

**Minutes of the Extraordinary General Meeting of Shareholders No. 1/2018**  
**CIMB Thai Bank Public Company Limited**

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The meeting was convened on Tuesday, 4 September 2018 at 10.00 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. Maris Samaram              | Independent Director |
| 4. | Mr. Chanmanu Sumawong          | Independent Director |
| 5. | Mr. Chitrapongse Kwangsukstith | Director             |
| 6. | Ms. Serena Tan Mei Shwen       | Director             |
| 7. | Datuk Joseph Dominic Silva     | Director             |
| 8. | Mr. Kittiphun Anutarasoti      | President and CEO    |

**Director absent with apology**

- |    |                       |                      |
|----|-----------------------|----------------------|
| 1. | Mrs. Watanan Petersik | Independent Director |
| 2. | Dato' Lee Kok Kwan    | Director             |

**Executive officers in attendance**

- |     |                             |                                                                                   |
|-----|-----------------------------|-----------------------------------------------------------------------------------|
| 1.  | Mr. Sutee Losoponkul        | Co-Head of Wholesale Banking and Head of Treasury                                 |
| 2.  | Mr. Adisorn Sermchaiwong    | Head of Consumer Banking                                                          |
| 3.  | Mr. Arthit Masathirakul     | Head of Risk Management                                                           |
| 4.  | Mr. Pornchai Padmindra      | Co-Head of Wholesale Banking and Head of Corporate Banking and Investment Banking |
| 5.  | Mrs. Bussakorn Puttinan     | Head of Information and Operations                                                |
| 6.  | Mrs. Wareemon Niyomthai     | Head of Commercial Banking                                                        |
| 7.  | Ms. Siriporn Sanunpairaue   | Head of Internal Audit                                                            |
| 8.  | Mrs. Kanokpai Vongsatitporn | Head of Human Resources                                                           |
| 9.  | Mr. Jason Leong Kok Yew     | Head of Finance                                                                   |
| 10. | Mr. Tan Keat Jin            | Head of Strategy                                                                  |
| 11. | Mr. Prapas Thongsuk         | Head of Corporate Communications                                                  |

- |     |                         |                                                                 |
|-----|-------------------------|-----------------------------------------------------------------|
| 12. | Mr. Akash Rathke        | Head of Transaction Banking                                     |
| 13. | Mr. Jittiwat Kantamala  | Head of Private Banking                                         |
| 14. | Ms. Pajaree Thongvanit  | Head of Legal                                                   |
| 15. | Ms. Uthaiwan Sukphanpim | Head of Customer Experience Management                          |
| 16. | Mr. Zethjak Leeyakars   | Head of Compliance and (Acting) Head of Office of the President |

Legal advisor in attendance (Linklaters (Thailand) Ltd.)

1. Ms. Pornpan Chayasuntorn
2. Ms. Patpha-on Chotewattanakul

Mr. Chakramon Phasukavanich, Chairman of the Board performing duty as Chairman of the meeting, welcomed the shareholders who attended the meeting, and informed the meeting that 126 shareholders and 96 proxies had attended the meeting, representing 6,539,109 shares and 29,311,782,091 shares respectively. The number of attending shareholders and proxies totaled 222 and the aggregate number of shares 29,318,321,200, equivalent to 96.8233% of the Bank's total shares issued and sold, which constituted a quorum according to the Bank's Articles of Association. The Chairman then declared the Extraordinary General Meeting of Shareholders (EGM) No. 1/2018 open.

**The meeting started at 10.00 hrs.**

The Chairman informed the meeting that the Bank's Board members, management and legal advisor representatives as mentioned above also attended the meeting. The Chairman asked Mr. Zethjak Leeyakars, Company Secretary, to inform the meeting of the best practice in the holding of the shareholder' meeting and transparency of the vote counting. A shareholder named Mr. Chaichana Sakkara was invited from the floor to witness the vote counting.

Mr. Zethjak clarified the vote counting mechanism as can be summarised below:

In case no shareholder disagrees or abstains from voting, the Chairman will conclude at the end of that agenda that the shareholders approve or agree with the proposed matter.

The shareholders who 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. In case the shareholders not raising their hands or not giving the voting form to the Bank staff, they will be considered as agreeing with the respective matter.

Only the dissenting and abstaining votes will be calculated and deducted from the total number of the votes of all the shareholders who attend the meeting. The remaining votes will be considered as agreeing.

The votes of the shareholders attending the meeting by proxy will be counted as per the votes indicated in the proxy form.

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 vote counting has duly been concluded.

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

**Agenda item 1 To certify the minutes of Annual General Meeting of Shareholders No. 24 held on 20 April 2018**

The Chairman requested the shareholders to consider and approve the minutes of Annual General Meeting of Shareholders No. 24 held on 20 April 2018, 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.

As no comments or questions were raised by the shareholders, the Chairman requested the meeting to adopt the minutes of Annual General Meeting of Shareholders No. 24 held on 20 April 2018.

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

**Resolution** The meeting by majority votes of the total shareholders present and voting at the meeting resolved to adopt the minutes of Annual General Meeting of Shareholders No. 24 held on 20 April 2018, with the voting result as follows:

Resolution	Number of votes cast (1 share = 1 vote)	Percentage of total number of votes of the shareholders attending the meeting and casting their votes
1. Agree	28,557,533,055	97.4016
2. Disagree	761,817,697	2.5983
3. Abstention	0	-
4. Voided ballot	0	0.0000

Agenda item 2 To consider and approve the increase in the registered capital of the Bank by THB 2,271,017,070.50 from THB 15,140,113,803.50 to THB 17,411,130,874.00 via the issuance of 4,542,034,141 new ordinary shares with a par value of THB 0.50 per share

The Chairman asked the President and CEO to present details of this agenda item to the meeting.

The President and CEO presented the matter to the shareholders that to enhance stability and robustness of the Bank and to ensure that the Bank has adequate capital fund and sufficient capital buffer to support its business expansion, the Board deems it appropriate that the Bank increases its registered capital by THB 2,271,017,070.50 via issuing 4,542,034,141 new ordinary shares with a par value of THB 0.50 per share (“Right Shares”) to be offered to the existing shareholders proportionately to their shareholding (“Rights Offering”) at the ratio of 3 new shares for every 20 existing shares held at the offering price of THB 0.87 per share. The total proceeds to be received from the proposed Rights Offering at the offering price mentioned above will amount to THB 3,951,569,702.67.

Other opinions of the Board are as below:

Reasons and necessity for the proposed capital increase:

- 1) To ensure that the Bank has adequate capital fund and sufficient capital buffer to support its business expansion in accordance with its business plan and to maintain the Bank’s capital fund to be on a par with that of the industry; and
- 2) To strengthen the Bank’s capital position following the increase in loan loss provision.

After consideration, the Board viewed that the issuance of newly issued shares was necessary and might affect the shareholders as follows:

**1) Price dilution**

Price dilution = (Market price – Market price after offering) / Market price

Whereby

Market price = The weighted average market price 7 business days prior to the Board of Directors’ meeting dated 20 July 2018 = THB 0.8876 per share

Market price after offering = (Market price x Paid-up shares) + (New shares offering price x New shares) / (Paid-up shares + New shares) = THB 0.8853 per share

Price dilution = 0.26%

**2) Control dilution**

In case that the existing shareholders including CIMB Bank Berhad fully subscribe for the issued shares, there would be no effect on the control dilution.

### 3) Earnings Per Share (EPS) dilution

EPS dilution = (EPS before offering – EPS after offering) / EPS before offering

Whereby

EPS before offering = Last 12 months net profit / Paid-up shares  
= 0.0088 per share

Last 12 months net profit is calculated from 1 July 2017 to 30 June 2018.

And

EPS after offering = Last 12 months net profit / (Paid-up shares + New shares)  
= 0.0077 per share

EPS dilution = 12.50%

#### **Feasibility of the plan to use the proceeds from Rights Offering:**

To strengthen the Bank's capital position following the increase in loan loss provisions.

**Reasonableness of the proposed capital increase and the plan to use the proceeds, as well as the sufficiency of the sources of financial capital (if the plan to use the proceeds from the Rights Offering does not cover the total budget):**

To strengthen the Bank's capital position following the increase in loan loss provisions. CIMB Bank Berhad has informed the Bank that it will support the capital increase plan of the Bank to strengthen the Bank's capital position.

**Possible impacts on the Bank's business operations as a result of the capital increase and the use of the proceeds:**

After due consideration of the issuance of newly issued shares to the existing shareholders in accordance with their respective shareholdings as proposed to the shareholders for their approval, the Board is of the view that after the Bank receives the payment for the newly issued shares from the Rights Offering, the Bank's capital position will be strengthened which would enable it to continue to pursue business expansion according to its business plan.

The information presented by the President and CEO was displayed on the monitor in the Conference Room.

The Chairman invited the shareholders to raise questions and comments.

Mr. Sathaporn Pungnirun, a shareholder,

- Requested a clarification of the objective of this capital increase.

Mr. Kittiphun Anutarasoti, the President and CEO,

- clarified that the main objective of this capital increase was to strengthen the Bank's capital position. The financial strength or the strength of balance sheet is normally measured from common equity tier 1 (CET1). Before the capital increase, the Bank's CET1 was 12.73% compared with the industry average of 14.40%. After the capital increase, its financial position would be strengthened with CET1 of 14.38%, a level on a par with the industry average. This would help build up customers' confidence in the Bank's financial strength and stability.
- further clarified that, of the four main groups of customers (consumer, SME, wholesale, and private banking), consumer and private banking customers are mostly individuals who buy or invest in such products as financial instruments issued by the Bank with consideration mainly based on the Bank's financial stability. The Bank's CET1 comparable to the peer average after the capital increase would enhance the confidence of these two groups of customers. Meanwhile, wholesale customers including corporate ones like financial institutions and insurance companies as well as asset management companies mainly raise deposit-like funds in various forms and make further investment with such funds. For example, insurance companies seek to make long-term investments with financially strong institutions using the premiums collected from customers. In view of this, financial health is essential for boosting confidence of institutional customers, thus the proposed capital increase is required.

Mr. Sathaporn Pungnirun, a shareholder,

- enquired when the period allowed for CIMB Bank Berhad, the major foreign shareholder, to increase its shareholding proportion would end.

Mr. Kittiphun Anutarasoti, the President and CEO,

- responded that CIMB Bank Berhad had earlier been allowed by the Bank of Thailand to hold CIMB Thai shares more than 49% for a 10-year period which would end on 5 November 2018. After such date, it is not required to reduce its shareholding proportion but it may not increase its shareholding proportion unless the total shareholding proportion of all non-Thais declines to the level below 49%.

Mr. Sathaporn Pungnirun, a shareholder,

- enquired about CIMB Thai's capital increase record since CIMB Bank Berhad first acquired its equity shares, i.e. frequency, proportion and dividend payment.

Mr. Zethjak Leeyakars, Company Secretary,

- clarified that CIMB Bank Berhad acquired BankThai shares amounting to THB 5.9 billion from the Financial Institutions Development Fund (FIDF) on 5 November 2008 and made a tender for another THB 6.9 billion in 2009. Capital increase has since then been made five times as detailed below:

Capital increase	Year	Approximate amount of proceeds from the capital increase (THB million)
CIMB Bank Berhad's acquisition of shares from FIDF	2008	5,900
Tender offer	2009	6,900
Capital increase no. 1	2009	2,400
Capital increase no. 2	2010	2,800
Capital increase no. 3	2012	4,600
Capital increase no. 4	2015	3,500
Capital increase no. 5	2017	5,300
Total (approximate)		31,400

Dividend payment was made altogether three times in 2014, 2015 and 2016.

Mr. Sathaporn Pungnirun, a shareholder,

- enquired whether the Bank's CET1, though increasing to be on a par with the industry average after the capital increase, could decline to be lower than the industry average again given that the Bank's main business is loan provision which may require it to set aside higher loan loss provision in case of inefficient credit control and monitoring.

Mr. Kittiphun Anutarasoti, the President and CEO,

- clarified that in banking business, any inefficient and inadequate credit control can pose impact on the capital base. It is because deteriorating loan quality would result in incurrence of doubtful loan accounts for which we have to set aside provision, hence impact on the capital base or CET1. However, for this year, our loan quality is expected to improve from the past 3-4 years when several industrial sectors were in trouble, such as rice mill sector, which we had rendered credit facilities. Rice

mills' liquidity and operations are usually affected when there is a change in government due to uncertainty in each government's policy on rice price support, putting rice mills in greater debt burden. For the Bank, apart from rice mills, there is no concentration in any particular industry to the extent of concerns for us. During 2016-2017, with the rising doubtful debts, our loan loss reserve was around 100% which was comparable to the industry average at that time. At present, with the industry average of 140% amidst the rising doubtful debt, we have to level up our loan loss reserve to the level not lower than the industry average as well. This has to be gradually undertaken to pose least impact on the business operation. Moreover, for the past two years, we have given importance to risk management in a more concrete way. Debtors with potential NPL incurrence are identified so that they will be monitored more closely. When any industry is in trouble, NPLs inevitably take place. What we have done is to consider whether the troubled debts are short-term or long-term. In case of short-term problems and if good cooperation is given by the debtors with commitment to joint solution of the problems, the Bank normally assists them by giving relaxation of debt payment so that they can continue their business operations. Besides resolution of NPLs in the portfolio, we have to pay attention to loan growth as well in order to be market competitive. For the past two years, a favourable growth of consumer loans has been recorded. Corporate loans which slowed down in the previous years also grow well this year. The group to which we need to be more prudent in credit lending is SMEs where NPL increase has been seen in all sectors and all quarters. According to commercial banks' 6-month operational performance reports, most banks have recorded concentration of loan growth in consumer and SME segments. Corporate customers' requirements of credit facilities from banks are not so high at present due to the fact that the prevailing low interest rates and high liquidity in domestic bond markets have encouraged large companies with good credit ratings and high trustworthiness to switch from bank loans to funding from the bond markets.

Mr. Sathaporn Pungnirun, a shareholder,

- enquired that, besides capital increase through rights offering, whether the Bank had considered capital increase through issuance of preferred shares, and whether the Bank would be able to pay dividend after the capital increase. He also asked how the Bank could be confident that this capital increase would be adequate for its business operation and there would be no more capital increase in the following years.

Mr. Kittiphun Anutarasoti, the President and CEO,

- clarified about the issuance of preferred shares that, according to the criteria of the Bank of Thailand, only ordinary shares can be counted as CET1, so to raise the Bank's CET1 to the level close to the

industry average, issuance of ordinary shares is required. As for dividend payment after the capital increase, due to stock market price fluctuations and dividend payment mainly based on operating results, assurance of dividend payment after the capital increase may not be made.

- clarified about the adequacy of the capital increase by 4,542,034,141 shares amounting to THB 3,951,569,702.67 that one of the main factors taken into account in determining the capital increase amount has been CET1 because the Bank aims to raise it to be on a par with the industry average. Another factor is the Bank's business growth projection under its 5-year business plan which would determine the capital increase amount to be required to accommodate such business growth with CET1 not lower than the industry average. With consideration of such factors, the capital increase amount of around THB 4,000 million is considered adequate to support the Bank's business operation for the next five years.

Mr. Sathaporn Pungnirun, a shareholder,

- enquired about the trend and direction of the Bank's merger with any other bank to cope with the expansion of AEC.

Mr. Kittiphun Anutarasoti, the President and CEO,

- clarified that the Bank had focused on growing from within (organic growth). We believe in our potential and product differentiation, so we do not consider any merger with any bank. Normally, when there is a merger, the merged bank should grow if there is no overlapping of customer base. However, any merger today of whichever bank is aimed to reduce cost through staff redundancy and branch closure. For the past few years, certain businesses of the Bank have recorded significant growth. We do not focus solely on interest income from loan provision but also boost fee income. Despite our small size, our branches and staff offer diversified products to the customers, and according to our survey, our teams and branches' sale potential is no inferior to those of peer banks. For example, regarding sales of bancassurance and mutual funds, monthly sale volume of our teams, with only 80 branches, is comparable to that of the banks with top sale volume, which have 800-1,000 branches. We are well aware that at present banks need to be more open and sell products from various sources to offer more choices to customers. Particularly, our Consumer Banking and Private Banking have increasingly introduced products that are not of our own and made cross-selling to the customers. It is called open architecture. According to our 5-year business plan, we will focus on expanding our business in four main segments as earlier mentioned, namely consumer customers, SME customers, wholesale customers and private banking customers. However, we will be more prudent in lending to

SME segment and more tools will be created and devised to ensure that business expansion in SME segment will not cause high NPLs or there will be no recurrence of fraud cases as in the past, etc.

Mr. Phanu Tangphoonsinthana, a shareholder,

- enquired that as the Bank had so far increased capital altogether THB 31,353 million while the registered capital had been recorded at around THB 15,000 million, why its registered capital would be raised to around THB 17,000 million given that this capital increase would bring in another around THB 4,000 million.

Mr. Kittiphun Anutarasoti, the President and CEO,

- clarified that the THB 31,353 million came from CIMB Bank Berhad's acquisition of shares from the FIDF in 2008, the tender offer in 2009, and five capital increases in 2009, 2010, 2012, 2015 and 2017. In each capital increase from no. 2 to no. 4, the offering price was THB 1.00 per share which was higher than the par value of THB 0.50. The difference between the par value and the offering price was the share premium which was the portion to be booked in CET1.

Mr. Phanu Tangphoonsinthana, a shareholder,

- asked what was the basis used in setting the offering price of this capital increase at THB 0.87 per share.

Mr. Rittichai Yibcharoenporn, a shareholder,

- asked why the Bank did not set the offering price for this capital increase at THB 1 per share, the same as in the previous capital increases.

Mr. Kittiphun Anutarasoti, the President and CEO,

- clarified that the offering price of THB 0.87 per share set for this capital increase was based on the weighted average share price in the stock exchange seven business days before the Board's resolution on 20 July 2018, which was THB 0.87 per shares, compared with the book value in the six previous months of THB 0.79 per share. The Board has thus considered the offering price of THB 0.87 per share appropriate being close to the book value. Although some shareholders may view that the offering price is higher than the market price at present, the most important factor taken into account by the Bank is that all shareholders would have the right to purchase the new shares in proportion to their existing shareholding proportion and at the same price.

Mr. Chakramon Phasukavanich, Chairman,

- added that, in business operation, the Bank needs to have adequate capital to support its business expansion, which involves not only loan provision, and to serve loan loss provisioning in case of NPL increase. If there is no capital increase, fund raising through bond issuance would be required to ensure the Bank's strong financial position and compliance with the Bank of Thailand criteria.

Mr. Sittichoke Boonwanit, a shareholder,

- complimented the Bank on being able to operate and manage its business with increase in revenues, despite its small size, and commented that, as a small bank, it should focus on specific businesses more flexibly than larger banks. However, he asked why the Bank still recorded so many deficiencies that disabled it to pay dividend to the shareholders for the past two years.
- commented on the Bank's service process at branches regarding acceptance of payment for subscription for newly issued shares in case where the shareholder does not show up but has assigned other person to act on his behalf, there should be a waiver of submission of power of attorney as supporting document for the new share subscription.
- additionally commented that the Bank should focus on stricter governance in respect of credit risk management, especially for SME segment, to prevent fraud.

Mr. Sakchai Sakunrisontri, a shareholder,

- asked whether a power of attorney would be required in the Bank's service process regarding acceptance of payment for subscription for newly issued shares in case where the shareholder does not show up to subscribe by himself but has assigned other person to act on his behalf. He said he used to subscribe for new shares through a broker of a securities company and no power of attorney was required to support the share subscription. In the Bank's case, the shareholder has brought money to pay for the new shares, why the Bank required a power of attorney with THB 30 duty stamp affixed. He would like to ask the Bank to waive the requirement of a power of attorney to support the new share subscription in order to reduce complexity in the share subscription process at branches.

Mr. Kittiphun Anutarasoti, the President and CEO,

- thanked the shareholders for their comments and would assign the Company Secretary to clarify the share subscription payment process at branches. However, the Bank requires power of attorney according to the regulatory criteria. Bank staff, if accepting incomplete documents, may risk being non-compliant with the criteria in place.

Mr. Zethjak Leeyakars, Company Secretary,

- clarified that the Bank has in place the criteria and process for acceptance of new share subscription and payment where a power of attorney is required as a supporting document for the share subscription. Branch staff has to comply with the general law on authorisation of other person to act on one's behalf where the power of attorney is required to authenticate the subscriber (shareholder) and the attorney-in-fact. Therefore, in case the shareholder does not show up to do the transaction by himself, a power of attorney is required so that the other person can act on his behalf. However, this matter will be brought for discussion with the authorities concerned to further seek appropriate guidelines.

Ms. Pornpan Chayasuntorn, Legal advisor (Linklaters (Thailand) Ltd.),

- clarified that this capital increase would be made via Rights Offering to the existing shareholders. Procedures and conditions pertaining to authorisation for share subscription are as detailed in the Notice of Allotment of New Ordinary Shares sent to the shareholders with power of attorney being a document to be made filled in and submitted in case the respective shareholder does not show up to exercise the subscription right by himself.

Mr. Thaweesak Phatphathee, a shareholder,

- enquired what other expenses of around THB 2,000 million or 27% of other operating expenses as presented in the financial statements as of year-end 2017 were composed of?

Mr. Kittiphun Anutarasoti, the President and CEO,

- responded that other expenses of around THB 2,000 million were composed of marketing and advertising expenses and expenses from loss on sale of properties for sale, e.g. company cars, form printing and stationery, as well as those on provision for claims under letters of guarantee. Another expense item incurred in 2017 was from write-off of IT system upon the Bank's discontinuation of credit card business. For other items disclosed in the financial statements, PricewaterhouseCoopers ABAS Limited, the Bank's auditor, followed the criteria under the accounting standards of the Federation of Accounting Professions.

Mr. Rittichai Yibcharoenporn, a shareholder,

- enquired that, upon completion of this capital increase and receipt of proceeds of around THB 4,000 million, what proportion the Bank's NPL ratio would be, and whether additional loan loss provision would be set aside to be on a par with the industry average.

Mr. Kittiphun Anutarasoti, the President and CEO,

- clarified that the Bank had targeted to increase loan loss coverage from 93% as of year-end 2017 to 100% in 2018, which would strengthen our financial position, and had not yet planned to increase such proportion to 140%-150% comparable to the industry average in the near future. Meanwhile, we would try to sell out part of the NPLs to relieve future provisioning burden. At present, our NPLs amounted to THB 12,000 million.

Mr. Basant Kumar Dugar, a shareholder,

- commented on the management's performance and recommended that the Bank have robust liquidity risk management to increase revenues to the Bank. He also supported the Bank's partial sale of NPLs to mitigate risk of future NPLs.

Mr. Kittiphun Anutarasoti, the President and CEO,

- responded that the Bank had managed liquidity with prudence and kept liquidity at an appropriate level at all times by managing loan to deposit ratio as targeted at 95%-97% with the remaining to be used for liquidity management, i.e. investment, to generate higher returns as recommended by the shareholder.

Mr. Sakchai Sakunrimontri, a shareholder,

- asked whether this capital increase was required because the Bank had to perform in compliance with IFRS 9 which would be applicable to commercial banks in 2019, and whether the Bank with several subsidiaries would put it at risk of higher provisioning.

Mr. Kittiphun Anutarasoti, the President and CEO,

- responded that this capital increase was aimed to serve the Bank's action plan for the next five years as earlier clarified, with the projection of the impact of the change in applicable accounting system to IFRS 9 also taken into consideration. CIMB Group, the parent company in Malaysia, has duly adopted IFRS 9 this year, hence enabling us to learn about the possible impact to be posed. As regards subsidiaries, we have only three subsidiaries. They are CIMB Thai Auto Co., Ltd., engaging in leasing/hire-purchase of automobile, World Lease Co., Ltd., engaging in hire-purchase of motorcycles, and CT Coll Co., Ltd., engaging in debt collection which is now under the process of business transfer for us to manage on our own. Impact from the change in the accounting system would be considered in overall based on the consolidated financial statements which include operating results of the subsidiaries. However, we have set aside an adequate amount of provision to accommodate the change in the accounting system to IFRS 9. As for the concern about the debtor

status, we have revised our risk management policy to be more conservative. For example, in price appraisal of machinery as collateral for loan provision, we take into account significant impairment of the machinery in case the debtor has turned NPL and there is no use of the machinery in the production, etc., hence impact from devaluation machinery duly factored in to cope with the change in accounting system.

Mr. Sakchai Sakuntrimontri, a shareholder,

- asked whether the amount of around THB 5,000-6,000 million presented in the 2017 consolidated financial statements as arisen from bad debts, doubtful debts and impairment losses would go up following the adoption of IFRS 9, and whether the Bank had recovered some bad debts or sold out some NPLs.

Mr. Kittiphun Anutarasoti, the President and CEO,

- clarified that the increase in provisioning would come from general provision and provision for debts on the verge of becoming NPLs, which are classified debts and provision for which has to be set aside in full after deduction of collateral value according to the Bank of Thailand criteria.
- Besides, we have sold out some NPLs with approval from the Board of Directors. Normally, we have to figure out the remaining value of each item of NPLs, future collection cost and possible debt collection amount compared with the price offered by the interested buyer and conduct an analysis to come up with the most appropriate method to manage such item of NPL.

Mr. Kitti Sanitwong Na Ayutthaya, a shareholder,

- asked whether the weakening Malaysian ringgit would affect the Bank and to what extent.

Dato' Robert Cheim Dau Meng, Vice Chairman,

- clarified that Malaysia's political change would pose no impact on the Bank. According to CIMB Group's 1H/2018 operating result announced a week ago, the Group posted a profit of approximately RM 3.6 billion, which was the Group's record high.

As there were no further questions, the Chairman requested the meeting to vote. This agenda item required the affirmative votes of at least three-fourths of the total votes of the shareholders who attended the meeting and had the right to vote.

**Resolution** The meeting resolved by the affirmative votes of no less than three-fourths of the shareholders who attended the meeting and had the right to vote approving the increase in the Bank's registered capital by THB 2,271,017,070.50 via issuing 4,542,034,141 new ordinary shares with a par value of THB 0.50 per share ("Right

Shares”) to be offered to the existing shareholders proportionate to their shareholding (“Rights Offering”) at the ratio of 3 new shares for every 20 existing shares at the offering price of THB 0.87 per share, with the voting result as follows:

Resolution	Number of votes cast (1 share = 1 vote)	Percentage of total number of votes of the shareholders attending the meeting and having the right to vote
1. Agree	28,560,804,225	97.3923
2. Disagree	764,702,892	2.6076
3. Abstention	0	0.0000
4. Voided ballot	0	0.0000

**Agenda item 3 To consider and approve an amendment to Clause 4 of the Memorandum of Association of the Bank to correspond with the Bank’s increase in the registered capital**

The Chairman asked the President and CEO to present details of this agenda item to the meeting.

The President and CEO presented the matter to the shareholders that to correspond with the proposed increase in the registered capital as in agenda item 2 above, the existing clause 4 of the Memorandum of Association shall be repealed and replaced with the following:

“Clause 4 Registered capital	THB 17,411,130,874.00	(seventeen billion four hundred eleven million one hundred thirty thousand eight hundred and seventy four Baht)
Divided into	34,822,261,748 shares	(thirty four billion eight hundred twenty two million two hundred sixty one thousand seven hundred and forty eight shares)
Par value per share	THB 0.50	(fifty satang)
Divided into		
Ordinary shares	34,822,261,748 shares	(thirty four billion eight hundred twenty two million two hundred sixty one thousand seven hundred and forty eight shares)
Preferred shares	- shares	( - )”

The information presented by the President and CEO was displayed on the monitor in the Conference Room.

The Chairman invited the shareholders to raise questions and comments.

As there were no questions or comments, the Chairman requested the meeting to vote. This agenda item required the affirmative votes of at least three-fourths of the total votes of the shareholders who attended the meeting and had the right to vote.

**Resolution** The meeting resolved by the affirmative votes of no less than three-fourths of the shareholders who attended the meeting and had the right to vote approving the amendment to Clause 4 of the Memorandum of Association of the Bank to correspond with the increase in the Bank’s registered capital as proposed in the agenda item 2 above, and to authorise the Board of Directors and/or the person(s) appointed by the Board of Directors or the President and CEO to register the amendment of the Memorandum of Association with Department of Business Development, Ministry of Commerce, to amend or add information as ordered and/or recommended by the Public Company Registrar, Department of Business Development, Ministry of Commerce,, with the voting result as follows:

Resolution	Number of votes cast (1 share = 1 vote)	Percentage of total number of votes of the shareholders attending the meeting and having the right to vote
1. Agree	28,563,582,897	97.4018
2. Disagree	761,924,220	2.5981
3. Abstention	0	0.0000
4. Voided ballot	0	0.0000

**Agenda item 4** To consider and approve the allocation of 4,542,034,141 newly issued shares with a par value of THB 0.50 per share to the existing shareholders in proportion to their shareholding at the ratio of 3 new shares for every 20 existing shares at an offering price of THB 0.87 per share (“Rights Offering”) and determination of the terms of allocation of shares

The Chairman asked the President and CEO to present details of this agenda item to the meeting.

The President and CEO informed the meeting as follows:

1. To ensure that the Bank has capital buffer and adequate capital fund to support business expansion in accordance with its business plan and ability to maintain the Bank's capital fund at a proper level; and
2. To strengthen the Bank's capital position following increased loan loss provisions.

The Board deems it appropriate to increase the Bank's registered capital from THB 15,140,113,803.50 to THB 17,411,130,874.00 via the issuance and offering of 4,542,034,141 new ordinary shares with a par value of THB 0.50 per share to the existing shareholders in proportion to their shareholding ("Rights Offering") and determination of the terms of allocation of shares as follows:

(1) Allocation of 4,542,034,141 new ordinary shares with a par value of THB 0.50 per share to existing shareholders in proportion to their shareholding at the ratio of 3 new shares for every 20 existing shares, at an offering price of THB 0.87 per share ("Rights Offering"). Any fraction of the allocated shares that arises as a result of the allotment shall be discarded.

(2) If there are any remaining shares from the first allocation to the existing shareholders, the Bank will allocate such remaining shares, including the discarded fraction of the allocated shares, to the existing shareholders who wish to subscribe for the newly issued shares in excess of their entitlement, at the same price as that of the shares to be allocated. In the case that the remaining shares, including the discarded fraction of the allocated shares, are less than the number of existing shareholders who subscribe for the shares in excess of their entitlement, the Bank will allocate the remaining shares and fraction of the allocated shares to such shareholders who subscribe for the shares in excess of their entitlement in proportion to their shareholding (pro rata basis), provided that the Bank will allocate the remaining shares and fraction of the allocated shares until there is no share to be allocated.

(3) Authorisation of the Board of Directors and/or any person authorised by the Board of Directors to consider and specify other details relevant to the allocation, including but not limited to: (1) consideration and determination whether the newly issued shares shall be allocated on one occasion or more, the offering period, determination of the Record Date for the subscription rights to the Right Shares, payment of share price, share subscription ratio, subscription for shares in excess of their entitlement, other details and conditions relating to the allocation; (2) entering into negotiations, agreements, and execute relevant documentation and agreements, and undertaking any act in connection with the allocation; and (3) signing of any application forms for permission or exemption, documentation and evidence necessary and relevant to the allocation and offering of the newly issued shares, as well as application for permission or exemption for such documentation and evidence from the government agencies or other relevant agencies, including the Bank of Thailand, Ministry of Finance, the Office of

Securities and Exchange Commission, the Stock Exchange of Thailand, etc., as well as the listing of the newly issued shares on the Stock Exchange of Thailand, and (4) any other actions necessary for the purpose of the allocation of the newly issued shares.

The information presented by the President and CEO was displayed on the monitor in the Conference Room.

The Chairman invited the shareholders to raise questions and comments.

Mr. Rittichai Yibcharoenporn, a shareholder,

- enquired about pre provision operating profit and loan loss coverage in 3Q/2018 and 4Q/2018.

Mr. Kittiphun Anutarasoti, the President and CEO,

- clarified that the Bank's pre provision operating profit is the figure exhibiting income generating capability. Incurrence of NPL has affected our operating result and necessitated us to set aside loan loss provision. This year, we have set aside additional provision to have loan loss coverage at around 100% as targeted. In 2H/2018, we still focus on enhancing our income generating capability or boosting our pre provision operating profit. Looking forward, our loan loss provision should decline because the increase in loan loss provision in the past two years came from the flows of loans from normal loans to problem loans in accordance of the Bank of Thailand's regulations on asset classification and provisioning after deduction of collateral value. This was coupled with the improving trends of the economy which should relieve bad debt problems to some extent.

Mr. Kitti Sanitwong Na Ayutthaya, a shareholder,

- enquired about investment in mobile banking application.

Mr. Kittiphun Anutarasoti, the President and CEO,

- clarified that digital banking has increasingly been popular among the customers today. Therefore, to respond to customer demand in a more efficient manner, we have considered investing part of the proceeds in technology. The amount earmarked for technological development depends on the business size and future business prospects. Compared with peers, our business size is very small with a customer base of around 800,000-1,000,000 while that of large-sized bank is around 10-15 million. The size of investment in technology is thus different significantly.

Mr. Chakramon Phasukavanich, Chairman,

- added that banking business is highly competitive due to diversified products and services to respond to sophisticated demand of customers, ranging from bond issuance to cryptocurrency

funding. With the increasing role of FinTech, consumer behaviours have shifted to be more and more online. Hence, we all have to adjust ourselves to survive in the digital age where technology is part of our daily life. The Bank's capital increase this time is thus necessary aiming not only for investment, but also for more flexibility in business operation to suit the rapidly changing environment.

Mr. Basant Kumar Dugar, a shareholder,

- proposed that the Bank decrease the offering price in this capital increase from THB 0.87 per share to THB 0.80 per share.
- recommended that the Bank analyse costs and benefits from sale of NPLs.
- asked the Bank to maintain its listed company status further on despite CIMB Bank Berhad's 94.11% shareholding.

Mr. Kitti Sanitwong Na Ayutthaya, a shareholder,

- complimented the Bank on the initiative of opening banking agents in convenience stores, e.g. 7-Eleven, which helps pull down operating cost.

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.

**Resolution** The meeting by majority votes of the shareholders attending and voting at the meeting resolved to approve the allocation of 4,542,034,141 newly issued shares with a par value of THB 0.50 per share to the existing shareholders in proportion to their shareholding at the ratio of 3 new shares for every 20 existing shares at an offering price of THB 0.87 per share ("Rights Offering") and determination of the terms of allocation of shares as well as the authorisation of the Board of Directors and/or any persons designated by the Board of Directors to specify other details in connection with the allocation of the newly issued shares as proposed, with the voting result as follows:

Resolution	Number of votes cast (1 share = 1 vote)	Percentage of total number of votes of the shareholders attending the meeting and casting their votes
1. Agree	28,564,143,645	97.4021
2. Disagree	761,855,791	2.5978
3. Abstention	0	0.0000
4. Voided ballot	0	0.0000

Agenda item 5      Other matters

The Chairman thanked the shareholders for their comments and suggestions, and said that the Board of Directors would perform its duty in the best interests of all the 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 would be of great benefits to the Bank. He accordingly declared the meeting closed.

The meeting adjourned at 12.00 hrs.

Signed      - *Chakramon Phasukavanich* -      Chairman  
(Mr. Chakramon Phasukavanich)

Signed      - *Zethjak Leeyakars* -      Company Secretary  
(Mr. Zethjak Leeyakars)      Minutes Taker