOCATION	Telephone	Fax
Ao Nang Princeville Resort Krabi	0-7569-5576	0-7569-5577
Dhammalert	0-2255-1453	0-2255-1454
Don Mueang Airport (Arrival 2)	0-2504- 3591	0-2504-3592
Don Mueang Airport (Arrival)	0-2504-3224	0-2504-3225
Don Mueang Airport (Departure)	0-2504-3390	0-2504-3391
Jungceylon 2	0-7629-5027	0-7629-5028
Siam Center	0-2658-1530	0-2658-1531
Soi Nana	0-2656-7016	0-2656-7017
Thanon Loikhro Chiang Mai	0-5327-2082	0-5327-2083
Thanon Khaosan (Rikka Inn)	0-2629-4030	0-2629-4031
Thanon Liap Hat Pattaya	0-3841-3547	0-3841-3548
Thanon Naresdamri Hua Hin	0-3253-3018	0-3253-3019
Thanon Rambuttri	0-2629-0171	0-2629-0172

(Note: Updated as of 31st December 2016)

FOREIGN EXCHANGE BOOTHS STAND ALONE

LOCATION	Telephone	Fax
Thanon Naresdamri Hua Hin 2	0-3253-0077	0-3253-0078
Assasa Hotel	0-3253-2273	0-3253-2274
Silom	0-2236-4747-8	0-2236-4749
Phuket	0-7621-1501	0-7625-8411
BTS Saladaeng	0-2632-9091	0-2632-9092

BUSINESS CENTRES

	Telephone	Fax
Business Centre Yannawa	0-2291-2874, 0-2291-2650	0-2289-0560
Business Centre Bangbon	0-2894-4075-6, 0-2416-8277-9	0-2416-8279
Business Centre Nong Khaem	0-2421-1122, 0-2421-2266	0-2421-3788
Business Centre LadPrao	0-2936-9116	0-2530-1371
Business Centre Rangsit	0-2959-2212-4, 0-2959-0046-8	0-2531-3020
Business Centre Nakhon Ratchasima	0-4425-8162, 0-4426-2447	0-4425-8161
Business Centre Khon Kaen	0-4322-0925, 0-4322-0812	0-4322-1731
Business Centre Udon thani	0-4234-3846, 0-4234-3856-7	0-4224-7184
Business Centre Ubon ratchathani	0-4528-4225, 0-4531-3395	0-4531-3467
Business Centre Chon buri	0-3878-1365-6	0-3878-2166
Business Centre Nakhon Sawan	0-5622-2939, 0-5631-1611	0-5622-7474
Business Centre Chiang Mai	0-5321-1633, 0-5321-4035	0-5328-7078
Business Centre Nakhon Pathom	0-3428-0170, 0-3428-0173, 0-3428-0177	0-3425-1028
Business Centre Samut Sakhon	0-3442-8812-4	0-3481-0957
Business Centre Phuket	0-7621-4651-2	0-7621-1502
Business Centre Surat Thani	0-7721-3640, 0-7721-3643	0-7727-3575
Business Centre Hat Yai	0-7423-3037, 0-7424-5011	0-7422-5151
Business Centre Krabi	0-7562-4506	0-7563-0576
Business Centre Thungsong	0-7533-2192	0-7533-2565

(Note: Updated as of 31st December 2016)

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