

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 Padmintra    | 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 Niyomthai)         |
| 13. | Ms. Doungthip Leenuttapong | Senior Vice President<br>Human Resources Services Team (representing Mrs. 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 Leekijtwattana
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.**

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.

A shareholder referred to the offering ratio of 2 new shares for 9 existing shares. He enquired whether each shareholder needed to hold a minimum of 9 existing shares to be eligible for the new share subscription, and in case a shareholder held only 5 shares, whether he/she would be eligible to subscribe for the new shares.

The Chairman requested the Company Secretary to clarify.

The Company Secretary clarified that the Bank had allocated its new 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, a shareholder must hold at least 9 shares to get 2 new shares. In case of holding less than 9 shares, the shareholder would not be eligible for the new share allocation.

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 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, its core pre-provision operating profit (PPOP) for the past years had recorded continued growth, with average compound annual growth rate (CAGR) of 17.6% during 2008-2016. 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 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) and a 11.4% growth in net fee and service income, despite a 37.7% decrease in other income. PPOP improved by 7.8% YoY to THB 5,505 million due to a slight increase of 4.2% in operating expense.

- A net loss was recorded in 2016 at THB 630 million, compared with a net profit of THB 1,052 million in 2015 as a result of higher provision by 66.6% following the increase in NPLs in certain industries during the year and the slow economic recovering pace.
- As at 31 December 2016, CIMB Thai Group's total gross loans stood at THB 205.6 billion, a 3.5% YoY increase. Deposits accounted for THB 183.7 billion, a 7.9% YoY growth from THB 170.2 billion. Its modified loan to deposit ratio was 92.4%, compared with 91.2% a year earlier.
- Return on equity (ROE) was -2.3% in 2016, compared with 4.4% in 2015, mainly from higher provision set aside for NPL accounts. NPL ratio was 6.07%, higher than 3.05% a year earlier.
- Net interest margin (NIM) was 3.77% in 2016, improving from 3.27% in the previous year thanks to more efficient funding cost management.
- Cost to income ratio (CIR) was 57.4% in 2016, compared with 58.3% in 2015 on the back of disciplined cost management.
- Capital adequacy ratio (CAR) remained stable above 15% since 2014, recorded at 16.1% in 2016.
- Despite commendable revenue growth in 2016, the bottom line was impacted by higher provision amidst uncertain economic circumstances.
- Consumer Banking business had achieved T18 profit ahead of the target (Q2/2017) and all along signaled healthy operational performance.

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 loss in 2016?
2. How was the performance of the mini branch in 7-Eleven store? Had the Bank planned to open more mini branches in 7-Eleven stores?

The President and Chief Executive Officer clarified that the loss in 2016 was caused by the increase in NPLs in certain sectors transferred from BankThai since CIMB Bank Berhad's acquisition of the Bank business.

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

Senior Executive Vice President, Consumer Banking Group, responded that the Bank was likely to open more mini branches in 7-Eleven stores to provide retail clients with more convenient access to its financial services. Sitabutr Mini Branch operating at present was the pilot branch. The Bank had planned to open two more mini branches, pending the Bank of Thailand's approval. As regards the mini branch's income generation, it was still too early to estimate at present. However, with only partial space in 7-Eleven store and one service staff required, the mini branch incurred a rather low operating cost, i.e. only about 20% of the cost incurred to a branch in a department store.

Mr. Suebsak Pipobmongkon, a shareholder, enquired that as the higher NPLs were the main cause to the Bank's operating loss last year, whether there was any chance for the Bank to recover such debts.

The President and Chief Executive Officer responded that there were some NPLs which could potentially be recovered and have servicing capability again. Meanwhile, the Bank must set aside provision in accordance with the regulations of the Bank of Thailand and accounting standards on a conservative basis so as to truly reflect its financial status. Debt resolution had come partly from negotiating and jointly solving the problems with the clients, as well as carrying out debt restructuring for them.

Mr. Sathaporn Pungnirun, a shareholder, said that viewing the troubled debts where the clients defaulted on debt payments and eventually became NPLs thus requiring the Bank to set aside provision and affecting its financial statements, the Bank had to keep good relationship with the clients through debt compromise, or decide to dispose of such debts to relieve impact on its financial status. Therefore, the Bank should take preventive action by ensuring there is adequate control mechanism in the credit underwriting process to prevent the increase in NPLs.

A shareholder requested clarification as follows:

1. In what ranking was CIMB Thai in the industry in terms of operating results?
2. Was the resolution of no dividend payment to the shareholders caused by the increase in NPLs? Based on the NPLs trend, would there be any chance for the Bank to recover such NPLs or have a write-back in this year? Also, had any additional collateral security been requested from these debtors to accommodate the credit risks?
3. Why were CIMB Thai branches in department stores in a smaller number than its peers'?
4. What would be the Bank's strategy to increase its share value?
5. The NPLs had come from the loans granted to certain industries secured by some collateral assets considered enough to cover the obligations at the moment. However, when the debtors became in default of debt

settlement, was there any credit review to find out if the existing collateral security was still sufficient to cover the debt? In case of collateral shortfall, had the Bank called for additional collateral assets and ensured the collateral security fully covered the obligations? Had there been any loans granted as clean loans?

The President and Chief Executive Officer clarified as follows:

1. It was a challenge for CIMB Thai to become a mid-tier bank. At present, the Bank had the total assets of about THB 300 billion, which was a size 3-4 times smaller than that of even the smallest mid-tier bank. Nevertheless, the Bank's management had set its sight on driving CIMB Thai to a mid-tier bank status, although it could take some time to achieve it. The Bank was confident of its potentiality offering differentiated financial products and solutions which could pave way for its profitability and achievement of such goal.

2. In 2016, debtors in certain industries became NPLs. Some were in risky sectors and could become NPLs anytime. When there had been a sign of significantly deteriorating asset quality, the management would manage such debts by reclassifying the debtors that had signaled weakening status and servicing capability so that we could monitor them more closely and realise the degree of their problems. As regards request of additional collateral from the debtors when they had been found on a worsening trend, the Bank would negotiate for additional collateral assets. However, not all of the debtors could provide additional collateral, and some refused to do so. However, the management would try our best to manage the asset quality for the optimal benefits of the Bank.

3. CIMB Thai's customer segments in each area were different from those of its peers. There were two main groups, i.e. deposit customers and loan customers. Most deposit customers came from structured note transactions, and our customer base was rather small restricted by the smaller number of branches compared with larger banks. With such limitation in customer base expansion, the Bank had leveraged on our strength in innovating products that could mobilise deposits in a large amount. That was why the Bank had segmented its customers differently from other banks.

4. The management had the duty to deliver the best for the Bank's operational performance. However, it was beyond our capability to make the share price increase. We only hope that if the Bank could post better operating results and make it clear to the public of its potential to grow and generate more profit, it would then encourage more investors to invest in its shares.

5. Concerning clean loans and adequacy of collateral security, collateral security was only one factor in considering loan applications. The Bank had offered diversified loans to different customer segments, i.e. both secured and unsecured loans to retail customers, mostly secured loans to medium-sized customers, and mostly clean loans to corporate customers, the same condition offered to the customers from the large-sized peers. Meanwhile, financial institution customers would be subject to various collateral requirements. Certain small

customers, whose revenues according to financial statements were considered inadequate, additional collateral would be requested to mitigate potential risks.

A proxy and shareholder sought clarification as follows:

1. Given the Bank's loss this year due to the increase in NPLs, what risk management mechanism did the Bank have in place to ensure prudent loan approval, and had Internal Audit function been involved in helping detect any debt deterioration signal before debt default?

2. Could employee pay cuts help reduce the Bank's costs?

3. Had ringgit depreciation posed impact on the Bank's performance? In what size was CIMB Thai among Thai commercial banks?

The President and Chief Executive Officer clarified as follows:

1. The Bank had in place Internal Audit and Risk Management units to jointly monitor portfolio quality. In the foregoing year when there had been an asset quality worsening signal, the Bank tightened the monitoring measures. Customers tending to face problems would be treated as a special case and monitored more closely. With stricter supervision, Risk Management had made monthly reviews of troubled debtors to prevent them from further deterioration. As had been done by other banks, we had in place a policy of assisting debtors, especially those who were long-time customers. The Bank had emphasised on prudently monitoring and managing NPLs and ensured sufficient loan loss provisions were set aside to protect the interests of the shareholders and create optimal benefits to the Bank's operation.

2. In the previous year, CIMB Thai enjoyed a better cost to income ratio. The Bank had managed to cut down the ratio to 57% from 90% recorded when CIMB Bank Berhad acquired BankThai shares. Despite the operational loss in 2016, its pre-provision profit actually increased by 7.5% YoY, reflecting a consistent improvement in overall performance. The operational loss in the year was due to the asset quality problem and higher provisions. CIMB Thai had all along made improvements and developments in many ways. Branches that did not generate income were closed down aiming to reduce costs as part of CIMB Group's core strategies announced earlier.

3. The ringgit had currently depreciated to some extent, and the market anticipated a rather high fluctuation in its exchange rate. Traders or sellers aiming for stability might avoid the ringgit. In this regard, the Bank offered our customers an option to hedge FX risk, especially that in relation to the ringgit.

A shareholder enquired as follows:

1. In what type of loans did the NPLs increase in the previous year?

2. The Bank should offer special privileges to customers to be on a par with peers. The shareholder requested information on the number and amount of current NPLs and the Bank's measures to monitor and control asset quality.

The President and Chief Executive Officer clarified that the rising NPLs came from corporate and commercial segments. The Bank might be unable to disclose details per debtor. 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 regulations with which the Bank had to comply.

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

1. How would the management manage asset quality and collateral security to ensure efficiency?
2. To whom and at what price did the Bank sell Sathorn Building?

The President and Chief Executive Officer clarified that the BOT was the regulator monitoring the Bank's lending associated risks. The BOT would examine whether the Bank had complied with internal policies and the BOT's rules and requirements. In case of any non-compliance, the BOT would look into the Bank's lending process to mitigate potential risks and reduce possible NPLs. The Bank, as a listed company, was also required to serve its duty in the best interests of the shareholders. CIMB Berhad Bank, the parent company, also had its representatives to monitor and ensure that the Bank had in place rigorous lending process.

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 gains from the sale of Sathorn Building had been recorded in the financial statements of the year and duly been 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. Its total liabilities amounted to THB 270.8 billion, total deposits THB 183.7 billion and total borrowings 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. Its 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, referred the meeting to the auditor's report on page 130 which said 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. The shareholder enquired why the Bank did not disclose or clarify details to the shareholders.

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

Mr. Sathaporn commented that accounting standards should not be considered as the audit firm's expense nor as the reason to raise the audit fee as each auditor is duty-bound to comply with such standards.

A shareholder requested clarification as follows:

1. Referring to the Notes to Financial Statements, Item 34, on page 134, why did the Bank record 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 in financial statement page 187, derived from? What caused the YoY increase?

4. According to the financial statements, page 185, the Bank had issued subordinated debentures of THB 3 billion in 2016, redeemable in 2026 and offering a coupon rate of 5.35% p.a., but the Bank made early redemption in 2016. Was it because the offered coupon rate was too high?

5. According to the financial statements, page 185, the Bank issued THB 3 billion subordinated debentures in 2016, redeemable in 2022 and offering a coupon rate of 4.80% p.a. Had the Bank planned to make any early redemption and to issue a new series of debentures in substitution?

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

1. The item of losses on financial instrument was a fair value option required by the BOT to present separately. It should be considered in connection with gains on trading and foreign exchange transactions.

2. The item of (losses) gains on re-measuring available-for-sale investments was a mark-to-market item and was not yet realised. It was a matter of valuation of available-for-sale investment portfolio, required to be reported under 'other comprehensive income (expenses)' or OCI.

3. The reserve for off-statements of financial position items was provided for off balance sheet items, such as LG, required by the BOT to be presented separately. It was not related to direct borrowing but an off balance sheet item. The YoY increase stemmed from some clients carrying LG or guarantee obligation risk to whom the Bank may have to pay compensation.

4. For the subordinated debentures of THB 3 billion redeemable in 2026, which could be counted as tier-2 capital, the Bank had the option to pre-redeem after a five-year period. We later issued new subordinated debentures of THB 4.554 billion in replacement. Another THB 3 billion subordinated debentures, redeemable in 2022, were also issued and planned to be pre-redeemed by this year-end.

5. The Bank issued subordinated debentures worth THB 4.554 billion in 2016 to replace subordinated debentures worth THB 3 billion redeemable in 2022 with a coupon rate of 4.80% p.a., planned to be early redeemed by this year-end.

Mr. Wasan Ngensukpaiboon, a proxy, enquired why other operating expenses increased by around 20% YoY in 2016. Pursuant to the Stock Exchange of Thailand (SET) rules, any YoY change over 20% must be clarified.

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 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 ordinary shares.

A shareholder opined that during the past few years CIMB Thai had paid dividend less than 40% or at only THB 0.01. In fact, the Bank could make dividend payment out of its retained earnings. Despite the loss incurred in 2016 due to higher loan loss provisions, such provisions could later be reversed to revenue.

Mr. Sathaporn Pungnirun, a shareholder, said that according to the Articles of Association, the Bank shall appropriate to the 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 this agenda that the Bank recorded 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, while 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 at the Board of Directors' discretion based on consideration that the Bank had reasonable level of profit to do so. Nevertheless, a change in the policy on dividend payment rate to be not less than 40% of the net profit shall be subject to an approval from the shareholders' meeting.

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

##### 5.1 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.

## 5.2 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.

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 monthly allowance and meeting allowance per attendance should be combined and presented in one single total amount, not split into two portions as presented.

Mr. Sathaporn Pungnirun, a shareholder, said that the remuneration was divided into two portions, 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 for that particular meeting. Previously, an absent Board/Board Committee member would still receive the total amount of remuneration, which was considered inappropriate.

Mrs. Watanan Petersik, Chairperson of the Nomination, Remuneration and Corporate Governance Committee (NRCC), clarified that the NRCC determined remuneration as deemed commensurate with the scope

of duties and responsibilities of the Board/Board Committees. Any member engaged in other business and could not attend the meeting would not receive the meeting allowance per attendance as explained by the shareholder.

Mr. Tanapoom Dettewandumrong, a shareholder, viewed that the proposed directors' remuneration was appropriate and not higher than those of peers, taking into account the Board/Board Committees' scope of duties.

Mrs. Watanan Petersik, the NRCC Chairperson, additionally explained that the directors' remuneration had remained unchanged for 10 years. It had been reviewed by the NRCC for some time to ensure it was comparable to those of same-sized peers. With operational loss recorded in 2016 and no dividend payment to the shareholders, the NRCC deemed it proper not to increase the directors' remuneration for 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.

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 the shareholders in advance.

Moreover, PwC 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.

CIMB Thai Group's 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 rationale for the 3% increase in 2017 audit fee and the increase in man-hours needed in such year.

Mr. Sukont Kanjana-Huttakit, the Audit Committee Chairman, clarified that PwC originally proposed a 6% increase in audit fee for 2017, but the Audit Committee negotiated to bring it down to 3%. The reason for the increase was that additional audit was required on Treasury and IT Product functions which were complicated, leading to more workload 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 of specific nature for banking business and investment in complicated work systems, which caused the whole year's man-hours (including the audit of those of CIMB Thai Group) to go up to about 10,000-13,000. Moreover, PwC needed specialised personnel to do the audit of IT systems and experts on valuation and model running for the audit of the Bank's financial products. The 3% increase in the audit fee was mainly derived from 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 specialised personnel with unchanged scope of duties and responsibilities and consequently lower man-hours should be needed. He thus disagreed with the increase in audit fee every year.

The Chairman said that the audit of banking transactions was by nature difficult and complicated as compared with other types of business, given the relevant rules and requirements and relatively high risk exposure of financial transactions that could cause damage to the Bank.

Mrs. Angkana Na Songkla, a right protection volunteer from Thai Investors Association, enquired about the Bank's policy and criteria for selection of independent directors 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 past working experience and qualifications as prescribed by the BOT and other relevant authorities.

Mr. Sathaporn Pungnirun, a shareholder, asked whether the years long tenor of each independent director or Audit Committee member could hurt his/her work independence in accordance with the standards, as intimacy and familiarity could affect each member's expression of opinions and cause a lack of independence. Hence, the Bank should set a clear policy to limit the term of independent directorship in compliance with corporate governance principle.

The Chairman clarified that the Board of Directors had actually discussed the proper duration of independent directorship tenor to comply with the requirements of the SET and relevant authorities as well as CIMB Group. To determine such term, the Board of Directors' endorsement would be required. However, for the past years, all the directors had carried out their duties efficiently and satisfactorily, with each possessing skills and experience beneficial to the Bank. Particularly, the independent directors had independence and transparency in their performance of duties 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's 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. 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. | <u>Mrs. Watanan Petersik</u> | Independent Director |
|----|------------------------------|----------------------|

Agreed	24,068,590,239	votes	equivalent to	99.9962%	of the shareholders attending and voting at the meeting
Disagreed	61,600	votes	equivalent to	0.0002%	of the shareholders attending and voting at the meeting
Abstention	835,277	votes	equivalent to	0.0034%	of the shareholders attending and voting at the meeting

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
Disagreed	62,036	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

3. Mr. Kittiphun Anutarasoti Director

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 enquired about the ranking of CIMB Bank Berhad in Malaysia and whether it opened any branches in 7-Eleven stores in Malaysia. He opined 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 a large size of assets. However, a small bank with competitive edge and potential growth would normally be able pay dividend to shareholders. For CIMB Thai, despite its small size, it had CIMB Bank Berhad, Malaysia's second-largest bank, as its partner to help develop universal products/services so as to propel the Bank to grow and fulfil its customers' demand.

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

A shareholder enquired 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 to 18.5% from 15.7% at 2016 year-end. Whether and for how long it would be sufficient to accommodate loan extension would hinge on the growth of the Bank's loan portfolio.

A shareholder suggested that despite the Bank's smaller number of branches, hence lower competitiveness in terms of location, and no premium gifts offered to customers, CIMB Thai could develop financial innovations to stay competitive with large-sized banks. He looked forward to the President and Chief Executive Office running and managing the Bank efficiently toward prosperity.

The Chairman said banking business was a matter of art and science, and was under the BOT's supervision to ensure optimal benefit to depositors and all parties concerned. Although the Bank's main business was lending, there would be no chance to broaden its customer base without any development and innovation of financial solutions. He agreed with a shareholder's suggestion on driving marketing activities amid the fierce competition.

The Chairman thanked the shareholders for their attendance and beneficial 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 were of great benefits to the Bank. He accordingly declared the meeting closed.

The meeting adjourned at 17.30 hrs.

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

Signed                      *Thaphop Kleesuwan*                      Company Secretary  
(Mr. Thaphop Kleesuwan)                      Minutes Taker