

(Translation)

**Minutes of the Annual General Meeting of Shareholders
for the Year 2011**

Thanachart Capital Public Company Limited
Ballroom 1-2, 2nd Floor, Royal Orchid Sheraton Hotel & Towers
Charoen Krung Soi 30, Siphya, Bangrak, Bangkok
Friday, 8 April 2011
Starting at 14:00 hours

Quorum At 14:02 hours, the meeting was attended by 394 shareholders in person, 377 individual shareholders by proxy and 166 juristic shareholders by proxy. The total number of shareholders attending the meeting amounted to 937, accounting for 562,157,140 shares or 43.993 percent of the Company's total 1,277,829,703 issued and paid-up shares.^{*/} Those present at the meeting constituted a quorum.

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

Members of the Board of Directors attending the meeting

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

Calling the meeting to order

Khun Banterng Tantivit, Chairman of the Board of Directors acting as Chairman of the meeting, called the meeting to order at 14:02 hours. He said that it was the Annual General Meeting of Shareholders for the Year 2011 with eight items to be considered in line with the scheduled agenda. The related details were given in the Notice of the 2011 Annual General Meeting of Shareholders, which was already sent to all shareholders.

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

The Chairman then requested Mr. Suphadej Poonpipat to introduce each member of the Board to the meeting.

In addition, the Chairman said that the Company's auditor namely Miss Rattana Jala who represented Ernst & Young Office Limited also attended the meeting today. As a result, if during the course of the meeting the shareholders wished to request the directors or the auditor to respond to their questions, they could do so.

Before proceeding with the agenda, the Chairman explained the following details/procedures relating to the conduct of the meeting.

1. The Company had made available ballots for the shareholders' convenience in exercising their rights in voting on the agenda items at the meeting. A total of ten ballots given to the shareholders were for each of the various agenda items. In this connection, the management had the related details printed on the ballots. As Agenda Item 2 was concerned with a report to be presented at the meeting for acknowledgement only, there was no ballot for this item.
2. During the deliberation on each agenda item, all shareholders who wished to give their opinions or ask questions would be requested to identify themselves by first and last name. The purpose was to enable the keeper of the minutes to keep a correct record of the meeting.
3. In voting, if shareholders wished to "cast their votes of disapproval" or "abstain from voting" on any agenda item, they were required to vote or abstain from voting by marking on the ballots. Once they were ready, they could raise their hand to allow the staff concerned to collect the ballots and compile the results.
4. 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 votes on the collected ballots 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 on each of the agenda item separated clearly in the proxy form.

5. In line with the usual practice, while the meeting waited for the vote count results, the Chairman would proceed with the next agenda item. When the vote count results were available, the Chairman would announce the results on each agenda item to the meeting.

Having provided the shareholders with the above explanation, the Chairman proceeded with the established agenda of the meeting as follows:

Agenda Item 1

To consider and approve the Minutes of the Annual General Meeting of Shareholders for the Year 2010

The Chairman informed the meeting that the Annual General Meeting of Shareholders for the Year 2010 was held on Wednesday, 7 April 2010. The minutes of the meeting had to be submitted to the shareholders for consideration and approval. The details of the draft minutes were included in the Notice of the Meeting from Page 7 to Page 30. The Chairman proposed that the shareholders consider the minutes page by page. He also asked a question whether there was any shareholder who wished to propose amendments to any part of the minutes of the meeting. All shareholders who wished to give their opinions or ask questions would be requested to identify themselves by first and last name. 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 on this agenda item.

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

Results	Number of votes	Percent
Approval votes	637,668,504	100.000
Disapproval votes	10	0.000
Abstained from voting	208,825	-
Total number of eligible votes on this Agenda Item	637,668,514	100.000

Resolution

With the majority votes of the shareholders who were present at the meeting and eligible to vote, the meeting passed the resolution approving the Minutes of the Annual General Meeting of Shareholders for the Year 2010, which was held on Wednesday, 7 April 2010.

Agenda Item 2

To acknowledge the report of the Board of Directors on the Company's performance for the fiscal year 2010

The Chairman requested **Khun Suphadej Poonpipat**, Chairman of the Executive Committee, and Chief Executive Officer, to inform the meeting of the Company's performance for the past fiscal year 2010.

Khun Suphadej Poonpipat said that Agenda Item 2 was concerned with the Board of Directors' report on the Company's performance. The report was prepared in the form of a video presentation which was about 10 minutes in length. The shareholders were informed that, together with the video presentation, they could read the related details from Annual Report 2010 under the heading entitled "Message from the Board of Directors". The annual report was available on CD-ROM which was sent 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 (on the performance of 2010)

Overall, almost all areas of the Thai economy in the past year recovered. Despite a number of adverse factors including political conflicts, natural disasters, baht appreciation, and rising inflation, the economy registered a growth rate of 7.8 percent, which was much higher than expected. Thailand's economic recovery in the past year served as a positive factor contributing towards the Thai commercial banking industry. On the other hand, the industry faced a number of formidable challenges including keen competition, rising interest rates, and the authority's governance which was aimed at raising the standards of Thai financial institutions to the level on a par with the international standards in the long term. However, the Thai commercial banking system as a whole managed to make appropriate adjustments and achieve strong financial positions. They continued to register strong performances as in 2009, thanks to the positive trends in the previous year.

Thanachart Group was also successful and registered continuous profit growth. In particular, the share of the profits from Thanachart Bank which was the main asset of Thanachart Group registered the highest growth rate on record. Thanks to the strong expansion of its main business in retail banking and the leapfrog growth of the assets following its acquisition of Siam City Bank, Thanachart Bank moved from the level of mid-sized banks into Thailand's top five commercial banks. The key point was for both banks to get well prepared before the merger. The objective was to ensure that the expected synergies would be achieved. The main activities which had been implemented were as follows:

- *The two banks shared the same Board of Directors and the same management team which looked after the policies and administration of the two banks.*
- *Integration team was set up to look after the merger of the two banks to ensure that customers would continue to receive best service from both banks.*

- *The products and services of the two banks were united and the cross-selling of these products and services was initiated.*
- *Plans and strategies related to the consolidation of the two banks' human resources were formulated. These included development and organization of activities aimed at training the staffs to work and operate businesses together. The objective was to merge the corporate cultures of the two banks.*

The merger was progressing gradually and was scheduled to be completed in 2011. The Board of Directors was confident that the merger would be successful. The performance of Thanachart Bank in 2010 was strong and the Bank witnessed significant growth. The Bank's consolidated financial statements which factored Siam City Bank and the member companies of Siam City Bank into the aggregated accounting figure increased the total assets by 92 percent and the net profit by 10 percent. Moreover, in 2009, the Company made an extra gain of 1,902 million baht (after corporate income tax) from selling the ordinary shares of Thanachart Bank to Scotiabank. If such gain was excluded, the net profit of Thanachart Group in 2010 grew by 76 percent over the year 2009.

Thanks to the stronger performance and the consolidated financial statements which incorporated Siam City Bank and its subsidiaries, the total loans grew by 113 percent with the loan portfolios being more appropriately diversified. Meanwhile, Thanachart Bank was able to maintain its leadership position in automobile hire purchase business. The total deposits grew to 667,570 million baht, up 96 percent from those in 2009 which amounted to 341,496 million baht. Moreover, Thanachart Bank was able to manage the quality of the assets efficiently. It was also successful in maintaining the interest rate spread and increasing the fees from the cross-selling of products. As well, it successfully controlled the operating expenses. The economy in 2011 is expected to grow at a slower rate. The economy will face increased volatility. Interest rates are expected to increase in line with the rising inflation while the customers' demand for financial services will become more sophisticated. The economic and business environment in the future will remain challenging. However, the key business strategies of Thanachart Group which are flexible to adapt to the changing environment and the unified strengths of the two banks' staffs as well as the support from Scotiabank will bring about endlessly stronger potential. On the other hand, Thanachart Bank strictly adheres to the principles of good corporate governance and looks after the rights and interests of all the stakeholders in an appropriate manner. The objective is to 'initiate...fulfill' and grow in a sustainable manner together with the Thai society.

At the end of the video presentation, **Khun Suphadej Poonpipat** informed the meeting that the video presentation just watched by the shareholders represented the report of the Company's performance in 2010. The Company also prepared a video presentation on the transfers of all businesses of Siam City Bank to Thanachart Bank. The purpose was to keep the shareholders abreast of the development. **The video presentation was used to support the proposals for the approval of the business transfers and the acceptance of the transfers. The proposals were already approved at the meetings of the shareholders of Siam City Bank and Thanachart Bank, which were held the day before**

this meeting. However, the shareholders of Thanachart Capital Public Company Limited were not required to give any approval. The presentation was only for their information.

Record of the report via video presentation (on the plan to transfer the businesses of Siam City Bank to Thanachart Bank)

Following the Bank of Thailand's approval which allowed Thanachart Bank to buy all the issued and paid-up ordinary shares of Siam City Bank, Thanachart Bank's Annual General Meeting of Shareholders No. 17 in the previous year adopted a resolution approving Thanachart Bank's purchases of all the issued and paid-up ordinary shares of Siam City Bank. The objective was to implement a merger between Siam City Bank and Thanachart Bank by transfer all the businesses of Siam City Bank to Thanachart Bank. At a later stage, Thanachart Bank became a shareholder of Siam City Bank by purchasing 2,111,678,577 shares which accounted for 99.95 percent of the total issued and paid-up shares. The main activities which had been implemented in relation to the merger could be summarized as follows:

Preparation of details of the Entire Business Transfer submitted to the Bank of Thailand for approval

The Company, Thanachart Bank and Siam City Bank jointly developed the Entire Business Transfer which was of Siam City Bank to Thanachart Bank. The project was submitted to the Bank of Thailand for approval on 25 November 2010. The approval of the project given by the Bank of Thailand was announced in the Royal Gazette on 10 March 2011.

Transfers of all businesses of Siam City Bank to Thanachart Bank

Siam City Bank would transfer all its assets, liabilities, obligations, rights, and duties to Thanachart Bank on the same date. In return for the transfers, Thanachart Bank would pay at a fair price in accordance with the business transfer agreement to be signed by the two banks. Afterwards, Siam City Bank would reduce its paid-up capital and apply for deregistration, followed by returning its commercial banking license to the Bank of Thailand and proceeding with liquidation. The transfers were preliminarily scheduled to take place on 1 October 2011. The key activities that needed to be undertaken could be summarized as follows:

Activities to be undertaken before the transfer date

- 1) Formulation of the implementation plan for transferring the businesses and accepting the business transfers, which encompassed all areas in order to achieve the merger objectives and to enable the two banks to provide the customers of the two banks in a continuous manner.*
- 2) Delisting the ordinary shares of Siam City Bank from the Stock Exchange of Thailand. In this connection, the Stock Exchange of Thailand announced that the ordinary shares of Siam City Bank had been delisted from the bourse since 13 December 2010.*
- 3) Establishment of an asset management company whose issued and paid-up shares were wholly owned directly and indirectly by Thanachart Bank. The new asset management*

company would take transfers of Siam City Bank's non-performing loans and manage them.

- 4) *As regards the transfers of Siam City Bank's subordinated debentures, Siam City Bank would transfer its subordinated debentures to Thanachart Bank. In this connection, Thanachart Bank would issue and offer for sale its subordinated debentures in exchange for Siam City Bank's subordinated debentures. Thanachart Bank's debentures would have exactly the same maturity dates, coupon rates and terms as those of Siam City Bank. The transfers were scheduled to take place on 20 June 2011.*

Activities to be undertaken on the transfer date

Siam City Bank would transfer all its businesses, assets, liabilities, and obligations as well as human resources to Thanachart Bank on the transfer date in accordance with the business transfer agreement signed by Siam City Bank and Thanachart Bank. The transfers also included all rights and duties under the agreements which Siam City Bank signed with the third parties. Thanachart Bank would assume Siam City Bank's rights in order to exercise the rights and meet the obligations under those agreements. In return for the transfers, Thanachart Bank would pay Siam City Bank at a fair price in accordance with terms and conditions as set out in the business transfer agreement. Since the transfer date, the business and services of Siam City Bank as well as its offices, branches, and ATMs would be operated under the name of Thanachart Bank.

Activities to be undertaken after the transfer date

Siam City Bank would reduce its registered capital, apply for deregistration and return its commercial banking license to the Bank of Thailand within 2011. Afterwards, it would proceed with the liquidation. Moreover, Siam City Bank would undertake the registration of the related rights and juristic acts in order to transfer the ownerships of the various assets. These also included the registration of the transfers of the rights as mortgagees and pledgees of assets and collateral security from Siam City Bank to Thanachart Bank. Such transactions were exempt from tax and duties related to the transfers. The fees related to the registration of the rights and juristic acts for the transfers or assumption of the rights in assets or collateral security would also be reduced in line with the incentive packages to promote mergers under Thailand's Financial Sector Master Plan Phase II.

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 the other remaining agenda items were discussed.

Resolution

The shareholders acknowledged the report of the Board of Directors on the Company's performance in 2010, which was given through the video presentation.

Agenda Item 3

To consider and approve the balance sheets and income statements for the year ended 31 December 2010

The Chairman requested **Khun Suphadej Poonpipat** to give a presentation under this agenda item.

Khun 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 balance sheets and income statements of the Company and its subsidiaries through a video presentation which was about 15 minutes in length. The balance sheets and income statements for the year ended 31 December 2010 were already audited by the certified auditor and also already reviewed by the Audit Committee.

Record of a report via video presentation

The Board of Directors would like to present to the shareholders for consideration the balance sheets and income statements for the year ended 31 December 2010. Taking into consideration the consolidated financial statements, these statements reflected the performance of the Company and the member companies of Thanachart Group which included Thanachart Bank, Siam City Bank and their subsidiaries. The related details were given in the annual report which was already distributed to the shareholders. In considering the financial statements, the following were a number of key issues on which the Board of Directors would like to give clarifications.

Consideration of the Balance Sheets

In order to know the financial positions of the Company and its subsidiaries, the year 2010 was a very important year for Thanachart Group's business growth. This was mainly due to the fact that Thanachart Bank which was the Company's subsidiary succeeded in buying the shares of Siam City Bank Public Company Limited from the Financial Institution Development Fund (FIDF). Thanachart Bank also succeeded in making a tender offer to buy all the remaining shares of Siam City Bank from other retail shareholders. As a result, Thanachart Bank held 99.95 percent equity stake in Siam City Bank. Therefore, the total assets of Thanachart Capital Company which was the parent company of Thanachart Bank grew significantly. In comparison with all the commercial banks in the system, Thanachart Group's total assets ranked 5th in the commercial banking industry, with 9.1 percent market share. As at the end of 2010, the total assets of the Company and its subsidiaries grew by 421,950 million baht to 881,915 million baht. Of the total assets of the Company and its subsidiaries, the net loans and accrued interest receivables accounted for 66 percent, the net investments accounted for 16 percent, the net interbank and money market items accounted for 10 percent while the other assets accounted for 8 percent. The increase in the total assets was mainly due to the loans which increased by 320,533 million baht to 609,646 million baht. After the acquisition of the shares of Siam City Bank, the loan portfolios of the Company and its subsidiaries became more appropriately diversified. The retail loans accounted for 57 percent while the corporate loans and SME loans accounted for 43 percent. For comparison, in 2009 the retail loans accounted for 79

percent while the corporate loans and SME loans accounted for 21 percent. Thanachart Group was still the leader in the new and used car hire purchase business. The net investments increased from the year 2009 by 48,055 million baht to 145,168 million baht. The net investments mainly included government and state enterprise bonds. The goodwill amounted to 16,620 million baht as a result of the purchases of the ordinary shares of Siam City Bank.

Liabilities

The total liabilities of the Company and its subsidiaries as at the end of 2010 amounted to 810,197 million baht. Of the total liabilities, the total deposits accounted for 66 percent, the short-term borrowings or deposits in the form of bills of exchange accounted for 17 percent, the long-term borrowings accounted for 6 percent while the other liabilities accounted for 11 percent. The total deposits and the short-term borrowings or deposits in the form of bills of exchange amounted to 668,701 million baht, representing an increase of 327,902 million baht, thanks to the deposit mobilization efforts by over 670 branches nationwide of Thanachart Bank and Siam City Bank. Moreover, because of the confidence of the members of the general public and the investors, Thanachart Capital and Thanachart Bank were successful in issuing their debentures. In particular, Thanachart Capital issued unsubordinated and unsecured debentures worth 3,000 million baht, with a maturity of 3 years while Thanachart Bank issued name registered, subordinated, unsecured, and unconvertible debentures (Lower Tier II capital) worth 6,000 million baht with a maturity of 10 years. As well, the Bank issued 7,130 million baht worth of perpetual non-cumulative, subordinated, and hybrid debentures (Hybrid Tier I) which paid no interest in the years without profit. These long-term borrowings were part of fund mobilization and capital increase in order to support the purchases of shares of Siam City Bank. As a result, Thanachart Group became well prepared and its financial position was further strengthened. Taking into account the subordinated debentures worth 10,000 million baht issued by Siam City Bank, the total long-term borrowings of the Company and its subsidiaries increased by 26,022 million baht to 48,399 million baht. Moreover, Thanachart Bank increased its capital to support the purchases of the shares of Siam City Bank. As a result, the minority interest or equity attributable to minority shareholders of subsidiaries increased. Taking into account the increase in the interim profit, the shareholders' equity increased by 24,311 million baht to 71,718 million baht. Based on the Bank of Thailand's guidelines on the consolidated supervision, the BIS ratio of 13.08 percent as at the end of 2010 reflected Thanachart Group's capital adequacy.

Consideration of the income statements

In order to know the performance of the Company and its subsidiaries, the consolidated financial statements combined the results of Siam City Bank and their subsidiaries, proportionately to the holding company's equity stakes. Thanks also to the combined forces of the members of Thanachart Group's financial conglomerate through cross-selling of products, the efficient management of the asset quality, the enhanced service quality and standards, as well as the good cooperation from its business partner Scotiabank, the net income attributable to the Company in 2010 increased by 530 million baht to 5,639 million baht. The increase in net income in 2010 could be attributed to the five elements as follows:

1. *Interest and dividend income,*
2. *Interest expenses on deposits and borrowings,*
3. *Bad debts and doubtful accounts and loss on debt restructuring,*
4. *Non-interest income, and*
5. *Non-interest expenses.*

First element: Interest and dividend income

The interest and dividend income in 2010 increased by 13,140 million baht to 35,252 million baht. This was mainly due to the increase in interest income from loans in line with the expansion of hire purchase business, corporate loans and SME loans as well as gains on investments.

Second element: Interest expenses on deposits and borrowings

The interest expenses on deposits and borrowings in 2010 increased by 3,192 million baht to 10,084 million baht. If the interest expenses on deposits and borrowings (second element) were deducted from the interest and dividend income (the first element), the net interest and dividend income of the Company and its subsidiaries increased by 9,948 million baht to 25,168 million baht. The interest spread amounted to 3.46 percent, which was higher than the industrial average of 3.30 percent in 2010.

Third element: Bad debts and doubtful accounts and loss on debt restructuring

Thanks to the continued efficient credit management by changing the work systems and processes, efficient credit risk management as well as the improvement in debt collection management, the allowances for bad debts and doubtful accounts and the loss on debt restructuring in 2010 amounted to 1,820 million baht, representing a decrease by 1,029 million baht.

Fourth element: Non-interest income

The non-interest income of the Company and its subsidiaries decreased by 2,131 million baht to 20,179 million baht. This was mainly due to the decrease by 3,280 million baht in insurance premium/life insurance premium income, as a result of cancellation of some products of Thanachart Life Assurance Company in 2010. On the other hand, the securities brokerage fees increased by 444 million baht to 1,329 million baht in line with the capital market recovery. Moreover, the fees and service income increased by 1,436 million baht to 3,625 million baht in line with the increase in transactions and the number of branches.

Fifth element: Non-interest expenses

The non-interest expenses including personnel expenses, premises and equipment expenses as well as other expenses amounted to 28,381 million baht. The ratio of operating costs to total income after deduction of insurance/life insurance expenses amounted to 53.5 percent, which was close to the industrial average.

As a result of the above five elements, the net income attributable to the Company in 2010 amounted to 5,639 million baht. All of these reflected the success coming from efficient cooperation among all member companies of Thanachart Group and its business partner

Scotia bank, which resulted in the strong and sustainable growth of every subsidiary's performance.

Support information

The following table shows the performances of the Company's key subsidiaries in 2010 and 2009.

(Unit: million baht)

<i>Subsidiaries</i>	<i>The Company's shareholdings</i> ***	<i>Net profit *</i>	
		<i>2010</i>	<i>2009</i>
<i>Thanachart Bank Public Company Limited</i>			
• <i>Separate financial statements</i>	<i>50.96%</i>	<i>5,719</i>	<i>3,547</i>
• <i>Thanachart Securities Public Company Limited</i>	<i>100.00%</i>	<i>391</i>	<i>274</i>
• <i>Thanachart Fund Management Company Limited</i>	<i>75.00%</i>	<i>131</i>	<i>111</i>
• <i>Thanachart Insurance Company Limited</i>	<i>100.00%</i>	<i>356</i>	<i>225</i>
• <i>Thanachart Life Assurance Company Limited</i>	<i>100.00%</i>	<i>688</i>	<i>120</i>
<i>Siam City Bank Public Company Limited **</i>			
• <i>Separate financial statements</i>	<i>99.95%</i>	<i>4,333</i>	<i>3,956</i>
• <i>Siam City Life Assurance Company Limited</i>	<i>100.00%</i>	<i>156</i>	<i>137</i>
<i>NFS Asset Management Company Limited</i>	<i>100.00%</i>	<i>461</i>	<i>395</i>
<i>MAX Asset Management Company Limited</i>	<i>83.44%</i>	<i>108</i>	<i>115</i>

* *Based on the financial statements of each company.*

** *Siam City Bank Public Company Limited and its subsidiaries had become the subsidiaries of Thanachart Bank since 9 April 2010.*

*** *The shareholdings represented the equity stakes held both directly and indirectly through Thanachart Bank.*

After the video presentation, **the Chairman** informed the meeting that the video presentation explained the financial position and the performance of the Company in 2010. The related details were given in the annual report and the financial highlights, which were already distributed to the shareholders. The balance sheets and income statements for the year ended 31 December 2010 which were presented to the shareholders were prepared in accordance with Generally Accepted Accounting Principles (GAAP). They had already been reviewed by the Audit Committee and the Company's Board of Directors. As well, the auditor had already audited and signed the financial statements.

The Chairman then provided the shareholders with an opportunity to ask questions and give opinions, indicating that under this agenda item, the auditor Miss Rattana Jala who also

attended the meeting would help answer the questions. The following were the shareholders who asked questions and gave opinions.

Khun Basant Kumar Dugar (a shareholder) expressed his thankfulness to the management for the performance in the past year. He made an observation that the Company borrowed from interbank and money market items at low costs but high amounts. Only a small part of such borrowings was invested in related transactions while the remaining funds were invested in those transactions which gave higher rates of return when compared with the competitors. This was a good move implemented by the management. However, the cash flows from operating activities based on the Company's separate financial statements were higher. This augured well for the Company. Moreover, the management of the interbank and money market items gave rise to opportunities to borrow from the Bank of Thailand or other commercial banks at low costs but with high amounts. The shareholder also gave advice about the higher depreciation in the consolidated financial statements. The Company could reassess the economic life of the assets which might be longer than the number of years currently used by the Company for depreciation calculations. The reassessment for the depreciation calculations was permissible under IFRS and Thai Accounting Standards if it was reasonable.

The Chairman thanked the shareholder for his advice.

Khun Artorn Jienden-ngam (a proxy holder) asked whether there would be a share swap whereby the ordinary shares of Siam City Bank would be exchanged for the ordinary shares of Thanachart Bank. In case there was a share swap, he asked what would be the share exchange ratio. This was because some shareholders of Siam City Bank might want to maintain their shareholdings.

The Chairman said that there would be no share swap. Thanachart Bank would continue to buy the ordinary shares of Siam City Bank. In this connection, Thanachart Bank was in the process of getting an approval from the Bank of Thailand. Once the Bank of Thailand gave its approval, Thanachart Bank would determine the purchasing price which would be announced to the shareholders of Siam City Bank later. If the shareholders of Siam City Bank did not sell the shares, Siam City Bank would proceed with the decrease of the paid-up capital and the liquidation process, after which the shareholders would receive proceeds from the capital decrease and the liquidation.

A shareholder who wished to keep his anonymity requested the Chairman to give clarifications about the twofold increase in the non-performing loans on Page 18 of the Management Discussion and Analysis.

The Chairman and Mr. Suphadej Poonpipat clarified that the figures in 2009 reflected the performance of Thanachart Bank and the member companies of Thanachart Group before consolidating the financial statements of Siam City Bank. On the other hand, the figures in 2010 reflected the performance which consolidated the financial statements of Siam City Bank. The consolidation resulted in increases at a very high rate in many

figures. The debt figures which were seen were a result of the consolidation of the financial statements but not a result of the increase in Thanachart Bank's figures.

Khun Lertchai Leelainukul (a shareholder) asked the following questions:

1. In view of 16,000 million baht worth of goodwill, he asked how many years the goodwill would be amortized or whether it would be maintained.
2. In view of the BIS ratio of 13.08 percent, he asked what the appropriate level of the BIS ratio was and whether there would be a capital increase.

The Chairman gave clarifications as follows:

1. The difference of the share value of Siam City Bank between the price which Thanachart Bank bought the shares of Siam City Bank at 32.50 baht per share and the book value of 20 baht was approximately over 22,000 million baht. This could be divided into two parts including the intangible assets of 4,100 million baht to be amortized over 10 years and the remaining 18,688 million baht being the goodwill. The amount was not equal to 16,000 million baht asked by the shareholder. This was due to the gain of about 2,000 million baht made by the Company from selling the shares of Siam City Bank to Thanachart Bank, which could not be recognized in the consolidated financial statements as yet. However, the amount of tax charged on the gain was over 600 million baht. There were no clear criteria for the amortization of goodwill. The book value and the purchase price had to be considered annually. If the business operation after the merger proceeded as anticipated and the book value increased as forecast, it was not necessary to amortize the goodwill.
2. As regards the BIS ratio, it was not necessary for the Company to maintain the ratio at the level of 13 percent or 14 percent as in the case of commercial banks. It was expected that the Company, Thanachart Bank, and the member companies of Thanachart Group would operate their businesses as planned. As a result, it was not necessary for the Company to increase the capital.

Khun Chatchai Khun-ngam (a shareholder) expressed his thankfulness for not changing the name of Siam City Bank to Thanachart Bank since his utility bills were paid by debiting the account with Siam City Bank and he did not have to go through the trouble of changing the name. He also commended Thanachart Bank for introducing gold-related investment products. This enabled the customers to make gold-related investments conveniently. However, the Bank should provide the customers with more knowledge and organize more public relations activities.

The Chairman said that, according to the report given under Agenda Item 2, the Entire Business Transfer would take place approximately on 1 October 2011. As a result, the name of the branches and the ATMs had to be changed from Siam City Bank to Thanachart Bank. In this connection, customers would continue to receive the services related to payments of various service fees and it was not necessary for the customers to notify the parties concerned of the change. This was one of the important reasons why it took so long

to implement the merger, especially in the areas of the information technology systems and coordination with all the parties concerned. As a result, the business transfer were preliminarily scheduled to take place on 1 October 2011.

As regards the gold-related investment products, it was Thanachart Bank's policy to become the leader in this business in Thailand since The Bank of Nova Scotia in Mocatta was one of the world's top bullion dealers. It would make use of its experience to do the business in Thailand through Thanachart Bank. More businesses such as lending gold to business operators would be introduced. He thanked the shareholder for the suggestions.

Khun Chamnarn Thammacharoen (a shareholder) asked about the non-performing loans on Page 18 of the Management Discussion and Analysis, which increased from 3.5 percent to 6 percent. Since this was the first year that the financial statements consolidated the performance of Siam City Bank, he would like to know the amount of Thanachart Bank's non-performing loans.

Khun Suphadej Poonpipat said that Thanachart Bank's non-performing loans decreased from 2.49 percent as at the end of 2009 to 2.29 percent in 2010. On the other hand, Siam City Bank's non-performing loans as at the end of 2010 amounted to 8.82 percent. As regards the Company whose financial statements consolidating the results of its two asset management companies, the non-performing loans as at the end of 2010 amounted to 2.7 percent.

The Chairman said that the decrease in the non-performing loans was partly due to the economic recovery, the higher levels of agricultural production, and more efficient debt collection systems which made more use of information technology.

Khun Rittichai Yipcharoenporn (a shareholder) would like to know about the Company's risk management policy related to the non-performing loans, especially the management of the risk arising from external factors such as floods.

Khun Suphadej Poonpipat said that the retail debt collection management divided the non-performing loans into different groups based on the period of overdue payment, such as 1-3 months, 4-6 months, 6-9 months, and more than 9 months. As well, the work teams were also divided, taking into account their debt collection skills in each group of non-performing loans. As well, the related information technology had been further streamlined. Particularly, in case of the debtors with high risk, the Company had put in place a system to monitor these debtors regularly and to general risk alert signals.

The Chairman said that, as regards the management of the risk arising from external factors such as flood, these were events which could not be foreseen. As a result, it was difficult to prepare in advance. However, once these events occurred, the customers would lack income to make repayments as before. The Bank would try to identify what the problems were and find out how to restructure the debt on a case-by-case basis. The objective was to reduce the burdens of the customers to an acceptable level and to prevent the non-performing loans from increasing. As regards the damage caused to the vehicles

acquired under hire purchase agreements, if the vehicles were insured by Thanachart Insurance Company, there would be some impact. However, the reinsurance system would help limit the loss amount to an acceptable level. In this connection, Thanachart Group was not much affected by all the past floods.

A shareholder who wished to keep his anonymity asked whether the commercial banking license of Siam City Bank could be sold and why the income from insurance business decreased significantly. As well, he asked whether it was because the role of the insurance business was reduced.

The Chairman said that the commercial banking license of Siam City Bank could not be sold. It had to be returned to the authority by 2011 in line with the conditions imposed by the Bank of Thailand.

Khun Suphadej Poonpipat said that the role of the insurance business was not reduced. The income from the business still increased. In 2009, the profit was 225 million baht while in 2010, the profit was 356 million baht. As regards the life assurance business, in 2009 the profit was 120 million baht while in 2010 the profit was 688 million baht. However, as seen in the consolidated financial statements, the insurance premium income decreased by 3,000-4,000 million baht, this was because a number of highly risky products were reduced. Moreover, the operating costs were significantly reduced. As a result, the profits were increased.

Khun Basant Kumar Dugar (a shareholder) suggested that the Company issue debt instruments which could be converted into equity shares or make initial public offerings. This was because, if the Company issued new shares to increase the share capital, the existing shareholders would be affected by dilution effects. He observed that, in relation to the acquisitions, one should acquire companies with negative goodwill and there were two factors that needed to be considered. These factors included the post-acquisition cash flows and the multiple streams of income. He also shared with the meeting the ideas which he got from listening to the famous investor Robert Kiyosaki. Mr. Kiyosaki said that good companies should use funding sources wisely and they should also make initial public offerings if they received tax benefits.

The Chairman said that, according to his vision of the future in relation to the capital increase, it was not necessary for the Company to raise the capital as yet. If it was really necessary, the Company could issue debt instruments to fund the operations.

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

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

Results	Number of votes	Percent
Approval votes	643,235,340	100.000
Disapproval votes	10	0.000
Abstained from voting	3,793,400	-
Total number of eligible votes on this Agenda Item	643,235,350	100.000

Resolution

With the majority votes of the shareholders who were present at the meeting and eligible to vote, the meeting passed a resolution approving the balance sheets and income statements for the year ended 31 December 2010 as proposed.

Agenda Item 4

To acknowledge the appropriation of the profit and the payment of dividend for the operating results of the year 2010

The Chairman said that, in line with the summary reports presented earlier to the shareholders under Agenda Items 2 and 3 respectively on the Company's performance, in 2010 the net income based on the Company's separate financial statements amounted to 2,817,624,191 baht. In accordance with the Public Limited Company Act and the guidance dated 25 April 2007 and issued by the Department of Business Development on the practice of dividend payment, it was stipulated that the payment of the dividend of the public limited company had to be made from the profit based on the company's separate financial statements as at the end of the fiscal year. As a result, the Company was able to consider the dividend payment to the shareholders. In this connection, the Board of Directors deemed it appropriate to propose the following matters to the shareholders for consideration and approval under this agenda item:

1. Approval of the appropriation of the net profit at 5 percent of the net profit as a statutory reserve, which amounted to 140,881,209 baht.
2. Approval of the dividend payment at a rate of 0.70 baht (seventy satang) per share or 894,480,792 baht^{*/} for the operating results of the second half of the year 2008 from 1 July 2010 to 31 December 2010. Taking into account this round of the dividend payment and the interim dividend payment worth 0.50 baht (fifty satang) per share or 638,914,851 baht^{*/} for the operating results of the first half of the year, the total dividend payment for the operating results of the year 2010 amounted to 1.20 baht (one baht and twenty satang) per share or 1,533,395,643 baht^{*/}.

The total amount of profit to be appropriated under this agenda item was 1,674,276,853 baht with the remaining net profit worth 1,143,347,338 baht (after the appropriation) to be transferred into the retained earnings under the shareholders' equity.

This dividend payment accounted for about 54.42 percent of the net income based on the Company's separate financial statements. As regards the information about the Company's

dividend payments over the past three years for the operating results of 2008-2010, a table comparing the payments was made available to all shareholders for consideration. The related details were given on Page 31 of the Notice of the Meeting.

**/ Notes:*

The calculation of the above dividend payments was based on the sum of the ordinary shares and the preference shares which amounts to 1,333,154,003 shares, less 55,324,300 ordinary shares repurchased by the Company under the share repurchase program. The net sum of the ordinary shares and the preference shares after deduction of the treasury shares amounted to 1,277,829,703 shares.

If the meeting approved the dividend payment, the Company would establish a list of shareholders entitled to the dividend payment on 20 April 2011 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 21 April 2011 with the dividend payment to be made on 3 May 2011.

The Chairman then provided the shareholders with an opportunity to ask questions or give their opinions.

As regards Agenda Item 3 of the shareholders meeting, **Khun Wiroj Preechathanachote (a proxy holder)** said that, in principle, the financial statements had to be approved before the dividend payment could be considered.

The Chairman thanked the shareholder and indicated that, at the shareholders meeting next year, the agenda on the dividend payment might be placed after at least one agenda item following the agenda item on the approval of the financial statements.

As no shareholder asked any additional questions or gave any additional opinions, the Chairman requested the meeting to adopt a resolution for this agenda item.

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

Results	Number of Votes	Percent
Approval Votes	646,902,563	99.998
Disapproval Votes	13,610	0.002
Abstained from Voting	147,827	-
Total Number of Eligible Votes on this Agenda Item	646,916,173	100.000

Resolution

With the majority votes of the shareholders present at the meeting and eligible to vote, the meeting passed the resolution approving the appropriation of the net profit for the operating results of the year 2010 and the dividend payment for the operating results of the second half of the year at a rate of 0.70 baht (seventy satang) per share as well as the dividend payment schedule as proposed.

Agenda Item 5

To acknowledge the remuneration payment of the Company's Board of Directors and the other committees in 2010 and approve the payment of performance allowances to the Board of Directors for the 2010 performance

The Chairman said that this agenda item included the report on the payments of remuneration to the Board of Directors in the past year as well as the annual consideration of the remuneration of the Board of Directors. The details related to the payments of remuneration to the members of all committees in 2010 were as follows:

- Of the allocated amount worth 8,600,000 baht approved by shareholders for the payments of remuneration to the Company's Board of Directors, the total payment of 7,240,000 baht was actually made, based on the number of the meetings attended by the directors.
- The table that compared the payments of remuneration to the Company's Board of Directors and all the other committees in 2010 with those in 2011 was on Page 32 of the Notice of the Meeting. As regards the details related to the payments of the remuneration which were made to each person in 2010, the information was given on Pages 78-79 in the Annual Report.
- The total payment of remuneration which was made to the other committees in 2010 amounted to 1,900,000 baht.

The report on the details of the remuneration was for acknowledgement only and required no resolution. 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.

As regards the consideration of the remuneration of the Board of Directors, **Khun Somkiat Sukdheva** who was the Chairman of the Remuneration Committee was requested to give the details under this agenda item.

Khun Somkiat Sukdheva informed the meeting that each year the Remuneration Committee would consider the appropriateness of the remuneration made to the Board of Directors and the other committees. As regards the remuneration of the Board of Directors, the shareholders meeting authorized the Board of Directors to consider and establish the payment rates with a total amount not exceeding 8,600,000 baht per year. In this connection, the Board of Directors adopted a resolution approving the payments of the remuneration to the directors and the members of the committees in accordance with the details given on Page 32 of the Notice of the Meeting. The Remuneration Committee was of the opinion that the current rates of the remuneration were appropriate, taking into account the roles, duties and responsibilities as well as comparing the practices in the industry. As a result, it was proposed that the current rates of remuneration made to the Board of Directors and the other committees be maintained.

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 2010 at the rate equal to one percent of the dividend payments approved for the shareholders. This was in line with the policy established by the shareholders.

The proposed dividends for the full-year performance to be made to the shareholders this year amounted to 1,533,395,643.60 baht. As a result, the total performance allowances to be paid to all members of the Board of Directors would amount to about 15,333,956.44 baht with the Board being authorized to allot the related payments to its members. The details comparing the payments of the remuneration from 2007 to 2009 were given on Page 33 of the Notice of the Meeting. The years shown on the document were the fiscal years.

Khun Somkiat Sukdheva 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 a shareholder's opinions.

Khun Basant Kumar Dugar (a shareholder) proposed that the Chief Executive Officer be offered the highest level of remuneration when compared with the remuneration of other executives. This served as a profit incentive. He also proposed that the expenditure be determined as variable costs instead of fixed costs. The purpose was to enhance productivity. The expenditure should be reduced or completely cut out over subsequent years, when compared with previous years. As regards the payments of the remuneration, he proposed that the remuneration be based on the Company's profitability ratios rather than the dividends paid to the shareholders. In fact, the dividends paid by the Company could not be treated as operating expenses.

The Chairman explained that high level executives clearly set their Key Performance Indicators (KPI). For the performance allowance paid to directors, directors deserved to receive the allowance because directors were able to manage the Company to be able to pay dividend to shareholders. This actually was our country's tradition.

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

The following were the results of the voting on Agenda Item 5.

Results	Number of Votes	Percent
Approval Votes	626,668,463	96.847
Disapproval Votes	130,110	0.020
Abstained from Voting	20,270,427	3.133
Total Number of Eligible Votes on this Agenda Item	647,069,000	100.000

Resolution

With more than two-thirds of the votes cast by the shareholders present at the meeting and eligible to vote, the meeting adopted the resolution approving the payment of performance

allowances for 2010 performance to the Board of Directors at the rate equal to one percent of the dividend payments approved for the shareholders, as proposed.

Agenda Item 6

To consider appointment of directors to replace the directors retiring by rotation

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

1. Mr. Suphadej Poonpipat,
2. Mrs. Siripen Sitasuwan, and
3. Mrs. Puntip Surathin.

For this agenda item, **Khun Somkiat Sukdheva**, Chairman of the Nomination Committee, was requested to give details related to this agenda item.

Khun Somkiat Sukdheva informed the meeting that, in order for the shareholders to vote independently on this agenda item, he would like to request the Vice Chairman of the Board of Directors and the other two retiring directors to be out of the meeting room temporarily.

The three retiring directors then went out of the meeting room.

In finding and proposing the list of names of persons to fill the vacancies of the directors retiring by rotation, the Board of Directors assigned the Nomination Committee to be responsible for the related work. In addition, during the period from 15 October 2010 to 15 November 2010, the Company allowed the shareholders to propose, through its website (www.thanachart.co.th), names of qualified persons for election at this meeting. However, after the end of the specified period, there was no shareholder proposing any person for consideration. As a result, in line with the recommendation made by the Nomination Committee whose retiring members refrained from proposing their own names for re-election, the Board of Directors deemed it appropriate to propose to the shareholders that they re-appoint all the three retiring directors as directors for another term.

The shareholders could consider the brief profiles of the three directors which were on Pages 34-40 of the Notice of the Meeting or those currently shown on the screen. With their knowledge and work experience in various positions, all of them had given advice/suggestions useful to the Company and the Board of Directors. A summary of their work with Thanachart Group as well as their achievements was then given as follows:

- 1) **Khun Suphadej Poonpipat**, Vice Chairman of the Board of Directors, Chairman of the Executive Committee, and Chief Executive Officer
 - Having served as a director/executive of Thanachart Group for over 30 years.

- Being knowledgeable about marketing, management and finance business. Throughout his tenure as the executive of Thanachart Group and a member of the Company's Board of Directors, he demonstrated great dedication to carrying out his duties and responsibilities. He served as Chief Executive Officer of both the Company and Thanachart Bank. He also played an instrumental role since the establishment of Thanachart Bank and made significant contributions to Thanachart Group's business growth.
 - Being a key executive involved in the planning and implementation related to Scotia bank's entry into the equity partnership with Thanachart Bank as well as the merger between Siam City Bank and Thanachart Bank.
- 2) Khun Siripen Sitasuwan, Chairperson of the Audit Committee, member of the Nomination Committee, and member of the Remuneration Committee
- Having served as an independent director of Thanachart Group for almost 11 years.
 - Being knowledgeable about finance and accounting, she played an instrumental role as the Chairperson of the Audit Committee and was a driving force behind the audit practices, ensuring that the accounting systems and the financial statements were reliable and that the internal control was adequate and appropriate. As a member of the Nomination Committee and a member of the Remuneration Committee, she participated in the nomination of the directors and the determination of the remuneration.
- 3) Khun Puntip Surathin, member of the Audit Committee, member of the Nomination Committee, and member of the Remuneration Committee
- Having served as an independent director of Thanachart Group for almost two years.
 - Being knowledgeable about accounting and management with experience in managing a wide range of businesses both in the public and private sectors. During the past two years, she played an important role in giving suggestions and being a driving force behind the audit practices, the nomination of the directors and the determination of the remuneration in enhancing efficiency.

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

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

- 6.1 Mr. Suphadej Poonpipat,
6.2 Mrs. Siripen Sitasuwan, and
6.3 Mrs. Puntip Surathin.

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

Khun Somkiat Sukdheva then invited the three directors who had gone out of the meeting room temporarily, to return to the room to participate in the meeting.

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

1. Mr. Suphadej Poonpipat

Results	Number of Votes	Percent
Approval Votes	630,857,263	97.518
Disapproval Votes	16,054,010	2.482
Abstained from Voting	157,727	-
Total Number of Eligible Votes on this Agenda Item	646,911,273	100.000

2. Mrs. Siripen Sitasuwan

Results	Number of Votes	Percent
Approval Votes	638,577,763	98.712
Disapproval Votes	8,333,510	1.288
Abstained from Voting	157,727	-
Total Number of Eligible Votes on this Agenda Item	646,911,273	100.000

3. Mrs. Puntip Surathin

Results	Number of Votes	Percent
Approval Votes	639,143,163	98.808
Disapproval Votes	7,708,110	1.192
Abstained from Voting	217,727	-
Total Number of Eligible Votes on this Agenda Item	646,851,273	100.000

Resolutions

With the majority votes of the shareholders present at the meeting and eligible to vote, the meeting passed the resolutions re-appointing all the three retiring directors as directors for another term.

Agenda Item 7

To appoint the auditor and to determine the audit fee for the year 2011

The Chairman said that, in the past year, the Company appointed Ernst & Young Office Limited as the auditor for the year 2010 and fixed the audit fee at 1,720,000 baht. For the year 2011, the Audit Committee went through the process of selecting the auditor. As well, the Board of Directors had considered the opinion of the Audit Committee and deemed it appropriate to propose the following list to the shareholders for appointment. It was proposed that

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

of Ernst & Young Office Limited, be appointed as the auditors of the Company for the year 2011. It was also proposed that the shareholders approve the audit fee of 1,470,000 baht.

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

Khun Siripen Sitasuwan informed the meeting that, taking into consideration the volume of work and other related factors, the Audit Committee was of the opinion that Ernst & Young Limited had experience in auditing companies in the financial industry, in which Thanachart Group operated its businesses. As well, the auditor had extensive networks worldwide and was widely acceptable to many countries. As a result, the auditor's services would help raise the standards of the Company's auditing to the level on a par with the international standards. As well, the auditor would transfer its auditing knowledge to the Company. The audit fee proposed for the year 2011 was considered appropriate. Both the three auditors and Ernst & Young Limited had neither relationship nor transactions which might give rise to a conflict of interest with the Company. The appointment of the auditor also received the approval of the Bank of Thailand.

As a result, to get approval of the audit fee for the year 2011, the Audit Committee proposed that shareholders approve the appointment of Ernst & Young Limited as the Company's auditor and also the audit fee of 1,470,000 baht for the year 2011, which decreased 14.53 percent from the audit fee for 2010.

As regards other details which the meeting should be informed of, Ernst & Young Limited had audited the Company's accounts since 2001 or for ten years now. All the three auditors who were proposed for appointment had never audited the Company's accounts before.

The brief profiles of the three auditors were available on Pages 41-43 of the Notice of the Meeting.

Khun Siripen Sitasuwan then gave an opportunity to the shareholders to ask questions or express their opinions.

Khun Basant Kumar Dugar (a shareholder) was worried about the work efficiency of the auditor since the payment of the audit fee was reduced. The management should determine the work efficiency of the auditor by taking into account the quantity of documents that needed to be audited and the hours of work, among others. If the quantity of documents that needed to be audited was reduced, the chance of incorrect information would also be reduced accordingly. The shareholder did not want a dispute to occur as in other companies. As a result, he would like the management to control the work efficiency in addition to the control of the expenditure.

The Chairman clarified that the payment of the fee to the audit firm for this year was reduced because the quantity of work decreased. Although the payment was reduced, the audit firm would continue to perform its work as efficiently as before.

A shareholder who wished to preserve his anonymity asked whether the phrase ‘and/or’ or the word ‘or’ should be used in the proposal for the appointment of the auditor. However, he proposed the use of the phrase ‘and/or’ since there were more than one audits of the financial statements within a year. As a result, there could be more than two auditors who signed the audited financial statements. For example, in case the first auditor could not continue to carry out the duties, the second one could assume them. As a result, there would be two auditors in that year.

The Chairman clarified that there would also be an audit of the mid-year financial statements. This could give rise to the case of using the second auditor. As a result, the phrase ‘and/or’ should be used.

As no shareholder gave additional opinions or asked additional questions, the Chairman requested the shareholders to adopt a resolution for this agenda item.

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

Results	Number of Votes	Percent
Approval Votes	643,377,583	99.597
Disapproval Votes	2,601,590	0.403
Abstained from Voting	1,200,527	-
Total Number of Eligible Votes on this Agenda Item	645,979,173	100.000

Resolution

With the majority votes of the shareholders present at the meeting and eligible to vote, the meeting passed a resolution approving the appointment of the following:

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

of Ernst & Young Office Limited as the auditors of the Company for the year 2011. The audit fee of 1,470,000 baht for 2011 was also approved.

Agenda Item 8
Other business

The Chairman provided the shareholders with an opportunity to give opinions and ask questions. The following were the questions asked by the shareholders and/or their opinions.

Khun Rittichai Yipcharoenporn (a shareholder) asked whether the Company had formulated any plan to manage risks arising from unexpected events and how it would manage the risks. In particular, Thanachart Bank might be unexpectedly faced with risks arising from problematic systems as a result of overseas banks being adversely affected by unexpected events. However, those overseas banks already put in place contingency plans and made arrangements for stress tests.

The Chairman said that the Bank of Thailand and the Company had been running stress tests to find out whether Thanachart Bank would be significantly affected and whether it would have adequate capital if there were adverse events. The stress tests could be divided into 3 scenarios as follows:

- (1) If only Thanachart Bank was affected by the problem, regardless of whether it was a credit problem or a problem of customer confidence. As well, the problem did not affect the commercial banking system. The tests would attempt to find out what would be the impact. The tests would focus on the problem areas.
- (2) The Bank itself did not have the problem while some other banks were affected by the problem. This might impact Thanachart Bank but not the whole commercial banking system.
- (3) The whole commercial banking system was affected by the problem.

The Company regularly ran the tests of all the three scenarios. If any one of the scenarios took place, Thanachart Bank would not have to be concerned about the BIS ratio or liquidity problem.

Khun Wiroj Preechathanachote (a proxy holder) asked whether the business plan for 2011 included any operational plan to increase the profit, which in turn would impact the Return on Equity (ROE), and whether there was any plan to further strengthen the performance over time since the competition in the year 2011 was intense and the competitors introduced many additional products. He also asked whether the Company's performance in the first quarter of 2011 was satisfactory and what would be the performance for the remaining nine months.

Khun Suphadej Poonpipat said that the Company's performance in the first quarter of 2011 was at an appropriate level and close to the established target. However, the interest rate spread was lower than the previous period. This was mainly due to the higher costs of deposits. As well, most of the customers were automobile hire purchase accounts whose interest charges were fixed. If the interest rate spread could not be increased in line with the rising costs of deposits, there would be problem. On the other hand, the client base of Siam City Bank was more diversified. As a result, Thanachart Bank's loan portfolios now became more diversified and the interest rate spread was at an appropriate level of about 3 percent. The non-interest income now played a significant role. Despite more intense competition in the automobile hire purchase business, Thanachart Bank was still the market leader. The Bank had introduced new products such as Cash Your Car (CYC) whose interest rate spread was very satisfactory. There were several systems which had been changed. These included, among others, the Treasury systems and the foreign currency exchange trading systems which were quite advanced and helped the Company earn more income. Scotiabank gave considerable support to the Company in this particular area related to the foreign currency exchange trading systems. He was confident that the Company's non-interest income would increase. On the other hand, it would try to keep the expenses at the previous level. In view of the above, the Company's income would be at an appropriate level. The Return on Average Assets (ROAA) was expected to be about 1 percent while the Return on Average Equity (ROAE) was expected to be over 10 percent.

In addition, **the Chairman** said that since this was the first year for the merger with Siam City Bank, the expenses such as personnel expenses would increase dramatically. These included, among others, early retirement offers to the staff, expenses related to internal and external decoration of hundreds of 100 branches, and work system development expenses. Part of these expenses would be incurred this year. Moreover, under the new regulation, the Company was required to set aside as a reserve for its staff retirement several years in advance.

As indicated by Mr. Suphadej Poonpipat, the interest rate spread would be narrower, mainly because the interest rates charged on the hire purchase loans were fixed. To compensate for the decrease in income, focus would be given to more efficient non-performing loan management. In the first quarter of this year, the risk was very well managed. As a result, the performance was very satisfactory.

As regards its own performance, the Company as a parent company would not only be affected by the performance of the Bank but also by the performance of its asset management companies which were selling their assets. As the asset management companies generated income for the Company from time to time, there were opportunities in which the Company would make significant profit.

Khun Kitti Sanitwongse-Na-Ayudhya (a shareholder) said he felt happy to know that the management would be in charge of Siam City Bank. From 11 August 2012 onwards, only one million baht would be covered by Deposit Protection Agency. He requested the Company to consider the case whereby there was no deposit insurance and the competition was intense, in addition to the spread of rumors. Having a BIS ratio of 16-17 percent did

not guarantee that there would be no problem. As a result, the Chairman should adopt appropriate measures for the merger and put in place necessary steps aimed at dealing with those matters in a careful manner. On 1 October 2011 when the implementation of the merger with Siam City Bank would be fully completed, he was worried about the change of the name badge of Siam City Bank with the Garuda and royal headdress images to be taken out.

The Chairman thanked the shareholder for the suggestions and opinions. He said that during the 1997 ‘Tom Yum Kung’ financial crisis, despite the government’s announcement that there was nothing to worry about and it guaranteed bank deposits, the customers kept withdrawing their deposits as they wanted to feel more safe and secure. As a result, in managing the bank, the Company not only counted on the government’s deposit guarantee, it would also select a solid and financial strong equity partner. This was because the customers would feel confident about a financial institution which was well managed and had a financially strong shareholder. Having such a strong partner won more consumer confidence than the government’s deposit guarantee announcement. He agreed to take into the consideration the suggestions made by the shareholder and would be careful about the above matters. As regards the Garuda and royal headdress images to be taken out, he would try to find appropriate solutions.

A shareholder who wanted to keep his anonymity asked about how to make the Company’s Price/Earnings (P/E) Ratio as high as those of other banks. Currently, it had not reached the ratio of 8 times as yet.

Khun Somjate Moosirilert said that, when stock analysts studied the Company, they focussed only on the comparison of the automobile hire purchase business. The management tried to inform the analysts that Thanachart Bank which was the Company’s subsidiary was currently a large bank with fully integrated financial services and more diversified customer groups. In this connection, the Bank planned to expand its client base by introducing additional financial products. For those customers visiting Thanachart Bank and Siam City Bank, they would find that the financial services offered by the two banks were the same.

Khun Chamnarn Thammacharoen (a shareholder) said he believed that today there was already a merger plan. As regards the human resources, it was likely that there were more employees than necessary. He asked about the number of the surplus personnel as well as the amount of the branches which overlapped. The purpose was to know the investment required for the merger and the potential impact on the annual operating cost reduction.

The Chairman asked for the permission not to give clear answers since these matters were sensitive issues. Instead, he would like to give a broad overview of the situation as follows:

1. Voluntary early retirement packages would be offered to the staff. As a result, a number of staff would exercise the right. The package would partly help reduce the number of the surplus personnel.

2. As regards the branches which overlapped, a number of the branches would have to be closed down or merged with larger branches. This did not mean that the staff working for the branches which were closed down would be out of work since there was still a client base to look after. As a result, the merger of branches did not mean that the staff concerned would be laid off. The expenses to be incurred included things such as staff uniforms for branch personnel, tables, chairs, and notice signs. This was quite an investment. As a result, from now until 1 October 2011, it might be necessary to prepare notice signs of the Bank in advance. In this connection, a lot of expenses would be incurred. As well, the merger of the two banks required a lot of hard work and created considerable pressure on the management. However, many experienced members of the team from Scotiabank had provided the Company with great support. The important thing was to prevent or minimize the impact of the merger on customer service.

Khun Suparat Wuttinarongtrakul (a shareholder) asked whether the Company's performance would weaken if the policy interest rate rose to 3.5 percent and how to prevent the risk. She also asked whether this would be a problem or obstacle and what measures could be undertaken to resolve the problem.

The Chairman said that the Company would try to minimize the non-performing loans more efficiently. During the first three months of the year, the Bank did it quite well. The Bank's performance was satisfactory. Some of the above-mentioned expenses were already incurred. However, the profit could not be forecasted as yet. A number of non-performing loan control measures which were mentioned earlier would be undertaken. The purpose was to compensate for the narrower interest rate spread. On the other hand, the automobile hire purchase business was still expanding. The expansion during the first three months was satisfactory. Higher interest rates would be charged on new loans.

Khun Pitak Natepetcharachai (a shareholder) asked the following questions:

1. As regards the vision on organizational management, especially in the area of human resources, he observed that most employees of Thanachart Group belonged to the new generation while most employees of Siam City Bank belonged to the old generation. He asked whether it would take more than two years to manage the human resources since the corporate cultures of the two banks were quite different from each other.
2. In relation to car hire purchase and lending business, he asked whether there was any measure that could be undertaken to prevent market share erosion. Over time, it would be more difficult since the operating costs of large banks were lower. He also asked whether the Bank's deposit rates in the future would not be different from those offered by other banks.

In response to the first question, **the Chairman** said that Siam City Bank's employees had knowledge, ability and experience which were very useful to the organization. A mixture of executives and managers from Thanachart Bank and Siam City Bank would be

appointed. The branch personnel were enthusiastic and were prepared to work. As regards the early retirement packages, they would be offered to the staffs of Thanachart Bank and Siam City Bank.

In relation to the second question about the market shares especially the automobile hire purchase, **Mr. Suphadej Poonpipat** said that the Company had established long-term relationships with its dealers including over 1,000 new car dealers and over 2,000 used car dealers. Thanachart Bank was still the market leader in automobile hire purchase business with about 20 percent market share. The second ranking operator held over 10 percent market share. The difference was quite wide. On the other hand, Thanachart Bank's operating costs were higher than large banks. However, future branch expansion would partly help reduce the funding costs. As regards the deposit rates, those offered by Thanachart Bank would still be higher than those of other banks but the differences would be smaller than before. Thanachart Bank would strive to expand its client base further.

Khun Suparat Wuttinarongtrakul (a shareholder) asked whether Thanachart Bank had any measures for preventing the interest rate risk. She suggested that services such as mobile car mechanic units, towing services or used car centers be made available. The services should be integrated as Thanachart Group had abundant human resources. Laying off staff was not useful. However, it was important to help propose good ideas. To compete on the interest rates was rather difficult. Instead, the customer relations services should be made available. As part of strategic competition, the Bank should establish relationships with both the new and used car centers.

The Chairman acknowledged the suggestions and would incorporate them into the current operations. The Company would strive to maintain the existing market share although the margins were smaller than those of other banks. It was essential to remain the market leader.

Referring to the fact that the foreign bank helped manage the merger and the opening of branches, **Mr. Kitti Sanitwongse-Na-Ayudhya (a shareholder)** was of the opinion that Thai culture was different from foreign cultures. There were many Thai banks which were acquired by foreign investors. But at a certain point of time, they just left the business. Such scenario might not be one of the three stress test scenarios mentioned by the Chairman.

The Chairman expressed his thankfulness for the opinions. He said that when Scotiabank was selected as the equity partner, on the date of signing the agreement, reporters from a few newspapers were invited to interview the representatives of Scotiabank. The reporters also made the same statement as that of the shareholder. The reporters mentioned that there were many banks with foreign partners but none of them were successful. However, the past experience showed that Thanachart Bank had achieved a lot.

Khun Basant Kumar Dugar (a shareholder) said he was pleased with the fact that the Company's subsidiary still kept the Thai name of the Bank. He suggested that, before returning the license of Siam City Bank, the Company analyze the strengths and

weaknesses of the business in order to determine which bank had a larger share of the income. As regards the dividend, the Company should make dividend payments every quarter, whether the dividend payout ratio was the same or not. One of the important issues was that many annual general meetings of shareholders were held on the same date. The shareholders were forced to decide which company whose meeting they would attend. This resulted in loss of the benefit. He would like the Company to take into account the issue. As well, for the convenience of the shareholders who wanted to search for information, he would like the Company to make available more amenities such as computers at the meeting venue.

The Chairman thanked the shareholder for the opinions.

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

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

The meeting was adjourned at 17:10 hours.

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

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