

Supporting Document

Agenda Item 1: To approve the Minutes of the Annual General Meeting of Shareholders for the Year 2013

Minutes of the Annual General Meeting of Shareholders for the Year 2013

Thanachart Capital Public Company Limited

Athénée Crystal Hall 3rd Floor, Plaza Athénée Bangkok, A Royal Méridien Hotel

61 Wireless Road, Kwaeng Lumpini, Khet Pathumwan, Bangkok

Thursday, 4 April 2013 Starting at 14:00 hours

Quorum

At 14:07 hours, the meeting was attended by 711 shareholders in person who held 15,942,112 shares and 1,618 proxy holders who held 659,827,079 shares respectively. As a result, there were altogether 2,329 shareholders attending the meeting and holding a total of 675,769,191 shares. The total shares which were represented in person or by proxy accounted for 52.8841 percent of the Company's 1,277,829,703 fully paid-up shares, thus constituting a quorum.

Members of the Board of Directors attending the meeting

1. Mr. Banteng 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. Ms. Suvarnapha 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)

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 14:07 hours. He said that it was the Annual General Meeting of Shareholders for the Year 2013 with ten 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.

The Chairman asked the hotel staff to show the emergency exit in case of emergency or fire for shareholder's safety, and then requested the Company's Secretary to introduce the members of the Board of Directors and inform the shareholders of the details regarding the conduct of the meeting. The Secretary said that all nine members of the Board of Directors were present at the meeting. Among them were the Chairperson of the Audit Committee, the Chairman of the Nomination Committee and the Chairman of the Remuneration Committee. He then introduced each of the directors to the meeting and also indicated that the representatives of the auditors of the Company and Thanachart Group's member companies were also present at the meeting. As a result, if in the course of the meeting the shareholders wished to request the directors or the auditors to answer questions, they could do so. He then explained the procedures relating to the conduct of the meeting, the summary of which was as follows:

- For the convenience of the shareholders in exercising their voting rights at the meeting, the Company made available 12 separate ballots for the agenda items concerned, which were given to the shareholders. In this connection, the management also had the related details printed on the ballots. With regard to Agenda Item 2, as it was concerned with the report to be presented to the shareholders for information, there was no ballot for the item.
- During the deliberation of each agenda item, shareholders wishing 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 requested to cast the votes or abstain from voting by checking the related box and signing their name on the ballots. Once they were ready, they were requested to raise their hand so

that the staff concerned would collect the ballots and compile the votes. Any ballots without signature or with more than one boxes checked, they would be regarded as “invalid ballots”.

- 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.
- 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.

After the explanation of the procedures, the Chairman proceeded with the established agenda of the meeting as follows:

Agenda 1: To approve the Minutes of the Annual General Meeting of Shareholders for the Year 2012

Before proceeding with the approval of the Minutes of the Annual General Meeting of Shareholders for the Year 2012, **the Chairman** informed the meeting that the voting results of each agenda item on the minutes were not correct. In this connection, he requested the Secretary to give clarification on the subject.

The Secretary said that, at the Annual General Meeting of the Shareholders for the Year 2012 which was held on 5 April 2012, the registration of the shareholders attending the meeting was made correctly. However, there were errors caused by the duplicate values of some participating shareholders' votes in the sum of the voting results of each agenda item. In consequence, the voting results reported by the Chairman at the previous meeting were not correct, when compared with the actual number of the registered shareholders.

However, when the voting results were adjusted in line with the actual numbers of the registered shareholders, the resolutions adopted for all the agenda items remained the same in line with the law and the Company's regulations. In this connection, the correct voting results of each agenda item were shown on the screen as follows:

Table showing voting results for the agenda items at the Annual General Meeting of Shareholders for the Year 2012

Agenda Item	Votes in favor				Votes of disapproval		Abstain from voting		Total voting results					Resolution
	Reported at 2012 AGM		Correct results		No change in no. of votes reported at 2012 AGM		Reported at 2012 AGM		Reported at 2012 AGM		Correct results			
	Votes	Percent	Votes	Percent	Votes	Percent **	Votes	Percent **	Votes	Percent	Resolution	Votes	Percent	
1*	716,365,384	100.000	580,128,484	100.000	0	0.000	19,000	0.000	716,365,384	100.000	Adopted	580,128,484	100.000	Adopted
3*	722,387,234	99.993	586,750,334	99.991	50,600	0.009	10,010	0.000	723,037,834	100.000	Adopted	586,800,334	100.000	Adopted
4*	720,710,435	99.671	584,473,535	99.595	2,375,900	0.405	3,010	0.000	723,086,335	100.000	Adopted	586,849,435	100.000	Adopted
5.1	685,291,961	94.765	549,055,061	93.550	19,540,500	3.330	18,312,798	3.120	723,145,259	100.000	Adopted	586,308,359	100.000	Adopted
5.2	685,845,835	94.836	549,608,935	93.637	19,050,500	3.245	18,297,810	3.117	723,194,145	100.000	Adopted	586,357,245	100.000	Adopted
6.1*	722,255,770	99.865	586,018,870	99.834	974,700	0.166	0	0.000	723,230,470	100.000	Adopted	586,393,570	100.000	Adopted
6.2*	722,254,872	99.867	586,017,972	99.836	962,588	0.164	13,010	0.000	723,217,460	100.000	Adopted	586,380,560	100.000	Adopted
6.3*	722,251,672	99.867	586,014,772	99.836	964,788	0.164	14,010	0.000	723,216,460	100.000	Adopted	586,379,560	100.000	Adopted
7*	723,061,860	99.978	586,324,960	99.973	157,000	0.027	13,010	0.000	723,218,860	100.000	Adopted	586,381,960	100.000	Adopted

Notes:

- * Agenda items whose votes did not include those of shareholders who abstained from voting.
- ** The percentages of 'Votes of disapproval' and 'Abstain from voting' were slightly different from the original amounts, due to the recalculation. However, they did not affect the resolutions which were adopted.

The Chairman apologized to the shareholders for the vote count errors. As the Secretary informed the meeting, the adjusted voting results for all the agenda items did not have any impact on the resolutions.

As regards the Annual General Meeting of Shareholders for the Year 2012 was held on Thursday, 5 April 2012, 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 11 to Page 38. The Chairman proposed that the shareholders approve the proposed minutes which recorded what actually took place in the meeting and acknowledge the Secretary's report on the vote count errors. He then asked 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.

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 approving the minutes of the Annual General Meeting of the Shareholders for the Year 2012.

Additional note: From the time when the meeting was called to order until the time for adopting the resolution on Agenda Item 1, there were 96 additional shareholders registering for attending the meeting. They held 6,125,840 shares in total. As a result, the total number of shareholders attending the meeting amounted to 2,425 while the total number of their shares amounted to 681,895,031.

The results of the voting on the Agenda Item 1 were as follows:

Results	Number of votes
Approval votes	679,394,131
Disapproval votes	0
Abstained from voting	2,500,900
Number of Invalid votes	0

Resolution

With the majority votes of the shareholders who were present at the meeting and casted their votes, the meeting passed a resolution approving the Minutes of the Annual General Meeting of Shareholders for the Year 2012 which was held on Thursday, 5 April 2012.

Agenda 2: To acknowledge the report of the Board of Directors on the Company's business operations in 2012

The Chairman requested Mr. Suphadej Poonpipat, Chairman of the Executive Committee and Chief Executive Officer, to present a report on the Company's business operations for the past year 2012.

Mr. Suphadej Poonpipat said that Agenda Item 2 was concerned with the Board of Directors' report on the Company's business operations. The report was prepared in the form of a video presentation which was about 8 minutes in length. In this connection, the shareholders could consider the details given in the Annual Report 2012 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

"Let's consider this year's key economic highlights including Thailand's economic recovery from the flood crisis in 2011 with the economic growth of 6.4 percent, which was higher than anticipated; the government's economic stimulus measures including the first-time car buyer program, the first-time home buyer program, and corporate income tax rate reduction; the Monetary Policy Committee's decision to reduce the benchmark interest rate to 2.75 in the last quarter of 2012 to boost the country's economic recovery; as well as the Thai commercial banking industry's overall growth of loans, deposits, interest income and non-interest income.

The above positive factors helped drive the robust growth of Thanachart Group's total assets. As at the end of 2012, the total assets increased to 1,023,912 million baht and the loans increased 18.6 percent compared to the previous year. In view of its performance in 2012, the growth of Thanachart Group's net interest income was at the same level as the end of the previous year while the non-interest income

increased over the previous year, thanks to the synergy of all members of Thanachart Group and the increase in cross-selling activities among the members.

As regards the ratio of impairment loss of loans and loss from debt restructuring to the loan portfolio (credit cost), it rose slightly. All the above factors resulted in Thanachart Group's profit of 9,751 million baht in 2012, based on the consolidated financial statements. Of the amount, the Company's profit was 5,482 million baht, an increase of 480 million baht or 9.6 percent over the previous year.

The Group also had a strong capital base, with its capital adequacy ratio being 12.1 percent. Thanachart Bank's total capital amounted to 101,417 million baht, accounting for 14 percent of the Bank's total risk weighted assets. The strong capital base will serve as a main driving force behind Thanachart Group's stable business expansion in the future. In the previous year, Thanachart Bank also successfully implemented the established plan related to its merger with Siam City Bank. This year, we'll place emphasis on the next step which aims to transform Thanachart Bank into Thailand's leading commercial bank. Focus will be given to the following areas:

- *To develop infrastructure systems for achieving the most efficient database management possible, particularly ensuring that the newly developed database management systems will enable the Bank to track the progress status of its customers in every business process. The objectives are to accommodate cross-selling activities through new distribution channels, to support the management and control of the non-performing loans, and to achieve the targets set for the loan loss provision.*
- *To streamline the work processes related to operations, approval of transactions, and services, in order to accommodate business expansion and improve customer service quality.*
- *To develop human resources, ensuring that they are knowledgeable about the available products and services. The objective is for them to provide customers with the products and services that meet customer needs.*
- *To enhance the efficiency in cutting costs and to develop risk management systems related to loan application approval, ensuring that the Bank is able to manage the risks more efficiently.*

The development in all the above areas will enhance our potential to meet a diverse array of customer needs and support the continuous expansion of Thanachart Group's customer bases.

This is another business alliance which will help drive our growth, thanks to the collaboration between Thanachart Bank and Prudential Life Assurance Group, a UK-based leading provider of life insurance services. The two organizations will collaborate in developing new life assurance products and services that will be offered to customers through Thanachart Bank's branch network across the country.

On 5 November 2012, Thanachart Bank reached an agreement to sell all its equity stake in Thanachart Life Assurance Public Company Limited to Prudential Life Assurance (Thailand) Public Company Limited ("Prudential Life Assurance") at 17,500 million baht in cash. The selling price will be adjusted upward based on the book value of Thanachart Life Assurance Company one day prior to the date on which the payment for the shares is made and the share transfers are executed in accordance with the terms and conditions of the agreement. As well, Thanachart Bank will receive additional 500 million baht, 12 months after the date on which the payment for the shares is made and the share transfers are executed. The key terms and conditions related to the payment of the shares and the share transfers are as follows:

- (1) Prudential Life Assurance receives approval from the Office of Insurance Commission for the purchase of the equity stake,
- (2) Thanachart Bank and Prudential Life Assurance reach an agreement on their business collaboration with Thanachart Bank acting as Prudential Life Assurance's representative to introduce life assurance products and services for 15 years, and
- (3) There is neither event nor change that has significant adverse impact on Thanachart Life Assurance Company's business operations and financial position as well as the business collaboration related to the introduction of life assurance products by Thanachart Bank.

Once Prudential Life Assurance receives the approval from the Office of Insurance Commission and the key terms and conditions related to the payment of the shares are fulfilled, Thanachart Bank will transfer the shares of Thanachart Life Assurance Company to Prudential Life Assurance and receive the payment for the shares in accordance with the terms and conditions of the agreement.

We believe that strong growth has to be based on a foundation of good corporate governance as well as corporate social responsibility activities to which we are always committed and have successfully implemented. Today we have established "Thanachart Foundation for Thai Society" whose objectives are to reaffirm our commitment to the society and to continue implementing the corporate social responsibility activities.

With clearly identified growth targets and driven by the determination of the executives and staff of every work unit, the forces of Thanachart Group are all heading in the same direction. This serves as a solid foundation on which Thanachart Group's sustainable growth is based. Emphasis will be placed on expansion of customer bases, enhancement of efficiency of systems and infrastructures, efficient cost management, and enhancement of profitability potential. These key factors will play a crucial role in driving Thanachart Group's further growth in a stable and sustainable manner as Thailand's leading financial institution in which the shareholders have confidence."

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.

Agenda 3: To approve the statements of financial position and statements of comprehensive income for the year ended 31 December 2012

The Chairman requested Mr. Suphadej Poonpipat, Chairman of the Executive Committee and Chief Executive Officer, to make a presentation on 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 what 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 2012. The statements of financial position and the statements for comprehensive income for the year ended 31 December 2012 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 shareholders for consideration the statement of financial position and the statement of comprehensive income for the year ended 31 December 2012. 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.

Assets

As regards the consideration of the financial statements, the following are main points that need to be explained. 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 amounted to 1,023,912 million baht, an increase of 128,755 million baht or 14.4 percent over the previous year. Of the total assets of the Company and its subsidiaries, the net interbank and money market items accounted for 7 percent, the net investments accounted for 15 percent, the net loans and accrued interest receivables accounted for 71 percent, while other assets accounted for 7 percent. The assets which registered significant changes were as follows:

- *The net interbank and money market items amounted to 71,978 million baht, an increase of 8,746 million baht or 13.8 percent over the previous year.*
- *The net investments amounted to 150,649 million baht, a decrease of 1,862 million baht or 1.2 percent over the previous year, mainly due to the fact that many foreign debt securities reached maturity.*
- *The net loans to customers amounted to 755,330 million baht, an increase of 118,226 million baht or 18.6 percent over the previous year. This was mainly due to the 38.6 percent increase in auto hire purchases over the previous year. Its subsidiary Thanachart Bank held the leadership position in the auto hire purchase industry. The retail loans accounted for 68 percent of the loan portfolio, while the corporate and SME loans accounted for the remaining 32 percent.*

Liabilities

The total liabilities of the Company and its subsidiaries at the end of 2012 amounted to 940,122 million baht, an increase of 120,646 million baht or 14.7 percent over the previous year.

Of the total liabilities, the deposits accounted for 74 percent, the interbank and money market items accounted for 9 percent, the debts issued and borrowings accounted for 10 percent while the other liabilities accounted for 7 percent.

The deposits amounted to 693,421 million baht, an increase of 257,556 million baht or 59.1 percent over the previous year. This was mainly due to the introduction of the deposit products which met customer needs and the shift of more customers formerly investing in bills of exchange to fixed deposit products.

The interbank and money market items amounted to 87,777 million baht, an increase of 27,626 million baht or 45.9 percent over the previous year. The increase was mainly due to the management of the Bank's liquidity.

The debts issued and borrowings amounted to 89,506 million baht, a decrease of 173,147 million baht or 65.9 percent over the previous year. This was mainly due to the decrease in bills of exchange as a result of the above-mentioned shift to fixed deposit products. In 2012, the Company issued 3,000 million baht of unsubordinated debentures while Thanachart Bank issued 12,516 million baht of subordinated debentures 2,072 million baht of unsubordinated debentures, and 13,235 million baht of short-term debentures. As well, the Company's another subsidiary Ratchthani Leasing issued 9,000 million baht of unsubordinated debentures.

Total shareholders' equity amounted to 83,790 million baht, an increase of 8,109 million baht or 10.7 percent over the previous year. This was mainly due to the increase of 5,482 million baht in the operating profit in 2012 of the Company and its subsidiaries the dividend payment of 1,533 million baht to the shareholders, and the increase of 3,596 million baht in the non-controlling interests.

Consideration of the statement of comprehensive income to know the performance of the Company and its subsidiaries, proportionately to the holding company's equity stakes

In 2012, the net profit of the Company and its subsidiaries amounted to 9,751 million baht of which 5,482 million baht was the profit of the Company and 4,269 million baht was the profit attributable the non-controlling interests. The items with significant changes included the following:

1. Net interest income

The total interest income amounted to 49,999 million baht, an increase of 5,741 million baht or 13.0 percent over the previous year. This was mainly due to the increase in loans to customers, especially the hire purchases. On the other hand, the total interest expenses amounted to 25,765 million baht, an increase of 5,822 million baht or 29.2 percent over the previous year. This was mainly due to the increase in deposits. Taking into account the main factors including the offering of competitive rates for deposits in the commercial banking industry as well as the additional contribution fees to the Financial Institutions Development Fund and the Deposit Protection Agency, the net interest income amounted to 24,234 million baht.

2. Non-interest income

The non-interest income of the Company and its subsidiaries rose to 13,458 million baht, an increase of 2,848 million baht or 26.8 percent over the previous year. This was mainly due to a number of key components as follows:

- *The net fees and service income amounted to 4,230 million baht,*
- *The net insurance premium/life insurance premium income amounted to 3,874 million baht,*
- *The gains on properties foreclosed and other assets amounted to 1,059 million baht,*
- *The gains on investments amounted to 852 million baht, and*
- *Other income from the expansion of various businesses managed by Thanachart Group.*

3. Other operating expenses

The other operating expenses amounted to 22,578 million baht, an increase of 1,638 million baht or 7.8 percent over the previous year. This was mainly due to the other expenses including the costs of marketing campaigns, which varied directly with the business expansion. Meanwhile, the Company was able to manage the expenditure efficiently. As a result, the expenses which did not vary directly with the business growth, including personnel expenses as well as premises and equipment expenses, decreased by 2.8 percent over the previous year.

4. Impairment loss of loan and debt securities

The impairment loss of loans and debt securities of the Company and its subsidiaries in 2012 amounted to 2,900 million baht, an increase of 823 million baht or 39.6 percent over the previous year. This was mainly due to the adverse impact of the flood crisis during the latter part of 2011 on Thanachart Group's businesses, as well as the dramatic growth of loans in 2012.

As regards the next step of their business operations, the Company and its subsidiaries still place emphasis on the loan loss provisions. The objective is to enhance the potential for accommodate the risks that may arise in the future.

As the Company always recognizes the importance of providing the shareholders with an appropriate return on their investment, the Company has adopted a policy aiming at paying an increasingly higher dividend throughout the past years. Thanks to the efficient collaboration among all member companies of Thanachart financial conglomerate, the Company and its subsidiaries have successfully achieved strong and stable growth.

The net profits of the Company's key subsidiaries are now shown on the screen. As regards the related details, please refer to the annual report which has already been sent to the shareholders.

Table: Net Profits of Key Subsidiaries in 2011 and 2012

(Unit: million baht)

Subsidiaries	Direct/ indirect shareholding (%)	Net profits for the year ended 31 December	
		2012	2011
Thanachart Bank Public Company Limited			
- Based on the consolidated financial statements		8,221	7,671
- Based on the separate financial statements	50.96	6,804	6,668
- Thanachart Securities Public Company Limited	50.96	458	293
- Thanachart Fund Management Company Limited	38.22	141	89
- Thanachart Insurnace Public Company Limited	50.96	616	436
- Thanachart Life Assurance Public Company Limited	50.96	1,715	770
- TS Asset Management Company Limited	50.96	1,718	93
- Ratchthani Leasing Public Company Limited	33.22	489	205
NFS Asset Management Company Limited	100.00	460	446
MAX Asset Management company Limited	83.44	280	120

*Note: *Thanachart Bank held a 65.18 percent equity stake in Ratchthani Leasing Public Company Limited 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 2012. The related details were given in the annual report and the financial highlights as well as the management discussion and analysis for the year 2012, which were already sent to all the shareholders. The statement of financial position and the statement of comprehensive income for the year ended 31 December 2012 which were presented to the shareholders were prepared in accordance with the Generally Accepted Accounting 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. There were shareholders who asked questions and gave opinions as follows:

Mr. Somkiat Prommarat (shareholder) asked whether there were a lot of problems or obstacles encountered after the merger of the two banks since their staffs needed to work together. As well, he asked whether the merger achieved the established goals.

Mr. Somjate Moosirilert gave the following answer:

Since 1 October 2011 which was the business transfer date, the customers could use banking services at any branch across the country. The staffs and executives jointly served customers by acting in the customer's best interest. Initially during the transitional period after the merger, it was necessary to allow time for the staffs to make personal adjustments since Thanachart Bank had financial services and products to be offered to meet the customer needs which increased from the number of customers that increased after the merger. The management of Thanachart Bank had also provided the staffs with necessary information and training, ensuring that they were able to deliver seamless customer services. As the merger created a larger client base for Thanachart Bank, the Bank was in a good position to effectively expand its business operations and achieve a healthy financial performance. The next step was to focus on the development of human resources and work systems, ensuring that the Bank was able to compete with other banks and provide customers with the maximum benefit. These were the key areas to be pursued relentlessly by Thanachart Bank.

Mr. Chokeboon Jitpradabsin (shareholder) asked the following questions:

1. He received news via various media about problems caused by the first-time buyer program. Since Thanachart Bank gave many loans to first-time car buyers, he would like to know whether the Bank encountered any problem.
2. He also would like to know the current ranking of Thanachart Bank.
3. He asked why Thanachart Bank decided to sell its life assurance company while other commercial banks paid considerable attention to life assurance business. And if Thanachart Bank sold Thanachart Life Assurance, he asked how much the sale would increase the capital adequacy ratio (CAR)

Mr. Suphadej Poonpipat gave the following answer to the first question:

In 2012, Thanachart Bank gave hire purchase loans of about 270,022, of which about 110,000 cars or 41 percent were purchased by first-time buyers. However, according to the updated information, only slightly over 50 cars or 0.03 percent encountered loan repayment problems.

Mr. Somjate Moosirilert gave the following answer to the second question:

Thanachart Bank was ranked sixth by asset size. On the other hand, it was ranked fifth by the number of branches while it held the leadership position in the auto hire purchase industry. As the total assets of the operator which was ranked second in the auto hire purchase industry were much less than those of Thanachart Bank, it was expected that Thanachart Bank would continue maintaining the leadership position in the future.

The Chairman gave the following answer to the third question:

Currently, other commercial banks were interested in selling life insurance products through their branch network rather than owning a life insurance company. Before reaching an agreement with Prudential Life Assurance (Thailand) Public Company Limited ("Prudential Life Assurance"), Thanachart Bank was both the owner of the life insurance company and the broker of life insurance products. It was important to acknowledge that Thanachart Bank did not have expertise in life insurance business. If it continued to operate life insurance business, it would have to acquire more knowledge and made much more investment on various supporting systems. However, if there was a business group with expertise in life insurance business and global networks as well as financial stability, which could act as partner in developing life insurance products and services as well as training the staff, Thanachart Bank could act as broker in introducing the products and services to customers through its branch network across the country. As compensation,

Thanachart Bank would receive a sales commission equal to the prevailing market rate. As a result, Thanachart Bank's brokerage income would increase.

The proceeds from selling Thanachart Life Assurance would amount to over 18,000 million baht. One of the benefits to be gained was that part of the fund could serve as capital. The remaining fund could be used to give loans. The part as capital could be used for expanding its business, which would generate a return of at least 10 percent. Taking all the factors into consideration, Thanachart Bank would gain more benefits than keeping the life insurance company. As well, the capital adequacy ratio would increase. In addition, it was less likely that the Company would be required to buy additional shares in a rights issue to raise capital of Thanachart Bank. In the short term period, it was not necessary for the Bank to raise any additional capital.

As regards the capital adequacy, Thanachart Bank planned to set aside over 5,100 million baht of the sales proceeds as the provision for bad debts. Although the current provision was adequate, setting aside additional provision would strengthen the Bank's financial position. It was expected that the net income (after tax) to be gained from selling Thanachart Life Assurance Company would amount to approximately 5,700 million baht. Previously, the investment made in Thanachart Life Assurance would have to be deducted from the capital. After selling Thanachart Life Assurance Company, the Bank did not have to deduct the investment from the capital anymore. As a result, the capital adequacy ratio would increase by about 150 basis points to about 15 percent, in comparison with the current level of slightly above 13 percent.

The shareholder asked the following questions:

1. He would like to know whether the proceeds from selling Thanachart Life Insurance Company were considered as the Company's income or Thanachart Bank's income.
2. He asked about the size of the equity stake in Thanachart Bank which was held by the Company.

The Chairman gave the following answers:

1. As the seller of Thanachart Life Assurance was Thanachart Bank, the proceeds from selling Thanachart Life Assurance were considered Thanachart Bank's income.
2. The Company held a 50.96 percent equity stake in Thanachart Bank.

Khun Thanachart Thanasettakorn (shareholder) asked the following questions:

1. As he understood that the customers of Siam City Life Assurance Public Company Limited. and those of Thanachart Life Assurance belonged to the different groups, he asked how Thanachart Bank managed the conflict of interest arising from continuing to keep Siam City Life Assurance Company as a subsidiary.

2. He would like to know the annual income which Thanachart Bank had to give up for selling Thanachart Life Assurance, when compared with the expected annual commission fee.
3. He asked whether there was a policy to sell Siam City Life Assurance Company.

Mr. Suphadej Poonpipat gave the following answer to the first question:

The customer base of Siam City Life Assurance consisted mainly of the depositors of Siam City Bank. On the other hand, the customer base of Thanachart Bank consisted mainly of loan customers. Since they belonged to different groups, there should not be any conflict of interest.

The Chairman gave the following answers to the second and third questions:

In accordance with the bancassurance agreement which was reached, Thanachart Bank was prohibited from offering products of Siam City Life Assurance. As a result, if Thanachart Bank wanted to support the business operations of Siam City Life Assurance, it had to find other distribution channels to offer their products. In this connection, if it was possible and there was a good and appropriate offer, Thanachart Bank might sell Siam City Life Assurance.

With regard to the income which had to be given up, Siam City Life Assurance's monthly profit amounted to 80-90 million baht. As a result, its annual income (after tax) amounted to approximately 1,000 million baht. All such income could be offset by the increase in the commission fee from selling the products of Prudential Life Assurance, as well as the investment of the sales proceeds of about 18,000 million baht in business operations or using them as additional capital. He believed that the total income to be earned would not be less than the income given up from selling Thanachart Life Assurance.

Mr. Athiwat Pattanachaipuwant (shareholder) asked the following questions:

1. Compared with the proceeds of approximately 18,000 million baht which were received from selling Thanachart Life Assurance to Prudential Life Assurance, approximately 5,000 million baht would be set aside as the provision for bad debts. He asked why the provision was as high as 5,000 million baht, which accounted for about 30 percent of the sales proceeds. He also asked whether there was any way to convert the provision into profits.
2. As regards Thanachart Bank's first-time car hire purchases, there was about 0.03 percent of such hire purchases that would become non-performing loans. However, as it was mentioned that additional provision was set aside and the provision would not be converted into profits, he would like to know the rationale behind such provision.

The Chairman gave the following answers:

1. Setting aside a high provision for bad debts was in line with the regulatory policy, which aimed at encouraging Thailand's financial institutions to be very strong. The future was faced with both political and economic uncertainties. As a result, if Thanachart Bank was able to set aside a high provision for bad debts, it should do so. The objective was to protect itself against unexpected results from future events that might have adverse impact. If such events happened, Thanachart Bank's financial position would not be much affected. Moreover, while a high provision was set aside, the capital adequacy ratio (CAR) remained high. As regards such provision, currently there was no plan as yet to convert it into profits. However, if the Bank encountered problems or there were unexpected events that caused non-performing loans to increase, the provision would protect the Bank against the adverse impact from new problems that might arise in the future.
2. The provision for bad debts was not set aside for only one year. As well, the adverse impact was not only from the first-time car buyer program alone. In the future, there might be other events which were difficult to predict. In this connection, if a high provision was set aside, Thanachart Bank's performance would not be much affected by the adverse impact from the unexpected events.

Mr. Kriangsak Dit-staporncharoen (shareholder) asked the following question:

He agreed with the bad debt provision which was set aside for the purpose of strengthening the financial position. However, it might have an adverse impact on the profit since, in the third quarter of the past year, the Bank set aside an additional bad debt provision. In this connection, he would like to know the measures being adopted by Thanachart Bank to manage the doubtful accounts as well as the progress status of this group of customers.

Mr. Suphadej Poonpipat and Mr. Somjate Moosirilert gave the answers as follows:

Thanachart Bank paid considerable attention to the management of the non-performing loans. In 2011, the non-performing loans accounted for 6 percent of the loan portfolio while in 2012 the non-performing loans decreased to about 4 percent. The Bank planned to decrease the non-performing loans to 3 percent, the target of which Thanachart Bank was attempting to achieve. On the other hand, the Bank also put in place a number of teams to closely monitor and manage the performing loans. It might be necessary to review the strategic plan at each time interval, ensuring that the plan remained appropriate. After the merger, the Bank established TS Asset Management Company to manage the non-performing loans of Siam City Bank. A special team had been established to manage such non-performing loans.

Ms. Suda Roongfahsaeng-aroon (shareholder) asked whether Thanachart Bank still operated life insurance business as she recognized that the Bank already entered into the agreement to sell the business to Prudential Life Assurance.

The Chairman gave the answer as follows:

Currently, Thanachart Life Assurance still operated its business as normal. Once Thanachart Bank signed an agreement to introduce products of Prudential Life Assurance through its branch network for 15 years, there would be more life insurance products to be made available to customers.

Mr. Pitak Natepetcharachai (shareholder) asked why the ranking of Thanachart Bank dropped down to sixth. Previously, before the merger with Siam City Bank, the ranking of Thanachart Bank was fifth. However, currently the ranking of Bank of Ayudhya was fifth.

The Chairman gave the following clarification:

After the merger, the loans given to the state enterprises were moved to other financial institutions. As well, the deposits from the state enterprises were moved to other financial institutions. Moreover, some loan customers in the private sector closed their accounts and refinanced their loans at other financial institutions. As a result, the growth of Thanachart Bank's assets was not as high as expected by many shareholders. In addition, Bank of Ayudhya also achieved its asset growth by acquiring GE Capital's hire purchase business. As a result, the ranking of Thanachart Bank by asset size dropped down to sixth.

Mr. Apinant Leelachao (shareholder) asked the following question:

It was more than one year after the merger took place. He recognized that Thanachart Bank still pursued the strategy with focus on the auto hire purchase business which generated a relatively low rate of return, when compared with the rates of return generated by other types of loans including corporate loans and SME loans. He asked whether Thanachart Bank had any other strategies that would help expand its business further.

Mr. Suphadej Poonpipat and Mr. Somjate Moosirilert gave the following answers to the question:

One of the reasons Thanachart Bank merged with Siam City Bank was that Thanachart Bank wanted to diversify its assets to include other types of loans such as other retail loans, corporate loans, and SME loans. The purpose was to diversify risks. Moreover, with a larger client base, the Bank would find it easier to expand business further. In accordance with the existing policy, the Bank would not focus on any specific type of loans. As the economy registered adequate growth, Thanachart Bank had placed emphasis on corporate loans as well as SME loans by regularly introducing various new products to customers.

Although the rate of return generated by the new auto hire purchase business was not high, the fact that Thanachart Bank held a leadership position with the largest market share in the auto hire purchase industry

represented a competitive edge. The Bank was able to offer other financial services to this group of customers. On the average, the hire purchase customers would stay with the Bank for 4-5 years. During the period, the Bank had a lot of opportunities to offer many other financial services to the customers. As a result, Thanachart Bank was able to generate a healthy rate of return from this group of customers. In addition, the Bank had planned to expand its customer base to include other types of retail loans such as various personal loans, which generated a good rate of return.

As there was no additional question or opinion, the Chairman requested the shareholders to vote on the agenda item.

***Additional note:** From the time when the resolution on Agenda Item 1 was adopted until the time for adopting the resolution on Agenda Item 3, there were 132 additional shareholders registering for attending the meeting. They held 1,430,715 shares in total. As a result, the total shareholders attending the meeting amounted to 2,557 while the total number of their shares amounted to 683,325,746.*

The results of the voting on the Agenda Item 3 were as follows:

Results	Number of votes
Approval votes	679,569,446
Disapproval votes	10,000
Abstained from voting	3,746,300
Number of Invalid votes (ballots)	0

Resolution

With the majority votes of the shareholders who were present at the meeting and casted their votes, the meeting passed a resolution approving the statement of financial position and statement of comprehensive income for the year ended 31 December 2012.

Agenda 4: To approve the allocation of the profit for the performance in the year 2012 and the dividend payment

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, the net income based on the Company's separate financial statements amounted to 2,891,693,219.41 baht, without any retained loss. As a result, the Company was required to set aside the net profit for the year 2012 as a statutory reserve in accordance with the Public Limited Company Act B.E. 2535 and the Company was also able to pay dividends. In this connection, the Board of Directors deemed it appropriate to make the following proposals for the shareholders' approval.

1. The shareholders approve the appropriation of the net profit for the year 2012 as a statutory reserve in an amount of 75,653,387.95 baht, representing 2.62 percent of the net profit for 2012. As a result, the total statutory reserve would amount to 1,277,829,703.00 baht, accounting for 10 percent of the Company's registered capital. After the allocation of the net profit as a statutory reserve, the remaining net profit for 2012 amounted to 2,816,039,831.46 baht, which would be added to the retained earnings account.
2. The shareholders approve the dividend payment to the holders of ordinary shares and the holders of preferred shares at a rate of 0.90 baht per share or 1,150,046,732.70 baht from the retained earnings, the income tax base of which was subject to a tax rate of 30 percent. Taking into account this round of the dividend payment and the interim dividend payment worth 0.50 baht per share or 638,914,851.50 baht for the first half of the year, the total dividend payment for 2012 (based on the Company's separate financial statements) amounted to 1.40 baht per share or 1,788,961,584.20 baht.

This round of the dividend payment accounted for 61.87 percent of the net profit for 2012 based on the Company's separate financial statements and 32.64 percent based on the consolidated financial statements. For comparison by the shareholders, the information on the dividend payout over the past three years for the operating results from 2010 to 2012 was given in a table on Page 39 of the Notice of the Meeting.

If the meeting approved the proposals, the Company would establish a list of shareholders entitled to the dividend payment on 17 April 2013 and compile the list of names in line with Section 225 of the Securities and Exchange Act B.E. 2535 (Amended B.E. 2551) by closing the share register book and suspending any transfer of shares as from 18 April 2013 with the dividend payment to be made on 30 April 2013.

The Chairman then provided the shareholders with an opportunity to ask questions or give their opinions. In this connection, the following were the questions/opinions of the shareholders:

Ms. Janejira Sombatcharoenwongse (shareholder) made a suggestion as follows:

In making a deposit with a passbook, a depositor was still required to fill in the cash-check deposit slip with 3 copies. In such case of a depositor with the passbook, the paperwork should be minimized. Successful reduction of the paperwork could result in higher profits.

In response, **Mr. Somjate Moosirilert** thanked the shareholder for the suggestion. Thanachart Bank had put in place a team responsible for streamlining the various systems, ensuring efficiency and minimization of work process duplication.

Mr. Athiwat Pattanachaipoowanont (shareholder) asked whether the income from selling Thanachart Life Assurance would be recognized in 2012 or 2013.

The Chairman said that the income of approximately 18 billion baht would be recognized in May 2013.

As no shareholder asked additional questions or expressed additional opinions, the Chairman requested the shareholders to vote on the agenda item.

Additional note: From the time when the resolution on Agenda Item 3 was adopted until the time for adopting the resolution on Agenda Item 4, there were four additional shareholders registering for attending the meeting. They held 5,400 shares in total. As a result, the total shareholders attending the meeting amounted to 2,561 while the total number of their shares amounted to 683,331,146.

The results of the voting on the Agenda Item 4 were as follows:

Results	Number of votes
Approval votes	680,835,546
Disapproval votes	1,000
Abstained from voting	2,494,600
Number of Invalid votes	0

Resolution

With the majority votes of the shareholders who were present at the meeting and casted their votes, the meeting passed a resolution approving the allocation of the net profit for the performance in the year 2012 and the dividend payment at the rate of 0.90 baht per share as well as the dividend payment schedule as proposed.

Agenda 5: To acknowledge a report on the remuneration of the Company's Board of Directors and sub-committees and to approve the performance allowance for the Board of Directors for the 2012 operating results

The Chairman informed the meeting that, with the recommendation of the Remuneration Committee, the Board of Directors reviewed the remuneration of the Company's directors and members of the sub-committees on an annual basis. The Board of Directors deemed it appropriate to present a 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 2012 was as follows:

- Of the allocated amount worth 11,000,000 baht approved by shareholders for the payments of remuneration to the Company's Board of Directors, the actual payment was 8,250,000 baht, in accordance with the number of the meetings attended by the directors.
- The total payments of remuneration made to the other committees in 2012 amounted to 2,425,000 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 2012 with those in 2013 was on Pages 40-41 of the Notice of the Meeting.

As regards the details related to the payments of the remuneration which were made to each person in 2012, the information was given on Pages 97-98 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.

In addition, the Board of Directors adopted a resolution approving the proposals made by the Remuneration Committee in relation to the consolidation of the remuneration level of the Board of Directors and the payment of performance allowances to the Board of Directors. 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 review, the current remuneration level which was shown on the screen amounted to not more than 11,000,000 baht in line with the approval given by the shareholders in 2012. When compared with the remuneration to directors in the same industry, which took into account the additional responsibilities and the inflation factor, it found that the remuneration level approved by the shareholders remained appropriate.

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 2012 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 payment of dividends to be made to the shareholders this year amounted to 1,788,961,584.20 baht. As a result, the total performance allowances to be paid to all members of the Board of Directors would amount to 17,889,615.84 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 2010 to 2012 were given on Page 41 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 questions and opinions of the shareholders.

Mr. Athiwat Pattanachaipoowanont (shareholder) asked the following questions:

1. In addition to the above-mentioned remuneration, he asked whether the Board of Directors was entitled to stock options.
2. The Company should disclose the information about each director's performance allowance. Many listed companies disclosed this information.

The Chairman and Mr. Somjate Moosirilert gave the following clarification:

The Company had no agreement on providing the directors with the stock options. The information on the performance allowance and the remuneration paid to each director in 2012 was disclosed on Pages 97-98 of the Annual Report.

Mr. Basant Kumar Dugar (shareholder) thanked the Company for paying the dividends which represented the largest increase over the past five years. The total dividend for 2012 amounted to 1.40 baht per share, consisting of two parts -- 0.50 baht and 0.90 baht. However, he still felt worried about the market situation. In the not-too-distant future, the Basel III standard would be implemented. Meanwhile, the Company was experiencing a downward trend in Tier-1 capital and Tier-2 capital. The net interest margin (NIM) and the interest rate spread also decreased when compared with the previous year. As a result, he wondered whether it was better for the Company to pay dividends in the form of stock dividends. The objectives were to enhance the equity and to increase the Tier-1 capital and the Tier-2 capital.

The Chairman acknowledged and thanked the shareholder for the comments and suggestions.

As no shareholder asked additional questions or gave additional opinions, Mr. Somkiat Sukdheva requested the shareholders to adopt a resolution approving the Company's payment of the performance allowance to the Board of Directors at the rate equal to one percent of the dividend payments approved for the shareholders, with the Board being authorized to allot the related payments to its members.

***Additional note:** From the time when the resolution on Agenda Item 4 was adopted until the time for adopting the resolution on Agenda Item 5, there were six additional shareholders registering for attending the meeting. They held 30,000 shares in total. As a result, the total number of shareholders attending the meeting amounted to 2,567 while the total number of their shares amounted to 683,361,146.*

The results of the voting on the Agenda Item 5 were as follows:

Results	Number of votes
Approval votes	654,319,546
Disapproval votes	26,514,300
Abstained from voting	2,525,300
Number of Invalid votes	2,000

Resolution

With a majority of more than two thirds of the votes of the shareholders who were present at the meeting and casted their votes, the meeting adopted a resolution approving payment of the performance allowance to the Board of Directors at the rate equal to one percent of the dividend payments approved for the shareholders, with the Board being authorized to allot the related payments to its members.

Agenda 6: To consider and elect directors in replacement of those retiring by rotation

The Chairman said that this agenda item was concerned with the consideration of the appointment of directors in replacement of the directors retiring by rotation. He requested Mr. Somkiat Sukdheva, the Chairman of the Nomination Committee to provide the shareholders with details related to this agenda item.

Mr. Somkiat Sukdheva informed the meeting that the directors who would retire by rotation at the 2013 Annual General Meeting of Shareholders included the following three persons:

1. Mr. Banterng Tantivit, Chairman (Non-Executive Director),
2. Mr. Somkiat Sukdheva, Director, Member of the Audit Committee, Chairman of the Nomination Committee and Chairman of the Remuneration Committee (Independent Director/Non-Executive Director), and
3. Mr. Phimol Rattapat, Director (Non-Executive Director).

Since Mr. Phimol Rattapat indicated that he did not want to be re-elected as director for another term, the Nomination Committee proposed that the shareholders elect the two retiring directors including Mr. Banterng Tantivit and Mr. Somkiat Sukdheva as well as an external candidate, namely Dr. Veerathai Santiprabhob as directors. In this connection, as Dr. Veerathai Santiprabhob was also present at the meeting, he briefly introduced himself.

In order for the shareholders to vote independently on this agenda item, all the three director candidates for election as directors were requested to be out of the meeting room temporarily. As Mr. Somkiat Sukdheva was also a candidate proposed for election as director, Mrs. Siripen Sitasuwan, member of the Nomination

Committee, was invited to conduct the meeting on his behalf. The three candidates then went out of the meeting room.

Mrs. Siripen Sitasuwan informed the meeting that, in finding or proposing the list of the persons in replacement of the directors retiring by rotation, the Board of Directors not only assigned the Nomination Committee to be responsible for the related work, but also allowed the shareholders to propose names of qualified persons for election at this meeting through its website (www.thanachart.co.th) during the period from 14 September 2012 to 13 November 2012. 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 which excluded the director retiring by rotation, the Board of Directors proposed to the shareholders that they elect the two retiring directors together with an external candidate as directors. The shareholders could consider the brief profiles of the three director candidates, which were on Pages 42-47 of the Notice of the Meeting, or those currently shown on the screen. Mrs. Siripen Sitasuwan presented a summary of each director candidate's profile as follows:

Mr. Banterng Tantivit, Chairman

He had served as director and executive of Thanachart Group's member companies for over 20 years and reduced his role as executive approximately in 1990. However, he continued to serve as director until the present. He played a leading role in founding National Finance Public Company Limited. The business had grown stably until it became "Thanachart Capital Public Company Limited", which was the holding company of Thanachart Group today. He was knowledgeable, competent, and had extensive experience in finance business. He always played an instrumental role in initiating major projects of Thanachart Group. These included the establishment of "Thanachart Bank", finding Bank of Nova Scotia as business partner for Thanachart Bank, as well as the merger between Siam City Bank and Thanachart Bank.

Mr. Somkiat Sukdheva, Chairman of the Nomination Committee, Chairman of the Remuneration Committee, and Member of the Audit Committee

He was not only knowledgeable about management and finance but also had considerable expertise in finance business. In addition, he had extensive experience in performing duties as member of the Nomination Committee, the Remuneration Committee, the Audit Committee, and had effectively applied the experience to the performance of his duties as member of the Board of Directors and member of the Company's various sub-committees.

Dr. Veerathai Santiprabhob

He held A.M. (Economics) and Ph.D. (Economics) from Harvard University, U.S.A. as well as B.A. (Economics) from Thammasat University. He served as an economist of International Monetary Fund, Washington, before working for the Fiscal Policy Office of the Finance Ministry as Co-Director of Policy Research Institute. And since 2000, he worked for Siam Commercial Bank as Senior Vice President of the

Equity Investment Division and also as Executive Vice President of the Business Bank Strategic Planning Division since 2005. Later in 2009, he joined the Stock Exchange of Thailand and served as Executive Vice President of Corporate Strategy & Development Group until January 2013. He was highly regarded for his knowledge in macroeconomics as well as his expertise in the money market and the capital market. His knowledge and expertise could well support the Board of Directors in the performance of its duties.

Mrs. Siripen Sitasuwan then provided the shareholders with an opportunity to ask questions or give opinions prior to requesting the shareholders to adopt resolutions on this agenda item. The following were questions and opinions of shareholders:

Mrs. Uraiwan Sakulvanichthana (proxy holder) asked the following questions:

1. As regards the fund set aside as additional loan loss provision, she asked what investment the fund was used for and how the Company managed the related liquidity.
2. Apart from the disclosed remuneration, to each director she asked whether there were other expenditure or welfare benefits which the Company had to pay for the directors.
3. In proposing the candidates for election by the shareholders, in most cases the retiring directors were proposed. She would like to know how the candidates were selected. She said that most shareholders were elderly people and had no skill in using the Company's website as a channel for proposing candidates.

Mr. Somjate Moosirilert gave the following clarification:

1. The fund set aside for the provision amounted to about 5 billion baht. It was used the same way as other types of funds. If it was used for investment, the Company would have to conduct investment analysis. As a result, there should be no loss. As regards the liquidity management, this was a key area to which Thanachart Bank paid great attention.
2. There was no other remuneration. The directors received only the remuneration which was disclosed in the Annual Report and in the Notice of the Meeting.

In relation to Question 3, **Mrs. Siripen Sitasuwan** gave the following clarification:

3. Normally, the Nomination Committee would take into consideration the present incumbents and the persons with characteristics and qualifications that were suitable to the business operation. As well, the Company provided the shareholders with an opportunity to propose candidates through the Company's website. However, in case there was any shareholder sending a written proposal to the Company, the Committee would be pleased to consider it. This time, the Committee had proposed an external candidate namely Dr. Veerathai Santiprabhob.

Mr. Lertchai Leelai-nakul (shareholder) asked the following question.

In view of Dr. Veerathai Santiprabhob's profile which was interesting, he asked what role this director would play in the Company.

In response, Mrs. Siripen Sitasuwan gave the following clarification:

Being knowledgeable about macroeconomics, he could give the overall outlook of the country's economy and also assist in giving advice on the direction of Thanachart Group.

As no shareholder asked any additional question or gave any additional opinion, Mrs. Siripen Sitasuwan requested the shareholders to vote on this agenda item.

For transparency, she requested the shareholders to vote for each director candidate separately by using the ballots for Agenda Items 6.1, 6.2 and 6.3, which specified the following names of the director candidates respectively:

- 6.1 Mr. Banterng Tantivit,
- 6.2 Mr. Somkiat Sukdheva, and
- 6.3 Mr. Veerathai Santiprabhob.

Mrs. Siripen Sitasuwan then invited the three director candidates who went 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 election of the proposed candidates as directors.

***Additional note:** From the time when the resolution on Agenda Item 5 was adopted until the time for adopting the resolution on Agenda Item 6, there was no additional shareholder registering for attending the meeting.*

The results of the voting on Agenda Item 6.1 - Mr. Banterng Tantivit:

Results	Number of votes
Approval votes	644,875,066
Disapproval votes	35,953,700
Abstained from voting	2,529,380
Number of Invalid votes	3,000

The results of the voting on Agenda Item 6.2 - Mr. Somkiat Sukdheva:

Results	Number of votes
Approval votes	664,445,266
Disapproval votes	15,145,400
Abstained from voting	3,768,480
Number of Invalid votes	2,000

The results of the voting on Agenda Item 6.3 - Mr. Veerathai Santiprabhob:

Results	Number of votes
Approval votes	680,696,566
Disapproval votes	129,200
Abstained from voting	2,533,380
Number of Invalid votes	2,000

Resolutions

With the majority votes of the shareholders who attended the meeting and casted their votes, the meeting passed the resolutions electing all the three candidates as directors in replacement of the directors retiring by rotation.

Agenda 7: To consider the appointment of the auditor and determine the audit fee for 2013

The Chairman said that, in the past year, the Company appointed the auditors of Ernst & Young Office Limited as auditors for the year 2012 and fixed the audit fee at 1,000,000 baht. For the year 2013, 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. Ms. Rattana Jala (Certified Auditor No. 3734) and/or
2. Ms. Phuphun Charoensuk (Certified Auditor No. 4950) and/or
3. Ms. Rungnapa Lertsuwankul (Certified Auditor No. 3516)

be appointed as the auditors of the Company for the year 2013. It was also proposed that the shareholders approve the audit fee of 950,000 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 appropriate amount of work involved, 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, expertise, 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. The audit fee proposed for the year 2013 was considered reasonable. Both the three auditors and Ernst & Young Limited had neither relationship nor transaction that might give rise to any conflict of interest with the Company. The appointment of the auditors also received the approval from the Bank of Thailand on 4 March 2013. In this connection, the audit fee of 950,000 baht for the year 2013 was 50,000 baht lower than the audit fee for the year 2012, representing a decrease of 5.0 percent.

As regards the detailed profiles of the three auditors and other related information, the shareholders could find them on Pages 49-52 of the Notice of the Annual General Meeting.

Mrs. Siripen Sitasuwan then provided the shareholders with an opportunity to ask questions or express their opinions prior to the adoption of a resolution on this agenda item. In this connection, the following were questions/opinions of the shareholders.

Ms. Uraiwan Sakulvanichthana (proxy holder) asked why the audit fee decreased by 50,000 baht to 950,000 baht.

Mrs. Siripen Sitasuwan explained that the fee reduction was due to the decrease in the number of the Company's transactions.

Mr. Basant Kumar Dugar (shareholder) suggested that the Company prepare the financial statements before the financial year end on 31 December by making use of perpetual audit or iCloud computing. In this connection, although the auditors might impose additional audit fee, the Company would benefit from quicker audit. As a result, the Company would be able to conduct the profit planning and organize the annual general meeting earlier.

In response, **the Chairman** acknowledged the suggestion and thanked the shareholder for it.

As no shareholder asked additional question or gave additional opinion, **Mrs. Siripen Sitasuwan** requested the shareholders to adopt a resolution on this agenda item.

Additional note: *From the time when the resolution on Agenda Item 6 was adopted until the time for adopting the resolution on Agenda Item 7, there was no additional shareholder registering for attending the meeting.*

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

Results	Number of votes
Approval votes	678,997,166
Disapproval votes	1,825,600
Abstained from voting	2,538,380
Number of Invalid votes	0

Resolution

With the majority votes of the shareholders who were present at the meeting and casted their votes, the meeting passed a resolution approving the appointment of the following list of the auditors of Ernst & Young Office Limited:

1. Ms. Rattana Jala (Certified Auditor No. 3734) and/or
2. Ms. Phuphun Charoensuk (Certified Auditor No. 4950) and/or
3. Ms. Rungnapa Lertsuwankul (Certified Auditor No. 3516)

as the auditors of the Company for the year 2013. The audit fee of 950,000 baht for 2013 was also approved.

Agenda 8: To consider and approve an amendment to Clause 4 of the Memorandum of Association to support the conversion of preferred shares into ordinary shares

The Chairman said that the Company allows shareholders to exercise the right to convert preferred shares into ordinary shares on the 15th of February, May, August, and November of every year. One preferred share could be converted into one ordinary share. Such conversion would not affect the registered and paid-up capital of the Company. However, it would reduce the number of preferred shares while increasing the number of ordinary shares in the same amount.

Following the share conversion, the Company was required to register an amendment to Clause 4 of the Memorandum of Association in relation to the number of the preferred shares and the number of the ordinary shares so that they were correct and in line with the actual amounts as a result of each share conversion.

As of 18 February 2013, the Company's share capital consisted of the following:

Registered Capital	12,778,297,030.00	baht	(twelve billion seven hundred seventy eight million two hundred ninety seven thousand and thirty baht)
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Divided into	1,277,829,703	shares	(one billion two hundred seventy seven million eight hundred twenty nine thousand seven hundred and three shares)
Par value	10.00	baht	(ten baht)
<u>Consisting of:</u>			
Ordinary shares	1,277,816,397	Shares	(one billion two hundred seventy seven million eight hundred sixteen thousand three hundred and ninety seven shares)
Preferred shares	13,306	Shares	(thirteen thousand three hundred and six shares)

However, according to Clause 4 of the Memorandum of Association, it was indicated that there were 1,277,816,367 ordinary shares, the amount of which was 30 shares less than the correct amount. It was also indicated that there were 13,336 preferred shares, the amount of which was 30 shares more than the correct amount.

To enable the Company to register the necessary amendment to the number of preferred shares and the number of ordinary shares so that they would be correct and in line with the Company's current capital structure and the new capital structure as a result of each share conversion, it was proposed that the meeting give its approval for the Company to make the amendment to Clause 4 of the Memorandum of Association in relation to the number of the preferred shares and the ordinary shares so that they were correct and in line with its current capital structure and its new capital structure as a result of each share conversion by shareholders.

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

Additional note: *From the time when the resolution on Agenda Item 7 was adopted until the time for adopting the resolution on Agenda Item 8, there was no additional shareholder registering for attending the meeting.*

The results of the voting on the Agenda Item 8 were as follows:

Results	Number of votes
Approval votes	680,754,566
Disapproval votes	9,200
Abstained from voting	2,597,380
Number of Invalid votes	0

Resolution

With a majority of more than three fourths of the votes of the shareholders who were present at the meeting and casted their votes, the meeting passed a resolution allowing the Company to register the amendment to Clause 4 of the Memorandum of Association so that the number of the ordinary shares and the number of the preferred shares were correct and in line with its current capital structure and its new capital structure as a result of each share conversion by shareholders.

Agenda 9: To approve the ceiling for issuance and offering of debentures

The Chairman said that at their 2003 Annual General Meeting, the shareholders adopted a resolution approving the issuance and offering of debentures worth up to 30,000 million baht. In this connection, the Company already issued the debentures worth 24,000 million baht for business operations and financial cost management. Currently, the debentures worth up to 6,000 million baht remained to be issued. As a next step, to enhance its preparedness in line with the business operations, the Company needed to issue and offer additional debentures. As a result, the following proposals were made to the shareholders:

1. To consider the cancellation of the remaining ceiling for issuance of the debentures worth 6,000 million baht, whose resolution was adopted at the 2003 Annual General Meeting,
2. To approve the ceiling for issuance and offering for sale of all types of debentures worth up to 30,000 million baht, with the Board of Directors or the person assigned by the Board of Directors being authorized to consider terms and conditions for the issuance and offering the debentures from time to time.

For details related to the proposals for approval, the shareholders could find them on Pages 7-9 of the Notice of the Annual General Meeting.

The Chairman then provided the shareholders with an opportunity to ask questions and/or express opinions. The following were the questions/opinions of the shareholders:

Ms. Uraiwan Sakulvanichthana (proxy holder) asked why the Company requested for the approval of the ceiling for the issuance and offering of the debentures, instead of ordinary shares.

In response, **the Chairman** said that the cost for issuing ordinary shares were higher than the cost for issuing debentures, and the earnings per share could be reduced. As a result, the issuance of debentures at an appropriate amount would be more beneficial to the shareholders than the rights issue.

The shareholder asked the following questions:

1. In requesting for the approval of the ceiling for the issuance of the debentures, the timeframe for the issuance of the debentures should be specified.
2. In relation to the original resolution on the issuance of the debentures which was adopted by the shareholders in 2003, in view of the corporate governance, a specific timeframe should be established. Approval without the timeframe might seem inappropriate.

In response, **the Chairman** gave clarification as follows:

1. In relation to the debentures which were proposed for the shareholders' approval, according to the laws or regulatory requirements, there was no limit imposed on the timeframe for the issuance of the debentures approved by the shareholders. The Company could issue the debentures when it deemed appropriate.
2. In accordance with the regulatory requirements, the specific timeframe would be imposed only on the convertible debentures with a maturity of less than one year. As regards the debentures, the issuance of the debentures was part of the Company's ordinary course of business and the issuance did not cause damage to the Company. If the shareholders had the confidence in the Company, no timeframe should be specified. This would give the Company more flexibility in managing its finance.

Mr. Basant Kumar Dugar (shareholder) made the following suggestions:

The decision to issue the debentures during this period was right and timely. He would like to thank the management for this. This was because the market had a very high level of liquidity and the Company could take advantage of the current situation. In this connection, he would like to add that, with regard to all its debentures, if the Company was able to issue them in a revolving manner with the debentures to be automatically renewed upon maturity, the financial costs would be reduced.

In response, **the Chairman** acknowledged with thanks the shareholder's suggestions.

As there was no additional question or opinion, the Chairman requested the shareholders to vote on the agenda item.

Additional note: *From the time when the resolution on Agenda Item 8 was adopted until the time for adopting the resolution on Agenda Item 9, there was no additional shareholder registering for attending the meeting.*

The results of the voting on the Agenda Item 9 were as follows:

Results	Number of votes
Approval votes	671,022,205
Disapproval votes	7,053,561
Abstained from voting	5,283,380
Number of Invalid votes	2,000

Resolution

With a majority of more than three fourths of the votes of the shareholders who were present at the meeting and casted their votes, the meeting adopted the following resolutions:

- 1) Approving cancellation of the remaining ceiling for issuance of the debentures worth 6,000 million baht, whose resolution was adopted at the 2003 Annual General Meeting, and
- 2) Approving the issuance and offer for sale of all types of debentures worth up to 30,000 million baht, with the Board of Directors or the person assigned by the Board of Directors being authorized to consider terms and conditions for the issuance and offering the debentures from time to time.

Agenda 10: Other business (if any)

The Chairman provided the shareholders with an opportunity to ask questions or express their opinions. In this connection, the following were questions/opinions of the shareholders.

Mr. Pumate Manoopibool (shareholder) asked about the Company's weaknesses and how to address them.

In response, the Chairman gave the following clarification:

At present, the financial position of the Company and Thanachart Group was solid and there was no significant weakness. However, in relation to profitability, there were a few factors as follows:

1. While the assets in the form of hire purchase agreements had fixed rates of return, the interest expense rates of most liabilities changed in line with the prevailing market situation. Over the past few years, the profits were better than the present. In the past, the deposit rates were low while at present the deposit rates were high. As a result, the interest rate spreads became narrower and the Company's profit growth was lower than those of other commercial banks in the industry.
2. Formerly, when Thanachart Group operated a finance business, most of its customers were of high net worth and it had to pay high interest rates. After the merger with Siam City Bank, it benefitted from a larger savings accounts base. However, when compared with those of other commercial banks, its savings base was still smaller. As a result, it aimed to expand the savings base further.

3. After the merger with Siam City Bank, focus had been given to systems development and improvements on a continuous basis. As a result, the operation costs related to such expenses were relatively high during the period. However, it was expected that the levels of its expenses and income would be close to those of its competitors soon.

Ms. Vipa Sutharaknont (proxy holder) asked the following questions:

1. After complementing the Company for its efficient management, she asked how the Company was going to manage the gains from selling Thanachart Insurance Company which were special income. If the Company wanted to spend them all, they might consider giving them to the shareholders in the form of stock dividends or special dividends.
2. Reference was made to the fact that Thailand was going to become a member of the ASEAN Economic Community (AEC). A few shareholders already asked questions about this in the previous year. But she was of the opinion that other countries such as Singapore and Malaysia had stronger potential than Thailand. She asked whether Thanachart Group had any plan to expand its business to other countries.

The Chairman gave the following clarification:

1. Paying special dividends when the Company made special gains from a transaction should not be beneficial to shareholders in the long term as it would not have much positive impact on the share prices. On the other hand, it would be better to retain the gains under shareholders' equity and reinvest them in business, which would result in gradually increasing dividends. However, if the Company was short on cash, paying stock dividends could be an alternative.
2. As regards the establishment of the ASEAN Economic Community (AEC), in the short term (2-4 years) there was nothing to worry about. In the past, there were foreign commercial banks which entered Thailand but were not able to compete with the Thai commercial banks. The Company's current plan would place emphasis on strengthening itself first, rather than expanding business to ASEAN member countries.

Referring to the merger with Siam City Bank, **Mr. Athiwat Pattanachaipoowanont (shareholder)** asked whether the Company had considered the performance across individual branches in various locations and whether there was any plan to increase the number of branches in shopping centers. If the answer to the latter question was in the affirmative, he asked about details of the plan.

Mr. Somjate Moosirilert gave the following clarification:

Performance indicators had been established for appraising the performance of Thanachart Bank's branches on a quarterly basis. If there was any branch whose performance was weak, the root cause analysis would be conducted to address the problem. Thanachart Bank was in the process of streamlining the branch systems, aiming at raising the standards to the level on a par with the industrial standards. If a branch was in wrong location, it would be merged with another branch. If there were suitable spaces in shopping centers for opening branches and Thanachart Bank still did not have any branch in such locations, it would consider opening branches in those shopping centers. However, it would open additional branches only when necessary.

Mr. Kittit Sanitwong Na Ayutthaya (shareholder) made the suggestions as follows:

1. Although the merger with Siam City Bank had many benefits, he would like to make the following additional suggestions in relation to the services of Thanachart Bank.

There was still too much paperwork in the process of making a deposit or withdrawing money. Customers were still required to fill in a lot of details. In comparison with some banks, their customers were not required to fill in any detail. All they needed to do was to sign on a printout from the system. The one-step process not only reduced paperwork but also service time.

If the branch staff could introduce other products such as insurance policies or products other than the deposit products during the time when the customers made a deposit, withdrew money or executed other transaction, they would create more business opportunities.

It was observed that the corporate loan approval process was very time consuming. As a result, many high net worth customers did not use the bank's services and other banks with more efficient loan approval process took away those customers.

2. Comparing Thailand's population of 60 million with the AEC's combined population of over 6,000 million, the establishment of AEC would give rise to new market opportunities for Thailand. Once the AEC was established, Malaysia and Singapore would not impose public tax. As a result, it was cheaper to operate business in those countries than in Thailand. The acquisition of CIMB Thai Bank Public Company Limited by Malaysia's CIMB Group received the approval of the Bank of Thailand. As a result, making deposits or withdrawing money in the member countries of AEC would be tax-free for the bank's customers. These were all key competition issues.

The Chairman gave the following clarification:

He thanked the shareholder for the good suggestions, which would be taken into consideration. As regards the loan extension, the approval process was lengthy because the terms of the loans were 15-20 years. However, the process needed to be improved so that the Bank could compete with others.

Ms. Sopana Trirattanapongse (shareholder) asked about the current level of Thanachart Bank's non-performing loans and whether it was increasing.

Mr. Somjate Moosirilert said that, according to the information of January 2013, the Bank's non-performing loans were at the median level of the industry. The level of the Bank's non-performing loans was not increasing and so far there was no event which would raise the level.

Since there was no shareholder giving more suggestions or asking additional questions, the Chairman asked the shareholders for permission to close the meeting. He thanked the shareholders for taking time to attend the meeting and for giving comments and suggestions. The suggestions received 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 17:15 hours.

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

(Mr. Banterng Tantivit)

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

(Mr. Panupan Tuangthong)