

TCAP.MDO. 082/2009

10 April 2009

Dear Shareholder,

## **Notice of the 2009 Annual General Meeting of Shareholders**

At its Meeting No. 2/2009 held on 26 February 2009, the Board of Directors of Thanachart Capital Public Company Limited adopted a resolution to hold the 2009 Annual General Meeting of Shareholders on Wednesday, 29 April 2009, at 15:00 hours, in Jamjuree Ballroom, M Floor, Pathumwan Princess Hotel, Phayathai Road, Kwaeng Wangmai, Khet Pathumwan, Bangkok, for joint consideration of the following agenda:

### **Agenda Item 1    To approve the Minutes of the Extraordinary General Meeting of Shareholders No. 1/2008**

#### **Objective and Reason**

The Extraordinary General Meeting of Shareholders No. 1/2008 was held on Thursday, 30 October 2008. The minutes of the meeting have to be proposed to the shareholders for joint consideration and verification. Please refer to the details of the said minutes in Attachment 1 hereto.

#### **Opinion of the Board of Directors**

The Board of Directors deems it appropriate to submit the Minutes of the Extraordinary General Meeting of Shareholders No. 1/2008 to the shareholders meeting for approval.

### **Agenda Item 2    To acknowledge the 2008 performance of the Company**

#### **Objective and Reason**

This agenda item is in line with the Company's Articles of Association which stipulates that the shareholders at their Annual General Meeting will acknowledge the report of the Board of Directors on the Company's performance and business operations over the past year. The related details are disclosed in the 2008 Annual Report (stored on a CD-ROM) which is sent to the shareholders together with this Notice of the Meeting.

#### **Opinion of the Board of Directors**

The Board of Directors deems it appropriate to present its report on the performance and business operations of the Company during the past year, the details of which are given in the 2008 Annual Report.

**บริษัท ทูธนชาติ จำกัด (มหาชน)**  
**Thanachart Capital Public Company Limited**

444 อาคารเอ็มบีเค ทาวเวอร์ ชั้น 10-11 และ 15-20 ถนนพญาไท แขวงวังใหม่ เขตปทุมวัน กรุงเทพฯ 10330  
444 MBK Tower, 10<sup>th</sup>-11<sup>th</sup> and 15<sup>th</sup>-20<sup>th</sup> Floor, Phayathai Road, Wangmai, Pathumwan, Bangkok 10330 THAILAND  
Tel: (662) 217-8444, 217-8000, 611-9111 Fax: (662) 613-6099 www.thanachart.com ทะเบียนเลขที่ 0107526000510

**Agenda Item 3** **To approve the audited financial statements for the year end 31 December 2008**

**Objective and Reason**

Pursuant to the Public Company Limited Act and the Company's Articles of Association, the Company is required to prepare the financial statements for the year ended on the last date of the Company's fiscal year. The Company is also required to have the financial statements audited by a certified public accountant before presenting them to the shareholders for consideration and approval.

**Opinion of the Board of Directors**

The Board of Directors deems it appropriate to present to the shareholders for consideration and approval the financial statements for the year ended 31 December 2008 which give information about the Company's financial position and business performance in 2008. The financial statements have already been reviewed by the Company's Audit Committee and Board of Directors. They have also been audited and certified by the auditor. The details of the financial statements are given in the 2008 Annual Report (stored on a CD-ROM) which is sent to the shareholders together with this Notice of the Meeting. In addition to the financial highlights, the available information also includes management discussion and analysis of financial position and performance in 2008.

**Agenda Item 4** **To approve the appropriation of the profit and the dividend payments for the 2008 performance**

**Objective and Reason**

This agenda item is in line with the Public Company Limited Act and the Company's Articles of Association which requires the Annual General Meeting of Shareholders to consider and approve the appropriation of the profit and to set aside as a statutory reserve at least 5 percent of its net earnings after deducting accumulated deficit brought forward (if any) until the reserve reaches at least the level stipulated by the law, i.e. 10 percent of its registered share capital. Based on its separate financial statements, the Company's net earnings in 2008 amounted to 1,366,010,779.37 baht (one thousand three hundred sixty six million ten thousand seven hundred seventy nine baht and thirty seven satang), 5 percent of which was set aside by the Company as a statutory reserve.

**Opinion of the Board of Directors**

The Board of Directors deems it appropriate to propose to the meeting of the shareholders for approval the appropriation of the 2008 net earnings and the dividend payments, with details as follows:

1. The Board of Directors recommends that the shareholders approve the profit appropriation as a statutory reserve at 5 percent of the net earnings, which amounts to 68,300,538.97 baht (sixty eight million three hundred thousand five hundred thirty eight baht and ninety seven satang).
2. The Board of Directors recommends that the meeting of the shareholders approve the dividend payment to the holders of both

ordinary and preferred shares at a rate of 0.60 baht (sixty satang) per share or 766,697,821.80 baht \*/ (seven hundred sixty six million six hundred ninety seven thousand eight hundred twenty one baht and eighty satang) in total for the operating results of the second half of the year 2008 from 1 July 2008 to 31 December 2008. Taking into account this round of the dividend payment and the dividend payment worth 0.30 baht (thirty satang) per share or 399,946,200.90 baht (three hundred ninety nine million nine hundred forty six thousand two hundred baht and ninety satang) in total which was made for the operating results of the first half of the year 2008, the total dividend payment for the operating results of the year 2008 amounts to 0.90 baht (ninety satang) per share or 1,166,644,022.70 baht \*/ (one thousand one hundred sixty six million six hundred forty four thousand twenty two baht and seventy satang) in total. The Company will prepare a list of shareholders eligible for the dividend payments on 13 May 2009 and gather their names in pursuance to Section 225 of the Securities and Exchange Act B.E.2535 (1992) and Additional Amendment to the Act B.E.2551 (2008), by closing the register book for suspension of the share transfer on 14 May 2009, with the dividend payments to be made on 28 May 2009. The details showing three-year comparison of the dividend payments are given in the Attachment No. 2 to this Notice of the Meeting.

In this connection, the remaining amount of net earnings after the statutory reserve and the dividend payments will be transferred into the retained earnings under the shareholders' equity.

#### **The Company's Policy on Dividend Payment**

In considering the dividend payment, the Company takes into account its performance and the long-term rate of return to the shareholders as well as the capital adequacy. The rate of dividend payment proposed for the shareholders' approval this year accounts for 85.41 percent \*/ of the net earnings for the year.

#### **\*/ Notes:**

The calculation of the above dividend payments is 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 (as at 31 March 2008) repurchased by the Company under the 'treasury stock' project. The net sum of the ordinary shares and the preference shares after the treasury shares amounts to 1,277,829,703 shares. However, the net sum of the ordinary shares and the preference shares used in the calculation may decrease before the ex-dividend date (13 May 2009) since the repurchasing period under the project expires on 14 June 2009.

**Agenda Item 5**    **To acknowledge the directors' remuneration in 2008 and approve the payment of performance allowances to the directors for the 2008 performance**

**Objective and Reason**

It has been the Board of Directors' policy and principle to make payments to directors and members of the various committees at an appropriate level in line with their responsibilities, the expectations of various groups of stakeholders as well as the related laws and regulations. In this connection, the Company has to select the directors who have appropriate experience and qualifications. As well, it has been the Board of Directors' policy to establish the remuneration for each director so that it reflects their respective duties and responsibilities. Moreover, in order to comply with the principles of good corporate governance, the Board of Directors deems it appropriate to review the remuneration annually.

The current remuneration of the Board of Directors which amounts to 8,600,000 baht (eight million and six hundred thousand baht) is in line with the resolution adopted by the 2007 Annual General Meeting of Shareholders held on 30 April 2007. The Board of Directors is authorized to allocate the remuneration among the directors. As regards the remuneration of the various committees, according to the Company's Articles of Association, the Board of Directors is responsible for establishing the remuneration of the committees. With regard to the payment of the performance allowances to the directors, the shareholders approve the payment of the performance allowances at the rate of up to one percent of the dividend payments approved for the shareholders. In this connection, each payment of the performance allowance is subject to the approval by the shareholders.

**Opinion of the Board of Directors**

Based on the recommendation of the Remuneration Committee, the Board of Directors deems it appropriate to present to the shareholders the following details and recommendations:

1. The shareholders acknowledge the payments of the remuneration to the Board of Directors and the various committees in 2008. Remaining the same level as approved by the meeting of the shareholders, the remuneration paid to the Board of Directors in 2008 amounted to 8,600,000 baht (eight million and six hundred thousand baht) in total.
2. The shareholders approve the payment of the performance allowances to the Board of Directors at the amount of 11,666,440.23 baht \*/ (eleven million six hundred sixty six four hundred forty baht twenty three satang) which is equal to one percent of the dividend payments to be made to the shareholders. The Board of Directors is authorized to allocate the performance allowances among the directors.

The details on the remunerations of the Board of Directors and the various committees as well as the information of the performance allowances and

the remuneration rates of the Board of Directions are given in Attachment No. 3 to this Notice of the Meeting.

**\*/ Notes:**

The calculation of the performance allowances is based on the sum of the ordinary shares and the preference shares less the number of ordinary shares repurchased by the Company under the ‘treasury stock’ project. The net sum of the ordinary shares and the preference shares after the treasury shares which is used in the calculation may decrease before the ex-dividend date (13 May 2009) since the repurchasing period under the project expires on 14 June 2009.

**Agenda Item 6**      **To elect directors for the replacement of the directors retiring by rotation**

**Objective and Reason**

Pursuant to the Company’s Articles of Association, one-third or three members of the current 9-person Board of Directors shall retire at the annual general meeting of the shareholders. The Company is, therefore, required to propose to the shareholders for appointment of directors to replace the ones retiring by rotation. The shareholders can re-elect the retiring directors to serve as directors for another term. In the past, the Nomination Committee was responsible for selecting the candidates with appropriate qualifications, knowledge and ability and proposing them to the Board of Directors or the shareholders’ meeting for election, depending on the case.

**Opinion of the Board of Directors**

During the period from 29 December 2008 to 27 January 2009, the Company gave the shareholders the opportunity to propose names of potential candidates with appropriate qualifications through its website for election as the Company’s directors. However, until the end of the specified period, there was no shareholder proposing any candidate. As a result, the Company’s Board of Directors (excluding the Board members with the conflict of interest), under the charter of the Nominating Committee, recommends that the shareholders consider re-electing the three directors retiring by rotation in 2009 to serve as directors for another term. These directors include the following:

1. Ms. Suvarnapa Suvarnaprathip,
2. Mr. Somjate Moosirilert, and
3. Mr. Taweesak Saksirilarp.

This is mainly because the three directors have appropriate qualifications and do not possess any characteristics prohibited under the related requirements or laws. In particular, they have knowledge, ability, skills and expertise in specialized fields that are useful for the Company’s conduct of business affairs. As well, their performance during the past year is very satisfactory. They have also received approval from the regulatory agencies concerned.

The brief profiles of the three directors are given in Attachment No. 4 to

this Notice of the Meeting. In case the three directors are re-elected, they will continue to serve as members of the various committees.

**Agenda Item 7** **To consider the appointment of the auditor and determine the audit fee for 2009.**

**Objective and Reason** Pursuant to the Public Company Limited Act B.E. 2535 and the Company's Article of Association, the Annual General Meeting of Shareholders is required to appoint the auditor and to determine its audit fee. The shareholders can re-appoint the existing auditor to perform its duties for another term.

**Opinion of the Board of Directors** Having considered the recommendation of the Audit Committee, the Board of Directors deems it appropriate to propose that the Annual General Meeting of Shareholders consider the appointment of:

- (1) Mr. Narong Patawongs (Certified Auditor No. 3315) and/or
- (2) Ms. Rattana Jala (Certified Auditor No. 3734) and/or
- (3) Miss Rungnapa Lertwankul (Certified Auditor No. 3516)

of Ernst & Young Office Limited, being the auditor of the Company in 2008, to be the auditor of the Company in 2009. Any of them shall be the Company's auditor who provides opinions and signs the Company's financial statements for 2009. The Board of Directors recommends that the shareholders approve the audit fee of 1,650,000 baht (one million six hundred fifty thousand baht), which is the same fee as in the previous year. The details of the auditor are given in Attachment No. 5 to this Notice of the Meeting.

**Agenda Item 8** **Other business (if any)**

**Objective and Reason** According to the Company's normal practice, although there is no specific agenda item for other business, the Company always provides the shareholders with opportunities and adequate time to ask their questions or give opinions on matters related to the agenda or other matters throughout the course of the meeting. For this forthcoming meeting, the Company deems it appropriate to provide the shareholders with an additional agenda item on other business. However, if the shareholders wish to request the Meeting to adopt a resolution approving any matter other than those already indicated in the notice calling for the meeting, the shareholders are required to comply with the second paragraph of Section 105 of the Public Limited Companies Act B.E. 2535. The second paragraph states that, having considered the matters in the first paragraph, **shareholders collectively holding shares amounting to not less than one-third of the total number of shares sold** may request the Meeting to consider matters other than those indicated in the notice calling for the meeting.

**Opinion of the Board of Directors** The Board of Directors deems it appropriate to provide the shareholders with this agenda item so that they can ask questions and/or express opinions on various matters without having to adopt any resolution.

However, if the shareholders wish to propose any matter which requires adoption of resolution, they are required to fulfill the conditions mentioned above in the second paragraph of Section 105 of the Act.

You are cordially invited to attend the Meeting on the date, at time and place as set forth above. For the efficient registration for the Meeting, the Company would greatly appreciate it if you and/or your proxies would present the proxy statements to the registration officers on the date of the Meeting. If you wish to appoint any director or independent director of the Company to attend and vote at the Meeting on your behalf, we would be very grateful if you would return the accompanying proxy statement in the enclosed self-addressed envelope to the Company prior to the date of the Meeting. (In case of sending the proxy statement via postal mail, please send it by 24 April 2009.)

In order to determine the right to attend and vote at the 2009 Annual General Meeting of Shareholders, the Company will prepare a list of shareholders eligible for attendance of the meeting on 7 April and gather their names in pursuance to Section 225 of the Securities and Exchange Act B.E.2535 (1992) and Additional Amendment to the Act B.E.2551 (2008), by closing the register book for suspension of the share transfer on 8 April 2009. As well, the Company will prepare a list of shareholders eligible for the dividend payments on 13 May 2009 and gather their names in pursuance to Section 225 of the Securities and Exchange Act B.E.2535 (1992) and Additional Amendment to the Act B.E.2551 (2008), by closing the register book for suspension of the share transfer on 14 May 2009, with the dividend payments to be made on 28 May 2009.

Yours Sincerely,  
Thanachart Capital Public Company Limited

Suphadej Poonpipat  
President and Chief Executive Officer

**Notes:**

- (1) The shareholders can access the Notice of the 2009 Annual General Meeting of the Shareholders and supporting documents through the Company's website as from 8 April 2009.
- (2) The Company will start accepting registration for the meeting in front of Jamjuree Ballroom on the M Floor of Pathumwan Princess Hotel as from 13:00 hours. Refreshments and snacks for participants will be served from 13:00 hours to 15:00 hours.

**Corporate Secretariate:**

Mr. Panupan Tuangthong                      Tel. 0-2217-8082, and  
Mrs. Prapaipak Chumpolwong              Tel 0-2217-8199 Ext. 3008-3011.

## Supporting Document

### Agenda Item 1: To approve the Minutes of the Extraordinary General Meeting of Shareholders No. 1/2008

#### - Translation -

### Minutes of the Extraordinary General Meeting of Shareholders No.1/2008 Thanachart Capital Public Company Limited Jamjuree Ballroom, M Floor, Pathumwan Princess Hotel, Phayathai Road, Wangmai, Phatumwan, Bangkok Thursday, 30 October 2008, starting at 14.30 hours

#### Quorum

The Chairman informed the meeting that it was 10 minutes late. At 14:40 hours, there were 313 shareholders attending the meeting in person, 343 individual shareholders present by proxy and 130 juristic person shareholders present by proxy, totaling 786 shareholders and proxies holding 664,729,382 shares, equivalent to 49.636 percent of the Company's issued and paid-up shares of 1,333,154,003 shares. The required quorum was met.

#### Directors present:

- |   |  |
|---|--|
| 1. Mr. Banterng Tantivit                  | Chairman of the Board of Directors<br>(Non-Executive Director)   |
| 2. Mr. Suphadej Poonpipat                 | Vice Chairman of the Board of Directors, Chairman of the Executive Board and President & Chief Executive Officer<br>(Executive Director) |
| 3. Mrs. Siripen Sitasuwan                 | Member of Audit Committee, Chairperson of the Nomination Committee and the Remuneration Committee<br>(Independent Director)              |
| 4. Mr. Somkiat Sukdheva                   | Member of the Nomination Committee and the Remuneration Committee (Independent Director)   |
| 5. Rear Admiral Doctor Vitura Sangsingkeo | Director<br>(Independent Director)   |
| 6. Mr. Phimol Rattapat                    | Director (Non-executive Director)  |

- |                                   |   |
|-----------------------------------|---|
| 7. Miss Suvarnapha Suvarnaprathip | Director and Vice Chairperson of the Executive Committee (Executive Director) |
| 8. Mr. Taweesak Saksirilarp       | Director and Member of the Executive Committee (Executive Director)           |
| 9. Mr. Anuwat Luengtawekul        | Director and Member of the Executive Committee (Executive Director).          |

### **Calling the Meeting to Order**

Mr. Banterng Tantivit, Chairman of the Board acting as Chairman of the Meeting, called the meeting to order at 14:40 hours. The Chairman said that the Extraordinary General Meeting of Shareholders No. 1/2008 was held on this day and that there would be three agenda items to be considered. The Chairman appointed Mr. Panupan Tuangthong as secretary responsible for taking the minutes of the meeting. Before proceeding with the meeting agenda, the Chairman said that there were 9 out of a total of 10 directors attending. Mr. Sommart Poonpakdee, Chairman of the Audit Committee (independent director), was absent due to his illness.

The Chairman said that one director resigned. Mrs. Chantima Chaturaphat resigned from directorship and as members of various committees, effective 10 October 2008. Pursuant to the Financial Business Act B.E. 2551 and the Regulation of the Bank of Thailand (“BoT”) regarding the consolidated supervision, Thanachart Capital Public Company Limited (“the Company”), the parent company of Thanachart Bank Public Company Limited (“Thanachart Bank”) which operates financial business, was required to comply with the regulation regarding the qualifications of the director of the financial institution, which forbids a director from being a president or an authorized person of another financial institution. As Mrs. Chantima Chaturaphat had been working as senior executive of Siam Commercial Bank Public Company Limited for a long time, it was necessary for her to resign in compliance with the regulation. In this connection, the Board of Directors might consider the appointment of a replacement director in the future.

The Chairman then informed the meeting of the details relating to the conduct of the meeting and voting, which could be summarized as follows:

1. The adoption of resolutions at this meeting would follow the same procedure as in the previous meetings. Moreover, in order to make the vote counts more accurate than the previous meetings, emphasis would be placed on the number of the shareholders present at the meeting. Any shareholder who had to leave the meeting room was required to inform the Company’s staff. If the staff found that the shareholder was not back in time for voting on any agenda item, the shareholder would be considered absent from voting on the agenda item.
2. In adopting a resolution, if any shareholder desired to cast the votes of disapproval or abstain from voting, the shareholder was required to mark the ballot received for the agenda item before the attending the meeting, and return the ballot to the staff. The votes on the ballot would be deducted from the total votes of the shareholders present at the meeting when the agenda item was considered. If the shareholder did not return the ballot, it would be considered that he voted in favor of the resolution. As well, the Company would take into account the voting intent expressed

by the grantors of proxy in the proxy statements. The objective was to obtain accurate vote counts. The net amount obtained was the number of votes in favor of the resolution.

3. In line with the normal practice at previous meetings, during the collection of the votes, the Chairman would proceed with the next agenda item. Once the voting results of the previous agenda item were available, they would be presented 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 approve the Minutes of 2008 Annual General Meeting of Shareholders**

The Chairman said that the 2008 Annual General Meeting of Shareholders was held on 28 April 2008 to consider 10 agenda items, the details of which were given in the Notice of the Meeting from Page 8 to Page 30 (a total of 23 pages). The Chairman proposed that the meeting jointly consider the Minutes page by page. He then asked whether the shareholders found any part of the Minutes inaccurate or incomplete. As well, he asked whether the shareholder wished to make amendments or additions to any point or page.

In response, there were some shareholders asking questions and giving opinions as follows:

**Mr. Niwat Jatuporncharoen** (shareholder) asked about the nationality, concept and investment guidelines of The Bank of Nova Scotia (“BNS”).

The Chairman said that he would like to respond to the question under the next agenda item since the question was not concerned with the approval of the Minutes.

**Mr. Chatchai Khungnam** (shareholder) commended the Company for the minutes of the previous two meetings, indicating that they could serve as the model for both listed companies on the Stock Exchange of Thailand (SET) and the non-listed ones. However he said that the use of the first and second person pronoun was not suitable.

As no shareholder had any suggestion to amend the Minutes, the Chairman requested the meeting to consider the approval of the Minutes of the 2008 Annual General Meeting of Shareholders.

**Resolution**

The following were the results of the voting on Agenda Item 1 regarding the approval of the Minutes of the 2008 Annual General Meeting of Shareholders.

Results	Number of Votes	Percent
Approval Votes	664,675,507	100.00
Disapproval Votes	0	0.00
Abstained from Voting	0	0.000
Total Number of Eligible Votes on this Agenda Item	664,675,507	100.000

## **Summary**

The meeting unanimously approved the Minutes of the 2008 Annual General Meeting of Shareholders held on 28 April 2008.

### **Agenda Item 2 To consider the amendment of Article 8 of Chapter 2 of the Company's Articles of Association**

The Chairman informed the Meeting that the consideration of Agenda Item 2 was the main purpose of this meeting. Article 8 of Chapter 2 of the Company's current Articles of Association stipulated that, "The Company cannot hold or accept its own shares as collateral." As a result, the Company was faced with the problem of managing its financial liquidity. Although the prices of the Company's shares in market were below the intrinsic value or fundamental value and the Company had adequate liquidity, it could not repurchase the shares for the benefit of the shareholders. As a result, the Board of Directors deemed it appropriate to propose the amendment of the Article to the meeting for consideration. With the approval of the amendment, the Company would be allowed to repurchase the shares under the established legal framework. The following were some examples. If the Company repurchased its own shares during the period when the share prices were below the intrinsic value or fundamental value, the shareholders who still held their shares without selling them would benefit from the share repurchase since the share prices might increase later. Or if the shareholders sold their shares to the Company, they would receive a higher price than the market prices. The price offered to repurchase the shares had to be below the average closing price of the last five days, plus 15 percent of the average closing price. On the other hand, the price offered to sell the repurchased shares had to be higher than the average closing price of the last five days, less 15 percent of the average closing prices. The Company was also required to sell the repurchased shares within three years after the shares were repurchased. If the Company did not sell the repurchased shares within the required period, the Company would have to decrease its capital by the value of the repurchased shares which were not sold. In particular, currently many companies managed their financial liquidity by buying back their shares. Moreover, as the global economic crisis hard hit the USA and Europe, many foreign investors disposed of their stock investments in Thailand and shifted the sale proceeds back to their countries. The development had a drastic negative impact on the stock prices in Thailand. If the meeting adopted a resolution approving the proposed amendment of the Article, the Board of Directors would then formulate a plan to manage the Company's liquidity.

Subsequently, in response to the question asked by the shareholder during the course of the discussion under Agenda Item 1, the Chairman said that the size of BNS was ranked 2<sup>nd</sup> or 3<sup>rd</sup> among the banks in Canada. BNS had been established for more than 176 years and had branches in more than 50 countries worldwide, with a higher credit rating than that of Thanachart Bank. BNS currently held 24.98 percent of Thanachart Bank's issued and paid-up capital. It planned to purchase additional shares of Thanachart Bank from the Company in order to raise the stake in Thanachart Bank to 49 percent of the issued and paid-up capital. During the early part of October 2008, Chairman of BNS paid a visit to Thailand in order to provide the Company as well as television and radio media with confirmation on the intention of BNS to buy additional shares of Thanachart Bank from the Company to raise its stake in Thanachart Bank to 49 percent of the issued and paid-up capital. As a result, when the Company received the proceeds worth about 6,000 million baht (after tax) from the sale of its shares of Thanachart Bank to BNS, the Company would have higher financial liquidity.

Furthermore, the Chairman explained the reasons for choosing BNS as business partner. He said that many banks in Malaysia and Taiwan as well as BNS expressed their interest in becoming the Company's equity partners. However, after taking into consideration a number of key factors including the competitiveness, Thanachart Bank's development into a leading commercial bank and the preparation for the implementation the Depository Protection Agency Act B.E. 2551, the Company decided to choose BNS as its equity partner. In particular, BNS operated businesses similar to those of Thanachart Bank. For example, it had expertise in hire purchase business (in countries such as Canada, Mexico and Caribbean countries).

After the explanation, the Chairman provided the shareholders with an opportunity to ask questions.

**An anonymous shareholder** asked whether the repurchased shares would have any impact on voting or dividend payments.

The Chairman said that, in line with the legal criteria, holders of the repurchased shares had no right to vote nor receive dividends.

**Mr. Chatchai Khungnam** (shareholder) asked about the likelihood of the period when the Company would repurchase the shares.

The Chairman said that first of all the Company needed to be granted an approval from the Bank of Thailand and BNS made the payment for the shares of Thanachart Bank to the Company. It was expected that the transaction could be executed by the end of 2008. The Chairman also said that, although BNS had not yet purchased the shares of Thanachart Bank from the Company, the Company still had sufficient excess liquidity to repurchase its own shares, taking into account the difference between the outstanding hire purchase balances and the hire purchase debt obligations, as well as its bills of exchange and debentures. However, to support Thanachart Bank's businesses and strengthen the Bank's financial position, it was better for the Company to wait for the successful completion of the sale of the shares of Thanachart Bank first.

**Mr. Veera Chaimanowongse** (shareholder) suggested that the provision of the current Articles of Association be attached to the Notice of the Meeting. The purpose was to enable the shareholders to study it in advance.

The Chairman presented to the meeting for discussion the provisions of both the current Articles of Association and the amended version. He also noted the suggestion and would forward it to the management for due consideration in organizing subsequent meetings.

**Mr. Thara Cholpranee** (shareholder) asked a number of questions as follows:

- 1) As it was difficult for him to understand the provisions of the current Articles of Association, he asked for an explanation about the differences between the current provision of the Articles of Association and the amended version.
- 2) If the Board of Directors would repurchase the shares of the Company, each time not exceeding ten percent of the issued and paid-up capital, how long would it take to purchase the shares?
- 3) In case the Company was not able to sell the repurchased shares and had to decrease the capital, what would be the impact on the shareholders' income tax?

4) What is the fundamental value?

The following were the Chairman's responses:

1) The provision of the current Articles of Association was spaced incorrectly. The correct provision should be written as follows: "Article 8. The Company cannot hold or accept its own shares as collateral." This meant that the Company could not hold its own shares. As well, it could not accept its own shares as collateral. In line with the new version, the Company still could not accept its own shares as collateral. As a result, the provision should be amended as follow, "The Company cannot accept its own shares as collateral." The amendment was proposed by the Legal Department so that the new provision was accurate and clear in line with the legal requirements.

2) As each round of the share repurchase had to be less than ten percent of the issued and paid-up capital, the Company would be able to repurchase the shares again one year after the end of the previous share repurchase project.

3) As regards the shareholder's income tax, there was no income tax to be imposed on the shareholders since it was not a capital decrease and no proceeds from the capital decrease were given back to the shareholders. As well, the Company did not have to pay the income tax for the earnings gained from the differences between the repurchase prices and the selling prices.

4) The fundamental value was equal to the book value which currently amounted to about 19 baht.

**The anonymous proxy holder representing Southeast Life Insurance Company Limited** said that it would be better for the Company to pay the excess liquidity to the shareholders as dividends, than repurchasing the shares.

The Chairman said that paying the excess liquidity as dividends had less positive impact on the shareholders than the share repurchases. This was because, while the shareholders had to pay tax for the dividends in advance, he might not be entitled to tax credit afterwards. If at a later stage the Company was faced with liquidity problem, it would be forced to increase its capital. This might have a negative impact on the share prices in the market. Although the dividend payment was one of the available alternatives, it was not the best alternative. Furthermore, it was necessary for the Company to have enough cash ready to support Thanachart Bank's businesses. Recently, the Bank of Thailand organized a meeting for the medium-scale banks which included Thanachart Bank. The fact that Thanachart Bank was now considered a medium-scale bank was a good sign. It augured well for Thanachart Bank's future competitiveness and marketing activities. The Company also expected that Thanachart Bank would be developed into one of the country's top commercial banks in the not-too-distant future.

**An anonymous shareholder** asked a written question whether the Company would pay a dividend of 0.60 baht per share in April 2009.

The Chairman said that the dividend payments depended on the Company's performance, rather than the excess liquidity. However, the Company would try to maintain the current level and period of the dividend payments for the benefit of all the shareholders.

**Mr. Veera Chaimanowongse** (shareholder) asked how the Company would manage the liquidity amidst the economic crisis over the next five years, after it received the proceeds from selling the shares to BNS and after it repurchased the shares.

The Chairman said that the Company did not decide to repurchase its own shares for the purpose of increasing the share prices in the market. Taking into consideration its hire purchase debt obligations, bills of exchange and debentures as well as repayments of hire purchase loans and repayments of debts purchased from other financial institutions, if the Company still had adequate liquidity, it would strengthen its position by expanding its client base and opening new branches as well as giving support to Thanachart Bank's business operations. And if the Company still had liquidity, it would repurchase its shares. This represented an investment and the most efficient fund allocation. And when the Company disposed of the repurchased shares at appropriate prices, the differences would represent gains from the investment. If the economy declined further over the next 1-5 years, the Company would still have adequate liquidity. However, the economic recession might have an adverse impact on the Company's performance. For examples, the private sector's demand for hire purchase loan might become weaker or more customers defaulted on their hire purchase loans as a result of rising crude oil prices, rising cost of living, unemployment problem, or problem about prices of agricultural products. The Company had already prepared itself for the looming economic crisis. Both the Company and the member companies of the Group would continue to give loans but more cautiously with stricter lending criteria imposed on loan approval.

The Chairman then requested the meeting to vote on this Agenda Item.

### **Resolution**

The following were the results of the voting on Agenda Item 2 regarding the approval of the amendment of Article 8 of Chapter 2 of the Company's Articles of Association.

Results	Number of Votes	Percent
Approval Votes	664,697,956	99.995
Disapproval Votes	23,050	0.004
Abstained from Voting	8,376	0.001
Total Number of Eligible Votes on this Agenda Item	664,729,382	100.000

### **Summary**

More than three-fourths of the votes cast by the shareholders attending the meeting and having voting rights were in favor of the resolution approving the amendment of Article 8 of Chapter 2 of the Company's Articles of Association.

### **Agenda Item 3 Other Business (if any)**

The Chairman said that this Agenda Item was for the shareholders to give suggestions or ask questions.

**Mr. Niwat Jatuporncharoen** (shareholder) suggested that there should be a slogan below the name of Thanachart Bank. He suggested two examples including "The Bank for Development" and "The Bank for Creation". He also asked about the current number of Thanachart Bank's

branches and their locations. He also asked which branches were already open for services as well as which region had the most branches and which branch generated the highest earnings. As well, he asked about the current level of Thanachart Bank's non-performing loans. He also recommended that the Bank give loans to other industrial sectors. In addition, he recommended that the Bank open branches in areas from Petchkasem Road to Nakhon Pathom Province as these areas would have more department stores and educational institutions than other areas. He also commended the Company for the resource conservation, such as printing the supporting documents of the meeting on both sides of paper.

Mr. Suphadej Poonpipat said that Thanachart Bank currently had 207 branches nationwide. The decision to open branches in the provinces for deposit and fund transfer services would mainly depend on whether the customer base consisted of at least 4,000 customers (using the hire purchase customer base). For branches in the provinces, focus was given to the provinces in the southern part of the country, such as Phuket. However, as regards the three southernmost provinces, while other banks closed their branches, Thanachart Bank opened its branches. It appeared that the Bank received good responses from the customers in those areas. For branches in Bangkok, focus was given to business areas such as Pathumwan, Yaowaraj, Charoen Krung, Pahurat, Sukhumvit, Chula and Pathumwan Intersection. These were areas with high level of deposits. Currently, the number of Thanachart Bank in Bangkok amounted to 91. The Bank planned to open 24 more branches soon (pending the installation of new work systems). Towards the end of the year, the Bank would have a total of 213 branches. The goal was to have the number of branches close to those of the medium-sized commercial banks. In particular, the Bank planned to open more branches in shopping centers such as Tesco Lotus, Big C, the Mall, City and the Avenue.

As regards the issue of the non-performing loans, in the third quarter of this year, the non-performing loans of Thanachart Group amounted to about 13,000 million baht, accounting for 4.50 percent of the total loans. On the other hand, the Company's non-performing loans accounted for 2.5 percent of its total loans. The Company would enforce stricter approval criteria, making sure that its loans would be of higher quality.

**Mr. Suphadej Poonpipat** also said that the Company also purchased debts from other financial institutes to manage. It appeared that the Company could generate good income from the activities. This proved the Company's strength in this area.

**An anonymous shareholder** asked why Thanachart Bank had many branches in MBK Center and Siam Square and whether such arrangements would affect the earnings.

**Mr. Suphadej Poonpipat** said that there were many branches opened in MBK Center because it was the first area of the Bank. Many member companies of Thanachart Group with a lot of staff were also located in the area. Moreover, the Company did not have a head office or a big branch which was as impressive as those of other banks. The reason the Bank had many branches in Siam Square and in business areas was because Company could only rent small areas. Therefore, it was necessary to have many branches within such areas and nearby. This represented a strategy of branch establishment. A comparison between the rental fees and earnings showed that these branches generated a great income stream for Thanachart Bank.

In addition, the Chairman said that opening each of Thanachart Bank's branches was subject to careful consideration and screening. As well, the Bank was required to get approval from the Bank of Thailand prior to opening of each branch.

**Mr. Chatchai Khungnam** (shareholder) asked the following questions:

- 1) Was BNS affected by the global economic crisis?
- 2) What was the current shareholdings of the foreign investors in the Company?

The following were the Chairman's answers to the questions:

- 1) Although the world was hard hit by the economic crisis, BNS was not affected by the crisis since it did not give sub-prime loans and did not have any collateralized debt obligations (CDOs) which were the main causes of the current problems. In particular, BNS also had an affiliated company which was one of the world's largest gold brokers.
- 2) Currently, the shareholding of Thai investors in the Company accounted for 67 percent while the shareholding of foreign investors accounted for 33 percent.

**Mr. Nattavuth Sudprasert** (shareholder) asked about the business areas on which Thanachart Bank planned to place more emphasis. He also said that he received a phone call asking about the quality of branch service but the surveying staff did not mention the name of branch. He suggested that the name of the branch be given so that he could give an accurate score. As well, he said that there were some branches such as Seacon Square Branch, which were very small and without enough staff to give services to customers.

**Mr. Suphadej Poonpipat** said that Thanachart Bank would place more emphasis on payment services and international fund transfers, taking advantage of the extensive networks of BNS. In relation to the phone survey, the survey teams would request its staff to specify the name of the branch in the future. As regards Seacon Square Branch, the Bank was well aware of the problem. It was mainly due to the space constraint. However, the Bank was stepping up its efforts to open additional branches in Seacon Square. This was a proof of strong demand in crowded places.

**Mr. Thara Cholpranee** (shareholder) proposed a change of wording in the supporting documents which used the Thai words "Poo kao ruam pra chum" (or "persons who also attend the meeting"). This meant that the persons had no right to vote on the agenda items or the right to give opinions. The words should be changed to "Poo kao pra chum" (or "participants"). As regards the information about BNS which had an affiliated company operating gold brokerage business, the shareholder would like to know whether BNS also had brokerage services in other kinds of goods such as crude oil, agricultural products or futures.

The Chairman said that he noted the suggestion on the change of wording and would forward it to the Legal Department for due consideration. As regards the subsidiary of BNS which was one of the world's largest gold brokers and was also engaged in gold bullion trading in Thailand, he said that BNS had no brokerage services in other businesses.

**An anonymous shareholder** asked a written question about the criteria used in issuing the Company's debt instruments.

**Mr. Suphadej Poonpipat** said that the debt instruments issued by the Company were of long term and short term. In issuing the instruments, the Company took into consideration the appropriate ratio of the debts to its capital. As well, the Company would inform the shareholders in advance that it was going to issue and offer for sale the debt instruments to the public soon.

**Mr. Wichai Jarusuktavorn** (shareholder) asked about the vision of the executives on the Company's lending activities which would affect the share prices in the market.

The Chairman said that no one was able to forecast the future state of the economy and the Bank would have to continue maintaining its leadership position in automobile hire purchase business. As a result, the Bank could not stop giving hire purchase loans. However, the Bank would improve its loan approval criteria such as assessment of the customers' creditworthiness and increase of down payment. The objective was to protect the benefit of the shareholders.

The Chairman then apologized to the shareholders for the inconvenience which might be caused during the course of the meeting. Having thanked the shareholders for taking their time to participate in the meeting as well as for their comments and suggestions which would be considered for improving subsequent meetings, the Chairman declared the meeting closed.

The meeting was closed at 18:00 hours.

Signed **Banternng Tantivit** the Chairman  
(Mr. Banternng Tantivit)

Signed **Panupan Tuangthong** Keeper of Minutes  
(Mr. Panupan Tuangthong)