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Minutes of the Annual General Meeting of Shareholders No. 23

CIMB Thai Bank Public Company Limited

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The meeting was convened on Wednesday, 12 April 2017 at 14.00 hrs. at the Auditorium Room, 9<sup>th</sup> Floor, CIMB Thai Bank Public Company Limited, Head Office, 44 Langsuan Road, Lumpini, Patumwan, Bangkok.

**Directors in attendance**

- |    |                                |                                       |
|----|--------------------------------|---------------------------------------|
| 1. | Mr. Chakramon Phasukavanich    | Chairman                              |
| 2. | Dato' Robert Cheim Dau Meng    | Vice Chairman                         |
| 3. | Mr. Sukont Kanjana-Huttakit    | Independent Director                  |
| 4. | Mrs. Watanan Petersik          | Independent Director                  |
| 5. | Dato' Shaarani Bin Ibrahim     | Independent Director                  |
| 6. | Mr. Chitrapongse Kwangsukstith | Director                              |
| 7. | Ms. Serena Tan Mei Shwen       | Director                              |
| 8. | Mr. Pravej Ongartsittigul      | Independent Director                  |
| 9. | Mr. Kittiphun Anutarasoti      | President and Chief Executive Officer |

**Director absent with apology**

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|----|--------------------|----------|
| 1. | Dato' Lee Kok Kwan | Director |
|----|--------------------|----------|

**Executive officers in attendance**

- |    |                           |  |
|----|---------------------------|--|
| 1. | Mr. Arthit Masathirakul   | Senior Executive Vice President<br>Risk Management Group                     |
| 2. | Mr. Pornchai Padmindra    | Senior Executive Vice President<br>Wholesale Banking Group                   |
| 3. | Mr. Sutee Losoponkul      | Senior Executive Vice President<br>Treasury Group                            |
| 4. | Mr. Adisorn Sermchaiwong  | Senior Executive Vice President<br>Consumer Banking Group                    |
| 5. | Ms. Siriporn Sanunpairaue | Senior Executive Vice President<br>Internal Audit Division                   |
| 6. | Mrs. Bussakorn Puttinan   | Senior Executive Vice President<br>Group Information and Operations Division |
| 7. | Mr. Jason Leong Kok Yew   | Senior Executive Vice President<br>Finance Group                             |

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| 8.  | Mr. Tan Keat Jin           | Senior Executive Vice President<br>Strategy Division   |
| 9.  | Mr. Phisit Sucharitsopit   | Executive Vice President<br>Transaction Banking Group  |
| 10. | Mr. Prapas Thongsuk        | Executive Vice President<br>Corporate Communications Division  |
| 11. | Mr. Zethjak Leeyakars      | Executive Vice President<br>Compliance Department  |
| 12. | Mr. Kusol Sripaoraya       | Executive Vice President<br>Middle Market Division (representing Mrs. Wareemon<br>Niyomthai)         |
| 13. | Ms. Doungthip Leenuttapong | Senior Vice President<br>Human Resources Services Team (representing Mrs.<br>Kanokpai Vongsatitporn) |

**Executive officers absent with apology**

- |    |                             |  |
|----|-----------------------------|--|
| 1. | Mrs. Kanokpai Vongsatitporn | Senior Executive Vice President<br>Human Resources Management Division |
| 2. | Mrs. Wareemon Niyomthai     | Senior Executive Vice President<br>Commercial Banking Group            |

**Auditor in attendance**

PriceWaterhouseCoopers ABAS Limited, represented by:

1. Mrs. Anothai Leekijitwattana
2. Ms. Bussaba Kulsiritham

Mr. Chakramon Phasukavanich, Chairman of the Board performing duty as Chairman of the meeting (Chairman), welcomed the shareholders who attended the meeting, and informed the meeting that 259 shareholders and 227 proxies had attended the meeting, representing 782,968,530 shares and 23,281,784,232 shares respectively. The number of attending shareholders and proxies totaled 486 and the aggregate amount of shares 24,064,752,762, equivalent to 97.1343% of the Bank's total shares sold, which constituted a quorum according to the Bank's Articles of Association. The Chairman then declared the Annual General Meeting of Shareholders (AGM) No. 23 open.

**The meeting started at 14.00 hrs.**

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The Chairman informed the meeting that the Bank's Board members, management, and auditor as mentioned above also attended the meeting.

The Chairman informed the meeting that, to ensure compliance with the best practice in the holding of the AGM and transparency of the vote counting, he thus invited representatives from PricewaterhouseCoopers ABAS Limited, the auditor of the Bank, to observe the voting process of each agenda item, and the shareholders from the floor to witness the vote counting.

The Chairman then asked Mr. Thaphop Kleesuwan, Company Secretary, to clarify the voting mechanism. Mr. Thaphop summarised the mechanism as follows:

To vote at the meeting, one share is entitled to one vote. For each agenda item, the Chairman will ask the shareholders whether there is any objection, disagreement or abstention from voting. If there is no objection, disagreement or abstention, the Chairman will conclude that the shareholders have approved or agreed with the agenda item as presented.

The shareholders who object, disagree or abstain from voting may make a mark (✓) in the square bracket in the voting form and raise their hands. The Bank staff will collect the voting form and tally the results, except for some agenda items, for which the Chairman may otherwise determine the voting method as appropriate. Only the dissenting and abstention votes will be calculated and deducted from the total number of the votes of all the shareholders who attend the meeting both in person and by proxy. The remaining votes after deduction will be deemed as having approved/agreed with the agenda item proposed.

Registration will be kept open until the end of the meeting. Therefore, the number of shareholders and the number of shares for each agenda item may change according to the number of shareholders who have registered. The shareholders who register after the meeting has started shall not be counted in the quorum for the agenda items where voting counting has been concluded.

The Chairman proceeded with the businesses on the agenda as follows:

**Agenda item 1**      **To certify the minutes of Extraordinary General Meeting of Shareholders No. 1/2017 held on 24 February 2017**

The Chairman requested the shareholders to consider and approve the minutes of Extraordinary General Meeting of Shareholders No. 1/2017 held on 24 February 2017, a copy of which had duly been sent to all shareholders together with the invitation notice to attend the meeting.

The Chairman invited the shareholders to raise questions and comments.

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A shareholder enquired about the offering ratio of 2 new shares for 9 existing shares and if it was required that a shareholder hold at least 9 existing shares to be eligible for it. He asked in case of holding only 5 shares, whether a shareholder is eligible for new share subscription.

The Chairman requested the Company Secretary to clarify.

The Company Secretary clarified that the Bank had allocated its capital increase shares in accordance with the resolution of the Extraordinary General Meeting of Shareholders No. 1/2017 held on 24 February 2017. According to the set criteria, the existing shareholder must hold 9 shares in order to get 2 new shares allocated. In case of holding less than 9 shares, the shareholder would not be eligible for new shares allocation.

As no questions were raised by the shareholders, The Chairman requested the meeting to vote.

This agenda item required majority votes of the total shareholders who attended and voted at the meeting.

The Chairman declared to the meeting that 100.0000% of the shareholders present and voting at the meeting agreed (equal to 24,065,128,910 votes), while 0.0000% disagreed (equal to 0 vote) and 0.0000% abstained from voting (equal to 0 vote). There were no shareholders with no right to vote.

The voting result was displayed on the monitor in the Conference Room.

#### Resolution

The meeting by majority votes of the total shareholders present and voting at the meeting resolved to adopt the minutes of Extraordinary General Meeting of Shareholders No. 1/2017 held on 24 February 2017.

#### Agenda item 2      To acknowledge the Bank's operating results for the year 2016

The Chairman informed the meeting that the Bank's operating results for 2016 were as presented in the Annual Report 2016 duly sent to the shareholders. He asked the President and Chief Executive Officer to report details of this agenda item to the meeting.

The President and Chief Executive Officer reported to the meeting as below:

- The Bank recorded a loss before tax of THB 775 million in 2016. However, given the record of core pre-provision operating profit (PPOP) in the past years, the Bank had continued growth, with average compound annual growth rate ("CAGR") during 2008 - 2016 of 17.6%. Its net interest margin on earning assets was also on an upward trend.
- For the year ended 31 December 2016, CIMB Thai Group's consolidated operating income rose by

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THB 694 million or 5.7% year-on-year (YoY) to THB 12,928 million, mainly attributable to a 16.4% growth in net interest income (NII), a 11.4% expansion in net fee and service income, despite the 37.7% decrease in other income. Pre-provision operating profit increased by 7.8% YoY to THB 5,505 million due to the slight increase of operating expense by 4.2%.

- The net loss was recorded in 2016 at THB 630 million, compared with the net profit of THB 1,052 million in 2015 due to the higher provision by 66.6% that arose from the increase in NPLs in certain industries during the year and the gradual economic recovery.
- As at 31 December 2016, total gross loan stood at THB 205.6 billion, a YoY increase of 3.5%. Deposits accounted for THB 183.7 billion, a YoY increase of 7.9% from THB 170.2 billion. The modified loan to deposit ratio was 92.4%, compared with 91.2% as at 31 December 2015.
- Return on equity (ROE) stood at -2.3% in 2016, compared with 4.4% in 2015, mainly from higher provision set aside for NPL accounts. 2016 NPL ratio was 6.07%, higher than 3.05% in 2015.
- Net interest margin (NIM) was 3.77% in 2016, higher than 3.27% in the previous year thanks to more efficient funding cost management.
- Cost to income ratio (CIR) stood at 57.4% in 2016, compared with 58.3% in 2015 because of disciplined cost management which resulted in improved CIR.
- Capital adequacy ratio (CAR) remained stable above 15% since 2014, recorded at 16.1% in 2016.
- For return on equity (ROE), despite commendable revenue growth in 2016, the bottom line was impacted by higher provision due to uncertain economic environment.
- Consumer Banking business turned profitable ahead of T18 target (i.e. by Q2/2017) and showed healthy operating indicators all along.

The information presented by the President and Chief Executive Officer was displayed on the monitor in the Conference Room.

The Chairman invited the shareholders to raise questions and comments.

A shareholder sought clarification as follows:

1. Why did CIMB Thai operate at a loss in 2016?
2. How was the performance of the Bank's mini branch in 7-Eleven store? Did the Bank plan to open more mini branches in 7-Eleven?

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The President and Chief Executive Officer clarified that the loss in 2016 was caused by the increase in NPLs in certain industries that were legacies from Bank Thai transferred upon CIMB Bank Berhad's acquisition.

Regarding the mini branch in 7-Eleven store, the President and Chief Executive Officer requested SEVP, Consumer Banking Group, to clarify.

SEVP, Consumer Banking Group, explained that the Bank was likely to open more mini branches in 7-Eleven stores as channels to provide retail clients with more convenient access to its financial services. Sitabutr Mini Branch was the pilot branch. The Bank planned to open two more mini branches, currently pending for the Bank of Thailand's approval. In terms of performance, it was still too early to estimate currently. However, with only partial space in 7-Eleven store and one service staff required, the Bank's mini branch incurred rather low management cost or just about 20% of the cost borne by branch in a department store.

Mr. Suebsak Pipobmongkon, a shareholder, inquired given the higher NPLs being the cause of loss operation last year, if there was any chance that the Bank would get repayment from such accounts.

The President and Chief Executive Officer responded that there were some NPLs which could potentially return to possess serviceability. The Bank's provision must be set aside in accordance with the regulations of the Bank of Thailand and accounting standards on a conservative manner so as to reflect the Bank's financial status. However, he believed that the Bank would manage to negotiate, solve and restructure some accounts to make them be able to settle all outstanding debts.

Mr. Sathaporn Pungnirun, a shareholder, cited that he understood that the Bank granted loans to certain accounts who later faced trouble, were unable to repay debts and eventually became NPLs and required provision, which subsequently affected the Bank's financial statements. He inquired, despite that, whether the Bank planned to retain relationship with those debtors through such a way as debt compromising or sell them to avoid any impact. Besides, the Bank should have in place a process to ensure adequate control of credit underwriting standards to prevent any new NPLs in the future.

A shareholder requested clarification as follows:

1. What ranking was CIMB Thai among the industry in terms of operating results?
2. Was the decision of no dividend payment derived from higher NPLs and their increasing trend? Was there any chance of repayment from those debtors or they becoming revenue generating this year? Was additional collateral called from this group of debtors to accommodate credit risks?
3. Why was the number of CIMB Thai branches in department stores small relative to other banks?
4. What were the Bank's strategies to increase its share value?

5. The incurred NPLs were the granted loans in certain industries with some collateral provided that should be considered adequate for the loan limit approved. However, after they became default, was a review conducted to find out if the existing collateral remained sufficient as the Bank should call for additional collateral in case not? Was there any portion granted on a clean loan basis?

The President and Chief Executive Officer clarified as follows:

1. It was a challenge for CIMB Thai to acquire a mid-tier bank status. At present, the Bank had the total asset of about THB 300 billion, which was still 3-4 times lower than that of the smallest mid-tier bank. Despite that, the Bank's management set a goal to drive CIMB Thai to become a mid-tier bank in Thailand, but it could take certain time to do so. He was confident that the Bank's differentiated financial products and solutions should be translated into achievements and profitability.

2. In 2016, there were debtors in certain industry becoming NPLs and another being in the risky sectors and possibly turning into NPLs anytime. To address the rather huge deterioration trend of the Bank's asset quality, the management had identified the debtors signaling weak status and tending to be unable to repay so that the Bank could monitor them more closely and know the degree of their business problems. For the enquiry about additional collateral, when any debtor was found having worsening performance, the Bank would negotiate for additional collateral. However, not all debtors agreed to provide extra collateral, and some gave no cooperation at all. Despite that, the management would put the best effort in managing asset quality for optimal benefits of the Bank.

3. CIMB Thai's customers in each area were different from other banks. They were mainly comprised of two groups, i.e. deposit and loan customers. The Bank's fewer number of branches was a restriction on broadening its customer base further. Currently, the Bank's deposit customer base was quite narrow, being mostly structured notes customers. However, the Bank managed to initiate products that could mobilize a high amount of deposit and segmented its customers in a different way.

4. The management was held responsible for delivering the best performance of the Bank. However, the factors that influenced a stock price were beyond its control. Despite that, hopefully if the Bank could generate better performance and announced its potential to grow and generate more profit, it would gain interest from investors to invest in the Bank more.

5. Concerning a clean loan and adequacy of collateral provided, collateral was one factor used in considering a loan request. The Bank had different segments of loan customers, including retail that could be either secured or unsecured, medium-sized who mostly had collateral, and corporate that were offered clean loans as it was a condition offered by large-sized peers. Meanwhile, financial institution customers would be subjected to

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various collateral requirements. As for certain rather small customers, whose revenue based on financial statement was considered inadequate, additional collateral would be requested to mitigate potential risks.

A proxy and a shareholder sought clarification as follows:

1. Given the Bank's loss in this year due to higher NPLs, what risk management procedures did the Bank have to ensure prudent lending, and did Internal Audit function involve in monitoring debtors to early detect signal of deterioration before default?

2. Would a cut of employee salary help reduce the Bank's cost?

3. Did ringgit depreciation create any impact on the Bank's performance? What size was CIMB Thai among Thailand's commercial banks?

The President and Chief Executive Officer clarified as follows:

1. The Bank had in place Internal Audit and Risk Management units that were jointly monitoring portfolio quality. Last year when it detected a signal of increasing asset quality issue, the Bank had tightened monitoring measures. Customers tending to face problem would be considered on a special case basis and monitored more closely. Currently, Risk Management offered stricter supervision and there would be monthly reviews of troubled debtors to prevent them from further deterioration. As other banks did, CIMB Thai also had the policy to aid debtors, especially long-time customers. It emphasized on prudently monitoring and managing NPLs and ensured sufficient loan loss provisions were set aside to protect the benefits of shareholders and to create optimal benefits to the Bank's performance.

2. Last year, CIMB Thai enjoyed a better cost to income ratio. The Bank had managed to reduce the ratio, from 90% recorded upon CIMB Bank Berhad's acquisition of Bank Thai shares to 57%. Despite the incurred operational loss in 2016, its pre-provision profit actually increased by 7.5% YoY, reflecting a gradual improvement in overall performance. However, owing to an asset quality issue and higher provision, the Bank operated at loss. The Bank has experienced improvements and developments all along. Meanwhile, branches that were not generating income were closed to reduce cost as a part of CIMB Group-announced core strategies.

3. Currently the ringgit was depreciating to some extent. The market anticipated rather high fluctuation of foreign exchange rate. Traders or sellers looking for more stability might need to avoid ringgit. In this regard, the Bank offered our customers an option to hedge FX risk, especially ringgit currency.

A shareholder enquired as follows:

1. What type of loan caused higher NPLs last year?

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2. The Bank should offer special privileges to customers so as to stay competitive. The shareholder requested to know the number and amount of current NPLs as well as the Bank's measures to monitor and control asset quality.

The President and Chief Executive Officer clarified that the rising NPLs were derived from corporate and commercial segments. Regarding NPLs, the Bank might be unable to disclose details to the shareholders. However, CIMB Thai was under the supervision of the Bank of Thailand ("BOT") who had closely monitored the Bank's asset quality management and prescribed rules and standards for the Bank to comply with.

Mrs. Kanueng Muktiranuwat, a shareholder, requested clarification as follows:

1. How would the management manage asset quality and collateral efficiently?
2. To whom the Bank sold Sathorn Building and at what price?

The President and Chief Executive Officer clarified that the BOT was supervising and monitoring the Bank's lending-related risks. The Bank would be examined if it had complied with its own policies and the BOT's requirements. In case of any non-compliance, the BOT would look into the Bank's lending process to mitigate possible risks and future NPLs. The Bank, as a listed company, was also required to serve its duty with the maximum benefit of the shareholders taken into account. At the same time, CIMB Berhad Bank also sent their representatives to oversee that the Bank had tightly written lending standards.

The President and Chief Executive Officer requested Ms. Winita Kimsawadi, Head of Financial Reporting Department, to provide additional clarification.

Ms. Winita Kimsawadi, Head of Financial Reporting Department, clarified that the Bank sold Sathorn Building to Siam Health Group Co., Ltd. at the price of THB 1,053 million.

The Chairman notified that the gain from a sale of Sathorn Building had been recorded in the financial statements as duly reported to the shareholders.

No other questions and comments were raised. The Chairman informed the meeting that this agenda item was to report the shareholders of the Bank's 2016 operating results for acknowledgment, so no voting was required.

The Chairman then asked the meeting to acknowledge the report as proposed.

#### **Resolution**

The meeting acknowledged the report of the Bank's operating results for the year 2016.

Agenda item 3      To consider and approve the statements of financial position and the statements of comprehensive income for the fiscal year ended 31 December 2016

The Chairman proposed for the shareholders to consider and approve the statements of financial position and the statements of comprehensive income for the fiscal year ended 31 December 2016 which had duly been sent to the shareholders in advance together with the invitation notice. The Chairman asked the President and Chief Executive Officer to present this agenda item to the meeting.

The President and Chief Executive Officer informed the meeting that the financial statements of the Bank and its subsidiaries (CIMB Thai Group) to be presented had duly been audited by PriceWaterhouseCoopers ABAS Ltd., the auditor of the Bank, as summarised below:

- As at 31 December 2016, the Bank and its subsidiaries had total assets of THB 297.5 billion. CIMB Thai Group's primary assets consisted of loans and accrued interest receivables of THB 206.2 billion and net investments of THB 55.1 billion.
- CIMB Thai Group had total liabilities of THB 270.8 billion, total deposit of THB 183.7 billion and total borrowing of THB 25.6 billion.
- CIMB Thai Group had total shareholders' equity of THB 26.7 billion with issued and paid-up share capital of THB 12.4 billion. CIMB Thai Group's statements of comprehensive income for the financial year ended 31 December 2016 recorded a net loss of THB 630 million, total income of THB 12.928 billion, and operating expenses and loan loss provision of THB 13.703 billion.

The information presented by the President and Chief Executive Officer was displayed on the monitor in the Conference Room.

The Chairman invited the shareholders to raise questions and comments.

Mr. Sathaporn Pungnirun, a shareholder, said that the auditor's report on page 130 cited that there was a significant issue from the audit and material defects in the internal control system found during the examination, while page 129 mentioned that the auditors had examined the annual report and concluded that if any presented information contradicted substantial facts, the auditor shall report it to the Audit Committee. He inquired why the Bank did not disclose or clarify details of that to the shareholders.

The Chairman of the Audit Committee clarified that it was a standard statement required by Federation of Accounting Professions to include in the auditor's report, meaning that an auditor shall clarify or explain any possible observations to the Audit Committee, which could confuse the readers.

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Mr. Sathaporn Pungnirum, a shareholder, said that account standards should not be considered as the audit firm's expense and a reason for increasing an audit fee as it should be the auditor's basic duty to perform.

A shareholder, requested clarification as follows:

1. Referring to the Notes to Financial Statements, Item 34, on page 134, why did the Bank incur the total losses on financial instrument designated at fair value through profit or loss of THB 810 million?

2. What caused '(losses) gains on re-measuring available-for-sale investments' of THB 644 million?

3. What was 'reserve for off-statements of financial position items' of THB 494 million, as shown on page 187, derived from? What caused the YoY increase?

4. According to the financial statements, page 185, the Bank issued subordinated debentures of THB 3 billion in 2016 maturing in 2026 and offering a coupon rate of 5.35% p.a. and early redeemed them in the same year. Was that due to the offered coupon rate was too high?

5. Based on page 185 of the financial statements, the Bank issued THB 3 billion subordinated debentures in 2016, maturing in 2022 and offering a coupon rate of 4.80% p.a. Did the Bank have a plan to early redeem this tranche or a plan to issue a new tranche to replace them?

The President and Chief Executive Officer requested Ms. Winita Kimsawadi, Head of Financial Reporting Department, to clarify.

Ms. Winita Kimsawadi clarified as follows:

1. Losses on financial instrument designated at fair value through profit or loss was required by the BOT to present separately. It should be considered together with gains on trading and foreign exchange transactions.

2. (Losses) gains on re-measuring available-for-sale investments were a mark-to-market item and not yet actual losses. It was valuation of debt instruments in the Bank's available-for-sale investment portfolio, where was required to be reported under 'Other Comprehensive Income (Expenses)' or OCI.

3. The item was a loan loss reserve for off balance sheet items, such as LG, guarantee, that was required by the BOT to be presented separately. It was not a direct borrowing but an off balance sheet item, which was increased due to some risky clients possibly requiring the Bank to pay compensation for the customers.

4. For the subordinated debentures of THB 3 billion that would be matured in 2026, the Bank had the right to early redeem them after a five-year period. They could be counted as the tier-2 capital. After redeeming

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those THB 3 billion subordinated debentures, the Bank issued the new subordinated debentures of THB 4.554 billion to replace them in 2016. The Bank also issued THB 3 billion subordinated debentures, maturing in 2022, which was planned to get redeemed by end of this year.

Mr. Wasan Ngensukpaiboon, a proxy, enquired about around 20% YoY increase in 2016 other operating expenses. Pursuant to the Stock Exchange of Thailand's rules, a clarification is required in case of any YoY change over 20%.

Ms. Winita Kimsawadi clarified that the increase was attributable to higher provision for off balance sheet items, such as LG, details of which were presented in Item 21: Provisions.

As no further questions were raised by the shareholders, the Chairman requested the meeting to vote.

This agenda item required majority votes of the total shareholders who attended and voted at the meeting.

The Chairman declared to the meeting that 99.9994% of the shareholders present and voting at the meeting agreed (equal to 24,069,343,971 votes), while 0.0002% disagreed (equal to 61,500 votes) and 0.0003% abstained from voting (equal to 75,424 votes). There were no shareholders with no right to vote.

The voting result was displayed on the monitor in the Conference Room.

#### Resolution

The meeting by majority votes of the shareholders attending and voting at the meeting resolved to approve the statements of financial position and the statements of comprehensive income for the fiscal year ended 31 December 2016 as audited and certified by the auditor.

#### Agenda item 4      To consider and approve the appropriation of profit for the year 2016 and no dividend payment

The Chairman asked the President and Chief Executive Officer to present details of this agenda item to the meeting.

The President and Chief Executive Officer informed the meeting that there was an Insert of Amendment to the Explanation on Dividend Payment in the Notice Convening AGM No. 23, which was distributed to the shareholders before the meeting, and reported to the meeting as below:

For the year ended 2016, the Bank reported financial statements as at 31 December 2016 audited by a certified public accountant showing a net loss of THB 1,260,221,459. The Board of Directors had considered it

proper for the AGM to approve the appropriation of profit for the year 2016 by recording the net loss against the Bank's retained earnings. After the appropriation, the Bank would have retained earnings of THB 5,675,062,596.

The Bank had a policy to allocate dividend to shareholders at not over 40% of its net profit for the respective year and to comply with the relevant criteria of the Bank of Thailand, with the capital fund for its future business operation also taken into consideration. The dividend payment shall accord with Clause 43 of the Bank's Articles of Association that reads:

"No dividend shall be paid otherwise than out of profits. In the case where the Company has incurred accumulated losses, no dividend may be paid. The remaining profit from the dividend payment can be appropriated to the reserve funds as the Board of Directors may think fit.

The Board of Directors may pay interim dividend to the shareholders from time to time when it deems that the Company has enough profit to do so, and the payment of such dividend shall be reported to the shareholders in the next meeting.

The dividend payment shall be made within the time prescribed under the law and the notice of such dividend payment shall be sent to the shareholders and also be published in a newspaper."

As the Bank posted a loss for the fiscal year 2016, the Board deemed it appropriate to propose no dividend payment for the operating results of 2016.

The information presented by the President and Chief Executive Officer was displayed on the monitor in the Conference Room.

The Chairman invited the shareholders to raise questions and comments.

Mr. Sittichoke Boonwanit, a shareholder, viewed that if the Bank was unable to pay dividend in form of cash, it might consider issuing and offering warrants to the shareholders instead, which would help boost liquidity in the stock market and give warrant holders an option to exercise the right to convert it into an ordinary share.

A shareholder opined that during the past few years CIMB Thai had paid dividend less than 40% or at the rate of just THB 0.01. In his opinion, the Bank could take some of its retained earnings to make dividend payment. Although the Bank incurred loss due to higher loan loss provisions or NPLs, such provisions could be later reversed to revenue.

Mr. Sathaporn Pungnirun, a shareholder, said that according to the Bank's Articles of Association, the Bank shall arrange part of the net profit as a reserve fund at least 5% of the annual net profit less accumulated loss brought forward (if any) until the reserve fund reaches 10% of the registered capital. In this regard, the Bank

should state clearly in the agenda to consider and approve the appropriation of profit that the Bank had no profit this year, hence no appropriation to statutory reserve.

Mr. Wasan Ngensukpaiboon, a proxy, opined that listed companies mostly had a policy to pay dividend not less than 40% of the annual net profit. However, CIMB Thai defined a policy to pay dividend up to 40% of the net profit. He viewed that the Bank should seek advice from the BOT regarding dividend payment from retained earnings.

Mr. Sukont Kanjana-Huttakit, the Audit Committee Chairman, responded that the dividend payment from retained earnings could be made subjected to the Board of Directors' discretion when it was considered that the Bank had enough profit to do so. Nevertheless, to change the policy on dividend payment rate to be not less than 40% of the net profit, an endorsement form the shareholders' meeting was needed.

As there were no further questions, the Chairman requested the meeting to vote.

This agenda item required majority votes of the total shareholders who attended and voted at the meeting.

The Chairman declared to the meeting that 99.9991% of the shareholders present and voting at the meeting agreed (equal to 24,069,279,888 votes), while 0.0005% disagreed (equal to 125,736 votes) and 0.0003% abstained from voting (equal to 75,424 votes). There were no shareholders with no right to vote.

The voting result was displayed on the monitor in the Conference Room.

#### Resolution

The meeting by majority votes of the shareholders attending and voting at the meeting resolved to approve the appropriation of profit for the year 2016 and no dividend payment as proposed.

#### Agenda item 5      To consider and approve directors' remuneration for the year 2017

The Chairman stated that the Board of Directors had a policy and criteria in place to determine remuneration for the Board and Board Committee members under the recommendation of the Nomination, Remuneration and Corporate Governance Committee to ensure that the remuneration was at appropriate rate commensurate with the duties and responsibilities of the Board and Board Committee members, and comparable with those of its peers in the industry.

To comply with corporate governance principles, the Board deemed it appropriate to propose to the AGM for approval of remunerations of the Board and Board Committee members for the year 2017, the total amount of which would remain unchanged from the previous year, and payable in two portions, i.e. monthly

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allowance and meeting allowance per attendance. Criteria of remuneration for the Board and Board Committee members were as follows:

1. Meeting and entertainment allowances for Board members:

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

Directors are responsible for paying their own income tax.

2. Remuneration for Board Committee members:

Directors who are assigned by the Board to serve on other Board Committees are entitled to receive additional monthly allowances and meeting allowances per attendance, the total amount of which would remain unchanged from the previous year as follows:

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

Most of the committees were chaired/served on by the President and Chief Executive Officer. Nevertheless, the President and Chief Executive Officer had declared his intention not to receive the meeting allowances in those committees.

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The Bank had disclosed information on the roles and responsibilities as well as remuneration rate of the Board and Board Committee members in the annual report 2016 duly sent to the shareholders in advance together with the invitation notice.

The information so presented was displayed on the monitor in the Conference Room.

The Chairman invited the shareholders to raise questions and comments.

A shareholder opined that the meeting allowance should be presented as a total amount and not split into monthly allowance and allowance per attendance.

Mr. Sathaporn Pungnirun, a shareholder, said that the remuneration was divided into two parts, i.e. monthly allowance and allowance per attendance, so that if any Board/Board Committee member engaged in other business and could not attend the meeting, he/she would not receive a meeting allowance on that particular meeting. Previously, the Board/Board Committee member would still receive the total amount of remuneration, even though he/she did not attend the meeting, which he viewed inappropriate.

Mrs. Watanan Petersik, the Nomination, Remuneration and Corporate Governance Committee (NRCC) Chairperson, clarified that the NRCC determined remuneration as deemed commensurate with the scope and responsibilities of the Board/Board Committee. In case that a Board/Board Committee member engaged in other business and could not attend the meeting, he/she would not receive the meeting allowance per attendance as earlier cited by the shareholder.

Mr. Tanapoom Dettewandumrong, a shareholder, viewed that the proposed directors' remuneration was appropriate and not higher than remuneration given at other banks, taking into account the scope of duties and responsibilities of the Board/Board Committee.

Mrs. Watanan Petersik, the NRCC Chairperson, explained that the directors' remuneration had remained unchanged for 10 years, and it had been reviewed by the NRCC to ensure its consistency with those offered by the same-sized peers. Given the operational loss recorded in 2016 and no dividend payment to the shareholders, the NRCC deemed it proper not to increase the remuneration for the directors in this year.

As there were no further questions, the Chairman requested the meeting to vote.

This agenda item required at least two-thirds of the total votes of the shareholders who attended and voted at the meeting.

The Chairman declared to the meeting that 99.9960% of the shareholders present and voting at the meeting agreed (equal to 24,068,525,471 votes), while 0.0036% disagreed (equal to 879,617 votes) and 0.0003% abstained from voting (equal to 75,960 votes). There were no shareholders with no right to vote.

-Translation-

The voting result was displayed on the monitor in the Conference Room.

**Resolution**

The meeting resolved by the affirmative votes of more than two-thirds of the total votes of the shareholders attending the meeting and having the right to vote, approving the directors' remuneration for the year 2017 as proposed.

**Agenda item 6 To appoint the auditor and determine the audit fee for the year 2017**

The Chairman informed the meeting that according to the Public Limited Companies Act, the AGM shall appoint an auditor and determine the audit fee of the company annually, and the former auditor may be reappointed. The Audit Committee accordingly selected and presented to the Board of Directors to seek further approval from the AGM for the appointment of PricewaterhouseCoopers ABAS Ltd. (PwC) as the Bank's auditor for the year 2017. Any of the following three CPA holders shall be empowered to audit, perform and sign off on the auditor's report:

1. Mr. Boonlert Kamolchanokkul CPA license no. 5339
2. Mrs. Unakorn Phruithithada CPA license no. 3257
3. Mr. Paiboon Tankul CPA license no. 4298

The Board also deemed it proper to propose for the AGM's consideration and approval an audit fee and other fees, totaling THB 11,540,000, details of which were as provided in the invitation notice duly sent to all shareholders in advance.

Moreover, PricewaterhouseCoopers ABAS Ltd. would be the auditor of three subsidiary companies of the Bank, namely:

1. Center Auto Lease Co., Ltd.
2. CT Coll Co., Ltd.
3. WorldLease Co., Ltd.

Overall CIMB Thai Group audit fee and other fees for 2017 would total THB 11,540,000, up by 3% compared with 2016 of THB 11,150,000. As for non-audit fee in the previous fiscal year, CIMB Thai Group obtained other services from the audit firm for which the auditors were working amounting to THB 110,000 and there were no other services from persons or businesses related to the auditors.

The information was displayed on the monitor in the Conference Room.

The Chairman invited the shareholders to raise questions and comments.

Mr. Sathaporn Pungnirun, a shareholder, enquired about the reason for 3% increase in 2017 audit fee and increased man hours needed in such year.

Mr. Sukont Kanjana-Huttakit, the Audit Committee Chairman, clarified that PwC originally proposed a 6% increase in 2017 audit fee for 2017, but the Audit Committee was able to negotiate it down to 3%. PwC reasoned that the increase was due to required audits on Treasury and IT Product functions which were complicated and required more work and man hours.

PwC by Mrs. Anothai Leekijwattana clarified that the proposed increase in 2017 audit fee was due to the audit of some functions that had specific characteristic of banking business and the required investment in complicated systems, which caused the whole year's man hours (including the audit of those of CIMB Thai Group) to be increased to about 10,000 - 13,000. Moreover, PwC also needed specialized personnel to do the audit of IT systems and experts on valuation and model running to do the audit of the Bank's financial products. The 3% increase in an audit fee was also caused by the higher cost of living, hence increased amount to be paid to capable personnel.

Mr. Sathaporn Pungnirun, a shareholder, said he believed the Audit Committee should be able to negotiate the auditor's man hours down and viewed that the audit fee should not increase every year, as actually the audit cost should even be lower, given PwC using the same group of skillful and specialized personnel whose scope of duties and responsibilities were unchanged that should lead to less man hours needed. He thus disagreed with every year increase of audit fee.

The Chairman stated that relative to other businesses, the audit of banking transactions was difficult and complicated, given relevant rules and requirements and financial transactions being exposed to higher risk that could cause damage to the Bank.

Mrs. Angkana Na Songkla, a right protection volunteer from Thai Investors Association, requested to know the policy and criteria for selection of independent director and determination of their terms.

Dato' Robert Cheim Dau Meng, Director and Alternative Chairman of Nomination, Remuneration and Corporate Governance Committee (NRCC), clarified that the NRCC would select an independent director based on the past working experience and qualification as prescribed by the BOT and other relevant authorities.

Mr. Sathaporn Pungnirun, a shareholder, inquired if a long-term holding of independent director or Audit Committee member position could hurt their work independency in accordance with the standards, as intimacy and familiarity could affect their expression of opinions and cause a lack of independency. Hence, the Bank

should set a clear policy to limit the term of independent directorship in line with the corporate governance principle.

The Chairman clarified that the Board of Directors had actually discussed about the proper term of independent directorship to comply with the requirements of the Stock Exchange of Thailand and relevant authorities as well as CIMB Group. To determine such term, an endorsement from the Board of Directors was required. However, it was found all directors had performed their duties efficiently all along with each possessing skills and experiences that were beneficial to the Bank. The Board's performance was satisfactory. Besides, all independent directors had been able to perform their duties independently and transparently according to the international standards.

As there were no further questions, the Chairman requested the meeting to vote.

This agenda item required majority votes of the total shareholders who attended and voted at the meeting.

The Chairman declared to the meeting that 99.9962% of the shareholders present and voting at the meeting agreed (equal to 24,068,590,339 votes), while 0.0034% disagreed (equal to 821,353 votes) and 0.0003% abstained from voting (equal to 75,424 votes). There were no shareholders with no right to vote.

The voting result was displayed on the monitor in the Conference Room.

#### Resolution

The meeting resolved by majority votes of the shareholders attending and voting at the meeting to appoint PricewaterhouseCoopers ABAS Ltd., represented by Mr. Boonlert Kamolchanokkul (CPA License No. 5339) and/or Mrs. Unakorn Phruithithada (CPA License No. 3257) and/or Mr. Paiboon Tunkoon (CPA License No. 4298), as CIMB Thai Group auditor for the year 2017, and to determine the auditing fee and other fees for 2017 of THB 9,615,000 for the Bank, as well as to acknowledge the auditing fee of THB 1,925,000 for CIMB Thai - Vientiane Branch and the subsidiaries of the Bank, making up the total auditing fees and other fees of CIMB Thai Group of THB 11,540,000 for the year 2017.

#### Agenda item 7      To consider the election of directors to replace those due to retire by rotation

The Chairman informed the meeting that to comply with the Public Limited Companies Act and the Articles of Association of the Bank, Clause 18, at every annual general meeting of shareholders, one-third of the directors shall vacate office, and in the following years, the director who has held office longest shall retire.

-Translation-

Moreover, the retiring director may be re-elected. At this AGM, three directors due to retire by rotation were as follows:

- |    |                           |                      |
|----|---------------------------|----------------------|
| 1. | Mrs. Watanan Petersik     | Independent Director |
| 2. | Dato' Lee Kok Kwan        | Director             |
| 3. | Mr. Kittiphun Anutarasoti | Director             |

The Bank had earlier allowed the shareholders to nominate qualified persons without any prohibited characteristics as candidates for election of directors according to the nomination criteria and process indicated on its website. It had turned out that no nomination had been submitted to the Bank.

The Board (excluding directors with beneficial interest) considered it appropriate for the AGM to re-elect the three members of the Board of Directors due to retire by rotation as the Bank's directors for another term. The Board viewed that the three Board members were fully qualified and had no prohibited characteristics under the criteria of the regulatory authorities and the relevant laws. The appointment of the three directors to serve on the Board for another term had duly received approval from the Bank of Thailand. Profiles of the directors so proposed had duly been sent to the shareholders.

Names, photos and profiles of the three directors proposed for re-election were displayed on the monitor in the Conference Room.

The Chairman invited the shareholders to raise questions and comments.

As there were no questions and comments, the Chairman requested the meeting to vote.

This agenda item required majority votes of the total shareholders who attended and voted at the meeting.

The voting results were declared as follows:

1. Mrs. Watanan Petersik Independent Director

Agreed	24,068,590,239	votes	equivalent to	99.9962%	of the
					shareholders
					attending and
					voting at the
					meeting

-Translation-

Disagreed	61,600	votes	equivalent to	0.0002%	of the shareholders attending and voting at the meeting
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Abstention	835,277	votes	equivalent to	0.0034%	of the shareholders attending and voting at the meeting
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2. Dato' Lee Kok Kwan Director

Agreed	24,068,590,339	votes	equivalent to	99.9962%	of the shareholders attending and voting at the meeting
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Disagreed	62,036	votes	equivalent to	0.0002%	of the shareholders attending and voting at the meeting
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Abstention	834,741	votes	equivalent to	0.0034%	of the shareholders attending and voting at the meeting
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3. Mr. Kittiphun Anutarasoti Director

-Translation-

Agreed	24,068,590,875	votes	equivalent to	99.9962%	of the shareholders attending and voting at the meeting
Disagreed	61,500	votes	equivalent to	0.0002%	of the shareholders attending and voting at the meeting
Abstention	834,741	votes	equivalent to	0.0034%	of the shareholders attending and voting at the meeting

All the votes of the shareholders were displayed on the monitor in the Conference Room.

**Resolution**

The meeting by majority votes of the shareholders attending and voting at the meeting resolved to re-elect the three directors due to retire by rotation, namely (1) Mrs. Watanan Petersik, (2) Dato' Lee Kok Kwan, and (3) Mr. Kittiphun Anutarasoti as directors for another term.

**Agenda item 8**      **Other matters (if any)**

The Chairman invited the shareholders to raise questions and comments.

A shareholder inquired about the ranking of CIMB Bank Berhad in Malaysia and whether it opened a branch in 7-Eleven stores in Malaysia. He said further that it was difficult for a small bank to compete with a large-sized one who had capability to offer diversified financial innovations and owned huge assets. Meanwhile, a small bank having competitiveness and growth in the market would normally pay dividend to shareholders. Despite its small size, CIMB Thai had CIMB Bank Berhad, the second-largest bank in Malaysia, as a partner who could help develop universal products and services and propel the Bank to grow and offer a variety of financial solutions to customers in the future.

-Translation-

The Chairman clarified that CIMB Bank Berhad was the second-largest operator of financial management business in Malaysia and had no mini branch in 7-Eleven stores in Malaysia.

A shareholder inquired about the capital adequacy ratio (CAR) after the capital increase and how long it could support the Bank's lending.

The President and Chief Executive Officer clarified that after the capital increase, the Bank's capital fund stayed at around THB 5.5 billion, leading the CAR to increase from 15.7% as at the end of 2016 to 18.5%. Whether it would be sufficient for loan granting should be subjected to the growth rate of the Bank's loan portfolio.

A shareholder suggested that despite a lower number of branches which lowered the Bank's competitiveness in terms of location and no premium gifts offered to customers, CIMB Thai could try to find financial innovations to raise its competitiveness with large-sized banks. The President and Chief Executive Officer was requested to manage the Bank efficiently for further prosperity of the entity.

The Chairman said that banking business involved both science and art and subjected to the Bank of Thailand's supervision for the optimal benefit of depositors and all related parties. As its business was lending, without any innovation initiated, there would be no chance for the Bank to broaden its customer base. He agreed with the shareholder's suggestion on marketing activities among the fierce competition nowadays.

The Chairman thanked the shareholders for their attendance and beneficial suggestions, and said that the Board of Directors would perform its duty to the best for optimal benefits of all shareholders.

No other questions and comments were raised and no other matters were proposed at the meeting. The Chairman thanked the shareholders and proxies for their attendance and their comments and suggestions that were of great benefits to the Bank. He accordingly declared the meeting closed.

The meeting adjourned at 17.30 hrs.

Signed

*Chakramon Phasukavanich*  
(Mr. Chakramon Phasukavanich)

Chairman

-Translation-

Signed

*Thaphop Kleesuwan*  
(Mr. Thaphop Kleesuwan)

Company Secretary

Minutes Taker