

**Supporting Document for Agenda 1 : Considering the Minute of Extraordinary Meeting of Shareholder No. 1/2006**

**Minutes of the Extraordinary Meeting of the Shareholders No. 1/2006**  
**National Finance Public Company Limited**  
**At Ballroom, Pathumwan Princess Hotel,**  
**Phayatai Road, Kwaeng Wangmai, Khet Pathumwan, Bangkok**  
**Monday, January 30, 2006**  
**At 14.30 Hours**

**Quorum**

The Chairman reported to the Meeting at 14.30 hours that there were 180 shareholders attending the Meeting in person, 720 persons attending the Meeting as proxies of individuals, and 1,117 persons attending the Meeting as proxies of juristic entities. There were a total of 1,117 attendees, holding shares in total of 573,738,816 shares out of the total number of the Company's issued and paid-up shares of 1,333,154,003 shares, or 43.036 percent, and whereby constituting a quorum as prescribed by law.

**Note**

After the Chairman declared the Meeting duly convened, there appeared an additional 18 shareholders in person, 11 proxies of individuals and 6 proxies of juristic entities, attending the Meeting. There were a total of 35 additional attendees and therefore there were a total of 1,152 shareholders attendees, holding shares in total of 715,273,235 shares out of the total number of the Company's issued and paid-up shares of 1,333,154,003 shares, or 53.653 percent.

**Directors Attending the Meeting**

1.	Mr. Banterng	Tantivit	Chairman of the Board of Directors
2.	Mr. Suphadej	Poonpipat	President & CEO
3.	Mr. Sommart	Poonpakdee	Chairman of the Audit Committee
4.	Mr. Pimol	Rattapat	Director/Legal Counsel
5.	Mrs. Chantima	Chaturaphat	Independent Director/Audit Committee
6.	Mr. Somkiat	Sukdheva	Independent Director/Nomination Sub-Committee/Remuneration Sub-Committee
7.	Rear Admiral Dr. Vitura	Sangsingkeo	Independent Director
8.	Miss SuVarnapa	Suvarnapateep	Director/Executive Director
9.	Miss. Suchada	Pavananunt	Director/Executive Director
10.	Mr. Piyapong	Artmanglorn	Director/Executive Director
11.	Mrs. Noosara	Roonsamran	Director/Executive Director

**Commencement of the Meeting**

**Mr. Banterng Tantivit**, the Chairman of the Board of Directors, presiding as the Chairman of the Meeting, declared the Meeting duly convened at 14.30 hours and appointed Mrs. Natkrita P. Swetpatcharaporn to be the secretary to record the minutes of the Meeting. Prior to the Meeting, the Chairman of the Meeting stated to the Meeting that due to other urgent business commitments, two directors: Mrs. Siripen Sitasuwan, who was the Audit Committee, Chairman of the Remuneration Sub-Committee and Chairman of the Nomination Sub-Committee, and Mrs. Chantima Chaturaphat, the Director, the member of the Remuneration Sub-

Committee, and the member of the Nomination Sub-Committee could not attend the Meeting. All other directors, however, could attend the Meeting.

Nevertheless, during the period of considering Sub-agenda 4.1, Mrs. Chantima Chaturaphat attended the Meeting and thereby 11 directors attending the Meeting.

Prior to the Meeting in accordance with the Agendas as stipulated, the Chairman stated to the Meeting that there were 5 agenda items as detailed in the Notice of the Meeting and for convenience in exercising right for voting, the Company prepared ballots for each agenda item and delivered them to all attendees at the time of registration of attendance at the Meeting. After considering each agenda item, the Chairman would ask the persons attending the Meeting to cast their votes by using the provided ballots. Any shareholders disagreeing and abstaining from voting were required to use a ballot in casting a vote and to sign his/her name on the ballot. The Company would collect only the ballots of the shareholders disagreeing and abstaining from voting to hold as evidence. The shareholders who did not return the ballot would be deemed to agree on the said agenda item as proposed. The provided ballots divided into various agenda items and only 2 agenda items, which were agenda 1 and agenda 4 with 3 sub-agenda Nos. 4.1, 4.2 and 4.3, were required to be considered and voted. Agenda 2 and agenda 3 were proposed merely for acknowledgement without resolution and they would thus not need the ballot. In respect of Agenda 5, it was open matter for the shareholders' inquiries and comments, except that there were requested to be considered pursuant to the conditions as prescribed by law. After such clarification, the Chairman started to conduct the Meeting according to the agenda as follows:

**Agenda 1**      **To Consider Certifying the Minutes of the 2005 Annual General Meeting of Shareholders**

**The Chairman** proposed that all the persons attending the Meeting simultaneously examined, read and considered the Minutes of the 2005 Annual General Meeting of Shareholders, which was held on Thursday, April 28, 2005, the details of which were printed in the Notice of the Meeting and delivered to the shareholders in advance. The details of the said Minutes appeared in Attachment 1 thereto, from page 6 to page 27, totaling 22 pages. The Chairman then asked if any one in the Meeting wished to amend the Minutes for correction and clarification. There were no person requesting amendment, and the Chairman therefore requested the Meeting to consider certifying the Minutes of the 2005 Annual General Meeting of Shareholders.

**Resolution**      **The result of the vote on resolution on agenda 1 regarding consideration for certifying the Minutes of the 2005 Annual General Meeting of Shareholders was as follows:**

<b>Agree</b>	<b>707,157,336</b>	<b>votes, or</b>	<b>97.964%</b>
<b>Disagree</b>	<b>0</b>	<b>votes, or</b>	<b>0.000%</b>
<b>Abstain from Voting</b>	<b>14,555,022</b>	<b>votes, or</b>	<b>2.036%</b>
<b>Total votes</b>	<b>714,712,358</b>	<b>votes, or</b>	<b>100.000%</b>

**Conclusion:** The Meeting passed the resolution by the majority vote of 97.964% of the number of the shares attending the Meeting and having the right to vote in regard to this agenda, approving the Minutes of the 2005 Annual General Meeting of Shareholders.

**Agenda 2**

**To Consider Acknowledgement of Report on Interim Dividends from the First Half Year Operational Results, from 1 January - 30 June 2005**

The Chairman stated to the Meeting that this agenda was to report for the Meeting's acknowledgement on payment of interim dividends from the first half year operational results during 1 January – 30 June 2005. The details were appeared in Attachment 2 to the Notice of the Meeting, on page 28, which are summarized as follows:

The Company's performance for the first half year of 2005, commencing from 1 January to 30 June 2005, with net profits of Baht 1,468,459,196.26 (Baht one billion four hundred sixty eight million four hundred fifty nine thousand one hundred and ninety six, and twenty six satang) had enabled the Company to consider paying an interim dividend to the shareholders in accordance with Section 115 of the Public Limited Company Act B.E. 2535 and the Company's board meeting No. 10/2548 held on 27 October 2005 had passed a resolution approving payment of the interim dividends from the aforesaid performance to every shareholder at a rate of Baht 0.30 (thirty satang) per share, totaling Baht 399,946,200.90 (Baht three hundred ninety nine million nine hundred forty six thousand and two hundred, and ninety satang). The payment was made on 25<sup>th</sup> November 2005.

The remaining net profits of Baht 1,068,512,995.36 (Baht one thousand sixty eight million five hundred twelve thousand nine hundred and ninety five, and thirty six satang) were allocated according to the board resolution to the Company's reserve fund in accordance with Article 45 of the Articles of Association of the Company.

The Chairman further stated to the Meeting that as this agenda was for the Meeting's acknowledgement as required by law, no resolution was required.

The Meeting considered acknowledgement of the report on payment of interim dividends from the first-half-year operational results during 1 January – 30 June 2005 as proposed and no persons had questions or comments in any respect.

**Agenda 3**

**To Acknowledge Report on the Progress of the Implementation under the Business Restructuring Plan of the Thanachart Group in Accordance with the One-Presence Policy of the Financial Sector Master Plan**

The Chairman reported to the Meeting that like agenda 2, this Agenda was proposed for the Meeting's acknowledgment. The Company would report the progress of implementation under the Business Restructuring Plan of the Thanachart Group in accordance with the One-Presence Policy of the Financial Sector Master Plan. This Agenda and Agenda 4 to be considered hereinafter were matters resulting from the implementation of the Business Restructuring Plan of the Thanachart Group as approved by the 2004 Annual General Meeting of Shareholders from 28 April 2004. After the approval, the Company and Thanachart Bank Public Limited

Company jointly submitted to the Ministry of Finance on 3 June 2004 an application for implementation in accordance with the One-Presence Policy. On April 22, 2005, the Ministry of Finance then sent a letter approving the implementation of the restructuring plan under the condition that, after completion of implementation of the restructuring plan, the Company shall return the finance business license to the Ministry of Finance within one year from the date of approval of the Ministry of Finance, which is 21 April 2006. After return of the finance business license, the Company shall then become a holding company of the Thanachart Group, or called "Financial Holding Company", having Thanachart Bank as the only financial institution of the Group that accepts deposits from the public. To date, the said implementation was almost completed and the license must be returned. The Company expected to return the license to the Ministry of Finance on 31 March 2006 which is the last day convenient for closing the account. In this regard, the Board hereby proposed the progress report on implementation under the Business Restructuring Plan from the beginning until now, the details of which were shown in the Notice of the Meeting, pages 29-34. The Chairman had reported implementation details for the Meeting's acknowledgment and review of the supporting documents, which are summarized as follows:

### **Implementation in 2005**

#### **1. Transfer of financial business**

**1.1 Hire-Purchase Business** Thanachart Bank started its operation of hire-purchase business on **May 9, 2005**, by starting providing the service in Bangkok and provinces surrounding Bangkok and by expanding service areas to cover various regions, until **July 2005**. This would enable Thanachart Bank to provide the service covering all areas where the hire-purchase business was previously provided. For any account payable under the existing hire-purchase contracts with the Company, the Company would retain such hire-purchase contracts until their expiration.

**1.2 Other credit business of the Company.** The Company still operated other credit business until September 30, 2005 and from October 1, 2005 Thanachart Bank has become the only financial institution of the Thanachart Group that provides credit services.

**1.3 Business of acceptance of deposits from the public.** The Company stopped accepting deposits from the public on November 1, 2005.

**1.4 Other financial business** Such other financial business that must be transferred is only the business of serving as a representative of the debenture holders, in which case Thanachart Bank received the relevant license from the Office of the Securities and Exchange Commission in October 2005. In this regard, Thanachart Bank will operate the business as the representative of the debenture holder in place of the Company, and the Company would transfer its status as the representative of debenture holders to Thanachart Bank. **It is expected that such action will be completed by February 2006.**

## 2. Transfer of deposits of promissory note type

**2.1 Deposits from individuals** The Company stopped accepting deposits from individuals and appointed Thanachart Bank to be a banker accepting deposits on its behalf **since July 1, 2005**. In this regard, the Company has delivered deposits relating to principal and interest under promissory notes to Thanachart Bank on the same day.

**2.2 Deposits from juristic entities** The Company stopped accepting deposits from juristic entities and appointed Thanachart Bank to be a banker accepting deposits on its behalf **since November 1, 2005**. In this regard, the Company has delivered deposits relating to principal and interest under promissory notes to Thanachart Bank on the same day.

The holders of the promissory notes issued by the Company could redeem the promissory notes from Thanachart Bank, in which case the holders would receive interest and be subject to the conditions in the same respects.

## 3. Transfer of claims under the credit agreements

The Company has transferred the claims under the credit agreements to Thanachart Bank to cause the Bank to have such claims in its place. The transfer was made only to the extent of non-performing debts, i.e. the debtors classified as normal debtors and the debt classified as normal debt up to special classified debt in accordance with the criteria determined by the Bank of Thailand, except for the debt under the hire-purchase agreements that will remain with the Company as mentioned above.

**3.1 Claims under the credit agreements without collateral and with collateral, relating to the customers who still have the right to draw loans under the credit agreements** These claims were transferred to Thanachart Bank on October 1, 2005, upon which the customers that still have the right to draw loans under the agreements made with the Company will be able to draw loans instead from Thanachart Bank to enable the customers to have source of funds continually as per the existing agreements.

**3.2 Claims under credit agreements with collateral.** The transfer will be gradually made before the Company returning the finance business license. However, the official announcement concerning the measures of privileges of taxes, duties and charges as incurred in the transfer of assets, which is implemented under the Financial-Section Master Plan, shall be awaited. The computation of the value of the transfer and the transfer acceptance shall be based on the guidelines as proposed by the Bangkok Thanatorn Finance Public Company Limited during the period of forming a bank with limited scope of business in accordance with the plan submitted to the Bank of Thailand.

## 4. Return of the finance business license of NFS

Pursuant to the notice of the Ministry of Finance requiring the Company to return the finance business license to the Ministry of Finance within one year from the date on which the Minister of Finance permitted the implementation of the plan. This means, the return must be made by April 21, 2006. The Company has

however scheduled the return of such license by 31 March 2006. Once the license was returned, the Company would be prohibited from using the word “**finance**” as part of the Company’s name due to the prohibitions prescribed in the Act on the Undertaking of the Finance Business, Securities Business and Credit Foncier Business. It is thus necessary to change the name of the Company, and such action requires approval from the shareholders. As a result, the Board of Directors of the Company summoned the Extraordinary Meeting of Shareholders to consider approving the change of the name of the Company, as well as the objectives and Articles of Association as set out in agenda 4 to be considered later. The Chairman therefore reported for the Meeting’s acknowledgment with no voting requirement for this agenda.

The Chairman then provided an opportunity for the shareholders’ inquiries. The shareholders asked questions and expressed their opinions. The issues raised and responses thereto from the Board of the Company are summarized as follows:

**The shareholder:** Was there a value of the finance business license after return of the said license because an applicant for the finance business license was required to pay a license fee?

**The Chairman:** Return of the finance business license under the Financial-Sector Master Plan would be made without any consideration.

**The shareholder:** After the return of the finance business license, would the Company’s cost of funds be made through Thanachart Bank only? Would this cause the Company’s cost to increase or decrease when compared with the past?

**The Chairman:** The Company has transferred its customers’ deposits to Thanachart Bank and Thanachart Bank would be liable to pay interest at the original rate fixed on the promissory notes. In the meantime, the Company has not transferred the hire-purchased assets due to expenses and complications. The Company therefore requested approval from the Ministry of Finance and the Bank of Thailand to maintain these assets until expiry of the relevant hire-purchase contracts. Nevertheless, as the Company has transferred all deposits and the Company was required to spend money, the Company requested the Bank of Thailand to approve the Company’s request to borrow money from Thanachart Bank under the condition that the Bank will grant the loan to the Company in an amount equivalent to the outstanding facilities and the Company shall gradually repay the loan in an amount of the hire-purchase proceeds received, which would be fully repaid within 2 years.

For cost of interest, the Company would pay interest on the loan to the Bank and the Bank then would pay interest to the promissory note holders upon the promissory note maturity. Some holders might withdraw their money and some of them might desire to deposit their money with the Bank in other service programs and receive interest at a rate announced by the Bank accordingly.

**The shareholder:** whether cost of fund for hire-purchase facility at present will be reduced when compared with the same in the past and the future.

**The Chairman:** It was likely to be reduced for long term and might not be higher for short term, subject to the Bank’s policy. At this moment, the Bank has

a policy to develop its depository customer base by expanding its network of services promptly and its branches. The target was to open 200-300 branches within 3 years. As the service stations of the Bank are inconvenient, like other banks, a policy of higher interest rate was necessary to be proceeded simultaneously. For long term, it anticipated that margin of interest rate and cost of financial services would be moderately reduced.

**The shareholder:** Whether the hire-purchase portfolio has been under securitization. How do you plan for this subject matter? Will this effect the margin of profit to be increased?

**The Chairman:** Securitization has not been implemented and was in the process of being studied. Although securitization would be an option, it has many restrictions and might not be better than the current option, which was mobilization of deposits. The Bank has opened more and more branches and accelerated mobilization of deposits. The feedback from doing so was good and some branches had very good feedback beyond our expectation. The expansion of the customer base was satisfactory.

**Agenda 4**      **To Consider Amendment to the Memorandum of Association and the Articles of Association of the Company**

Prior to continuing the Meeting, the Chairman informed the Meeting that Ms. Chatima Chaturaphat, the director of the Company, had now joined the Meeting. Subsequently the Chairman purposed the Meeting to consider the next agenda. This agenda 4 contained 3 sub-agenda items as follows:

**4.1**      **To consider amending Clause 1 of Memorandum of Association re the “name” of the Company**

**The Chairman** stated that as reported to the Meeting in the previous Agenda that when the Company returned the finance business license to the Ministry of Finance the Company would not be allowed to use the word “**FINANCE**” in front of the name of the company “**THANACHART**”. Furthermore, the application to make a reservation on the name “**THANACHART**” with the Registrar of the Public Company Division, Department of Business Development, the Ministry of Commerce has been rejected on the ground that the name “**THANACHART CO., LTD.**” has been registered by the other juristic entity. Even though that juristic entity has not been operating any business for more than 10 years and the Registrar has already listed the name of that company in the list of the defunct company, that company has never registered a liquidation of the company according to the laws. As a result, a reservation on that name with the Registrar could not be made. At present the Company was under the process to file a petition to the Center Administrative Court for considering and giving an order for the Company to use the “**THANACHART**” name. Nevertheless the latter process would take some time to complete and would not be complete before the deadline of the returning of the license, which was scheduled by the Company to be completed on 31 March 2006. The Chairman thus purposed the Meeting to consider the change of the name of the Company and the amendment to Clause 1 of the Memorandum of Association of the Company as follows:

**Clause 1. The name of the company “บริษัท ทุนธนาชาติ จำกัด (มหาชน)” and the name of the company in English is “THANACHART CAPITAL PUBLIC COMPANY LIMITED”.**

Prior to voting, shareholders asked questions. Such questions and answers from the Board are summarized as follows:

**The shareholder:** If the name of the Company was changed, what is the name of the Company to be used in the Stock Exchange?

**The Chairman:** At present the Company has not made any decision in such matter. The name of the Company as used at the present in the Stock Exchange is NFS which stands for “**National Finance and Securities Public Company Limited**”. When the Company’s subsidiary has separated its business from the business of the parent company the name “NFS” had no source, but is still in use. However, the Company has considered that using the “NFS” name in the future might not be appropriate. To date companies in the Thanachart Group use the “**THANACHART**” name without the word “**NATIONAL**”. In respect of the initial name, the Company still has time to consider that matter and has not made any decision on that matter. If any shareholder however found any appropriate initial name, he/she can propose such initial name for the Board of Director’s consideration. An initial “**TCAP**” as proposed might be used, but if anyone would like to propose other proper names, please let the Board know and the Board must complete the name selection within this first quarter.

**The shareholder:** I agree with the initial “**TCAP**” and would like to ask further if the logo will be changed.

**The Chairman:** Logo will be changed as well. As you could see the current logo looked like the alphabet “Tor” and the alphabet “Nor”, but the new logo will be changed to represent the modern and fresh image.

**The shareholder:** I would like to know the source of the new logo.

**Mr. Supadate Punpipat, the Managing Director, replied that:** The new logo came from the alphabet “T” and the alphabet “Tor”. Briefly speaking, the style of the new logo was changed a litter bit. The old logo looked like the alphabet “Tor” standing outside and the alphabet “N” standing inside, but the new logo has the alphabet “T” standing inside (referring to Thanachart) and the alphabet “Tor” standing outside (referring to Thanachart). For the color, after surveying the market, the orange color was the most appropriate color. The Thanachart group thus decided to use the orange color.

**The shareholder:** According to the Chairman’s proposal on the change of the name to “**THANACHART CAPITAL**” and the change of initials of the Company, I would like to know if there is any reward for the shareholder who purposed a new initials, to the Company and those initials were chosen by the Board of Director.

**The Chairman:** We will take this into our consideration.

**There was no further enquiry. The Chairman thus reported a result of the voting on this Agenda 4 (4.1) to the Meeting as follows:**



**Resolution** The result of the vote on resolution on Sub-agenda 4.1 regarding the amendment to Clause 1 of the Memorandum of Association re the change of the name of the Company was the following:

Agree	700,604,113	votes, or	97.965%
Disagree	0	votes, or	0.000%
Abstain from Voting	14,555,022	votes, or	2.036%
Total votes	714,159,35	votes, or	100.000%

**Conclusion:** The Meeting passed the resolution by the majority vote of 97.965 %, which was more than 75%, of the number of the shares attending the Meeting and having the right to vote in regard to this Agenda, approving the change of the name of the Company after the returning of the finance business license and the amendment to Clause 1 of the Memorandum of Association as purposed by the Chairman to be read as follows:

**Clause 1.** The name of the company “บริษัท ทุนธนชาติ จำกัด (มหาชน)” and the name of the company in English is “THANACHART CAPITAL PUBLIC COMPANY LIMITED”.

**4.2 To consider amending Clause 3 of the Memorandum of Association regarding the “business objectives” of the Company**

The Chairman proposed the Meeting to consider amending Clause 3 of the Memorandum of Association re the business objectives of the Company. The details of the existing draft and the new draft of the objectives of the Company were compared as appeared in pages 36 - 40 of Attachment 4 to the Notice of the Meeting. The Chairman explained to the Meeting that the purpose for amending the objectives of the Company was to provide clear statement, reorder the clauses of the objectives, and insert new business objectives of the Company for the future business of the Company. In addition, after returning the finance business license, the Company would lose the status of financial institution and therefore was not allowed to have the objectives to conduct some businesses as set out in the Memorandum of Association. The Company thus was required to amend and/or delete, as the case may be, certain objectives and the Company would try to recompose its business objectives to be as clear as possible.

The Chairman proposed the Meeting to consider details of the objectives clause-by-clause and explained to the Meeting the basis for each objective and the reason for the change of each objective. For example clause 1 of the existing business objectives provided that “The Company has an objective to operate the financial business ....”. The Company could not retain this clause in its business objectives once the finance business license was returned. The wording in clause 1 therefore was amended to be in accordance with the new draft of the Memorandum of Association by using the wording provided by the governmental authority. This wording was quite new in the Thailand business sector, which was **“To be a holding company of a financial business group that consists of one or several subsidiary companies. These subsidiary companies operate the financial business or the business that provides support to the companies in the financial**

**business group as determined by the Bank of Thailand**". After considering the draft of clause 11 of the objectives of the Company, the shareholders provided their comments which were summarized as follows:

**The shareholder** expressed that according to the wording "To become a partner with limited liability in a partnership" of the first sentence of clause 11, the word "limited" should be added before the word "partnership" to read "limited partnership". This was because only the limited partnership had a partner with limited liability. There were 3 partnership categories: ordinary partnership, registered ordinary partnership, and limited partnership. The word "**partnership**" was unclear. If it was an investment in ordinary partnership or registered ordinary partnership, the risk would be high because the Company would be a partner with unlimited liability. I therefore proposed the Meeting to consider adding the words "**To become a partner with limited liability in a limited partnership**".

**The shareholder** further expressed that the wordings "To hold share in a private limited company" in the second sentence of clause 11 might cause the Company not to be able to invest in any other limited company, but the private limited company only. The word "private limited company" was not a legal term under the laws; therefore, the word "private" should be deleted. Otherwise it could be construed and interpreted that the Company had an objective to hold only the share in Private Company Limited. When the word "private" was deleted the remaining words would be "...to hold share in company limited..."

**The Chairman** thanked all shareholders for their comments. Apart from the statement as proposed to be revised by the shareholders, no other shareholders had made any further comments on clause 11. The Chairman hence instructed the secretary to record those comments for revision of the Company's draft objectives to be registered. The Chairman then proposed the Meeting to consider the details of clause 12 to clause 20 of the business objectives, and no further comments from the Meeting to be proposed for revision and/or alteration to those clauses.

**The Chairman** further expressed that, for smoothly business operations in the future, the Company had tried to create the new draft of the business objectives containing 20 clauses to cover every business, including business operations of the subsidiary companies, as much as possible. However it was likely that the Registrar of the Public Company Limited Division, Department of Business Development, the Ministry of Commerce might have comments to revise and/or change the draft. In this regard, the Company must comply with the Registrar's comments. The Chairman therefore would need the Meeting to vote in this matter. The Chairman thus requested the Meeting to pass a resolution to repeal the 15 existing business objectives of the Company and adopt the 20 new business objectives of the Company, the details of which were appeared in the Notice of the Meeting and proposed to be revised in clause 11. The Chairman further requested the Meeting to empower the Company to revise and/or amend the details of the objectives as instructed or commented by the Registrar and any relevant governmental unit (if any) and also **requested the Meeting to approve the amendment to clause 3 of the Memorandum of Association in respect of the objectives of the Company to read as follows:**

**"Clause 3     The objectives of the Company have 20 clauses."**

**Prior to voting, shareholders asked questions. Such questions and answers from the Board are summarized as follows:**

**The shareholder:** As it was well known that at the present there is a future index market, the shareholder hereby asks that:

1. The Stock Exchange is going to open the derivative market for trading of the future exchange contracts. Do the new objectives of the Company cover this business?
2. At the present the Company has not yet engaged in the agricultural future exchange. Should this business be included in the objectives of the Company in case the Company wishes to conduct this business in the future?

**The Chairman:** The Company has already applied for a derivative license via the subsidiary company, THANACHART SECURITIES PUBLIC COMPANY LIMITED, which is now a licensed Broker to operate this business.

For the agricultural future exchange, if it is permissible, the Company will set up a subsidiary, the business objectives of which will cover this type of business, to engage in this business. The holding company will not conduct this business due to numerous conditions and limitations on the scope of business as prescribed by the governmental authorities and to be complied with by the holding company. The business to be operated by the Company as a holding company is to provide the service supporting THANACHART BANK and the companies in THANACHART group. Any other type of business operation will require a prior approval from the Bank of Thailand and the Bank of Thailand can examine the Company and any subsidiary company under control of the Company. Changes of shareholding structure and other matters require a prior approval. This means that many details are taken into account for supervision of the holding company by the financial institution. However, if in the future there is a chance to engage in any other business, the Company may set up a new company to operate such kind of business. Or if it is necessary to have such business in question to be operated under the holding company and there is some problem in the objectives of the Company, a shareholders meeting may be arranged in order to amend the objectives accordingly. For the new draft business objectives as proposed, the details of clause 14 cover most of new businesses.

**The shareholder:** After transformed into THANACHART CAPITAL PUBLIC COMPANY LIMITED, no longer a financial institution, is it necessary for the Company to maintain the BIS Ratio pursuant to the regulation of the Bank of Thailand? Do the Company still need the reserve fund?

**The Chairman:** The Company still needs to maintain the BIS Ratio. The Bank of Thailand will supervise a whole company group to monitor as to whether or not the group has sufficient funds. With respect to the reserve fund, the holding company is not required to reserve fund, but the subsidiary company will need to continue maintaining the reserve fund.

**The shareholder:** As the Company's name does not have the word "Holding", was this correct that the Company's status in practice is a holding company? Or are there any difference between those two? And the new name does not need to have the word "Holding", doesn't it?

**The Chairman:** The words “Holding Financial Company” in English as determined by the Bank of Thailand are to specify the structure and are not necessary to be included in the Company’s name, which normally can be divided into two following formats:

**1<sup>st</sup> Format:** The holding company is not a financial institution, but its subsidiary is a financial institution, which is the Company case.

**2<sup>nd</sup> Format:** The holding company is a financial institution, such as other big commercial banks acting as holding companies.

In term of supervision, the Bank of Thailand will control in the holding company style. The consolidated style will be applied for the BIS Ratio, which will cover monitoring the subsidiary companies.

**The shareholder:** I have known that pursuant to the Master Plan of the government, supervision of an insurance business will be shifted from the Ministry of Commerce to the Ministry of Finance. How long will it take place?

**The Chairman:** There is unclear information. However, if it is the regulation from the authority, the Company will need to comply therewith.

**The shareholder:** In an event that the Company’s subsidiary having major income from the leasing business must be under supervision of the Bank of Thailand and is required to maintain the BIS Ratio according to the criteria as stipulated, will this cause the Company to be disadvantaged relative to its competitors in the same market area?

**The Chairman:** The requirement of maintaining the BIS Ratio is not considered the Company’s burden and will not cause any problem or disadvantage in the business operation in any respect. The Company, however, may lack of some liquidity, but will still have an advantage in term of acceptance of deposits from the public. Therefore, such requirement cannot be considered a factor to affect our business competition in the market.

Furthermore as a result of the change of the Company’s name, a shareholder had asked in which sector will the Company be traded in the stock market after the said change and the Company’s status having become the holding company.

According to the abovesaid issue and after consultation with the Stock Exchange of Thailand, we expect that the Company’s stocks will be traded in the commercial bank sector.

**The shareholder:** I would like to ask for the policy to have THANACHART SECURITIES PUBLIC COMPANY LIMITED listed in the Stock Exchange of Thailand because the Stock market at this moment has been picking up.

**The Chairman:** The Board has passed a resolution to cancel the policy in having THANACHART SECURITIES PUBLIC COMPANY LIMITED listed in the Stock Exchange of Thailand. This is for smoothness of management as a group, which is able to make decision promptly. In addition, to engage in business prospectively as a group, we rely on speed to support each other. As listing a company in the Stock Exchange may have restriction in these matters and every

matter required to be implemented among the subsidiaries is subject to the condition which might require a financial advisor’s opinion, the decision thus cannot be made immediately and the Company will also have to bear additional cost for that financial advisor.

**There was no further enquiry. The Chairman thus reported a result of the voting on this agenda 4 (4.2) to the Meeting as follows:**

**Resolution** The result of the vote on resolution on Sub-agenda 4.2 regarding the amendment to Clause 3 of the Memorandum of Association re the objectives of the Company was the following:

Agree	561,161,613	votes, or	78.454%
Disagree	0	votes, or	0.000%
Abstain from Voting	154,111,622	votes, or	21.546%
Total votes	715,273,235	votes, or	100.000%

**Conclusion:** The Meeting passed the resolution by the majority vote of 78.454 %, which was more than 75%, of the number of the shares attending the Meeting and having the right to vote in regard to this Agenda, approving repeal of the existing 15 objectives of the Company and adoption of 20 objectives, as appeared in the draft attached to the Notice of Meeting and according to the shareholders’ comments on clause 11. The Meeting further approved revision of and/or amendment to the details of the objectives as instructed or commented by the Registrar and any relevant governmental unit and also approve the amendment to clause 3 of the Memorandum of Association in respect of the objectives of the Company to read as follows:

“**Clause 3** The objectives of the Company have 20 clauses.”

**4.3 To consider amending the Articles of Association**

The Chairman proposed the Meeting to consider details of the amendments to 4 articles of the Articles of Association of the Company. The amendments were made for consistency with the changes in various matters of the Company as considered in the forgoing agendas, and for clarity and appropriateness of the business operation of the Company. The amendments to the 4 articles were detailed in Attachment 5, pages 41 to 43 of the Notice of the Meeting, which are summarized as follows:

1. **Article 1 of the Articles of Association** regarding definitions. The definition of the Company’s name was proposed to be amended to be consistent with the change of the same, and the definition of “Law” in relation to the business operation was proposed to be amended, to read as follows:

**Article 1.** Unless specifically prescribed, the terms used in these Articles of Association shall have the following meanings:

“Company”	means	<b>Thanachart Capital Public Company Limited</b>
“Law”	means	<b>Law governing the public company limited, including such other laws in force upon or in connection with the business operation of the Company.</b>
“Registrar”	means	Registrar under the law governing the public company limited
“Share Registrar”	means	Person with duty to act as a share registrar of the Company
“Person”	means	Ordinary or juristic person

2. **Article 9 of the Articles of Association** regarding share transfer. The wording “...except the Ministry of Finance and/or Bank of Thailand officially approves that the foreigner can hold the share of the company **less than** specified above.” of the second paragraph of Clause 9 (2) was proposed to be amended. At the present, the government has already determined the maximum rate for foreigner(s) to hold not exceeding 49 percent shares under the conditions as stated in the last sentence of the aforesaid paragraph. This proposal was to delete the words “**more than**” and replace them with the words “**less than**”. This means if the government fixed the shareholding rate to be less than 49 percent, such rate would be deemed a maximum rate.

**The wording of Article 9 after the amendment would read as follows:**

Article 9. The shares of the Company can be transferred without any restriction, provided that:

- (1) The Company no longer has the right or benefit available to it under the law;
- (2) The transfer of shares causes foreigners to hold shares in the Company over 49 percent of all shares sold.

If it appears that the Company increases capital for foreigners and the foreigners acquired ordinary shares at the rate less than 49 percent of the ordinary shares sold of the Company, the maximum shareholding proportion of foreigners shall be considered to be in line with the maximum proportion at the time of subscription of shares for capital increase on the relevant occasion, except that the shareholding by foreigners is a result of the exercising of right under (3). This will however be at the rate of not over 49 percent of the ordinary shares sold of the Company, unless the Ministry of Finance and/or the Bank of Thailand approve the foreigners to hold shares less than the rate referred to above.

3. **Article 30 of the Articles of Association** was set in the Board of Directors Chapter. This article has already been enforced. However, to make it more clear, the Chairman proposed the Meeting to consider amending the wording in connection with the directors who acted as member of various sub-committees of the Company and were entitled to receive remuneration to be consistent with their current duties. The following wording therefore should be inserted:

“**Article 30.** The Board of Directors shall have the power to appoint a number of persons as deemed appropriate to form an executive committees. One person among these persons shall be a chairman of the executive committee and shall have the power and duty to control and supervise the business of the Company as entrusted by the Board of Directors. The President shall be a member of the executive committee by position. **The Board of Directors shall have the power to form other sub-committees as deemed appropriate.**”

(2<sup>nd</sup> paragraph) The members of the executive committee **and/or the persons appointed to be on other sub-committees** shall be entitled to the receipt of consideration and/or gratuity as determined by the Board of Directors. However, this shall not deprive such members/persons of the right to receive other consideration or gratuity than those provided to them in the capacity as directors under these Articles of Association. ”

4. **Article 49 of Articles of Association** regarding the Company seal which was under Chapter 8, Supplemental Provisions. This amendment was proposed to be consistent with the change of the Company’s name. The symbol shall be changed to be in the same format for the Thanachart Group as follows:

Article 49. The seal of the Company shall be as follows:



บริษัท ทูมชาร์ต จำกัด (มหาชน)  
Thanachart Capital Public Company Limited

**The Chairman** thus offered an opportunity to the shareholders to ask questions and give comments in relation to the proposal for amending the Articles of Association of the Company. It was apparent that no shareholders asked questions or gave comments. The Chairman therefore proposed that the Meeting vote on this agenda item, and to empower the Company to add and/or revise details of the objectives according to the orders or comments (if any) of the Registrar and other relevant governmental authorities.

**Resolution** The result of the vote on resolution on Sub-agenda 4.3 regarding the amendments to 4 articles (Articles 1, 9 (2) paragraph 2, 30 and 49) of the Articles of Association was the following:

Agree	700,672,713	votes, or	97.959%
Disagree	40,000	votes, or	0.000%
Abstain from Voting	14,560,522	votes, or	2.036%
Total votes	715,273,235	votes, or	100.000%

**Conclusion:** The Meeting passed the resolution by the majority vote of 98.959 %, which was more than 75%, of the number of

**the shares attending the Meeting and having the right to vote in regard to this Agenda, approving amendments to the 4 mentioned articles of the Articles of Association, and to empower the Company to add and/or revise details of the objectives according to the orders or comments (if any) of the Registrar and other relevant governmental authorities.**

**Agenda 5**      **Other Business (if any)**

After the completion of agenda 4 which was the last agenda for consideration and having approval resolutions according to the agenda items, the Chairman provided an opportunity to the shareholders to ask questions and give opinions, which are summarized as follows:

**The shareholder:** I would like to know the outlook of the management on the trend of increased interest rate and the possibility to pay dividends at a higher rate.

**The Chairman:** According to the strategies of the Company, we expect that interest rates will continue increasing for, at least, 2 years. This would cause an increase in the financial costs of the Company. For the administration and management of the group, we have extended the service network by expanding the number of branches of Thanachart Bank, and increasing the analytical staffs and several categories of researchers to be ready and increase potential in the competitive market. The hire-purchase team, at the moment, has performed fabulously so we rank first in the market share. Even though we have increased interest rates to be the same as announced by the major competitors, we are still holding a high ranking in the market share. Therefore, according to the business strategies, we would try to maintain leadership status for this business.

The performance during the beginning period may have been affected by the cost increase of interest rates or from the expenses spent for expanding new branches and expenses for additional employment at each branch. Hence, this circumstance may have some effect in short term, but predictable to be positive consequences in long term outcome.

Regarding the question on dividend payment at a better rate, the answer must be subject to the consideration of annual general meeting of shareholders. The requirement of the fund to be utilized by the group for maintenance of the BIS Ratio will be taken into account as well. In this regard, after consideration, the figure of expense payable in the same amount as in the past would not be a burden to the maintenance of the strong BIS Ratio. However, the appropriate dividend rate to be payable will have to wait for a resolution passed by the 2006 annual general meeting of shareholders which will be held this April.

**The shareholder:** Please provide your opinion on the strengths and weaknesses of the group and the strategies for competition. This is because we feel that the strong point of the group is to conduct the leasing business which has been operated in the same manner by the others big financial institutions. How will the Thanachart group maintain this strength because the fewer number of branches might be disadvantage in terms of costs of funds?



**The Chairman:** The business strategies of the Thanachart group are to develop acceptance of deposits to put the Bank into a secure position. As the Bank is a small bank, it is necessary to maintain liquidity in a high level. Maintenance of lots of surplus liquidity sometime may create burdens because the return from the surplus liquidity in a certain period is low. The Board of Directors however has considered and deemed it appropriate to maintain it. The Company in another way has accelerated mobilization of the deposits by hiring additional marketing staffs and increasing deposits in average level for granting credit facility, which will generate income and profit. As a leader in the hire-purchase market, we must maintain this strength by developing the work system and qualified staff and focusing on the creation of good relationship with the dealers and second-hand car sellers. If we are firm in this position, we can compete in this business.

**Khun Suphadej further stated that:** As we are borne from the financial business, the culture in granting credit facilities, especially hire-purchase facility, is different from general commercial banks which have been developed from granting a variety of large and small facilities or SMEs (Small and Medium Enterprises) facilities, which may be difficult for us at this moment to compete with. We consequently should pay much more attention on the hire-purchase business from which we have been borne.

**The shareholder:** I would like to ask 2 questions as follows:

1. According to the news, the Ministry of Finance has given an interview that there are several foreign investors requesting for information of other finance companies, including the Company, which have been converted their status to be commercial banks. Is this true and are there any consequences to the Company?
2. According to the information reported by the management, the principal income of Thanachart comes from the margin of interest rates, while the major income of other big commercial banks usually is generated from fees. Whether there is any prediction in the future to have an offensive business expansion to earn more income from fees, such as issuance of credit card and counter service, etc.

**The Chairman: For the first query,** as I have not followed the news and have never known that the investors have met with the Ministry of Finance, I would repeat the group's business strategies that in order to move forward, we have 3 plans with potential as detailed below.

1. Fully accelerated move forward by expanding our business as currently practiced.
2. At the same time, we are open to the opportunity to merge with another financial institution in Thailand and if it is worth doing, this strategic maybe used for moving forward.
3. For the business of the subsidiary companies of the Thanachart group, if there is any firm financial institution investors who are interested in the business of the Thanachart group, we may consider to merge with them if we considered and found the possibility of joint benefits and a policy to conduct business together. This strategy has been open at all times but is currently still intangible. To date, we are fully accelerating our business growth and if we have the strong business, either the second or third plan will be possible.

**For the second question,** the fees had been figured out in the business strategies. Interest is income acquired from granting hire-purchasing facility. However, in fact, the Company's income had come from business of the subsidiary companies, such as insurance company, life insurance company, or securities company. The income received had not come from the interest or the fees as suggested by the shareholder. As Thanachart Bank has just started its operation, it would have problem in term of branch networking stations. The growth of income earned from fees must take time to succeed, but it would be better and better respectively. Our income from this source could be at a low level for a while but we expect to gain more in the near future. With respect to issuance of credit cards, there are, currently, plenty of competitors in the market. If we desire to invest in this business, the Bank should have a crystal clear marketing plan in order to compete with others. It is also important to fully prepare the working systems. In this step, we consider ourselves to not be ready for this business.

**The shareholder:** What will be the future of Thanachart Bank after listing in the Stock Exchange as the Company has few shares? According to the news, is it true that the dividend will be paid at a rate of Baht 0.66?

**The Chairman:** It is incorrect on the news in relation to dividend payment of Baht. 0.66. The Board of Directors has been discussing the issue on existing small shareholders of 0.6% which were traded on the Call Market. The decision on how to arrange with the Bank's shares will be made in a short period of time. In this regard, there are 3 options which are:

1. Remain silent and let the shares continue to be traded on the Call Market. The Stock Exchange of Thailand (SET) has not given comments on this option because, originally, we thought that the stock would be traded on the Call Market for 2 years only and would be delisted from the SET thereafter.
2. List additional shares in the Market to prevent the problem of free float lower than criteria as prescribed by the SET. Otherwise, this problem would cause the shares to be traded on the Call Market. This option may cause trouble with an increase of shareholders. The relationship between the holding company and the Bank to cooperate to support each other would probably not flow effectively or opinions from financial advisors would be required that will not be flexible and create burdens as well.
3. The company will repurchase all the shares from the shareholders and then delist the shares from the SET.

According to the 3 options mentioned above, we now have not made any decision but we expect to make a clear cut decision during the next 2-3 months on how to proceed. This issue, however, is part of our businesses restructuring of the Thanachart group.

**The shareholder:** Please have the management consider the qualifications of the underwriter of Thanachart Security Plc. The reasonable value of the shares under the underwrite is one of our concern because the value of certain shares under the underwrite could be high and upon their listing would be much lower than the value under the underwrite.

**The Chairman:** This suggestion is noted and will be notified to the Board of Director of Thanachart Securities pcl for acknowledgement and more cautiousness next time.

**The shareholder:** I have 3 questions as follows:

1. After the merger of Thanachart Finance and Thanachart Bank, will all deposits with the Thanachart Finance be transferred to Thanachart Bank?
2. Why do Thanachart Bank refuse to accept the cheque payable to specific name (A/C PAYEE) of one person to be deposited into the bank account opened by two persons under the condition “and/or” between both names, while other banks have allowed to do so? This problem creates an inconvenience to customers.
3. Will Thanachart Bank accept or refuse the transfer of interest, dividend or bonds into a bank account? If so, will there be any fees?

**The Chairman:**

1. All the money deposited with the Company has been transferred to Thanachart Bank already according to agenda 3. The answer to item 3 is that Thanachart Bank will not charge any fees.

For the second question will be explained by **Khun Suchada Pavananant**.

**Khun Suchada:**

The reason why the Bank refuses to accept the bank account is for the account names identified “and/or” while the said cheque was deposited to the account of one person only. To prevent the risk of the other co-owner who has not known the said cheque deposited, a pay-in slip will be required to specify 2 names of the account owners according to the account name. This is to certify that the co-owner acknowledge such deposit transaction. This is the regulation of the Bank which must be strictly complied with by staff as the Bank is aware that it might result any damage to depositors.

**The Chairman:** The Board of Director has not yet had full details of this matter and hence cannot give an answer at this moment. This issue is noted to be carefully reconsidered in detail to find out the fact and for the greatest convenience of the customers. In the meantime, risks on other areas will be taken into account as well because both finance and banking businesses have the same risks.

**The shareholder:** According to the report, Thanachart Bank will expand to 100 branches by the end of this year and expand to 300 within 3 years. How much deposit do you plan to have? Will this total deposit amount be sufficient for support of granting the hire-purchase facility?

**The Chairman:** We have the target of opening 100 branches by the end of this year but according to the business plan, we maybe able to expand for approximately about 75 branches. Thus, the deposits will come from these 75 new branches. For the issue whether these deposits will be enough for extension of the hire-purchase facilities, the bank in fact did not provide only hire-purchase facility but other facilities for SMEs and corporation as well. According to the business plan, the Bank has sufficient funds in granting the facilities. The remaining funds will be utilized for

setting up new branches for providing more conveniences in term of service and increased channels to mobilize the deposits. Even if we have enough capital funds, business expansion is continuously required for the strong customer base to be ready for competition.

**The shareholder:** Thanachart Bank has a policy to expand the credit facility business to other sectors other than the hire-purchase section. For instance, facility for other projects or credit facilities in a form of syndicated loan for the government projects, or having staff with experience on this kind of project, of which strong points will make the Bank outstanding in the same manner as other banks that can expand their business to be linked with the mega-projects of the government.

**The Chairman:** The business strategies of Thanachart Bank do not only focus on the hire-purchase facility, but on other credit facilities as well, and expertise in certain fields of business, i.e. hotel business, which we are one of the experts in the business. It is therefore quite difficult to focus on different industries at the same time because the specialization and expertise of specific business fields must be clearly established.

**The shareholder:** After the economic crisis, the Company accepted a huge number of properties for settlement, which is an asset management business that make much more profit. After accepting those properties for the settlement and then disposing of them, what are the conditions of the properties currently in the portfolio? These properties include the ones acquired from settlements and by auction for resale. What are their values and is there any circumstance decreasing the value of the properties?

**The Chairman:** The assets acquired from the settlement are now approximately Baht 8-9 billion. Some of them were from settlement by the Company's debtors and others were debt bought by the Company. After comparing the total value with the appraised value, the appraised value is higher than the value of the assets in hand of not less than Baht 1 billion. We received a good price, without loss, for the assets sold out. In the future, the sale of assets may be a bit slower because assets at a good location are mostly sold out. The remaining assets will not be a burden to the Bank. The non-performing loans (NPL) buyout business for management is currently in process by way of auction, but not bid at high prices. As a result, we may succeed only 1 out of 6-7 debts as auctioned.

After that, some of the shareholders requested the Chairman to answer the written questions and queries regarding the transfer of business to Thanachart Bank, which are summarized as follows:

**The Chairman:** According to the question of how many subsidiary companies do the Company have and which subsidiary companies have been listed on the SET?

- We have many subsidiary companies but only one of which, Thanachart Bank Plc., has been listed on the SET. Other subsidiary companies which are non-bank, such as Thanachart Security Plc., conducting the brokerage business, Thanachart Insurance Co., Ltd., Thanachart Life Insurance Co., Ltd., and Thanachart Securites Fund Management Co., Ltd., conducting underwriting business. Further, we have other subsidiary companies with small business to support the companies of the Thanachart group only, i.e. Thanachart Leasing

Group Co., Ltd., Thanachart Leasing 2000 Co., Ltd., Thanachart Law and Appraisal Co., Ltd. and Thanachart Management and Service Co., Ltd.

- The hire-purchase facility transferred to Thanachart Bank will retain the same status as executed by the Company without additional charge because this portfolio and the officers in charge have been transferred.
- After the transfer of hire-purchase portfolio, will the business performance be remain in a good condition? The transfer of hire-purchase portfolio to the Bank would not affect the performance of the holding company. But in the future, the performance of the holding company would depend on the business performance and profits of the subsidiary companies, which will be reflected on the balance sheet of the holding company.

After the Chairman provided an opportunity for the shareholders to ask questions and express their opinions for a while, no more issues or comments were raised. The Chairman, thereby, stated that:

The Meeting closed at 4.45 pm.

***Banternng Tantivit***

Signed \_\_\_\_\_ Chairman of the Meeting  
(Mr. Banternng Tantivit)

Signed \_\_\_\_\_ Secretary to the Meeting  
(Mrs. Natkrita P. Swetpatchraporn)