

### Part 3

#### Financial Position and Operating Performance

#### 13. Key Financial Information

Summary of statements of financial position of CIMB Thai Bank Public Company Limited as at 31 December 2016, 2015 and 2014, and its operating results and financial ratios for the years ended 31 December 2016, 2015 and 2014.

(Unit: THB)

#### Statements of Financial Position

	Separate		
	31 December 2016	31 December 2015	31 December 2014
<b>Assets</b>			
Cash	1,936,147,365	2,395,111,405	3,987,736,777
Interbank and money market items, net	8,463,665,047	14,229,670,008	6,453,199,978
Derivative assets	21,235,341,272	25,581,046,242	10,803,916,302
Investments, net	55,061,910,795	54,891,019,817	55,253,273,115
Investments in subsidiaries, net	1,324,920,707	1,324,920,707	1,324,920,707
Loans and accrued interest receivables			
Loans	202,939,467,801	196,736,743,351	188,334,023,282
Accrued interest receivables	593,582,295	524,470,027	459,212,620
Total loans and accrued interest receivables	203,533,050,096	197,261,213,378	188,793,235,902
Less Deferred revenue	(38,988,676)	(90,837,521)	(163,150,115)
Less Allowance for doubtful debts	(9,666,516,204)	(6,572,231,944)	(5,447,517,156)
Less Revaluation allowance for debt restructuring	(45,259,015)	(55,383,987)	(68,351,237)
Loans and accrued interest receivables, net	193,782,286,201	190,542,759,926	183,114,217,394
Customers' liability under acceptance	45,230,520	41,017,884	68,889,332
Properties for sale, net	1,195,702,862	1,109,004,276	1,582,424,466
Premises and equipment, net	3,609,493,321	2,714,361,639	3,002,336,396
Intangible assets, net	363,158,838	373,090,594	355,963,642
Deferred tax assets	1,075,692,045	862,314,440	752,636,225
Account receivable from Thai Asset Management Corporation	-	-	3,572,457,936
Other assets, net	7,529,507,359	9,533,185,948	3,196,065,790
<b>Total assets</b>	<b>295,623,056,332</b>	<b>303,597,502,886</b>	<b>273,468,038,060</b>



(Unit: THB)

**Statements of Financial Position (Cont'd)**

	<b>Separate</b>		
	<b>31 December 2016</b>	<b>31 December 2015</b>	<b>31 December 2014</b>
<b>Liabilities and shareholders' equity</b>			
<b>Liabilities</b>			
Deposits	183,877,466,049	170,502,086,949	184,105,739,854
Interbank and money market items, net	11,595,328,411	19,994,416,948	18,230,366,777
Liability payable on demand	250,092,171	320,768,448	344,291,120
Financial liabilities designated at fair value			
through profit or loss	18,873,674,513	16,039,533,025	7,693,132,792
Derivative liabilities	21,381,015,668	25,682,672,770	10,396,602,437
Debt issued and borrowings	25,582,513,107	33,994,659,909	24,512,208,453
Bank's liability under acceptance	45,230,520	41,017,884	68,889,332
Provisions	1,919,842,460	1,578,957,438	1,420,434,528
Other liabilities	6,809,617,409	9,126,765,983	4,556,103,564
<b>Total liabilities</b>	<b>270,334,780,308</b>	<b>277,280,879,354</b>	<b>251,327,768,857</b>
<b>Shareholders' equity</b>			
Share capital			
Registered			
24,774,731,679 ordinary shares of Baht 0.50 each	12,387,365,840		
27,410,341,432 ordinary shares of Baht 0.50 each		13,705,170,716	
21,084,878,025 ordinary shares of Baht 0.50 each			10,542,439,013
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	
21,084,878,025 ordinary shares of Baht 0.50 each			10,542,439,013
Premium on share capital	5,712,665,258	5,712,665,258	3,867,738,430
Other reserves	1,115,382,330	737,068,079	899,934,224
Accretion of equity interests in subsidiary	-	-	-
Retained earnings			
Appropriated - statutory reserve	397,800,000	365,950,000	341,300,000
Unappropriated	5,675,062,596	7,113,574,355	6,488,857,536
<b>Total shareholders' equity</b>	<b>25,288,276,024</b>	<b>26,316,623,532</b>	<b>22,140,269,203</b>
<b>Total liabilities and shareholders' equity</b>	<b>295,623,056,332</b>	<b>303,597,502,886</b>	<b>273,468,038,060</b>



(Unit: THB)

**Statements of Comprehensive Income**

	<b>Separate</b>		
	<b>For the years ended 31 December</b>		
	<b>2016</b>	<b>2015</b>	<b>2014</b>
Interest income	12,723,807,296	13,025,701,782	12,460,684,461
Interest expenses	(4,806,998,270)	(6,141,335,838)	(6,028,333,772)
<b>Net interest income</b>	<b>7,916,809,026</b>	<b>6,884,365,944</b>	<b>6,432,350,689</b>
Fee and service income	1,289,666,205	1,374,889,474	1,236,361,987
Fee and service expenses	(238,708,889)	(319,343,580)	(296,494,840)
<b>Net fee and service income</b>	<b>1,050,957,316</b>	<b>1,055,545,894</b>	<b>939,867,147</b>
Gains on trading and foreign exchange transactions	1,402,493,444	1,819,384,602	1,804,875,080
Losses on financial liabilities designated at fair value through profit or loss	(810,387,742)	(458,154,763)	(1,093,726,426)
Gains on investments, net	482,570,051	551,005,717	329,535,536
Other operating income	329,240,877	383,010,621	186,960,038
<b>Total operating income</b>	<b>10,371,682,972</b>	<b>10,235,158,015</b>	<b>8,599,862,064</b>
<b>Other operating expenses</b>			
Employee expenses	3,302,361,160	3,236,564,534	3,248,965,426
Directors' remuneration	12,262,400	10,744,000	8,804,000
Premises and equipment expenses	1,150,024,878	1,277,119,380	1,268,595,392
Taxes and duties	441,485,090	442,470,291	393,443,378
Others	1,259,456,059	950,068,015	789,876,300
<b>Total other operating expenses</b>	<b>6,165,589,587</b>	<b>5,916,966,220</b>	<b>5,709,684,496</b>
Bad and doubtful debts and impairment losses	5,785,126,100	3,425,200,000	1,702,567,406
<b>(Loss) Profit before income tax expenses</b>	<b>(1,579,032,715)</b>	<b>892,991,795</b>	<b>1,187,610,162</b>
Income tax expenses	318,811,256	(185,657,054)	(245,916,503)
<b>Net (loss) profit for the years</b>	<b>(1,260,221,459)</b>	<b>707,334,741</b>	<b>941,693,659</b>



(Unit: THB)

**Statements of Comprehensive Income (Cont'd)**
**Separate**

	<b>For the years ended 31 December</b>		
	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Other comprehensive income (expenses)</b>			
<b>Items that will be reclassified subsequently to profit or loss</b>			
(Losses) Gains on remeasuring available-for-sale investments	(644,156,155)	12,859,905	240,733,492
(Losses) Gains arising from translating the financial statement of a foreign operation	(1,206,592)	28,964,409	7,337,610
Gains (Losses) on cash flow hedges	58,446,328	(25,306,951)	(149,627,279)
Income tax relating to items that will be reclassified subsequently to profit or loss	117,141,965	2,489,409	(18,221,243)
<b>Total items that will be reclassified subsequently to profit or loss</b>	<b>(469,774,454)</b>	<b>19,006,772</b>	<b>80,222,580</b>
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Changes in revaluation surplus	1,078,204,826	(125,210,829)	(24,262,109)
Remeasurements of post-employment benefit obligations	(18,093,944)	(102,130,316)	(66,293,589)
Income tax relating to items that will not be reclassified subsequently to profit or loss	(212,022,177)	45,468,228	18,111,140
<b>Total items that will not be reclassified subsequently to profit or loss</b>	<b>848,088,705</b>	<b>(181,872,917)</b>	<b>(72,444,558)</b>
<b>Total other comprehensive income (expenses)</b>	<b>378,314,251</b>	<b>(162,866,145)</b>	<b>7,778,022</b>
<b>Total comprehensive (expenses) income for the years</b>	<b>(881,907,208)</b>	<b>544,468,596</b>	<b>949,471,681</b>



(Unit: THB)

**Statements of Comprehensive Income (Cont'd)**
**Separate**
**For the years ended 31 December**

	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Net (loss) profit attributable to:</b>			
Equity holders of the Bank	(1,260,221,459)	707,334,741	941,693,659
Non-controlling interests	-	-	-
	<u>(1,260,221,459)</u>	<u>707,334,741</u>	<u>941,693,659</u>
<b>Total comprehensive(expenses)income attributable to:</b>			
Equity holders of the Bank	(881,907,208)	544,468,596	949,471,681
Non-controlling interests	-	-	-
	<u>(881,907,208)</u>	<u>544,468,596</u>	<u>949,471,681</u>
<b>(Loss) Earnings per share for profit attributable to the equity holders of the Bank</b>			
Basic (loss) earnings per share (Baht per share)	<u>(0.05)</u>	<u>0.03</u>	<u>0.04</u>
Weighted average number of ordinary shares (shares)	<u>24,774,731,679</u>	<u>21,650,992,558</u>	<u>21,084,878,025</u>



(Unit: THB)

**Statements of Cash Flows**
**Separate**

	<b>For the years ended 31 December</b>		
	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Cash flows from operating activities</b>			
(Loss) Profit before corporate income tax	(1,579,032,715)	892,991,795	1,187,610,162
Adjustments to reconcile net income before income tax to cash in (out) flows from operating activities:			
Depreciation and amortisation	414,246,806	470,167,340	494,154,138
Bad debts and doubtful accounts	5,785,126,100	3,425,200,000	1,702,567,406
Provision for (Reversal of) off-balance sheet items	302,644,995	14,347,673	(90,880,000)
Share-based payment	30,526,962	10,277,930	7,396,892
Provision for liabilities	142,650,148	166,067,925	142,690,798
Losses on impairment of properties for sale	1,388,641	248,119	203,691
Losses on impairment of other assets	11,684,173	-	-
Losses on impairment of investments	-	4,290,484	-
Unrealised gains on exchange and derivatives	(425,352,139)	(322,857,972)	(1,457,976,392)
Gains on properties for sale	(108,592,164)	(91,006,865)	(15,912,856)
Unrealised losses (gains) on revaluation of investments	96,264,552	(571,459)	22,516,398
Gains on sale of investments	(470,349,197)	(728,736,343)	(453,705,914)
Gains on disposal of premises and equipment	(26,932,026)	(11,486,702)	(3,477,968)
Gains on surplus from revaluation of assets	(2,392,301)	-	-
(Gains) Losses on impairment of premises and equipment	(10,064,738)	9,604,772	-
Losses from write off premises and equipment	48,312,019	27,967,972	19,036,757
Losses from write off leasehold rights	10,658,464	36,576	2,314,144
Losses on financial liabilities designated at fair value through profit or loss	810,387,742	458,154,763	1,093,726,426
Interest and dividend income	(12,785,751,455)	(13,077,532,558)	(12,511,907,316)
Interest expenses	3,815,885,348	5,139,554,380	5,099,929,817
<b>Losses from operations before changes in operating assets and liabilities</b>	<b>(3,938,690,785)</b>	<b>(3,613,282,170)</b>	<b>(4,761,713,817)</b>



(Unit: THB)

**Statements of Cash Flows (Cont'd)**

	<b>Separate</b>		
	<b>For the years ended 31 December</b>		
	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>(Increase) Decrease in operating assets</b>			
Interbank and money market items	5,763,323,834	(7,776,075,046)	27,044,939,614
Investments held for trading	(1,342,468,824)	965,186,346	3,548,028,199
Loans	(9,261,228,058)	(10,448,746,321)	(20,462,513,058)
Properties for sale	454,003,598	754,590,140	172,716,286
Receivable from Thai Asset Management Corporation	-	3,486,699,265	-
Other assets	1,915,526,015	(6,203,974,364)	613,934,470
<b>Increase (Decrease) in operating liabilities</b>			
Deposits	13,375,379,100	(13,603,652,904)	31,833,205,418
Interbank and money market items	(8,399,088,537)	1,764,050,171	(26,011,095,078)
Liability payable on demand	(70,676,277)	(23,522,672)	(160,576,057)
Short-term borrowings	(14,314,372,766)	9,882,271,652	(14,379,308,526)
Provisions	(122,504,066)	(124,023,003)	(106,708,726)
Other liabilities	(1,921,335,943)	4,169,679,412	(900,697,858)
<b>Cash flows used in operating activities</b>	<b>(17,862,132,709)</b>	<b>(20,770,799,494)</b>	<b>(3,569,789,133)</b>
Cash received from interest income	11,288,812,167	11,290,617,897	10,849,596,102
Cash paid for interest expenses	(4,507,130,058)	(5,241,650,019)	(5,442,147,607)
Cash paid for income tax	(175,078,844)	(82,567,693)	-
<b>Net cash flows (used in) provided by operating activities</b>	<b>(11,255,529,444)</b>	<b>(14,804,399,309)</b>	<b>1,837,659,362</b>



(Unit: THB)

**Statements of Cash Flows (Cont'd)**
**Separate**

	<b>For the years ended 31 December</b>		
	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Cash flows from investing activities</b>			
Cash paid for purchases of available-for-sale securities	(37,905,998,597)	(29,765,886,180)	(54,106,282,038)
Proceeds from disposals of available-for-sale securities	32,003,101,453	27,203,327,558	31,109,002,243
Proceeds from maturity of available-for-sale securities	1,607,800,000	510,978,043	26,015,683,807
Cash paid for purchases of held-to-maturity securities	(5,074,765,297)	(4,922,649,754)	(12,020,896,051)
Proceeds from disposals of held-to-maturity securities	480,340	-	-
Proceeds from maturity of held-to-maturity securities	9,830,560,000	6,666,336,490	3,972,000,340
Proceeds from repayment of investment in receivables	2,974,664	20,702,034	48,205,321
Cash paid for purchases of general investments	-	-	(182,610)
Proceeds from disposals of general investments	942,262	6,927,784	164,902
Proceeds from decrease in capital of general investments	31,750,000	30,000,000	31,160,601
Proceeds from payback of investment in subsidiary	-	-	22,540,041
Cash paid for purchases of premises and equipment	(218,862,488)	(140,749,076)	(223,997,232)
Proceeds from disposals of premises and equipment	36,746,101	19,267,618	11,398,972
Cash paid for purchases of intangible assets	(107,327,530)	(125,449,171)	(138,631,410)
Dividend received	61,944,159	51,830,775	51,222,854
Interest received	1,800,073,714	1,934,284,359	1,678,336,020
<b>Net cash flows provided by (used in) investing activities</b>	<b>2,069,418,781</b>	<b>1,488,920,480</b>	<b>(3,550,274,240)</b>



(Unit: THB)

**Statements of Cash Flows (Cont'd)**
**Separate**
**For the years ended 31 December**

	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Cash flows from financing activities</b>			
Dividend paid	(185,810,488)	(158,136,585)	(210,848,780)
Proceeds from issuing subordinated debentures	5,007,729,300	-	4,066,540,000
Cash paid for redemption of subordinated debentures	(3,000,000,000)	-	(2,500,000,000)
Proceeds from issuance of structured bills of exchange and debentures	10,516,592,516	12,802,546,172	11,405,500,000
Cash paid for redemption of structured bills of exchange and debentures	(3,610,000,000)	(4,639,000,000)	(10,392,000,000)
Cash received from capital increase	-	3,689,853,654	-
<b>Net cash flows provided by financing activities</b>	<b>8,728,511,328</b>	<b>11,695,263,241</b>	<b>2,369,191,220</b>
Foreign currency translation differences	(1,364,705)	27,590,216	6,503,496
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(458,964,040)</b>	<b>(1,592,625,372)</b>	<b>663,079,838</b>
Cash and cash equivalents at beginning of the year	2,395,111,405	3,987,736,777	3,324,656,939
<b>Cash and cash equivalents at the end of the year</b>	<b>1,936,147,365</b>	<b>2,395,111,405</b>	<b>3,987,736,777</b>

**Supplemental disclosure of cash flows information**

## Non-cash transaction:

Payable from purchase premises and equipment	7,885,214	6,082,109	30,592,954
Properties for sale received from premises and equipment	116,468,697	60,976,206	125,838,175
Change in revaluation surplus in available-for-sale investment	644,156,155	12,859,905	240,733,492
Interest amortisation from premium or discount	404,473,541	385,340,992	100,700,529



The Bank's Financial Ratios	31-Dec-16	31-Dec-15	31-Dec-14
<b>Profitability Ratios</b>			
Gross profit margin (%)	64.0	55.1	53.8
Net profit margin (%)	(12.2)	6.9	11.0
Return on equity (%)	(4.8)	3.1	4.3
Yield <sup>(1)</sup> (%)	6.2	6.5	6.9
Cost of funds <sup>(2)</sup> (%)	2.2	2.7	2.8
Spread <sup>(3)</sup> (%)	4.0	3.8	4.1
Return on investment (%)	3.3	3.8	3.5
<b>Efficiency Ratios</b>			
Cost to income ratio (%)	59.4	57.8	66.4
Net interest margin (%)	3.1	2.7	2.8
Return on assets (%)	(0.4)	0.2	0.4
Assets turnover ratio (time)	0.03	0.03	0.03
<b>Financial Policy Ratios</b>			
Debt to equity ratio (time)	10.7	10.5	11.3
Loan to borrowing ratio <sup>(4)</sup> (%)	96.8	96.0	90.1
Loan to deposit ratio (Modified LDR) <sup>(5)</sup> (%)	90.9	90.1	89.2
Deposits to debts ratio (%)	68	61.5	73.3
Capital adequacy ratio (%)	15.6	15.5	15.0
<b>Asset Quality Ratios</b>			
Allowance for doubtful debts to loans and accrued interest receivables (%)	4.8	3.3	2.9
Bad debt and doubtful accounts to loans and accrued interest receivables (%)	1.4	1.1	0.7
NPL ratio <sup>(6)</sup> (%)	6	2.9	3.0
Accrued interest receivables to loans and accrued interest receivables (%)	0.3	0.3	0.2

Notes:

(1) Yield = Interest incomes / (Average loans+Average interest bearing interbank and money market items)

(2) Cost of funds = Interest expenses / (Average deposits+Average borrowings+Average liabilities payable on demand+ Average interest bearing interbank and money market items (liabilities))

(3) Spread = Yield – Cost of funds

(4) Loan to borrowing ratio = Loans / (Deposits+Liabilities payable on demand+Borrowings)

(5) Modified loan to deposit ratio (modified LDR) = (Gross loans+Loans guaranteed by other banks+Loans to financial institutions) / (Deposits+Bills of exchange+Debentures+Selected structured deposit products)

(6) NPL ratio is calculated under Bank of Thailand criteria.



Summary of statements of financial position of CIMB Thai Bank Public Company Limited and its subsidiaries as at 31 December 2016, 2015 and 2014, and their operating results and financial ratios for the years ended 31 December 2016, 2015 and 2014.

(Unit: THB)

**Statements of Financial Position**

	<b>Consolidated</b>		
	<b>31 December 2016</b>	<b>31 December 2015</b>	<b>31 December 2014</b>
<b>Assets</b>			
Cash	1,938,616,493	2,397,196,928	3,989,621,938
Interbank and money market items, net	8,527,657,244	14,292,801,636	6,522,689,913
Derivative assets	21,235,341,272	25,581,046,242	10,803,916,302
Investments, net	55,061,910,795	54,891,019,817	55,253,273,115
Investments in subsidiaries, net	-	-	-
Loans and accrued interest receivables			
Loans	211,437,378,135	203,552,832,710	194,610,261,270
Accrued interest receivables	589,798,750	520,569,785	455,304,547
Total loans and accrued interest receivables	212,027,176,885	204,073,402,495	195,065,565,817
<u>Less</u> Deferred revenue	(5,848,448,651)	(4,945,478,647)	(4,642,328,361)
<u>Less</u> Allowance for doubtful debts	(9,793,289,246)	(6,730,530,954)	(5,979,008,801)
<u>Less</u> Revaluation allowance for debt restructuring	(45,259,015)	(55,383,987)	(68,351,237)
Loans and accrued interest receivables, net	196,340,179,973	192,342,008,907	184,375,877,418
Customers' liability under acceptance	45,230,520	41,017,884	68,889,332
Properties for sale, net	1,285,079,244	1,194,255,368	1,826,291,636
Premises and equipment, net	3,670,638,674	2,769,718,388	3,071,759,407
Intangible assets, net	368,387,320	378,987,475	361,802,153
Deferred tax assets	1,289,224,887	1,040,358,204	957,064,866
Account receivable from Thai Asset Management Corporation	-	-	3,572,457,936
Other assets, net	7,708,041,398	9,692,983,893	3,365,142,396
<b>Total assets</b>	<b>297,470,307,820</b>	<b>304,621,394,742</b>	<b>274,168,786,412</b>



(Unit: THB)

**Statements of Financial Position (Cont'd)**

	<b>Consolidated</b>		
	<b>31 December 2016</b>	<b>31 December 2015</b>	<b>31 December 2014</b>
<b>Liabilities and shareholders' equity</b>			
<b>Liabilities</b>			
Deposits	183,663,324,706	170,217,136,926	183,894,650,541
Interbank and money market items, net	11,595,328,411	20,018,416,948	18,304,766,777
Liability payable on demand	250,092,171	320,768,448	344,291,120
Financial liabilities designated at fair value			
through profit or loss	18,873,674,513	16,039,533,025	7,693,132,792
Derivative liabilities	21,381,015,668	25,682,672,770	10,396,602,437
Debt issued and borrowings	25,582,513,107	33,994,659,909	24,512,208,453
Bank's liability under acceptance	45,230,520	41,017,884	68,889,332
Provisions	1,997,419,699	1,641,262,617	1,471,525,306
Other liabilities	7,376,288,614	9,557,915,819	4,892,161,996
<b>Total liabilities</b>	<b>270,764,887,409</b>	<b>277,513,384,346</b>	<b>251,578,228,754</b>
<b>Shareholders' equity</b>			
Share capital			
Registered			
24,774,731,679 ordinary shares of Baht 0.50 each	12,387,365,840		
27,410,341,432 ordinary shares of Baht 0.50 each		13,705,170,716	
21,084,878,025 ordinary shares of Baht 0.50 each			10,542,439,013
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	
21,084,878,025 ordinary shares of Baht 0.50 each			10,542,439,013
Premium on share capital	5,712,665,258	5,712,665,258	3,867,738,430
Other reserves	1,094,080,196	720,704,664	887,619,600
Accretion of equity interests in subsidiary	(42,753,751)	(42,753,751)	(42,753,751)
Retained earnings			
Appropriated - statutory reserve	397,800,000	365,950,000	341,300,000
Unappropriated	7,156,262,868	7,964,078,385	6,994,214,366
<b>Total shareholders' equity</b>	<b>26,705,420,411</b>	<b>27,108,010,396</b>	<b>22,590,557,658</b>
<b>Total liabilities and shareholders' equity</b>	<b>297,470,307,820</b>	<b>304,621,394,742</b>	<b>274,168,786,412</b>



(Unit: THB)

**Statements of Comprehensive Income**
**Consolidated**
**For the years ended 31 December**

	<b>2016</b>	<b>2015</b>	<b>2014</b>
Interest income	14,671,929,135	14,620,048,451	13,927,429,582
Interest expenses	(4,806,163,382)	(6,143,023,747)	(6,038,723,192)
<b>Net interest income</b>	<b>9,865,765,753</b>	<b>8,477,024,704</b>	<b>7,888,706,390</b>
Fee and service income	1,837,426,211	1,734,247,566	1,547,716,018
Fee and service expenses	(201,845,300)	(266,581,243)	(208,850,553)
<b>Net fee and service income</b>	<b>1,635,580,911</b>	<b>1,467,666,323</b>	<b>1,338,865,465</b>
Gains on trading and foreign exchange transactions	1,402,493,444	1,819,384,602	1,804,875,080
Losses on financial liabilities designated at fair value through profit or loss	(810,387,742)	(458,154,763)	(1,093,726,426)
Gains on investments, net	482,570,051	551,005,717	329,535,536
Other operating income	352,086,453	377,101,198	237,961,382
<b>Total operating income</b>	<b>12,928,108,870</b>	<b>12,234,027,781</b>	<b>10,506,217,427</b>
<b>Other operating expenses</b>			
Employee expenses	3,857,722,186	3,753,835,420	3,741,535,210
Directors' remuneration	12,598,400	11,080,000	9,260,000
Premises and equipment expenses	1,279,866,016	1,404,482,827	1,399,493,378
Taxes and duties	461,092,983	458,627,188	408,517,126
Others	1,812,232,818	1,499,238,226	1,581,197,029
<b>Total other operating expenses</b>	<b>7,423,512,403</b>	<b>7,127,263,661</b>	<b>7,140,002,743</b>
Bad and doubtful debts and impairment losses	6,279,268,383	3,770,112,827	2,129,643,339
<b>(Loss) Profit before income tax expenses</b>	<b>(774,671,916)</b>	<b>1,336,651,293</b>	<b>1,236,571,345</b>
Income tax expenses	145,146,699	(284,169,352)	(247,212,868)
<b>Net (loss) profit for the years</b>	<b>(629,525,217)</b>	<b>1,052,481,941</b>	<b>989,358,477</b>



(Unit: THB)

**Statements of Comprehensive Income (Cont'd)**
**Consolidated**
**For the years ended 31 December**

	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Other comprehensive income (expenses)</b>			
<b>Items that will be reclassified subsequently to profit or loss</b>			
(Losses) Gains on remeasuring available-for-sale investments	(644,156,155)	12,859,905	240,733,492
(Losses) Gains arising from translating the financial statement of a foreign operation	(1,206,592)	28,964,409	7,337,610
Gains (Losses) on cash flow hedges	58,446,328	(25,306,951)	(149,627,279)
Income tax relating to items that will be reclassified subsequently to profit or loss	117,141,965	2,489,409	(18,221,243)
<b>Total items that will be reclassified subsequently to profit or loss</b>	<b>(469,774,454)</b>	<b>19,006,772</b>	<b>80,222,580</b>
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Changes in revaluation surplus	1,078,204,826	(125,210,829)	(24,262,109)
Remeasurements of post-employment benefit obligations	(24,267,343)	(107,191,305)	(72,316,467)
Income tax relating to items that will not be reclassified subsequently to profit or loss	(210,787,497)	46,480,426	19,315,715
<b>Total items that will not be reclassified subsequently to profit or loss</b>	<b>843,149,986</b>	<b>(185,921,708)</b>	<b>(77,262,861)</b>
<b>Total other comprehensive income (expenses)</b>	<b>373,375,532</b>	<b>(166,914,936)</b>	<b>2,959,719</b>
<b>Total comprehensive (expenses) income for the years</b>	<b>(256,149,685)</b>	<b>885,567,005</b>	<b>992,318,196</b>



(Unit: THB)

**Statements of Comprehensive Income (Cont'd)**
**Consolidated**
**For the years ended 31 December**
**2016**
**2015**
**2014**
**Net (loss) profit attributable to:**

Equity holders of the Bank

(629,525,217)

1,052,481,941

989,358,477

Non-controlling interests

-

-

-

(629,525,217)

1,052,481,941

989,358,477

**Total comprehensive(expenses)income attributable to:**

Equity holders of the Bank

(256,149,685)

885,567,005

992,318,196

Non-controlling interests

-

-

-

(256,149,685)

885,567,005

992,318,196

**(Loss) Earnings per share for profit attributable to the equity holders of the Bank**

Basic (loss) earnings per share (Baht per share)

(0.03)

0.05

0.05

Weighted average number of ordinary shares (shares)

24,774,731,679

21,650,992,558

21,084,878,025



(Unit: THB)

**Statements of Cash Flows**
**Consolidated**

	<b>For the years ended 31 December</b>		
	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Cash flows from operating activities</b>			
(Loss) Profit before corporate income tax	(774,671,916)	1,336,651,293	1,236,571,345
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	518,920,584
Bad debts and doubtful accounts	6,279,268,383	3,770,112,827	2,129,643,339
Provision for (reversal of) off-balance sheet items	302,644,995	14,347,673	(90,880,000)
Share-based payment	30,526,962	10,277,930	7,396,892
Provision for liabilities	151,748,809	172,221,337	150,899,422
Losses (Gains) on impairment of properties for sale	5,250,682	(96,738,212)	69,486,326
Losses on impairment of other assets	11,684,173	-	-
Losses on impairment of investments	-	4,290,484	-
Unrealised gains on exchange and derivatives	(425,352,139)	(322,857,972)	(1,457,976,392)
Losses on properties for sale	322,090,738	468,815,242	591,065,360
Unrealised losses (gains) on revaluation of investments	96,264,552	(571,459)	22,516,398
Gains on sale of investments	(470,349,197)	(728,736,343)	(453,705,914)
Gains on disposal of premises and equipment	(29,016,065)	(13,074,954)	(3,870,312)
Gains on surplus from revaluation of assets	(2,392,301)	-	-
(Gains) Losses on impairment of premises and equipment	(10,064,738)	9,604,772	-
Losses from write off premises and equipment	48,312,019	27,967,972	19,036,757
Losses from write off leasehold rights	10,658,464	36,576	2,314,144
Losses on financial liabilities designated at fair value through profit or loss	810,387,742	458,154,763	1,093,726,426
Interest and dividend income	(14,691,524,064)	(14,671,879,227)	(13,978,652,436)
Interest expenses	3,815,050,461	5,141,242,289	5,110,319,237
<b>Losses from operations before changes in operating assets and liabilities</b>	<b>(4,079,311,476)</b>	<b>(3,922,804,273)</b>	<b>(5,033,188,824)</b>



(Unit: THB)

**Statements of Cash Flows (Cont'd)**

	<b>Consolidated</b>		
	<b>For the years ended 31 December</b>		
	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>(Increase) Decrease in operating assets</b>			
Interbank and money market items	5,762,463,266	(7,769,716,740)	27,021,999,228
Investments held for trading	(1,342,468,824)	965,186,346	3,548,028,199
Loans	(12,208,351,681)	(12,946,534,144)	(21,762,185,863)
Properties for sale	1,709,786,609	2,065,664,313	1,007,089,896
Receivable from Thai Asset Management Corporation	-	3,486,699,265	-
Other assets	1,899,646,123	(6,180,186,065)	656,115,612
<b>Increase (Decrease) in operating liabilities</b>			
Deposits	13,446,187,779	(13,677,513,614)	31,761,978,155
Interbank and money market items	(8,423,088,537)	1,713,650,171	(26,561,495,078)
Liability payable on demand	(70,676,277)	(23,522,672)	(160,576,057)
Short-term borrowings	(14,314,372,766)	9,882,271,652	(14,379,308,526)
Provisions	(122,504,066)	(123,010,806)	(107,135,789)
Other liabilities	(1,911,540,150)	4,254,220,690	(947,076,805)
<b>Cash flows used in operating activities</b>	<b>(19,654,230,000)</b>	<b>(22,275,595,877)</b>	<b>(4,955,755,852)</b>
Cash received from interest income	13,236,817,311	12,884,956,736	12,311,195,461
Cash paid for interest expenses	(4,506,261,540)	(5,243,286,425)	(5,452,994,418)
Cash paid for income tax	(260,166,103)	(158,713,168)	(58,026,091)
<b>Net cash flows (used in) provided by operating activities</b>	<b>(11,183,840,332)</b>	<b>(14,792,638,734)</b>	<b>1,844,419,100</b>



(Unit: THB)

**Statements of Cash Flows (Cont'd)**

	<b>Consolidated</b>		
	<b>For the years ended 31 December</b>		
	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Cash flows from investing activities</b>			
Cash paid for purchases of available-for-sale securities	(37,905,998,597)	(29,765,886,180)	(54,106,282,038)
Proceeds from disposals of available-for-sale securities	32,003,101,453	27,203,327,558	31,109,002,243
Proceeds from maturity of available-for-sale securities	1,607,800,000	510,978,043	26,015,683,807
Cash paid for purchases of held-to-maturity securities	(5,074,765,297)	(4,922,649,754)	(12,020,896,051)
Proceeds from disposals of held-to-maturity securities	480,340	-	-
Proceeds from maturity of held-to-maturity securities	9,830,560,000	6,666,336,490	3,972,000,340
Proceeds from repayment of investment in receivables	2,974,664	20,702,034	48,205,321
Cash paid for purchases of general investments	-	-	(182,610)
Proceeds from disposals of general investments	942,262	6,927,784	164,902
Proceeds from decrease in capital of general investments	31,750,000	30,000,000	31,160,601
Proceeds from payback of investment in subsidiary	-	-	22,540,041
Cash paid for purchases of premises and equipment	(248,780,868)	(152,719,262)	(232,063,643)
Proceeds from disposals of premises and equipment	39,224,327	21,370,934	11,974,809
Cash paid for purchases of intangible assets	(108,847,701)	(127,149,554)	(140,095,981)
Dividend received	19,594,927	51,830,775	51,222,854
Interest received	1,800,077,764	1,934,291,399	1,678,324,931
<b>Net cash flows provided by (used in) investing activities</b>	<b>1,998,113,274</b>	<b>1,477,360,267</b>	<b>(3,559,240,474)</b>



(Unit: THB)

**Statements of Cash Flows (Cont'd)**
**Consolidated**

	<b>For the years ended 31 December</b>		
	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Cash flows from financing activities</b>			
Dividend paid	(185,810,488)	(158,136,585)	(210,848,780)
Proceeds from issuing subordinated debentures	5,007,729,300	-	4,066,540,000
Cash paid for redemption of subordinated debentures	(3,000,000,000)	-	(2,500,000,000)
Proceeds from issuance of structured bills of exchange and debentures	10,516,592,516	12,802,546,172	11,405,500,000
Cash paid for redemption of structured bills of exchange and debentures	(3,610,000,000)	(4,639,000,000)	(10,392,000,000)
Cash received from capital increase	-	3,689,853,654	-
<b>Net cash flows provided by financing activities</b>	<b>8,728,511,328</b>	<b>11,695,263,241</b>	<b>2,369,191,220</b>
Foreign currency translation differences	(1,364,705)	27,590,216	6,503,496
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(458,580,435)</b>	<b>(1,592,425,010)</b>	<b>660,873,342</b>
Cash and cash equivalents at beginning of the year	2,397,196,928	3,989,621,938	3,328,748,596
<b>Cash and cash equivalents at the end of the year</b>	<b>1,938,616,493</b>	<b>2,397,196,928</b>	<b>3,989,621,938</b>

**Supplemental disclosure of cash flows information**

## Non-cash transaction:

Payable from purchase premises and equipment	7,885,214	6,082,109	30,592,954
Properties for sale received from premises and equipment	116,468,697	60,976,206	125,838,175
Change in revaluation surplus in available-for-sale investment	644,156,155	12,859,905	240,733,492
Interest amortisation from premium or discount	404,473,541	385,340,992	100,700,529



<b>The Bank and Subsidiaries' Financial Ratios</b>	<b>31-Dec-16</b>	<b>31-Dec-15</b>	<b>31-Dec-14</b>
Net interest margin (%)	3.7	3.3	3.4
Return on equity (%)	(2.3)	4.4	4.4
Return on assets (%)	(0.2)	0.4	0.4
Cost to income ratio (%)	57.4	58.3	68.0
Loan to deposit ratio (Modified LDR) (%)	92.4	91.2	90.1
NPL ratio (%)	6.1	3.1	3.3
Capital adequacy ratio (%)	16.1	15.7	15.2
Tier 1 capital funds to risk-weight assets (%)	10.7	11.0	10.1



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

### **14.1 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.



## 14.2 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, an growth of THB 7.0 billion or 3.5% from THB 198.6 billion as at 31 December 2015. Loans principally comprised 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)
<b>Total loans net of deferred revenue</b>	<b>205,588</b>	<b>100.0</b>	<b>198,606</b>	<b>100.0</b>	<b>6,982</b>	<b>3.5</b>

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:

(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
<b>Total</b>	<b>2,405,265</b>	<b>2,326,263</b>	<b>3.4</b>

## 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 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 were 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
<b>Total</b>	<b>207.0</b>	<b>100.0</b>	<b>192.3</b>	<b>100.0</b>	<b>45.9</b>	<b>100.0</b>

\*Including interbank and money market items.

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

(Unit: THB billion)

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
<b>Total</b>	<b>192.3</b>	<b>100.0</b>	<b>183.0</b>	<b>100.0</b>	<b>194.2</b>	<b>100.0</b>

\*Including interbank and money market items.

### Credit Rating

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

2 August 2016

#### Fitch Ratings

National Long-Term Rating	AA (tha)
Outlook	Stable
National Long-Term Rating on subordinated debt	AA- (tha)

12 December 2016

#### Moody's Investors Service

Outlook	Stable
Bank deposits	Baa2/P-2
Baseline credit assessment	ba2
Adjusted baseline credit assessment	baa2
Counterparty risk assessment	Baa1(cr)/P-2(cr)
Issuer rating	Baa2
ST issuer rating	P-2

16 June 2016

#### RAM Ratings

Financial Institution Ratings	AA2/Stable/P1
Tier-2 Subordinated Debt	AA3/Stable



## Financial Ratios

### Capital funds and capital adequacy ratio

As at 31 December 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 the 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 of 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.