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## Supporting Document

### Agenda Item 1: To Approve the Minutes of the 2012 Annual General Meeting of Shareholders

#### Minutes of the Annual General Meeting of Shareholders for the Year 2012

**Thanachart Capital Public Company Limited**  
**Grand Ballroom, 2nd Floor, Royal Orchid Sheraton Hotel & Towers**  
**2 Charoen Krung Soi 30, Siphya, Bangrak, Bangkok**  
**Thursday, 5 April 2012**  
**Starting at 14:00 hours**

**Quorum** At 14:00 hours, the meeting was attended by 539 shareholders in person, 802 individual shareholders by proxy and 212 juristic shareholders by proxy. The total number of shareholders attending the meeting amounted to 1,553 accounting for 565,494,430 shares or 44.254 percent of the Company's total 1,277,829,703 issued and paid-up shares.<sup>\*/</sup> Those present at the meeting constituted a quorum.

<sup>\*/</sup>**Note:** The number of the shares used for calculating the total issued and paid-up shares was based on the Company's total shares deducted by 55,324,300 ordinary shares which the Company repurchased under the share repurchase program. This is in accordance with Section 66/1 of the Public Limited Company Act in relation to the company's repurchase of its shares, which stipulates that the shares held by the company shall not be counted to constitute the quorum of a meeting of shareholders and such shares shall have no right to vote and to dividend payment.

#### **Members of the Board of Directors attending the meeting**

- |                                  |   |
|----------------------------------|---|
| 1. Mr. Banterng Tantivit         | Chairman (non-executive director)   |
| 2. Mr. Suphadej Poonpipat        | Vice Chairman, Chairman of the Executive Committee, and Chief Executive Officer (executive director)  |
| 3. Mrs. Siripen Sitasuwan        | Director, Chairperson of the Audit Committee, member of the Nomination Committee, and member of the Remuneration Committee (independent director) |
| 4. Mr. Somkiat Sukdheva          | Director, member of the Audit Committee, Chairman of the Nomination Committee, and Chairman of the Remuneration Committee (independent director)  |
| 5. Mrs. Puntip Surathin          | Director, member of the Audit Committee, member of the Nomination Committee, and member of the Remuneration Committee (independent director)      |
| 6. Mr. Phimol Rattapat           | Director (non-executive director)   |
| 7. Miss Suvarnapa Suvarnaprathip | Director and Vice Chairperson of the Executive Committee (executive director)   |
| 8. Mr. Somjate Moosirilert       | Director and member of the Executive Committee (executive director)   |
| 9. Mr. Taweesak Saksirilarp      | Director and member of the Executive Committee (executive director)   |

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### **Calling the meeting to order**

**Mr. Banterng Tantivit**, Chairman of the Board of Directors acting as Chairman of the meeting, called the meeting to order at 14:00 hours. He said that it was the Annual General Meeting of Shareholders for the Year 2012 with eight items to be considered in line with the scheduled agenda. The related details were given in the Notice of the Annual General Meeting of Shareholders, which was already sent to all shareholders.

The Chairman appointed Mr. Panupan Tuangthong, the Company's Secretary, as keeper of the minutes of the meeting. Before proceeding further, the Chairman informed the meeting that all nine members of the Board of Directors were present at the meeting. Among them were Chairperson of the Audit Committee, Chairman of the Nomination Committee and Chairman of the Remuneration Committee as well as the Company's top management team in charge of finance and accounting.

The Chairman then requested the Company's Secretary to introduce each director to the meeting and to explain the procedures relating to the conduct of the meeting, the summary of which was as follows:

- The Company already made available ballots for all the shareholders' convenience in exercising their rights in voting on the agenda items at the meeting. A total of eleven ballots given to the shareholders were for each of the various agenda items. In this connection, the management had the related details printed on the ballots. As Agenda Item 2 was concerned with a report to be presented at the meeting for acknowledgement only, there was no ballot for this item.
- During the deliberation on each agenda item, all shareholders who wished to give opinions or ask questions were requested to identify themselves by their first and last names. The purpose was to enable the keeper of the minutes to keep a correct record of the meeting.
- In voting, if shareholders wished to "cast their votes of disapproval" or "abstain from voting" on any agenda item, they were required to cast the votes or abstain from voting by making marks and signing their name on the ballots. Once they were ready, they were requested to raise their hand to allow the staff concerned to collect the ballots and compile the results.
- Shareholders who wished to "vote in favor of" an agenda item were not required to submit their ballots. The Company would deduct the number of disapproval and abstention votes from the total votes of the shareholders present at the meeting when the agenda item concerned was deliberated. The balance would represent the number of votes in favor of the agenda item. In this connection, the calculation of the votes also took into account the votes cast by the shareholders for each agenda item, which were clearly separated by agenda item in the proxy form.
- In line with the usual practice, while the meeting waited for the vote count results, the Chairman would proceed with the next agenda item. When the vote count results were available, the Chairman would announce the results on each agenda item to the meeting.

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The Chairman also indicated that this meeting was attended by a representative of the auditor of the Company and its subsidiaries. As a result, if during the meeting the shareholders wished to request the directors or the auditor to answer questions, they could do so. He then proceeded with the established agenda of the meeting as follows:

**Agenda Item 1**

**To consider and approve the Minutes of the Annual General Meeting of Shareholders for the Year 2011**

**The Chairman** informed the meeting that the Annual General Meeting of Shareholders for the Year 2011 was held on Friday, 8 April 2011. The minutes of the meeting had to be submitted to the shareholders for verification together. The details of the draft minutes were included in the Notice of the Meeting from Page 7 to Page 30. The Chairman proposed that the shareholders consider the minutes page by page. He also asked a question whether there was any shareholder who wished to propose amendments to any part of the minutes of the meeting. All shareholders who wished to give opinions or ask questions would be requested to identify themselves by their first and last names. The purpose was to enable the keeper of the minutes to keep a correct record of the meeting.

**Mr. Suebsak Pipobmongkol** (shareholder) said that he received a very warm welcome. However, the print on the ballot for each agenda item was so small that it was difficult to read. As a result, he would like to request for larger print on the ballots.

The Chairman thanked the shareholder for the suggestion and would make the improvements for the next meeting.

As no shareholder wished to make any amendment or addition to the minutes of the meeting, the Chairman requested the meeting to adopt a resolution on this agenda item.

The following were the results of the voting on Agenda Item 1.

<b>Results</b>	<b>Number of votes</b>	<b>Percent</b>
<b>Approval votes</b>	<b>716,365,384</b>	<b>100.000</b>
<b>Disapproval votes</b>	<b>0</b>	<b>0.000</b>
<b>Total number of votes cast on this Agenda Item</b>	<b>716,365,384</b>	<b>100.000</b>

(Abstained from voting: 19,000 votes)

**Resolution**

With the majority votes of the shareholders who attended the meeting and cast their votes, the meeting passed the resolution approving the Minutes of the Annual General Meeting of Shareholders for the Year 2011, which was held on Friday, 8 April 2011.

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## **Agenda Item 2**

### **To acknowledge the report of the Board of Directors on the Company's performance for the fiscal year 2011**

The Chairman requested Mr. Suphadej Poonpipat, Chairman of the Executive Committee and Chief Executive Officer, to present a report on the Company's performance for the past fiscal year 2011.

Mr. Suphadej Poonpipat said that Agenda Item 2 was concerned with the Board of Directors' report on the Company's performance. The report was prepared in the form of a video presentation which was about eight minutes in length. In this connection, the shareholders could consider the details given in the Annual Report 2011 in form of CD-ROM, which was sent to all the shareholders together with the Notice of the Meeting. In addition, the shareholders could request for a hard copy of the annual report.

#### **Record of the report via video presentation**

*"Productivity achieved alone is not equal to 'the synergy' between Scotiabank and member companies of Thanachart Group working together." This is one of the important basic concepts serving as a foundation which helps Thanachart grow rapidly and in a sustainable manner. It also helps Thanachart achieve the established goal of becoming one of Thailand's leading commercial banks in the end. The previous year represented a year of challenge for Thailand, mainly due to the historic flooding that caused severe economic losses as well as heavy civilian casualties and damage, amidst the global economy that was still affected by the slow recovery of the U.S. economy and the European debt crisis. The economies of Asian countries including Thailand were also inevitably affected. Inflationary worries prompted the Bank of Thailand to adopt a cautious policy. It gradually raised its benchmark interest rate until the end of 2011. However, as a result of the historic flooding, the Bank of Thailand decided to cut the benchmark interest rate. The purpose was to mitigate impacts caused by the flooding.*

*As the Thai economy in the fourth quarter contracted, Thailand's economic growth dropped from 7.8 percent in 2010 to 0.1 percent in 2011. However, the country's commercial banking industry managed to maintain positive growth with high expansion of loans and deposits. As well, the industry was able to reduce the non-performing loans. Following its merger with Siam City Bank Public Company Limited, Thanachart Bank which is the commercial bank under Thanachart Group has become a leading commercial bank of Thailand, with larger customer base and more extensive service network of branches and automatic teller machines nationwide. As a result, Thanachart Group is able to maintain continuous asset growth.*

*At the end of 2011, Thanachart Group's loan portfolio amounted to 637,104 million baht, an increase of 27,458 million baht or 4.5 percent over 2010, with the Group being the leader in automobile hire purchase. As a result, its total assets at the end of 2011 amounted to 895,157 million baht, an increase of 12,400 million baht or 1.4 percent over the previous year, while its net profit amounted to 5,002 million baht. An important event in the history of Thai financial institutions, which took place on 1 October 2011, was Thanachart Group's acquisition of Siam City Bank's businesses. They were smoothly transferred to Thanachart Bank in line with the established plan, ensuring that the customers of the two banks being least affected by the transfer. The success of the great merger and the resulting synergy can be attributable to the complete dedication of all the staff concerned and the full support of Scotiabank. The merger lays a strong foundation*

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*for future growth. The next step is to focus on human resource development, restructuring of the information technology systems, service delivery, and work processes. The objectives are to strengthen the competitiveness and to enhance preparedness in meeting every need of customers.*

*The previous year's great achievement amidst the hardship leads us into the year 2012 with a number of challenges lying ahead. These include uncertainties caused by the slow recovery of the global economy, the gradual recovery of the Thai economy, as well as the intense competition between private financial institutions and state-owned specialized financial institutions. The other challenge includes the measures requiring financial institutions to pay a levy of 0.47 percent on deposits, an increase from 0.40 percent previously, and to pay an additional levy of 0.46 percent on borrowings in the form of bills of exchange. The levies are for repaying debts of the Financial Institutions Development Fund. Despite the challenges, the shareholders can rest assured that realizing the synergy between Thanachart Group, Siam City Bank, and Scotiabank will be the key driver for the business operations, let alone the support from the efficient cost management, the combined technologies and service channels consisting of over 670 branches and more than 2,100 ATMs. Under the 'Transformation-to-Strength' strategy, the power of Thanachart Group's synergy will grow further with stability.*

*Above all, Thanachart's growth must rest on a foundation of good corporate governance, to which the Group pays great attention. The related activities include establishment of policies, issuance of announcements, rules and regulations that must be adhered to, development of curriculums, and tests aiming at continuously assessing staff's understanding of good corporate governance. As a result, Thanachart has gained trust from customers, shareholders, and stakeholders. Thanachart Group believes that giving generates powerful energy. As a result, giving back to society has always been important to Thanachart. In particular, to mitigate the suffering caused by the great flood in the previous year, Thanachart set up a wide range of projects aiming to help customers and flood victims and meet all types of their needs as much as possible. In this connection, all Thanachart staff supported the projects wholeheartedly. The purpose was to enable flood-affected people in the Thai society to get back on their feet and confidently steer through the crisis. The road to Thanachart's growth is paved with challenges. However, under the 'Transformation-to-Strength' strategy, the power of synergy to be realized from the joint efforts of all its member companies and business alliances of Thanachart Group will help prepare it for meeting all the financial needs of Thai people and for gaining the trust of the shareholders. Importantly, the power of synergy will also give rise to new financial phenomena, the purpose of which is to achieve stable growth and permanent strength.*

Since this agenda item was for acknowledgement, no resolution had to be adopted. In case there were any shareholders wishing to make suggestions or ask questions, they were requested to do so when other remaining agenda items were discussed.

### **Resolution**

The shareholders acknowledged the report of the Board of Directors on the Company's performance in 2011, which was given through the video presentation.

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### **Agenda Item 3**

#### **To consider and approve the statements of financial position and the statements of comprehensive income for the year ended 31 December 2011**

The Chairman requested Mr. Suphadej Poonpipat, Chairman of the Executive Committee and Chief Executive Officer, to give a presentation under this agenda item.

Mr. Suphadej Poonpipat informed the meeting that there were quite a lot of details to be covered under Agenda Item 3. For the convenience of the shareholders to understand them, the Company would like to report on the statements of financial position and the statements of comprehensive income of the Company and its subsidiaries through a video presentation which was about 12 minutes in length. The presentation would describe the financial position and the performance of the Company and its subsidiaries, the details of which were given in the Annual Report 2011. The statements of financial position and the statements for comprehensive income for the year ended 31 December 2011 were already audited by the certified auditor. As well, they were already reviewed by the Audit Committee.

#### **Record of the report via video presentation**

*The Board of Directors would like to present to the meeting of shareholders for consideration the statements of financial position and the statements of comprehensive income for the year ended 31 December 2011. Taking into consideration the consolidated financial statements of Thanachart Capital Public Company Limited, these statements reflected the performance of the Company and the member companies of Thanachart Group which included Thanachart Bank and other subsidiaries. The related details were given in the annual report which was already distributed to the shareholders. In 2011 which represented a year of Thanachart Group's merger, there were important events as follows:*

- 1. Siam City Bank's businesses were successfully transferred to Thanachart Bank on 1 October 2011.*
- 2. Thanachart Bank established TS Asset Management Company Limited to accept transfers of non-performing assets from Siam City Bank. The purpose was to provide flexibility to manage the non-performing assets efficiently.*
- 3. Thanachart Bank purchased shares offered by Ratchathani Leasing Public Company Limited in a rights issue. As a result, Thanachart Bank's shareholding in Ratchathani Leasing increased from 48.35 percent to 65.18 percent, effective as from 1 November 2011. As a result, the company becomes a member of Thanachart Group's financial conglomerate.*

*In consideration of the financial statements, the following were key issues on which the Board of Directors would like to give clarifications.*

#### **Assets**

*In considering the statements of financial position to know the financial position of the Company and its subsidiaries, the total assets of the Company and its subsidiaries at the end of 2011 amounted to 895,157 million baht, an increase of 12,400 million baht or 1.4 percent over the previous year. Of the total assets of the Company and its subsidiaries, the net loans and accrued interest receivables accounted for 68 percent, the net*

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investments accounted for 17 percent, the net interbank and money market items accounted for 7 percent while the other assets accounted for 8 percent. The assets which registered significant growth were the loans which amounted to 637,104 million baht, an increase of 27,458 million baht or 4.5 percent over the previous year. This was mainly due to the increase of 19.4 percent in hire purchase loans over the previous year. In this connection, Thanachart Bank which was a subsidiary was the market leader in auto hire purchase lending. In addition, the merger with Siam City Bank brought about a better-diversified loan portfolio. The net investments amounted to 152,511 million baht, an increase of 7,135 million baht or 4.9 percent over the previous year. The investments mainly included government and state enterprise bonds. The net interbank and money market items amounted to 63,232 million baht, a decrease of 21,873 million baht or 25.7 percent over the previous year.

### **Liabilities**

The total liabilities of the Company and its subsidiaries at the end of 2011 amounted to 819,476 million baht, an increase of 8,438 million baht over the previous year. Of the total liabilities, the deposits and short-term borrowings in the form of bills of exchange accounted for 80 percent, the interbank and money market items accounted for 7 percent, the debts issued and borrowings accounted for 5 percent while the other liabilities accounted for 8 percent. The deposits amounted to 435,865 million baht. The bills of exchange amounted to 218,224 million baht, an increase of 78,690 million baht. The increase was mainly due to the bills of exchange which were issued by the bank as an additional alternative for customers. The bills of exchange were very well received by the market. The interbank and money market items amounted to 60,151 million baht, an increase of 19,606 million baht or 48.4 percent over the previous year. The increase was mainly due to the management of the bank's liquidity.

The Bank and its subsidiaries continue to place emphasis on product developing, aiming to provide customers with more alternatives and to meet all types of customer needs.

### **Shareholders' Equity**

The shareholders' equity amounted to 75,681 million baht, an increase of 3,962 million baht or 5.5 percent over the previous year. This was mainly due to the increase in the profit attributable to the Company and its subsidiaries, which amounted to 5,002 million baht, the cumulative effect of the change to the accounting policy for employee benefits, which resulted in the decrease of 1,170 million baht in the retained earnings, dividend payments worth 1,533 million baht, as well as the increase of 1,795 million baht in non-controlling interests.

Based on the Bank of Thailand's guidelines on the consolidated supervision, the BIS ratio at the end of 2011 was at 12.5 percent.

### **Consideration of Comprehensive Income**

In order to know the performance of the Company and its subsidiaries, the consolidated financial statements took into account the results of the subsidiaries, proportionately to the holding company's equity stakes. Thanks also to the combined forces of the members of Thanachart Group's financial conglomerate which placed emphasis on enhancement of business potential and long-term sustainable profitability, the net profit of the Company and its subsidiaries in 2011 amounted to 5,002 million baht.

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*In considering the net profit, there were five elements as follows:*

- 1. Interest income,*
- 2. Interest expenses and contribution fee to the Deposit Protection Agency,*
- 3. Non-interest income,*
- 4. Impairment loss of loans and debt securities , and*
- 5. Operating expenses.*

**First element: Interest income**

*The interest income in 2011 amounted to 44,419 million baht, an increase of 9,392 million baht or 26.8 percent from the previous year. This was mainly due to the increase in interest income from loans and hire purchase in line with the business expansion and the change in market interest rates. Of the interest income, the interest income from loans accounted for 47 percent, the interest income from hire purchase and financial lease accounted for 38 percent, the interest income from investments in debt securities and trading transactions accounted for 10 percent while the interest income from interbank and money market items accounted for 5 percent.*

**Second element: Interest expenses and contribution fee to the Deposit Protection Agency**

*The interest expenses and the contribution fee to the Deposit Protection Agency amounted to 20,104 million baht, an increase of 8,106 million baht or 67.6 percent over the previous year.*

*If the interest expenses and the contribution fee to the Deposit Protection Agency in the second element were deducted from the interest income in the first element, the net interest income of the Company and its subsidiaries increased by 1,286 million baht or 5.6 percent over the previous year. This was in line with the gradual increases in the interest rates as well as higher competition.*

**Third element: Non-interest income**

*The non-interest income of the Company and its subsidiaries in 2011 amounted to 11,430 million baht, an increase of 551 million baht 5.1 percent over the previous year. This was mainly due to the following key items:*

- The net fees and service income amounted to 3,372 million baht, an increase of 491 million baht or 17 percent over the previous year.*
- The gains on investments amounted to 1,139 million baht, an increase of 616 million baht or 117.8 percent over the previous year.*
- The net insurance premium/life insurance premium income amounted to 2,127 million baht, a decrease of 224 million baht or 9.5 percent over the previous year.*
- The securities brokerage fees amounted to 1,071 million baht, a decrease of 258 million baht or 19.4 percent over the previous year.*



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**Fourth element: impairment loss of loans and debt securities**

The impairment loss of loans and debt securities in 2011 amounted to 2,077 million baht, an increase of 424 million baht or 25.7 percent over the previous year.

**Fifth element: Operating expenses**

The operating expenses amounted to 21,760 million baht, an increase of 4,651 million baht or 27.2 percent over the previous year. This was mainly due to the increase of 26.5 percent in personnel expenses as well as this year's integration cost incurred by Thanachart Bank, which included, among others, expenses in developing information technology systems, changing the branch image, and the voluntary retirement programs.

As a result of the above five elements, the net profit of the Company and its subsidiaries in 2011 amounted to 5,002 million baht. Thanks to the efficient cooperation among all members of Thanachart Group's financial conglomerate, all the Company's subsidiaries registered stable and strong growth. The performance of its key subsidiaries in 2011 was shown on the screen. The related details were given in the annual report already distributed to the shareholders.

The following table shows the performance of the Company's key subsidiaries in 2011 and 2010

(Unit: million baht)

Subsidiaries	Shareholdings (percent)	Net profit	
		Year 2011	Year 2010
Thanachart Bank Public Company Limited (based on the separate financial statements)	50.96	6,668	5,719
- Thanachart Securities Public Company Limited	50.96	293	391
- Thanachart Fund Management Company Limited	38.22	89	131
- Thanachart Insurance Company Limited	50.96	436	352
- Thanachart Life Assurance Company Limited	50.96	770	688
- TS Asset Management Company Limited	50.96	91	-
- Thanachart Group Leasing Company Limited	50.96	99	214
- Thanachart Broker Company Limited	50.95	75	68
- Ratchthani Leasing Public Company Limited *	33.22	205	-
NFS Asset Management Company Limited	100	446	461
MAX Asset Management Company Limited	83.44	120	108

*\*Note: Thanachart Bank has been holding 65.18 percent of Ratchathani Leasing Public Company since November 2011.*

After the video presentation, **the Chairman** informed the meeting that the video presentation explained the financial position and the performance of the Company in 2011. The related details were given in the annual report and the financial highlights as well as the management discussion and analysis for the year 2011, which were already distributed to all shareholders. The statement of financial position and the statement of comprehensive income for the year ended 31 December 2011 which were presented to the shareholders were prepared in accordance with the Generally Accepted Accounting

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Principles (GAAP). As well, they had been reviewed by the Audit Committee and the Company's Board of Directors. The auditor had also audited and signed the statements.

The Chairman then provided the shareholders with an opportunity to ask questions and give opinions, indicating that under this agenda item, a representative of the Company's audit office who also attended the meeting would help answer the questions. The following were the shareholders who asked questions and gave opinions.

**Mr. Suebsak Pipobmongkol** (a shareholder) asked the following questions:

1. He asked whether the Company made investments overseas;
2. He asked what percentage equity stake the Company had in Thanachart Bank and, when the coverage of the deposit protection dropped further on 1 August 2012, the extent to which the Bank would be affected by the change;
3. In the past, Thanachart Bank offered the interest rate of 2.6 percent per annum for deposits of 1 million baht or more. However, the current interest rates declined, he asked whether it was likely that the interest rates offered for deposits would increase.

At the end, he commended Thanachart Bank's Thonson Branch, from which he received a warm welcome and good service.

**The Chairman and Mr. Suphadej Poonpipat** responded to the questions as follows:

1. The Company did not make any investments overseas. However, Thanachart Bank made some investments abroad, such as Republic of Korea's government bonds. However, it did not make any investment in problematic Eurozone.
2. The Company had an approximately 51 percent equity stake in Thanachart Bank. As regards the coverage of the deposit protection which would drop to 1 million baht, the coverage already dropped from an unlimited amount to 50 million baht as from 1 August 2011. The behavior of the customers since the change took place did not show migration of deposits. It was quite certain that further drop in the coverage as a result of the Deposit Protection Agency Act would not have a significant impact. However, the Company was informed that the authority was considering the increase in the deposit protection coverage to 5 million baht or 10 million baht. Nevertheless, in formulating its plans, the Company did not expect such an increase.
3. Currently, the interest rates were on a slightly declining trend. Over the past 6-7 months, the interest rates kept rising. As a major part of the interest income was from hire purchase loans which gave a fixed rate of return, the income from hire purchase loans was limited. At the same time, the interest expenses increased in line with the policy interest rate. As a result, the interest rate spread became narrower. It could be seen that the performance of Thanachart Bank in the first half of 2011 was stronger than its performance in the second half of 2011. However, there were also other factors that affected the performance. These included, among others, merger expenses and flood impacts. As regards the likelihood that the interest rates would increase, if the inflation which was

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currently on the rise remained intact, it was likely that the deposit rates might increase next year.

**Mr. Prachaya Tiewcharoen** (a proxy holder) said that, according to the income statement, the net income included both insurance premium and life insurance premium. As a result, he did not know whether the life insurance business grew or whether the decrease in the net income was due to a book loss of insurance business.

**Mr. Suphadej Poonpipat** said that the insurance company was adversely affected by the flood. The actual incurred loss in 2011 amounted to about 40 million baht. But the loss until the present amounted to about 120 million baht. The loss already included the proportion of the payments which had to be made to Thai Reinsurance Public Company Limited. As regards the shareholder's question about the decrease in the insurance premium and life insurance premium, he said that, as the insurance company had to purchase insurance from the reinsurer for some of its products, the spread became smaller to some extent. However, the performance of the insurance and life insurance business was stronger. According to their income statements, the net profit of the insurance company amounted to about 440 million baht while the net profit of the life assurance company amounted to about 770 million baht. The combined net profit of the insurance company and the life assurance company amounted to about 1,200 million baht, representing a moderate increase over the previous year.

**Mr. Chamnan Dhammcharoen** (a shareholder) praised the financial highlights as well as the Management Discussion and Analysis for the Year 2011, which were published separately for the shareholders. As a result, it was easy for shareholders to read and understand. He then asked additional questions as follows:

1. The operating expenses in 2011 increased significantly, mainly due to the merger. He asked whether the operating expenses in 2012 would be lower than the previous year.
2. The allowance for doubtful accounts in 2011 amounted to 27,000 million baht, representing a decrease of 2 percent over the previous year. He said that the decrease was too small.
3. The deposits decreased significantly by about 18 percent from 2010. On the other hand, the debt instruments increased remarkably. Overall, the deficit was about 20,000 million baht.

**The Chairman and Mr. Somjate Moosirilert** responded to the questions as follows:

1. The increase in operating expenses was mainly due to the merger. This year, there would be additional operating expenses for development, as a result of the merger. However, this year's expenses for development would not be as big as the expenses in 2011. In principle, the merger was the joining together of two banks with each bank having the same type of expenses. As a result, this year focus was given to operating expense management, ensuring that the expenses would not increase. Internally, many work methods would be changed in order to cut the operating expenses. At present, the related project already commenced. Overall, it was possible to proceed with the implementation in line with the established goals.

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2. **Mr. Anuwat Luengtawekul**, Executive Vice President in charge of Thanachart Bank's Finance and Accounting Department, said that the decrease of about two percent in the allowance for doubtful accounts, which was shown on the Company's Statement of Financial Position, was mainly due to the sell-off of a subsidiary of Thanachart Group. As regards the increase of almost 500 million baht over the previous year in impairment loss of loans and debt securities which were shown on the statement of comprehensive income, the impairment loss of loans and debt securities divided by the total loans (or 'the credit cost') amounted to 0.3 percent per annum. This was considered relatively very low when compared with the industrial average of 0.8 percent per annum.

**The Chairman** added that, as the loans increased from 640,000 million baht to 680,000 million baht, it was necessary to make additional provisions. Even though they were performing loans, provisions had to be set aside. Towards the end of 2011, it was also necessary to make additional provisions as a result of the flooding. After the flood impact in the first quarter of this year, the non-performing loan situation was expected to improve.

3. Before Thanachart Bank's merger with Siam City Bank, the depositors of the latter mainly included government agencies and state enterprises. After the merger, all the deposits made by these depositors were withdrawn. This explained why the deposits and the borrowings decreased significantly. Another reason was that, during the merger, Thanachart Bank was not able to expand business as it had to prepare for many activities relating to the merger. The policy at that time was to keep the deposits and the loans as much as possible. As a result, during the merger period, it was not able to expand business as well as its competitors or the banks having a similar size.

**Ms. Sunee Sae Serng** (a shareholder) asked a question about Thanachart Bank's strategies for 2012. She asked that, as the merger was already completed, the performance in 2012 would unlikely be affected by the burdens resulting from the merger. Of the six strategies that were announced, she asked which ones had to be successfully implemented. She also suggested that the video presentation for the shareholders include comparisons with industry averages. This would show Thanachart Bank's competitiveness vis-à-vis the competitiveness of other banks or the industry average.

**The Chairman** understood that the shareholder wanted to have the video presentation to include comparisons with most of the banks. He agreed to consider the suggestion when the next presentation was prepared. As regards the completed merger, the major step was successfully completed on 1 October 2011. However, there was another step that needed to be taken. The implementation was expected to be completed by the end of 2012 the earliest. The objective was to align all the work systems. As well, the number of employees was still large. Guidelines were being sought to reduce the number. There were still burdens resulting from the merger but they were not as heavy as those in 2011.

**Mr. Somjate Moosirilert** said that the six strategic intents in relation to the merger with Siam City Bank were based on the conduct of banking business affairs as a large-sized bank with nationwide networks and a wide range of integrated financial services. With the six strategic intents, the management was determined to bring about full benefits in developing a foundation for being a large-sized bank. As a result, it was necessary to

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implement all the six strategy intents determinedly. Emphasis was placed on development of work systems and processes that would meet the needs of customers more efficiently. The objective was to gain more customers. The merger involved procedures that needed to be implemented continuously, for the interests of the customers and finally those of the shareholders.

**Mr. Sirivat Voravetvutikul** (a shareholder) said that the financial statements for the year 2011 showed that the performance was weaker. The Chairman's explanation made him understand that it was mainly due to the demanding merger. However, he would like to ask whether it was due to the policy in the previous year which focused on becoming entangled in the merger or on running the business in a very cautious manner. Although Thanachart Bank was ranked among the medium-sized banks after the merger, he was confident that the management would be able to make it one of the top banks. He also asked about the trends for 2012, what the performance would be, whether the performance would be the same as in the previous year, and when the performance would be strong.

As regards the merger problems, **the Chairman** said that the authority already established a specific timeframe, within which the merger had to be completed. If the merger could not be completed within the established time limit, tax expenses or other expenditure would amount to several billion baht. As a result, a large number of employees had to dedicate themselves to completing the merger within the established schedule. In relation to the branches that had to give services on 1 October 2011 when the business transfers were made, it was necessary to ensure proper functioning of the branch operations systems. In addition, there were over hundred thousands of assets that had to be pledged. If the assets could not be pledged within the established time limit, the fees would be increased from 0.1 percent to 1 or 2 percent, depending on the case. The increase would amount to several billion baht. As a result, many things needed to get done. There was no opportunity to expand business proactively. The Bank was forced to adopt a defensive approach. Moreover, the fact that the Bank of Thailand raised its benchmark interest rate led to an intensification of competition by offering very high interest rates. As a result, the interest cost rose while the revenues remained constant. The interest rate spread became narrower. As well, the number of the Bank's employees amounted to about 16,000, which was higher than that of large-scaled commercial banks. Because of the above reasons, the performance was weaker.

In 2012, the problematic situation with the interest rate spread improved as long as the benchmark interest rate remained unchanged. Currently, Thanachart Bank offered the same interest rates for its fixed-term deposits at the same rates as offered by the large-scaled banks. On the other hand, the deposits in the form of savings and current accounts that offered low interest rates were relatively small. If the deposits in these two types of accounts increased, the cost of fund would decline. Regarding the operating expenses, it was expected that the expenses could be reduced to some extent. However, in case it was necessary to reduce the number of employees by making early retirement offers, there would be expenses in implementing such programs. As a result, the operating expenses might rise. On the non-performing loans, the performance in the first quarter of 2012 was still affected by the flood crisis. With regard to the interest rate spread, it was expected that the spread would not be narrower. The Bank would attempt to make it wider.

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**Mr. Wasan Pongbuddamon** (a shareholder) asked about the actions to be taken by Thanachart Bank in 2012 in managing the assets resulting from the merger and in dealing with overlapping branches that were located in close proximity. Probably, it was not necessary to keep some assets. These assets needed to put on sale. Regarding the employees, he asked about the number of employees to be maintained and the actions to be taken in relation to the expense management.

**The Chairman** said that there was still another step to be taken after the merger. With regard to the 50-60 overlapping branches that were located in close proximity, the Bank would need to reconsider how to combine the overlapping branches as there were some branches whose offices were purchased by Siam City Bank. After the implementation, there should be a number of assets in the form of branch offices, which could be sold at a profit. Apart from the branches, there were several head offices such as the ones on Petchburi Road and in Suanmali. In future, if the sale could be made, some profits would be earned. Studies were being conducted to determine whether Thanachart Group should have only one head office. However, the likely approach was to rent it and negotiate with any party who could build it, ensuring that Thanachart had office space suitable to its needs. As regards the expenditure, the authority required Thanachart Bank to pay a levy of about 800 million baht or 0.46 percent on borrowings in the form of bills of exchange. At the same time, the Bank would benefit from the reduction of corporate tax from 30 percent to 23 percent. In addition, there might be development of systems to accommodate more efficient service delivery. This would not use a lot of money and it was considered as an investment rather than a cost. As well, there might be expenses relating to early retirement programs. However, no decision had been made yet on such programs.

In addition, **Mr. Somjate Moosirilert** said that, in case of the overlapping branches, the branches whose locations were in close proximity would be taken into consideration. If the overlapping branches were combined, it had to be ensured that there would be no impact on customers using the services. In this connection, over 10 branches were combined in 2011. As for 2012, according to the established plan, about 30-40 branches would be combined. Apart from considering the location of the branches, which was the main factor, the Bank would take into account the use of its own properties. This would help the Bank save a lot of money on its rental costs.

**Mr. Methi Rangsiwong** (a shareholder) asked the following questions:

1. With regard to the financial statements of the first quarter of 2012, he would like to know whether the performance was stronger than the previous year.
2. He asked about the percentage composition of income by types of loans such as auto hire purchase loans, home loans, corporate loans, SME loans and various service fees. He also asked about the percentage composition by each product. As well, he asked whether the auto hire purchase loans would remain the product that made major contributions to the income in 2012. He also would like to know the guidelines on how Thanachart Bank retained its existing customer base.
3. In the merger with an entity having a different corporate culture, it was necessary to spend time on managing such matter. He would like to ask how much time the management had to use in unifying the different corporate cultures.

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4. As the Asian Economic Community (AEC) would be established in approximately 2015, he asked how Thanachart Bank prepared for such development.-

**The Chairman and Mr. Somjate Moosirilert** responded to the questions as follows:

1. In making comparisons based on the asset size with customers divided into retail customers, corporate loans and SME loans, the retail customers including auto hire purchase loans, home loans, credit cards, and consumer loans would account for about 62 percent while corporate loans and SME loans would account for about 38 percent. On the other hand, in making comparisons based on income, the income received from the retail customers and the hire purchase loans would account for about 77 percent, while the income from corporate loans and SME loans would account for about 23 percent. It was expected that the auto hire purchase loans would remain a major contributor to the total income in 2012. The Bank would attempt to achieve a higher rate of return and adjust its strategies with an aim to retain its existing market share. As well, the Bank would expand its hire purchase business to cover used cars and to promote Cash Your Car loans. The objectives were to increase the return and to diversify risks.
2. As regards the corporate cultures, there was no corporate culture problem. However, there were more employees than jobs. The teams of the two organizations had different skills and expertise. The management tried to integrate them, applying the different skills and expertise in each field of the two organizations in making improvements so that customers would receive better services.
3. With regard to Asian Economic Community (AEC), no significant impact was foreseen. In this connection, it might be necessary to reformulate the operational plans. However, at this stage, emphasis would be placed on ensuring orderly implementation of the merger.

**Mr. Suwat Kor. Srisuwan** (a shareholder) asked which company held shares in TS Asset Management Company Limited. He also asked whether the tier-1 capital was adequate.

The Chairman said that Thanachart Bank had a 100 percent equity stake in TS Asset Management Company Limited, with the Company having a 51 percent equity stake in Thanachart Bank. Thanachart Bank's tier-1 capital ratio was 9.28 percent. The ratio was considered adequate, compared with the minimum tier-1 capital ratio prescribed by the Bank of Thailand at 4.25 percent. According to the established plan, the tier-1 capital ratio would continue to rise.

After the discussion, as there was no shareholder asking additional questions or giving additional opinions, the Chairman requested the shareholders to vote on this agenda item.

The following were the results of the voting on Agenda Item 3.

<b>Results</b>	<b>Number of votes</b>	<b>Percent</b>
<b>Approval votes</b>	<b>722,987,234</b>	<b>99.993</b>
<b>Disapproval votes</b>	<b>50,600</b>	<b>0.007</b>
<b>Total number of votes cast on this Agenda Item</b>	<b>723,037,834</b>	<b>100.000</b>

(Abstained from voting: 10,010 votes)

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### **Resolution**

With the majority votes of the shareholders who attended the meeting and cast their votes, the meeting passed a resolution approving the statement of financial position and the statement of comprehensive income for the year ended 31 December 2011 as proposed.

### **Agenda Item 4**

#### **To acknowledge the appropriation of the profit and to approve the dividend payment for the operating results of the year 2011**

**The Chairman** informed the meeting that, in line with the summary reports presented earlier to the shareholders under Agenda Items 2 and 3 respectively on the Company's performance, in 2010 the net income based on the Company's separate financial statements amounted to 1,635,132,788.22 baht. In accordance with the Public Limited Company Act and the guidance dated 25 April 2007 and issued by the Department of Business Development on the practice of dividend payment, it was stipulated that the payment of the dividend of the public limited company had to be made from the profit based on the company's separate financial statements as at the end of the fiscal year. As a result, the Company was able to consider the dividend payment to the shareholders. In this connection, the Board of Directors deemed it appropriate to propose the following matters to the shareholders for consideration and approval under this agenda item:

1. Approval of the appropriation of the net profit at 5 percent of the net profit for the year 2011 as a statutory reserve, which amounted to 81,756,639.41 baht.
2. Approval of the dividend payment at a rate of 0.70 baht (seventy satang) per share or 894,480,792.10 baht for the operating results of the second half of the year 2011 from 1 July 2011 to 31 December 2011. Taking into account this round of the dividend payment and the interim dividend payment worth 0.50 baht (fifty satang) per share or 638,914,851.50 baht for the operating results of the first half of the year, the total dividend payment for the operating results of the year 2011 amounted to 1.20 baht per share or 1,533,395,643.60 baht.

The total amount of profit to be appropriated under this agenda item was 1,615,152,283.01 baht with the remaining net profit worth 19,980,505.21 baht (after the appropriation) to be transferred into the retained earnings under the shareholders' equity.

This dividend payment accounted for about 93.78 percent of the net income based on the Company's separate financial statements. As regards the information about the Company's dividend payments over the past three years for the operating results of 2009-2011, a table comparing the payments was made available to all shareholders for consideration. The related details were given on Page 35 of the Notice of the Meeting and also on the screen. The calculation of the above dividend payments was based on the sum of the ordinary shares and the preference shares which amounts to 1,333,154,003 shares, less 55,324,300 ordinary shares repurchased by the Company under the share repurchase program. The net sum of the ordinary shares and the preference shares after deduction of the treasury shares amounted to 1,277,829,703 shares.

If the meeting approved the dividend payment, the Company would establish a list of shareholders entitled to the dividend payment on 19 April 2012 and compile the list of names in line with Section 225 of the Securities and Exchange Act B.E. 2535 (Amended



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B.E. 2551) by closing the share register book and suspending any transfer of shares as from 20 April 2012 with the dividend payment to be made on 30 April 2012.

The Chairman then provided the shareholders with an opportunity to ask questions or give their opinions. As no shareholder asked any question or gave any opinion, the Chairman requested the meeting to adopt a resolution for this agenda item.

The following were the results of the voting on Agenda Item 4.

Results	Number of Votes	Percent
Approval Votes	720,710.435	99.671
Disapproval Votes	2,375,900	0.329
<b>Total number of votes cast on this agenda item</b>	<b>723,086,335</b>	<b>100.000</b>

(Abstained from voting: 3,010 votes)

### **Resolution**

With the majority votes of the shareholders who attended at the meeting and cast their votes, the meeting passed the resolution approving the appropriation of the net profit for the operating results of the year 2011 and the dividend payment for the operating results of the second half of the year at a rate of 0.70 baht per share as well as the dividend payment schedule as proposed.

### **Agenda Item 5**

**To acknowledge the remuneration of the Board of Directors and the other committees, to consider increase in remuneration level of the Board of Directors and to approve the payment of performance allowances to the Board of Directors for the 2011 performance**

**The Chairman** said that this agenda item included the report on the payments of remuneration to the directors in the past year as well as the annual consideration of the remuneration of the directors. The report on the payments of remuneration to the members of all committees in 2011 was as follows:

- Of the allocated amount worth 8,600,000 baht approved by shareholders for the payments of remuneration to the Company's Board of Directors, the actual payment was 7,160,000 baht, in accordance with the number of the meetings attended by the directors.
- The total payment of remuneration made to the other committees in 2011 amounted to 2,105,000 baht.
- The table that compared the remuneration rates and the related payments made to the Company's Board of Directors and all the other committees in 2011 with those in 2012 was on Pages 32-33 of the Notice of the Meeting.

As regards the details related to the payments of the remuneration which were made to each person in 2011, the information was given on Pages 88-89 in the annual report. Except for the payments which were reported above, the Company did not make any other payments of remuneration and/or benefits to the directors, which were not of a regular nature.

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In addition, the Board of Directors adopted a resolution approving the proposals made by the Remuneration Committee in relation to the increase in the remuneration level of the Board of Directors and the payment of performance allowances to the Board of Directors for the 2011 performance. In this connection, **Mr. Somkiat Sukdheva**, Chairman of the Remuneration Committee, was requested to give details under this agenda item.

**Mr. Somkiat Sukdheva** informed the meeting that each year the Remuneration Committee would review the appropriateness of the remuneration made to the Board of Directors, the Nomination Committee, the Remuneration Committee and the Audit Committee. According to the most recent review, the current remuneration level which was shown on the screen amounted to not more than 8,600,000 baht in line with the approval given by the shareholders since 2007. When compared with the remuneration to directors in the same industry, which took into account the additional responsibilities and the inflation factor, the remuneration level approved by the shareholders was below the industrial average. As a result, the Remuneration Committee adopted a resolution suggesting that the Board of Directors propose to the shareholders for approval the increase in the remuneration level of the Board of Directors from not more than 8,600,000 baht per annum to not more than 11,000,000 baht per annum. In this connection, the Remuneration Committee would consider the rates of the directors' remuneration and then propose to the Board of Directors for approval as deemed appropriate, in line with the authorization given to the Board of Directors by the annual general meeting of shareholders.

In relation to the performance allowances, having considered the matter, the Remuneration Committee proposed that the shareholders approve the payment of performance allowances to the directors for the year 2011 at the rate equal to one percent of the dividend payments approved for the shareholders. This was in line with the policy established by the shareholders. The proposed dividends for the full-year performance to be made to the shareholders this year amounted to 1,533,395,643.60 baht. As a result, the total performance allowances to be paid to all members of the Board of Directors would amount to about 15,333,956.44 baht with the Board being authorized to allot the related payments to its members. The details on the payments of the allowance for the performance from 2008 to 2010 were given on Page 32 of the Notice of the Meeting.

**Mr. Somkiat Sukdheva** then provided the shareholders with an opportunity to ask questions and give opinions before he requested them to adopt a resolution on this agenda item. The following were the shareholders with their questions and opinions.

**Mr. Suebsak Pipobmongkol** (a shareholder) asked about details of the remuneration made to each directorship per meeting. He also asked whether there were other payments such as entertainment allowances and car gas expenses, in addition to the payments of the meeting stipends.

**Mr. Somkiat Sukdheva** gave clarifications on the remuneration of each directorship, the summary of which was as follows:

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Unit: Baht

Committees	Positions	Compensation for each directorship (monthly/month)	Meeting stipends (monthly/month)
Board of Directors	Chairman	80,000	40,000
	Director	40,000	20,000
Audit Committee	Chairman	40,000	15,000
	Director	30,000	10,000
Nomination Committee	Chairman	None	25,000
	Director	None	15,000
Remuneration Committee	Chairman	None	25,000
	Director	None	10,000

He also said that, except for the meeting stipends, the directors did not receive any other compensation such as entertainment allowances and car gas expenses. For additional details, the shareholders could find them on Page 32 of the Notice of the Meeting.

**Ms. Sunee Sae Serng** (a shareholder) said that the payment of the performance allowances should be in line with the Company's performance. However, according to the performance in 2011, the Company's net profit declined. She asked why the performance allowances were still paid to the directors at the same rate as in the previous year whose performance was better than 2011.

**The Chairman and Mr. Somkiat Sukdheva** clarified that the payment of the performance allowance to the directors was not directly based on the Company's profit but in line with the dividends paid to the shareholders. In the past, the shareholders approved the payment of the performance allowances at the rate equal to one percent of the dividend payment approved for the shareholders.

**Mr. Methi Rangsiwong** (a shareholder) said that the information on the performance allowance on Page 90 of the annual report was different from the one given by the director's report.

**Mr. Suphadej Poonpipat** said that the information on the performance allowance on Page 90 was that of Thanachart Bank. The shareholder was requested to refer to Page 88 of the annual report since there were different groups of directors.

Referring to the proposal to increase the remuneration level of the Board of Directors from the 8,600,000 baht per annum to 11,000,000 baht per annum, **Mr. Suwat Kor. Srisuwan** (a shareholder) said that the remuneration in the past did not exceed the level of 8,600,000 baht in line with the approval already given by the annual general meeting of shareholders. He asked why the proposal to increase the remuneration level was made. According to the information on Page 36 of the Notice of the Meeting, the total remuneration amounted to 9,265,000 baht. He asked what the amount was and whether it included the increase in the remuneration level proposed for approval at this meeting.

With regard to the proposal to increase the level of the directors' remuneration, **Mr. Somkiat Sukdheva** said that the Remuneration Committee reviewed the remuneration and found that the current rate of remuneration made to the directors, which was just

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reported, was lower than the industrial average which took into account the additional responsibilities and the inflation factor. As a result, the Remuneration Committee suggested that the Board of Directors propose to the shareholders for approval the increase in the remuneration level.

Regarding the information about the total remuneration of 9,265,000 baht as shown on Page 36 of the Notice of the Meeting, he said that it was the total remuneration made to (1) the Board of Directors, (2) the Audit Committee, (3) the Nomination Committee, and (4) the Remuneration Committee in 2011. The proposal for approval of the increase in the remuneration level at this meeting was for the Board of Directors only. As regards the remuneration made to the Audit Committee, the Nomination Committee, and the Nomination Committee, the Board of Directors possessed the power to determine the remuneration of the committees without requiring approval at the annual general meeting of shareholders. However, the report on the remuneration had to be presented to the shareholders annually.

As no shareholder asked additional questions or gave additional opinions, Mr.Somkiat Sukdheva requested the shareholders to vote separately on the proposal to increase in the remuneration level and the payment of the performance allowance.

The following were the results of the voting on Agenda Item 5.1:

Approving the increase in the remuneration level to not more than 11,000,000 baht per annum

Results	Number of Votes	Percent
Approval votes	685,291,961	94.765
Disapproval votes	19,540,500	2.702
Abstained from voting	18,312,798	2.532
<b>Total number of the votes cast</b>	<b>723,145,259</b>	<b>100.000</b>

The following were the results of the voting on Agenda Item 5.2:

Approving the payment of the performance allowance at the rate equal to one percent of the dividend payments approved for the shareholders

Results	Number of Votes	Percent
Approval votes	685,845,835	94.836
Disapproval votes	19,050,500	2.634
Abstained from voting	18,297,810	2.530
<b>Total number of the votes cast</b>	<b>723,194,145</b>	<b>100.000</b>

### Resolutions

With more than two-thirds of the votes cast by the shareholders present at the meeting, the meeting adopted the resolutions approving the increase in the remuneration level to not more than 11,000,000 baht per annum and the payment of performance allowance to the Board of Directors for the 2011 performance at the rate equal to one percent of the dividend payments approved for the shareholders, as proposed.

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**Agenda Item 6****To consider appointment of directors to replace the directors retiring by rotation**

**The Chairman** said that this agenda item was concerned with the consideration of the appointment of directors replacing the directors retiring by rotation. The list of the three directors who retired by rotation was as follows:

1. Miss Suvarnapha Suvarnaprathip,
2. Mr. Somjate Moosirilert, and
3. Mr. Taweesak Saksirilarp.

**Mr. Somkiat Sukdheva** informed the meeting that, in order for the shareholders to vote independently on this agenda item, he would like to request all the three retiring directors to be out of the meeting room temporarily. The three retiring directors then went out of the meeting room.

In finding and proposing the list of names of persons to fill the vacancies of the directors retiring by rotation, the Board of Directors assigned the Nomination Committee to be responsible for the related work. In addition, during the period from 14 October 2011 to 14 November 2011, the Company allowed the shareholders to propose, through its website (www.thanachart.co.th), names of qualified persons for election at this meeting. However, during the specified period, there was no shareholder proposing any person for consideration. As a result, in line with the recommendation made by the Nomination Committee whose retiring members refrained from proposing their own names for re-election, the Board of Directors deemed it appropriate to propose to the shareholders that they re-appoint all the three retiring directors as directors for another term. The shareholders could consider the brief profiles of the three directors, which were on Pages 38-42 of the Notice of the Meeting, or those currently shown on the screen. Mr. Somkiat Sukdheva presented a summary of each director's profile as follows:

**Miss Suvarnapha Suvarnaprathip, Vice Chairperson of the Executive Committee**

*She has served as director and executives of Thanachart Group's member companies for over 20 years, starting with Managing Director of Ekachart Finance and Securities Public Company Limited. She played a key role in establishing Thanachart Bank and served as Managing Director of Thanachart Bank since its inception in 2002 until 2006, after which she had served as director and member of Thanachart Bank's Executive Committee until the present.*

*As regards the Company's directorship, she has served as director and member of the Executive Committee since 2006. During the tenure, she has always made good use of her knowledge, ability and experience in finance in carrying out her duties.*

**Mr. Somjate Moosirilert, member of the Executive Committee and Senior Executive Vice President**

*He has extensive knowledge and experience in the financial institutions industry and the securities business. He served as executive of Thanachart Group since the beginning, before assuming the position of President of Thai Asset Management Corporation in 2002. He returned to Thanachart Group in 2009 to serve as its director and executive. At present, he serves as member of the Executive Committee as well as President and Chief Executive Officer of Thanachart Bank. He is also an important executive playing a key role in successfully implementing the merger between Siam City Bank and Thanachart*

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*Bank in line with the established plan. With regard to Thanachart Capital Public Company Limited, he serves as member of the Executive Committee and Executive Vice President. He has been assigned to serve as President and Chief Executive Officer of Thanachart Bank.*

**Mr. Taweesak Saksirilarp, member of the Executive Committee and Executive Vice President**

*He has knowledge and skills in finance, especially in managing and restructuring non-performing assets. Serving as the Company's executive since 2004, he has always been responsible for debt restructuring and management of non-performing assets. He is considered a key executive who plays a key role in managing non-performing loans of Thanachart Group, always ensuring a rate of return in line with the established plan. He has assumed the Company's directorship since 2007. At present, he serves as member of the Executive Committee and Executive Vice President.*

**Mr. Somkiat Sukdheva** then provided the shareholders with an opportunity to ask questions or give opinions. As no shareholder asked any question or gave any opinion, he requested the shareholders to vote on this agenda item.

There were two alternatives for voting on this agenda item. The shareholders could vote for the group of the directors as a whole, i.e. all the three directors. Or the shareholders could vote for each director separately. For transparency, he requested the shareholders to vote for each director separately by using the ballot for Agenda Item 6 and specifying the names of the directors as follows:

- 6.1 Miss Suvarnapha Suvarnaprathip,
- 6.2 Mr. Somjate Moosirilert, and
- 6.3 Mr. Taweesak Saksirilarp.

The shareholders who wished to cast their votes of disapproval or abstain from voting on the agenda item were required to do it on the ballot, sign their name, and raise their hand so that the staff could collect the ballot from them.

**Mr. Somkiat Sukdheva** then invited the three directors who had gone out of the meeting room temporarily, to return to the meeting room before proceeding with the next agenda item.

The following were the separate results of the shareholders' voting for the re-appointment of each of the three retiring directors as director for another term.

The results of the voting on Agenda Item 6.1 - Miss Suvarnapha Suvarnaprathip

Results	Number of votes	Percent
Approval votes	722,255,770	99.865
Disapproval votes	974,700	0.135
<b>Total number of votes cast</b>	<b>723,230,470</b>	<b>100.000</b>

(Abstained from voting: 0 vote)

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The results of the voting on Agenda Item 6.2 - Mr. Somjate Moosirilert

Results	Number of votes	Percent
Approval votes	722,254,872	99.867
Disapproval votes	962,588	0.133
Total number of votes cast	723,217,460	100.000

(Abstained from voting: 13,010 votes)

The results of the voting on Agenda Item 6.3 - Mr. Taweesak Saksirilarp

Results	Number of votes	Percent
Approval votes	722,254,872	99.867
Disapproval votes	973,588	0.133
Total number of votes cast	723,217,460	100.000

(Abstained from voting: 13,010 votes)

### **Resolutions**

With the majority votes of the shareholders who attended the meeting and casted their votes, the meeting passed the resolutions re-appointing all the three retiring directors as directors for another term.

### **Agenda Item 7**

#### **To appoint the auditor and to determine the audit fee for the year 2012**

**The Chairman** said that, in the past year, the Company appointed the auditors of Ernst & Young Office Limited as auditors for the year 2011 and fixed the audit fee at 1,470,000 baht. For the year 2012, the Audit Committee went through the process of selecting auditors. As well, the Board of Directors already considered the opinion of the Audit Committee and deemed it appropriate to propose the following list of the auditors of Ernst & Young Office Limited to the shareholders for appointment. It was proposed that

1. Miss Pupan Charoensuk (Certified Auditor No. 4950) and/or
2. Miss Rungnapa Lertsuwankul (Certified Auditor No. 3516) and/or
3. Mr. Narong Patawongs (Certified Auditor No. 3315)

be appointed as the auditors of the Company for the year 2012. It was also proposed that the shareholders approve the audit fee of 1,000,000 baht.

**The Chairman** then requested **Mrs. Siripen Sitasuwan**, Chairperson of the Audit Committee, to present details of this agenda item.

**Mrs. Siripen Sitasuwan** informed the meeting that, taking into consideration various factors as well as the appropriateness on the amount of work, the Audit Committee was of the opinion that Ernst & Young Limited was reliable and its performance was widely acceptable both domestically and abroad. It also possessed the auditing standards on a par with the international standards and was supported by staff with knowledge, skills, and experience in auditing financial statements of financial institutions. As well, it had always been helpful in providing the Company with valuable advice on various areas, particularly during the merger between the banks. The audit fee proposed for the year 2012 was considered reasonable. Both the three auditors and Ernst & Young Limited had

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neither relationship nor transaction that might give rise to a conflict of interest with the Company. The appointment of the auditors also received the approval of the Bank of Thailand on 5 March 2012. In this connection, the audit fee of 1,000,000 baht for the year 2012 was lower than the audit fee of 1,470,000 baht for the year 2011, representing a decrease of 31.97 percent.

As regards other details which the meeting should be informed of, Ernst & Young Limited had audited the Company's accounts since 2001. All the three auditors who were proposed for appointment were those appointed by the previous year's annual general meeting of shareholders. The Company's financial statements 2011 were audited and signed by Miss Pupan Charoensuk. The brief profiles of the three auditors were available on Pages 43-45 of the Notice of the Meeting.

**Mrs. Siripen Sitasuwan** then provided the shareholders with an opportunity to ask questions or express their opinions.

As no shareholder gave any opinion or asked any question, the shareholders were requested to adopt a resolution for this agenda item.

The results of the voting on the Agenda Item 7 were as follows:

Results	Number of votes	Percent
<b>Approval votes</b>	<b>723,061,860</b>	<b>99.978</b>
<b>Disapproval votes</b>	<b>157,000</b>	<b>0.022</b>
<b>Total number of votes cast on this Agenda Item</b>	<b>723,218,860</b>	<b>100.000</b>

(Abstained from voting: 13,010 votes)

### **Resolution**

With the majority votes of the shareholders present at the meeting and eligible to vote, the meeting passed a resolution approving the appointment of the following list of the auditors of Ernst & Young Office Limited:

1. Miss Pupan Charoensuk (Certified Auditor No. 4950) and/or
2. Miss Rungnapa Lertsuwankul (Certified Auditor No. 3516) and/or
3. Mr. Narong Patawongs (Certified Auditor No. 3315)

as the auditors of the Company for the year 2012. The audit fee of 1,000,000 baht for 2012 was also approved.

### **Agenda Item 8**

#### **Other business (in any)**

**The Chairman** provided the shareholders with an opportunity to make suggestions and ask questions. The following were the shareholders who asked questions and/or give opinions.

**Mr. Kitti Sanitwongse-Na-Ayudhya** (a shareholder) said that he was impressed by the Company's operations such as dividend payments to shareholders and reduction of Thanachart Bank's expenses by closing some overlapping branches that were located in close proximity. Having observed the customers using Thanachart Bank's services, he said that most customers only made their auto hire-purchase installment payments.



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However, when they wanted to execute other banking transactions, they went to other banks. As a result, he suggested that the Bank publicize its services by advertising that Thanachart Bank was a provider of fully integrated banking services and offered the same services as given by other commercial banks. He also suggested that it make use of its branches in raising income, such as renting out their space to vendors. It might also consider opening of branches with Western Union counters at Suvarnabhumi Airport. The purpose was to find additional sources of income. He also asked whether the Company had any policy to issue debentures.

**The Chairman and Mr. Somjate Moosirilert** thanked the shareholder for the suggestions, indicating that Thanachart Bank already informed its customers of its diverse services through public relations campaigns. With regard to the renting out of unused space of Thanachart Bank's branches, there might be some regulations imposed by the authority, which prohibited the Bank from doing so. In relation to the Western Union Money Transfer Service, the Bank would continue to maintain the service. As regards the issuance of the debt debentures, the meeting of Thanachart Bank's shareholders already adopted a resolution approving the issuance of debentures of up to approximately 150,000 million baht.

**Mr. Methi Rangsiwong** (a shareholder) asked the following questions:

1. The 2011 net profit of Thanachart Group Leasing Company Limited which was the Company's subsidiary, amounted to 99 million baht, a decrease from 2010. On the other hand, the 2011 net profit of Ratchathani Leasing Public Company Limited which was a subsidiary of the former Siam City Bank amounted to 205 million baht. He asked why the net profit of Thanachart Group Leasing Company Limited decreased significantly.
2. The 2011 net profit of Thanachart Securities Public Company Limited decreased by about 98 million baht over the previous year. He asked why the net profit decreased over the previous year.
3. As Thanachart Bank planned to issue debentures of about 150,000 million baht, he asked whether the proceeds would be used to build a new head office in the future. If negative, he asked what purpose the proceeds would be used for.
4. Referring to the news about resource-rich Myanmar opening its doors to foreign investors, there were many companies in Thailand, which were interested in making investments in Myanmar. As a result, he foresaw opportunities for Thanachart Bank to extend more corporate loans.

**The Chairman, Mr. Suphadej Poonpipat, and Mr. Somjate Moosirilert** gave the following answers to the questions.

1. In the past, the Bank of Thailand did not allow commercial banks to restructure the non-performing hire purchase loans. Moreover, during the period, there were relatively high non-performing loans. As a result, Thanachart Group Leasing Company (Thanachart Group Leasing) was established. Those non-performing loans were transferred to Thanachart Group Leasing for debt restructuring. However, the Bank of Thailand now allows commercial banks to negotiate directly with their customers on debt restructuring. As a result, the number of

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non-performing loans for debt restructuring was on the decline. In the past, Thanachart Group Leasing was highly successful in debt restructuring. As regards Ratchthani Leasing Public Company Limited, the company grew well with focus given to lorries.

2. The decrease in the net profit of Thanachart Securities Public Company Limited was due to a number of factors including, among others, the decrease in the trading volume to the level lower than the estimates, and the authority's policy to allow investors to negotiate brokerage fees, which resulted in the decrease in brokerage.
3. With regard to the issuance of debentures, the proceeds would not be used for building a head office.
4. The corporate loans were one of the areas that needed to be promoted. However, the focus was not on Myanmar yet.

**Mr. Basant Kumar Dugar** (a shareholder) said that, after having read the 2011 financial statements, he noticed something good. In the previous year, he praised Thanachart Bank for its management of the interbank and money market items as well as the liquidity. The performance in this area during 2011 remained praiseworthy. On the liabilities' side of the statement, the Bank was able to increase the interbank and money market items, while on the assets' side, it was able to decrease the interbank and money market items. The good signals demonstrated the ability to cut costs in order to increase income. As a result, the interest rate spread became larger. However, after conducting studies, he believed that Thanachart Bank could manage them more effectively. They consisted of at-call items and fixed-term items. As well, he assumed that the maximum term of the interbank and money market items was three months. He said that he participated in many key seminars on Risk Management and the Basel II Capital Accord. Based on a number of studies, it was found that, if the term of the bank's interbank and money market items was less than 90 days, the bank would receive a satisfactory score on risk management. If the Company was able to change the term of the interbank and money market items in line with such studies, it might make more profits and achieve better risk management.

**The Chairman** thanked the shareholder for the suggestions.

**Mr. Somboon Peerapatkul** (a shareholder) said that, towards the end of the previous year, he opened an SBL (Securities Borrowing and Lending) account after participating in a training activity organized by Thanachart Securities Public Company Limited on the above accounting system. He tried placing orders about four times, using the account which he opened. However, the system could not process the orders. As a result, he asked whether the system was functioning properly.

**Mr. Somjate Moosirilert** said that he would like to have additional details after the closure of the meeting. The information would allow him to follow up this matter.

**Mr. Rittichai Yipcharoenporn** (a shareholder) said that the growth of loans was very low when compared with the growth of other banks. He asked about Thanachart Bank's policy to solve this problem. On the Asian Economic Community (AEC), he asked about the Company's guidelines on expanding abroad.

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**The Chairman** said that in the previous year, Thanachart Bank placed emphasis on the merger. As a result, it was not able to expand business proactively. Instead, it was forced to adopt a defensive approach. However, it had put in place a plan to move full steam ahead on loan expansion. With regard to the Asian Economic Community (AEC), the Bank had not conducted an in-depth study of this matter or formulated a detailed plan yet. It might have to study this matter and make a plan in advance. In the meantime, the Bank had to pay attention to the preparation for the second step of the merger first.

**Mr. Chalermchai Jarusenarong** (a shareholder) said that, in case of a cash withdrawal at a bank branch, one would be required to present his I.D. Card as a supporting document for the withdrawal. However, if the I.D. Card expired, the staff at the branch could not execute the cash withdrawal transaction. He was of the opinion that the staff should only ensure the ownership of the I.D. Card. The expiry of the I.D. Card should not be used as a supporting factor in determining whether one could withdraw the cash.

**The Chairman and Mr. Somjate Moosirilert** clarified that this matter involved details relating to staff service delivery. After the closure of the meeting, they agreed to follow up the matter and reconsider it.

**Mr. Methi Rangsiwong** (a shareholder) asked about the rate of return offered by the debentures of 150,000 million baht to be issued by Thanachart Bank. He also asked whether the debentures would be offered to retail investors. As well, he asked how many steps the 2<sup>nd</sup> step of the merger consisted of.

**The Chairman and Mr. Somjate Moosirilert** clarified that the adoption of the resolution approving the issuance of the debentures was to prepare for future operations. The debentures might be offered to members of the general public or institutional customers. The rate of return would be in line with the prevailing rate when the debentures were offered. With regard to the 2<sup>nd</sup> step of the merger, there would be only one remaining step. However, it would take quite some time to implement.

**Mr. Are-poon Guntanavet** (a shareholder) asked the following questions:

1. Another bank launched a deposit product called “ME”, which allowed customers to make deposits through channels other than counters. The product offered an interest rate of 3.5 percent. He asked whether Thanachart Bank had a way to compete with this product.
2. He asked how Thanachart Bank would be affected by Basel II and Basel III.
3. In the process of the merger, there was one remaining life insurance license. He asked how the Bank would deal with this license. He also asked whether it was likely that the existing life insurance company would get listed on the Stock Exchange of Thailand.

**The Chairman and Mr. Somjate Moosirilert** responded to the questions as follows:

1. Each bank had its own concepts and ideas which were different from others. In mobilizing long-term funds, there were a number of different alternatives.

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However, Thanachart Bank did not ignore studying these concepts and ideas. In fact, it kept on studying them continuously.

2. Thanachart Bank had conducted a preliminary study of Basel II and Basel III. It expected no problem.
3. With regard to the one remaining insurance license, Thanachart Bank was conducting a preliminary study and considering the action to be taken. The Company did not have any policy to list the life insurance company on the Stock Exchange of Thailand.

**Mr. Kitti Sanitwongse-Na-Ayudhya** (a shareholder) said that the computer systems which were used after the merger were very slow and might cause problems to service delivery. One solution was to return to the former systems. He also found that approving loan applications was slower than usual.

**The Chairman** thanked the shareholder for the suggestion. He said that the Bank was still using the same computer systems but they might be newer version.

**Mr. Chakravut Jongpichetvorakul** (a shareholder) said that he had held shares of Ratchthani Leasing Public Company Limited for many years. After it was acquired by Thanachart Bank, he received lower dividend payments. He asked about how Thanachart Bank dealt with properties foreclosed.

**Mr. Suphadej Poonpipat** said that he was aware of the issue and clarified that there was a working team that had been closely managing the properties foreclosed. In this connection, he accepted the comment and would reconsider the matter.

As no shareholder had additional suggestions or questions, the Chairman requested permission to declare the meeting closed. He thanked the shareholders for taking the time to attend the meeting and for their comments and suggestions which would be used for improvement at the next meeting.

In addition, as there was no one proposing any other item for consideration, the Chairman declared the meeting closed.

The meeting was closed at 17:10 hours.

(signed).....Banterng Tantivit.....Chairman of the meeting  
(Mr. Banterng Tantivit)

(signed)....Panupan Tuangthong.....Keeper of the minutes  
(Mr. Panupan Tuangthong)