

Minutes of the 16<sup>th</sup> Annual Ordinary General Meeting  
of Krung Thai Bank Public Company Limited  
On April 17<sup>th</sup>, 2009  
at the Landmark Ballroom, 7<sup>th</sup> Floor, the Landmark Bangkok

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The meeting was called to order at 15.00 hrs.

Mr.Suparat Kawatkul, Chairman of the Board of Directors performed the duty as Chairman of the meeting with the attending Directors as follows:

1. Mr.Chaiyawat Wibulswasdi Vice Chairman and Chairman of the Board of Executive Directors
2. Mr.Apisak Tantivorawong President and Executive Director
3. Mr.Aswin Kongsiri Director and Executive Director
4. Mr.Santi Vilassakdanont Independent Director, Chairman of the Corporate Governance and Social and Environmental Responsibility Committee, and Member of the Nominating and Remuneration Committee
5. Mr.Suri Buakhom Independent Director, Member of the Nominating and Remuneration Committee, and Member of the Corporate Governance and Social and Environmental Responsibility Committee
6. Mr.Pachara Yutidhammadamrong Independent Director and Chairman of the Audit Committee
7. Mr.Sima Simananta Chairman of the Independent Director, Chairman of the Nominating and Remuneration Committee, and Member of the Corporate Governance and Social and Environmental Responsibility Committee
8. Mr.Jamlong Atikul Director and Executive Director
9. Mr.Visut Montriwat Independent Director and Member of the Audit Committee
10. Mr.Dusit Nontanakorn Independent Director and Member of the Audit Committee
11. Mr.Pichit Likitkijksomboon Independent Director and Member of the Corporate Governance and Social and Environmental Responsibility Committee

The Chairman opened the meeting and informed the meeting that 1,290 shareholders were attending the meeting themselves and there were 758 proxies totaling 2,048 corresponding to a total of 8,307,482,252 shares, accounting for 74.27% of the total number of shares sold amounting to 11,185,249,000 shares thus constituting the quorum in accordance with the Bank's Articles of Association; and introduced to the meeting the following attendees:

- Twelve senior executives holding the position of Managing Director of Business Group Including Mrs.Kittiya Todhanakasem, Managing Director, Financial Management Group as Chief Financial Officer

- Three representatives of the Office of the Auditor General of Thailand comprising

1. Ms.Kannika Jangnam
2. Mr.Satawas Boonkoey
3. Ms.Patama Chotimai

- Representative of members of the shareholders' Right Protection Voluntary Group, Thai Investors Association: Mr.Anupoj Panapornsirikul

- Representative of the Thai Institute of Directors Association: Ms.Pairampa Yooyen

Together with the representative of the Bank of Thailand kindly attending the meeting as well.

Krung Thai Legal Services Company Limited performed the duty as Inspector overseeing the meeting to be conducted in accordance with relevant laws and the Bank's Articles of Association as well as the principles of Good Corporate Governance so as to meet the requirements for organizing the general meeting of shareholders as prescribed by the Office of the Securities and Exchange Commission, Thailand (SEC). The Company also oversaw and inspected the following issues:

1. Inspection process of documents of shareholders of proxies
2. Quorum of the meeting
3. Stakeholders not exercising their voting rights
4. Methods of voting and votes counting conforming or not to the Bank's Articles of Association or to what the Chairman had informed the meeting.

5. Overseeing that the voting ballots from all the attending shareholders were collected on the agenda item of election of Directors to replace those who completed term of office, and inspecting/examining the results of the resolution and results of voting from the voting ballots to ensure accuracy.

The Chairman expressed thanks to the shareholders on behalf of the Board of Directors and requested the meeting to acknowledge the explanation by the Secretary to the Board about the criteria and requirements for the general meeting as follows:

For the efficiency and good order of the meeting, the shareholders wishing to make inquiry or express their opinions were requested to please introduce themselves to the meeting by telling their first and last names, and in case of being proxies, to inform the name of the appointer as well. To enable the voting to proceed speedily, the Bank introduced barcode system into the votes counting whereby only the negative votes (i.e. votes against) or abstentions would be counted while the difference would be the positive votes (i.e. votes for/in favor) except for agenda 7: To consider the election of Directors to replace those who are retiring upon completion of their terms of office, the votes for, votes against and abstentions would all be counted to meet the requirements prescribed by the Office of the Securities and Exchange Commission, Thailand. Voting ballots with mark in more than one box, except for those of mutual fund shareholders, would be regarded as invalid or defective ballots. Also to enable the number of shareholder while voting to be true, cooperation would be sought from the shareholders wishing to leave the meeting room by casting their votes in advance to please contact the meeting officer accordingly except when wishing to be treated as voting in favor. At the same time, two shareholders namely Mr.Pichan Galayanamitr and Ms.Thanyarut Luengpenthong were invited to act as the representatives of the meeting in witnessing the votes counting. Cooperation was also sought from the shareholders to complete the questionnaire on opinions about today's meeting so that the Bank would take such opinions for consideration to improve the methods of organizing future meetings.

On this occasion, the meeting was informed about the details of the planned shareholders' visit to the Sculpture Park at Krung Thai Bank Pcl. Training Center Khao Yai that any shareholders wishing to visit the place would be able to register for the purpose after completion of this meeting for the trips scheduled for 16<sup>th</sup> June 2009 and 17<sup>th</sup> June 2009. If having more than 400 shareholders wishing to visit the Sculpture Park, the Bank would randomly select only 400 shareholders and announce the list of selected shareholders on the Bank's website on 21<sup>st</sup> April 2009. In this regard, the Bank officers would coordinate with the selected shareholders to inform them of the details of the trips.

The Bank also disseminated the agenda of the 16<sup>th</sup> Annual Ordinary General Meeting on its website starting from 16<sup>th</sup> March 2009. As the Bank had given the opportunities to the shareholders to propose the matter considered appropriate for inclusion on the general meeting agenda and nominate persons to be elected Directors during 1<sup>st</sup> October – 31<sup>st</sup> December 2008, one shareholder proposed the

guidelines for the Bank's corporate social and environmental responsibility (CSER) operation for sustainable growth of business development, and the details of such proposal were in line with the policy already supported and implemented by the Bank. Hence, the Bank expressed its thanks to the shareholder showing interest in the Bank's Business operation while informing such shareholder about the details accordingly. So as to publicize the Bank's CSER activities conducted in the prior year, report on CSER operation for 2008 was also delivered to the shareholders as attachment to the notice of the general meeting.

As there was no further inquiry or doubt, the Chairman requested the meeting to consider matters on the agenda as follows:

1. **To consider and adopt the minutes of the 15<sup>th</sup> Annual Ordinary General Meeting on 25<sup>th</sup> April 2008**

The Chairman requested the meeting to consider adopting the minutes of the 15<sup>th</sup> Annual Ordinary General Meeting on 25<sup>th</sup> April 2008 in accordance with the copies of the minutes already delivered to the shareholders with the general meeting notice, and the Secretary requested the meeting to consider the minutes page by page.

No shareholder in the meeting had objection or alteration to the minutes under consideration.

**Resolution**

The meeting adopted the minutes of the 15<sup>th</sup> Annual Ordinary General Meeting on 25<sup>th</sup> April 2008 as proposed by the Board of Directors by majority votes with 8,341,537,980 votes in favor (accounting for 99.9954991%), 200 votes against (accounting for 0.0000024%), 375,261 abstentions (accounting for 0.0044985%) and invalid ballot of zero vote (accounting for 0.0000000%).

2. **To acknowledge the Board of Directors' annual report**

The Chairman requested the meeting to acknowledge the Annual Report for 2008 of the Board of Directors as appeared in the 2008 Annual Report CD-ROM already delivered to shareholders together with the notice of meeting. Presentation of the report through audio-visual media was made prior to the meeting and significant details were reported to the shareholders as follows:

In 2008, the Bank and subsidiaries earned profit before tax of Baht 15,737 million (fifteen thousand seven hundred and thirty-seven million Baht), up from prior year by Baht 8,261 million (eight thousand two hundred and sixty-one million Baht) or 110.50%. When deducting income tax of Baht 3,465 million (three thousand four hundred and sixty-five million Baht), the net profit stood at Baht 12,272 million (twelve thousand two hundred and seventy-two million Baht), an increase by Baht 5,865 million (five thousand eight hundred and sixty-five million Baht) or 91.54%. Moreover, the Bank had its operating performance in other key areas from which it was presented with several awards of pride. The Chairman thus thanked all the shareholders for their continued support given to the Bank's business.

Shareholder: Recommended that the Bank should not fully conduct the CSER activities and should engage only in businesses relating to the Bank. However, the Bank was able to provide its support to CSER activities to a reasonable extent since there were already government agencies directly responsible for social and environmental tasks such as the Ministry of Education for educational support to schoolchildren and students. Therefore, the funds to be spent on such activities should be approved by the ordinary general meeting.

Shareholder: Commended the Bank for having supported the social and environmental activities through time, particularly educational support, since the Bank was an organization with stability, readiness and capability to provide social and environmental assistance.

Shareholder: Why were the Bank's amounts of allowance for doubtful accounts as at year-end 2007 closer to each other at about Baht 35,000 million (thirty-five thousand million Baht).

Managing Director,  
Financial Management  
Group: Details of the Bank's allowance for doubtful accounts were shown in the 2008 Annual Report, page 160, the Bank's Financial Statements as at 31<sup>st</sup> December 2008. The reason for the allowance for doubtful account as at year-end 2008 and that as at year-end 2007 having their amounts close to each other was that as at beginning of 2008, there was a balance of the starting period of allowance for doubtful accounts brought forward from balance of the ending period as at year-end 2007 amounting to about Baht

35,527 million (thirty-five thousand five hundred and twenty-seven million Baht). Also, there was additional allowance for doubtful accounts during the year amounting to about Baht 10,700 million (ten thousand and seven hundred million Baht) including other items resulting in increase and decrease of allowance for doubtful accounts. As a result, the allowances for doubtful accounts of the Bank in 2008 and 2007 had their amounts close to each other, and relate information was already shown in the aforementioned financial statements.

Shareholder: Expressed opinions about and gave recommendations for the Bank's business operation concerning locations of branches that were concentrated in Yaowaraj area while there were few branches in suburban areas.

Shareholder: Inquired about loans (NPLs) with credit line of as high as Baht 9,900 million in the operational process of the Office of the Attorney General as appeared in the Report of the Auditor (Independent Certified Public Accountants) on page 123 of the Annual Report, making an observation on Note to the Financial Statement No.3.32 and thanking the Office of the Auditor General of Thailand for maintaining the accounting standards and providing the shareholders with significant information. Besides, the shareholders made an observation that in the Message from the Chairman and the President and the Report of the Audit Committee, the texts were not addressed to the shareholders as the Office of the Auditor General of Thailand did in the report. This observation was made to other companies as well. Also since there were still certain parts of the issue that needed to be considered, the shareholder wished to know the time allowed for inquiry by each shareholder.

President: The case of such NPLs occurred in 2003 and clarification on this issue was already made to the 2004 Annual Ordinary General Meeting. Currently the Bank set aside full 100% allowance for doubtful accounts for this loans. Hence, there was no negative impact on the Bank's business operation and the Bank would take up the shareholder's recommendation for further consideration.

Shareholder: Recommended that today's meeting was being attended by a large - number of shareholder. Therefore, in raising questions or making recommendations, time limit of about two minutes for each shareholder should be set. Such inquires or recommendations making should be brief and appropriate in order to give the opportunities to all shareholders to make their inquiries or suggestions and enable the meeting to proceed efficiently as well.

Chairman: Thanked the shareholders while requesting them to please keep the time allowed for making inquiries or recommendations of about two minutes each as proposed by the shareholder.

Shareholder: Made an observation on the table summarizing the outstanding balances as appeared in the financial statements and estimates of the fair values of financial assets and liabilities as at 31<sup>st</sup> December 2008 and 2007 that the values increased a great deal, thus requesting the Bank to have prudent management thereof. Moreover, in 2008 the Bank made more loans than in 2007, the shareholder wished to know if the increased loans would cause higher amount of NPLs or not, and the economic crisis problem might set the trends that all bank would encounter rising NPLs. The Bank was thus requested to be cautious of such problem.

Managing Director,  
Financial Management  
Group: During 2008, the Bank extended higher credit from that in 2007. However, the NPLs as at year-end 2008 stood at about Baht 85,188 million (eight-five thousand one hundred and eighty-eight million Baht), down from the 2007 NPLs amounting to about Baht 96,084 million (ninety-six thousand and eighty-four million Baht)

Shareholder: Commended and thanked the Bank for having the policy to provide the elderly and the disabled with special services, not being required to queue up for conducting various transactions at the Bank branches. Apart from this, the Bank had made it convenient for the elderly in Bangkok who already registered for living allowance under the government policy to be able to receive such allowance through their accounts with the Bank thus wasting no time to receive the allowance themselves.

Shareholder: What benefits would the Bank receive from the merger between KTBS and ZMICO?

President: Currently, the Bank's shareholding in KTBS was at 50% while the remaining 50% was held by other individuals. Merger between KTBS and ZMICO took place since other shareholders had negotiated for selling their shares to ZMICO and ZMICO had its plan to cease business operation and transfer its entire securities business to KTBS while the Bank would still maintain its shareholding or investment proportion in KTBS at the rate of 50% as before. After having been informed of such operation plan, the Bank conducted study and considered the interest that it would enable KTBS market share of only 1% to increase to 5 – 6 % thus boosting KTBS from its current business size at the 30<sup>th</sup> rank plus to the 2<sup>nd</sup> or 3<sup>rd</sup> rank in Thailand's securities business. Hence, the merger with ZMICO enabled the Bank to have greater market share and higher profitability as well.

#### Resolution

Acknowledged the Board of Directors' Annual Report for 2008 as proposed by the Board.

### 3. To consider and approve the Balance Sheet and Profit and Loss Statement for the year ending 31<sup>st</sup> December 2008

The Chairman requested the meeting to consider approving the 2008 Balance Sheet and Profit and Loss Statement for the period ended 31<sup>st</sup> December 2008 in accordance with the summary of financial information from the 2008 Annual Report, already delivered to the shareholders together with the notice of the meeting, and asked the Secretary to report on the matter.

The Secretary reported that the financial statements submitted to the meeting comprised the Balance Sheet and the Profit and Loss Statement for 2008 for the year ending 31<sup>st</sup> December 2008 which were already considered by the Audit Committee and certified by the Bank's auditor as follows:

In 2008, the Bank's assets registered about Baht 1,327,184 million (one million three hundred twenty-seven thousand one hundred and eighty-four million baht), up from 2007 by about Baht 115,854 million (one hundred fifteen thousand eight hundred and fifth-four million Baht) and liabilities stood at about Baht 1,226,093 million (one million two hundred twenty-six thousand and ninety-three million Baht), up from 2007 by about Baht 108,464 million (one hundred eight thousand four hundred and sixth-four million Baht) while shareholders' equity amounted to about Baht 101,091 million (one hundred one thousand and ninety-one million Baht), up from 2007 by about Baht 7,390 million (seven thousand three hundred and ninety million Baht). The Bank had net profit after tax about Baht 12,053 million (twelve thousand and fifty-three million Baht), an increase from 2007 by about Baht 5,940 million (five thousand nine hundred and forty million Baht).

Shareholder:

Made an inquiry in four major points as follows:

1. Did the Bank have its guidelines for resolving problems of irregularities and frauds in Krung Thai Bank whereby the Office of the National Counter Corruption Commission already indicated the ground of offence for legal action in case of senior executives and would it be regarded as an offence under Section 157 of the Penal Code or not?
2. Refer to an inquiry made at the 15<sup>th</sup> Annual Ordinary General Meeting about sale of branch lower than 50% of the price appraised by the Department of Loans, the Legal Execution Department informed that there would not be the case of asset sale at the price lower than 50% of the Department of Loan's price. Was it true that in the event of asset sale at a price lower than reasonable one or fraud occurred, one would be able to file the case to the court to consider an appeal for cancellation of such asset sale?
3. Regarding the issue of the sale of the 61-rai land on the edge of Pibulsongkram Road on which deposit money of only Baht 20,000 (twenty thousand Baht) was placed and no trading of land took place, the shareholder wished to know if such plot of land was sold or not or was transferred to the AMC. Did the Bank have the policy to request the auctioneer in this case to pay indemnity under Section 516 of the Civil and Commercial Code or not? Clear policy on the matter was requested since the case's prescription was almost over.
4. Wished to know the details of investment in collateralized debt obligations (CDOs) whether there will be sub-prime problem or not. If not, in what industry was it?

Chairman of  
the Audit Committee:

Apart from overseeing and auditing the Bank's financial statements jointly with the Office of the Auditor General of Thailand that is the Bank's auditor, the Audit Committee also had the responsibility to monitor the Bank employees' performances that might be an act of fraud through the Bank's Internal Audit Group. If a Bank employee was found to commit fraud, there would be disciplinary action under the Bank's process. On the part of Krung Thai Bank as a state enterprise, the Bank would be guilty relating to employee in government organization and would have criminal offence under Section 157 of the Penal Code as well. Besides, such offence would be reported to the Office of the National Counter Corruption Commission in case where the Bank employee who committed an offence held the office of senior executive, and would be reported to the office of the National Counter Corruption Commission in the public sector in case where the employee who committed an offence held the position lower than First Vice President.

Concerning sale of asset at the price lower than 50% of appraisal price, normally property which was NPA (Non-Performing Asset) seized to be in the possession of Krung Thai Bank would be checked/examined. The Bank had to proceed the case as prescribed by the Bank of Thailand as to the period of asset holding during which such asset had to be sold, and the asset price had to be appraised first. Upon asset price appraisal, action had to be taken in the related part. Usually there would be the Bank's procedures for sale of asset.

Regarding the sale of the 61-rai land on the edge of Pibulsongkram Road, the Bank wished to thank the shareholder for following up the case. I had inquired about the issue of this asset sale for 3 - 4 years and I had been Director for three years this year, the Bank use to clarify this issue to the shareholders last year. Such query was clarified once again in the 15<sup>th</sup> Annual Ordinary General Meeting as appeared in the minutes of the 15<sup>th</sup> Annual Ordinary General Meeting shown in the notice of meeting on pages 19 - 20. As for the sale auction of asset in the form of land inquiry by the shareholder, the auction took place in 2001 with Krung Thai Land and

Houses Company Limited conducting an auction by complying with the Bank procedure on asset auction. In connection with the progress of the sale of asset mentioned by the shareholder carrying appraisal value of more than Baht 1,000 million, such asset was currently in the Bank's ownership and no bidder purchased it. The shareholder's suggestion to the Bank to utilize the Civil and Commercial Code, Section 516 prescribing that "If the highest bidder neglect the use of the bidding price, the auctioneer shall bring such asset on auction once again. If the money obtained from auction sale in net amount does not cover the asset price and the existing auction cost, such existing bidder shall be liable for the deficient part." For enforcement with the bidder who cancelled the asset sale contract in the first time was unable to be done since such asset was not disposed or sold as yet. In principle, there had to be both buyer and seller. However, If there was any progress made concerning sale of such asset, the Bank would monitor and check the case as well as taking legal steps with all persons concerned.

President:

The Bank had invested in CDOs in the amount of approximately Baht 5,000 million (five billion Baht) accounting for 0.5% of the Bank's total assets. CDOs in each fund invested by the Bank were not sub-prime CDOs at all. In fact, they were investments in various industries of about 100 companies and institutions such as financial institutions, oil companies and motors companies. In order to prevent risk arising from changes of market prices of reference assets affecting CDOs invested by the Bank, the Bank had already set aside provision/allowance for future value impairment of CDOs value in full amount.

Shareholder:

Why did the Bank, in 2008, experience loss from net investments of about Baht 900 million (nine million Baht) while in 2007, it had profit from net investments of about Baht 1,000 million (one billion Baht), and how would the Bank solve this problem?

Managing Director,  
Financial Management  
Group: Details of profit (loss) from net investments are shown in the 2008 Annual Report, page 127. The Bank's investment consisted both of the parts that earned profit and those experiencing loss were caused by declining values of the market prices of financial instruments and derivatives in which the Bank invested. As for problem solving in the part of CDOs, there would not be any further loss since the Bank had already set aside provision for future value impairment in full amount as the President had just answered to the shareholder's query.

Shareholder: Why did the Bank follow the policy on transferring the outstanding balances in customers' inactive accounts for more than 10 years (unclaimed balances) to be the Bank's income as at end of accounting period thus causing the bank to pay tax on deposits that had been transferred as its income?

Managing Director,  
Financial Management  
Group: Transfer of unclaimed balances or outstanding balances in deposit accounts with no activity for over 10 years as the Bank's income was an accounting practice in accordance with the notification of the Bank of Thailand so that they would not be obstacles of the information in the application systems and the amounts were not much, and if the customers wished to withdraw the deposits they would be able to do so.

Shareholder: Why did the Bank have the policy to set aside increasingly large amount of allowance or provision for doubtful and bad account as at year-end 2006 through to year-end 2008 while the allowance for doubtful accounts during January – November amounted to only Baht 500 million (five hundred million Baht) but the Bank set aside a large amount of allowance for doubtful accounts in December? It was suggested that the Bank set allowance for doubtful accounts in the amount close to one another every month.

Managing Director,  
Financial Management  
Group: The Bank's provisioning for doubtful accounts increased a great deal as at year-end 2006 to year-end 2007 apart from monthly provisioning in each month was caused by a change of the international accounting standards IAS 39 thus resulting in inadequate amount of the existing provision in each month. Hence, it was necessary for the Bank to set aside additional

allowance as at year-end. Such change of the IAS 39 had affected the provisioning from 2006 continuously to 2007. Regarding 2008 provisioning, in the first instance, the Bank considered that monthly provisioning of Baht 500 million (five hundred million Baht) would be appropriate and adequate. However, as at year-end 2008, the Bank prudently considered the case by taking into consideration the economy condition including its ability to set aside provision for doubtful accounts in the amount higher than the requirement prescribed by the Bank of Thailand in order to further strengthen itself. Therefore, the Bank additionally set aside provision for doubtful account at year-end 2008.

#### Resolution

Approved the 2008 Balance Sheet and Profit and Loss Statement for period ended 31<sup>st</sup> December 2008 as proposed by the Board of Directors by majority votes with 8,339,758,153 votes in favor (accounting for 99.9666000%), 231,500 votes against (accounting for 0.0028000%), 2,555,261 abstentions (accounting for 0.0306000%) and invalid ballot of zero vote (accounting for 0.0000000%).

#### 4. To Consider and approve the appropriation of the 2008 net profit and dividend payment

The Chairman requested the meeting to consider approving the appropriation of the 2008 net profit and dividend payment in accordance with the details shown in the notice of meeting already delivered to the shareholders and asked the Secretary to report on the matter.

The Secretary reported that the Bank had the net profit for 2008 amounting to Baht 12,053,042,130.47 (twelve thousand fifty-three million forty-two thousand one hundred and thirty Baht forty-seven Satang) of which the Board of Directors deemed it appropriate to the profit as its legal reserve at the rate of no less than 5% of the net profit, as ordinary share dividends amounting to Baht 0.44 per share and preferred share dividends of Baht 0.5945 per share, higher than that of ordinary share by 3% of the par value as follows:

1. Legal Reserves	Baht	610,000,000.00	(six hundred and ten million Baht)
2. Preferred Share Dividends	Baht	3,269,750.00	(three million two hundred sixty-nine thousand seven hundred and fifty Baht)
3. Ordinary Share Dividends	Baht	4,919,089,560.00	(four thousand nine hundred nineteen million eighty-nine thousand five hundred and sixty Baht)
4. Profit Balance Carried Forward	Baht	6,520,682,820.47	(six thousand five hundred twenty million six hundred eighty-two thousand eight hundred and twenty Baht and forty-seven Satang)

In this regard, dividends to net profit accounted for 40.84%, higher than that in the dividend payment policy prescribed at 40% of the net profit. Natural person shareholders were able to request for tax credit on dividends for which the Bank paid corporate income tax at the rate of 30% of net profit by being able to get tax credit at 3/7 of dividends. The Bank has gathered the Record Date on which shareholders have the right to receive dividend on Monday 27<sup>th</sup> April 2009 and fixed the share registration book closing date on Tuesday 28<sup>th</sup> April 2009 under the Section 225 of the Securities and Exchange Act B.E. 2535 (1992) and its amendment to the Act B.E. 2551 (2008). The dividend payment shall be made on Tuesday 12<sup>th</sup> May 2009.

Shareholder: Commended the Bank for paying dividends at the rate of Baht 0.44 per share compared with prior year's dividend payment at Baht 0.30. If looking at the Bank's profit and loss statement, it would be found that the profit highly increased but dividend payment did not increase much. However, if looking back further to the year before that, the situation would be more understood. Therefore, I thanked the Bank for paying more dividends than expected as compared with other banks. During the past several months, the Bank's business management and dividends payment were under attached through the mass media that, this year, the Bank would pay dividends at a rate not more than the previous year but the Bank was able to prove that it could maintain the level of good dividend payment. When comparing in

percentage of investment for those who had held shares for 10 years with the cost at about Baht 10, return on investment was still about 4%. If the shareholder was lucky to buy shares at a price of Baht 3 plus, it would be an investment with a very high profit since today's share price was Baht 5.5. Therefore, I thought this was a real good investment with certain strategies of the Bank that differed from other Banks. However, it could be clearly seen that the Bank paid dividends at a higher figure than those of its peer banks.

Shareholder:

Praised Krung Thai Bank for having been the first bank to pay dividends while other banks have not paid them due to Thailand's Tomyumkung economic crisis. As the earlier shareholder said that if buying shares at the price of Baht 10, shareholder might had some hard feeling. Therefore, I wished to point out that from the prior year's minutes of the meeting, it was mentioned that this year's profit increased and the Bank could really make higher profit. However, what I Intended to ask was that the dividend payment rate was not less than 40% and in 2007, the Bank paid dividends as high as 54.91% so why did the 2008 dividends payment drop to only 40.84?

President:

In 2007, it was necessary for the Bank to set aside the allowance for doubtful and bad accounts at a very high amount in order to comply with the requirements of the international accounting standards IAS 39 thus making the net profit after deducting such allowance decline from normal level. The Board of Directors thus considered paying dividends to shareholders at the rate of about 54% of the net profit, reflecting the Board of Directors had taken care of the shareholders and taken their optimum interest, as well as the Bank's stability into consideration. As for 2008, the Bank's profit returned to normal, therefore it paid dividends at normal rate of about 40% of net profit under the Bank's policy on dividend payment

Shareholder:

Under the Public Limited Companies Act, it was clearly stipulated that we, shareholders, would be entitled to receiving dividends from profit earned over the year from the operation of the registered companies. How much more or less dividends to be paid had to depend on how much was the

profit over the year and whether there was retained earnings brought forward or not. As for appropriateness of dividend payment rate when comparing it with the operating performance and also with other business of the same type. It would be at the discretion or judgment of the shareholder to see if such dividend payment was appropriate or not.

Managing Director, Details of retained profit brought forward of the year 2008 were shown in the  
Financial Management summary of financial information from the 2008 Annual Report, page 18  
Group: already delivered to the shareholder together with the notice of meeting.

Shareholder: Since the Bank had net profit of Baht 6,112 million in 2007 and paid dividends of about Baht 3,000 million with profit balance carried forward of baht 2,446 million, but in 2008, the Bank earned profit of almost double the prior year, so it was recommended that the profit carried forward to next accounting period was not necessary to be as high as Baht 6,520 million but the profit should be used for dividend payment of one Baht per share instead of Baht 0.44 per share.

President: Expressed sympathy and understanding to the shareholder and gave additional explanation that, in paying dividends. Krung Thai Bank had the policy on dividends payment at the rate of 40% of net profit while other peer commercial banks had average dividend payment rate of about 30% of net profit. Apart from this, the shareholders were pleaded to consider the Bank's long-term stability as well. Regarding the increasingly large amount of retained earning in 2008, this would help prevent risk that might arise in the future in case where the national economy encountered severe slowdown.

Shareholder: Suggested that the Bank should pay dividends to shareholders in the form of dividend shares instead.

Shareholder: Showed disagreement with the suggestion of the aforementioned shareholder since dividend payment in the form of dividend shares would not be an appropriate action and would greatly have adverse effect on the Bank's share price or would cause dilution effect to a large extent.

- Chairman: Expressed his thanks to such suggestion.
- Shareholder: If a shareholder bought Krung Thai Bank shares on 27<sup>th</sup> April 2009, would such shareholder be entitled to receive dividends?
- President: To be entitled to receive dividends from Krung Thai Bank, it was necessary to hold Krung Thai Bank shares within 22<sup>nd</sup> April 2009.

### Resolution

Approved the appropriation of the 2008 net profit as proposed by the Board of Directors by majority votes whereby ordinary share dividends would be paid at the rate of Baht 0.44 per share and preferred share dividends at the rate of Baht 0.5945 per share. The Bank has gathered the Record Date on which shareholders have the right to receive dividend on Monday 27<sup>th</sup> April 2009 and fixed the share registration book closing date on Tuesday 28<sup>th</sup> April 2009 under the Section 225 of the Securities and Exchange Act B.E. 2535 (1992) and its amendment to the Act B.E. 2551 (2008). The dividend payment shall be made on Tuesday 12<sup>th</sup> May 2009. The approval was given with 8,341,947,869 votes in favor (accounting for 99.9895000%), 655,589 votes against (accounting for 0.0079000%), 215,441 abstentions (accounting for 0.0026000%) and invalid ballot of zero vote (accounting for 0.0000000%).

### 5. To consider and approve the adjustment of the dividend payment policy

The Chairman requested the meeting to consider approving the proposed adjustment of the dividend payment policy in accordance with the details shown in the notice of meeting already delivered to the shareholders and asked the Secretary to report on the matter.

The Secretary reported that the Bank's extraordinary general meeting No.1/2545 held on 24<sup>th</sup> September 2002 approved the Bank's capital restructuring plan under which the FIDF ordinary shares were sold to the general public, retail investors and institution investors and the dividend payment policy was formulated to pay the dividends at the rate of not lower than 40% of the Bank's net profit in each year. In this regard, dividend payment would depend on the Bank's operating performance in the future, the increase of loans and the Bank's provisioning for doubtful accounts as well as the resolutions of the Board of Directors meeting and/or shareholders general meeting, amount of retained earning and necessity for setting aside the legal reserve and other reserves as necessary or deemed appropriate by the Bank.

In adjusting the dividend payment policy this time, the objective was to have more flexibility of payment according to the current economic condition and the fast changing financial environment. Dividends would be paid from the actually realized profit from the Bank's normal Business operating each year while provisioning would be made as necessary and future operating performance would be considered as well.

The Board of Directors had considered the issue and was of the opinion that for the benefit of the Bank's management and optimum interest to the shareholders, the general meeting should give an approval of the dividend payment policy on paying dividends at the rate of about 40% of the Bank's net profit. However, dividend payment in each year would be subject to the actually realized profit from normal business operation of each particular year. Consideration also had to be taken as to the Bank's future operating performance, the economic condition and financial environment, the increased volume of loans and provisioning for doubtful accounts of the Bank, resolutions passed by the Board of Directors meeting and/or the shareholders general meeting, amount of retained profit and necessity for setting aside the legal reserve and other reserves as necessary or deemed appropriate by the Bank as well as the Bank's compliance with relevant laws, rules and regulations prescribed by the authorized regulators.

Shareholder: Gave recommendation that the Bank should pursue the existing dividend payment policy by paying dividends "at the rate of not lower than 40% of the net profit of the Bank in each year." At the same time, the shareholder requested details of the Bank's current legal reserve so as to know the amount in percentage.

Shareholder: Recommended that the Bank should add interim dividend payment to the shareholders.

Shareholder: Expressed admiration for the Chairman of the Board of Directors and the Directors for their competency and broad vision while making an observation that the Bank should pay dividend as percentage of net profit at 80% since the Bank had already set aside a very large amount of legal reserve.

President: The Bank had revised its dividend payment policy for more completion of the wording. Currently, the Bank's legal reserve stood at 5.9% of the registered capital and, according to the law, the Bank was required to set aside its legal reserve in the amount of 10% of the registered capital. Therefore, the Bank had to set aside additional reserve in the following years until the legal reserve reached the amount of 10% of the registered capital.

Shareholder: Recommended that the Bank should change the rate of dividend payment specified in the dividend payment policy to “at the rate of not lower than 45% of the Bank’s net profit in each year” since certain shareholders had their main income from dividends.

Chairman: Expressed thanks to the shareholders.

### Resolution

Approved the adjustment of the dividend payment policy as proposed by the Board of Directors by majority votes with 8,338,967,691 votes in favor (accounting for 99.9538000%), 3,444,806 votes against (accounting for 0.0413000%), 412,677 abstentions (accounting for 0.0049000%) and invalid ballot of zero vote (accounting for 0.0000000%).

## 6. To consider and approve the Directors’ remuneration

The Chairman requested the meeting to consider approving the Directors’ remuneration according to the details in the attachment to Agenda 6 already delivered to the shareholders together with the notice of meeting and invited the Chairman of the Nominating and Remuneration Committee to report on the issue.

The Chairman of the Nominating and Remuneration Committee reported that the Directors’ remuneration consisted of the Directors’ remuneration for 2009 and Directors’ gratuity for 2008 on which the Board of Directors already agreed as proposed by the Nominating and Remuneration Committee, and requested the meeting to consider approving the following:

### 1) Directors’ Remuneration for 2009

The criteria and rate of Directors’ remuneration payment were proposed to remain the same as in the prior year as approved by the 15<sup>th</sup> Annual Ordinary General Meeting.

### 2) Directors’ gratuity for 2008

The Board of Directors played key role in providing support, promotion, giving policies, resolving problems and making decisions in the Bank’s business operation thus resulting in better operating performance. Therefore, the General Meeting should give approval of the proposed Directors’ gratuity for 2008 amounting to Baht 24.12 million whereby the allocation of Directors’ gratuity shall be at the discretion of the Board.

The above Directors' remuneration was at a level appropriate with the Directors' responsibilities and volume of task as well as in line with the Directors' remuneration in the group of peer commercial banks.

Shareholder: Gave a remark that the Bank should add the details of the Directors' remuneration in the previous year in the next general meeting documents.

Shareholder: Why didn't the Bank increase the staff's living allowance to be in line with the Directors' remuneration?

President: Details of the Directors' remuneration in the previous year were shown on page 30 of the notice of meeting. As for the staff's living allowance, the matter was in the authority of the Bank Management and the Board of Directors. Therefore, such issue was not submitted to the Annual Ordinary General Meeting and the Bank had set the criteria for remuneration payment for all concerned such as shareholders dividends, special remuneration for staff and Directors gratuity in the directions and proportion which were close to one another.

Shareholder: Wished to know the details of criteria/requirements for Directors' gratuity payment?

Shareholder: How many times did the Board meet? Are the non-attending Directors receive meeting honorarium or not?

Shareholder: Was there a duplication in Directors' remuneration payment in your capacity as Chief Executive Officer and President of the Bank?

Chairman of the Nominating and Remuneration Committee: Directors' remuneration was divided into two parts: Directors' remuneration and Directors' gratuity. The Bank had adhered to the principle of the adequate amounts that would attract and retain the qualified persons to oversee the Bank's business operation while comparing the amounts of Directors' remuneration with those of the peer banks. Directors' remuneration of Krung Thai Bank was considered as the least in the group of peer banks. The Board of Directors met 1 - 2 times a month while the Board of Executive Directors and respective Committees met as deemed necessary. Meeting honorarium

was paid only to the attending persons. On the part of the President, he received his remuneration both on the part of staff's remuneration and Directors' remuneration since he assumed the duty and responsibility assigned by the Bank both as the post of Chief Executive Officer of the Bank Management and a Director on the Board of Directors.

### Resolution

Approved the Directors' remuneration as proposed by the Board of Directors with the votes of more than two-thirds of the total votes of the attending shareholders with 8,340,909,794 votes in favor (accounting for 99.9770000%), 1,374,869 votes against (accounting for 0.0165000%), 540,511 abstentions (accounting for 0.0065000%) and invalid ballot of zero vote (accounting for 0.0000000%).

### 7. To consider the election of Directors to replace those who are retiring upon completion of their terms of office

The Chairman requested the meeting to consider electing the Directors to replace the retiring ones in accordance with the details shown in the Attachment to Agenda 7 already delivered to shareholders together with the notice of meeting.

Pursuant to Article 22 of the Bank's Articles of Association "At each ordinary general meeting, one-third of the directors must retire from office. If the number of directors cannot be divided exactly into the number corresponding to one-third, the directors must retire in the number nearest to one-third." and to be in line with the principles of good corporate governance, the Chairman invited the retiring Directors who were nominated to take up the directorship for another term to temporarily leave the meeting room during the meeting's consideration and election of Directors to replace the retiring one. As the Chairman of the Nominating and Remuneration Committee completed his term of office this time, he thus invited Mr.Santi Vilassakdanont, Member of the Nominating and Remuneration Committee to present this agenda item further.

Mr.Santi Vilassakdanont, Member of the Nominating and Remuneration Committee reported that in an election of Directors to replace the retiring ones, the Bank had open a website allowing the shareholders to nominate suitable persons to hold the post of Director in advance during 1<sup>st</sup> October – 31<sup>st</sup> December 2008 whereby no nomination was made for persons with complete and appropriate qualifications to hold the directorship according to the requirements announced.

There were four retiring Directors at this time namely Mr.Sima Simananta, Mr.Visut Montriwat, Mr.Dusit Nontanakorn and Mr.Jamlong Atikul.

The Nominating and Remuneration Committee and the Committees excluding Members with interest in this matter had considered the operating process that had to conform with the Bank's Articles of Association and relevant laws as well as requirements of the regulators that had to be carried out according to the principles of good corporate governance, and were of the opinion that the election of such persons would not have a negative impact on the performance of duty and expression of independent opinions and also arranged for disclosure of this information in the notice of meeting on the agenda item of an election of Independent Directors.

The Nominating and Remuneration Committee and the Board of Directors considered the matter according to the aforementioned principle and deemed it appropriate to elect Mr.Sima Simananta, Mr.Visut Montriwat and Mr.Dusit Nontanakorn Independent Directors, and Mr.Jamlong Atikul Director for another term. All such persons were well qualified with knowledge, competency and experiences that would benefit the Bank's business operation. Besides, they were persons who performed their duty with accountability, prudence and integrity in accordance with the applicable laws, specified objectives and the Bank's Articles of Association as well as the resolution of the general meeting. These four persons were already approved by the Bank of Thailand.

Regarding method of vote casting and votes counting on this agenda to be in accordance with the requirements for organizing a General Meeting prescribed by the Office of the Securities and Exchange Commission, Thailand, the positive votes (votes in favor), negative votes (votes against) and abstentions would be counted for each individual. All the shareholders were requested to please mark in the box in which they wanted on the voting ballots to elect the Directors individually. Upon completing of voting for the four persons, the officers would gather the voting ballots from all the shareholders at one time for good speed of vote counting. Any shareholders not wishing to submit their voting ballots would be regarded as casting positive votes.

Shareholder: Recommended that the large number of taking the directorship in other companies by Mr.Santi Vilassakdanont, Director might cause problems to his performance of duty and health. However, the shareholder wished him to continue his duty as the Bank's Director. Moreover, the remuneration of the Vice Chairman of the Board of Directors should be adjusted to better suit his responsibility.

Chairman: Expressed thanks to the shareholder.

### Resolution

Approved the election of Directors as proposed by the Board of Directors for each individual person by majority votes as follows:

1) Elected Mr.Sima Simananta to take up the office of independent Director for another term with 8,340,732,243 votes in favor (accounting for 99.9750000%), 874,450 votes against (accounting for 0.0100000%), 1,249,231 abstentions (accounting for 0.0150000%) and invalid ballot of zero vote (accounting for 0.0000000%).

2) Elected Mr.Visut Montriwat to take up the office of independent Director for another term with 8,340,834,126 votes in favor (accounting for 99.9758000%), 775,850 votes against (accounting for 0.0093000%), 1,246,231 abstentions (accounting for 0.0149000%) and invalid ballot of zero vote (accounting for 0.0000000%).

3) Elected Mr.Dusit Nontanakorn to take up the office of independent Director for another term with 8,227,892,546 votes in favor (accounting for 98.6220000%), 107,648,630 votes against (accounting for 1.2900000%), 1,159,431 abstentions (accounting for 0.0140000%) and invalid ballots of 6,155,600 votes (accounting for 0.0740000%).

4) Elected Mr.Jamlong Atikul to take up the office of independent Director for another term with 8,340,848,292 votes in favor (accounting for 99.9760000%), 851,684 votes against (accounting for 0.0100000%), 1,156,231 abstentions (accounting for 0.0140000%) and invalid ballot of zero vote (accounting for 0.0000000%).

The Chairman invited the elected Directors to return into the meeting room to proceed the meeting further.

### **8. To consider the election of the Bank's auditor and fix the audit fee**

The Chairman requested the meeting to consider electing the Bank's auditor and fix the audit fee in accordance with the details as appeared in the Attachment to Agenda 8 already delivered to the shareholders together with the notice of meeting and invited the Chairman of the Audit Committee to report on the matter.

The Chairman of the Audit Committee reported that, under the Public Limited Companies Act and the Bank's Articles of Association, Articles 45(5), the general meeting was required to elect the Bank's auditor and fix the audit fee. Furthermore, to be in compliance with the Organic Act governing National Audit, the Bank was required to be audited by the Office of the Auditor General of Thailand. It was thus proposed that the Office of the Auditor General of Thailand continue to be the Bank's auditor by receiving the audit fee for 2009 in the amount of Baht 4,400,000.- as in the prior year excluding overtime allowance and branch audit expenses. The Office of the Auditor General of Thailand had been the Bank's auditor through time without relationship or interest with the Company (Bank)/subsidiaries/Management/major shareholders or persons related to those. The association companies that were not state enterprise did not have the Office of the Auditor General of Thailand as its auditor.

Shareholder: Did the Bank pay the audit fee to the person who performed the duty as the Bank's auditor or pay it to the Office of the Auditor General of Thailand?

Chairman: The Bank paid audit fee to the Office of the Auditor General of Thailand.

### Resolution

Approved the election of the Office of the Auditor General of Thailand to be the Bank's auditor by receiving the audit fee for 2009 in the amount of Baht 4,400,000.- (four million and four hundred thousand Baht only) as proposed by the Board of Directors by majority votes with 8,341,563,376 votes in favor (accounting for 99.9845000%), 1,101,900 votes against (accounting for 0.0132000%), 190,931 abstentions (accounting for 0.0023000%) and invalid ballot of zero vote (accounting for 0.0000000%).

### 9. To consider and approve amendment to the Bank's Articles of Association for six articles

The Chairman requested the meeting to consider approving the amendment to the Bank's Articles of Association totaling six articles as per details in the Attachment to Agenda 9 already delivered to the shareholders together with the notice of meeting, and asked the Secretary to report on the matter.

The Secretary reported that the Bank wished to amend its Articles of Association totaling six articles as follows:

1) Amending the essentials of wording totaling two articles as follows:

1.1) Article 14. on the Bank's shareholding by amending the texts from formerly "three-fourths of the shareholders of the Company" to be "seventy-five percent of the total shares bearing voting rights and already sold" in order to comply with the Financial Institutions Business Act.

1.2) Article 35. on the Banks' authorized signatories from formerly "The Chairman or President, either one of them, or any other directors totaling two or more persons as delegated by the Board of Directors shall have the power to sign and affix the Company's seal in the documents, instruments or certificates on behalf of the Company." To be "The President solely or any other directors totaling two or more persons as delegated by the Board of Directors shall have the power to sign and affix the Company's seal in the document, instruments or certificates on behalf of the Company." to be in accordance with the principles of good corporate governance.

2) Amending the wording to be accurate according to the true facts and the currently applicable new law totaling four articles as follows:

2.1) Article 16. Amending the wording in Article 16 (2) from formerly "in accordance with the laws regarding commercial banking business." to be "in accordance with the law governing financial institutions business."

2.2) Article 39. Amending the wording in Article 39, paragraph 1 from formerly "the registrar of the Department of Commercial Registration" by deleting the wording "of the Department of Commercial Registration" in paragraph 1 to enable the Articles of Association to be flexible according to the requirements that might change in the future. This was because "the Department of Commercial Registration" currently changed to "the Department of Business Development" and there might be future changes as well.

2.3) Article 41. Amending the wording in Article 41, paragraph 2 from formerly "the registrar of the Department of Commercial Registration" by deleting the wording "of the Department of Commercial Registration" in paragraph 2 to enable the Articles of Association to be flexible according to the requirements that might change in the future. This was because "the Department of Commercial Registration" currently changed to "the Department of Business Development" and there might be future changes as well.

2.4) Article 54. Amending the wording from formerly “In case the Company or its subsidiary(ies) agree to enter into related-party transaction(s) or transaction(s) relating to acquisition or disposal of the material assets of the Company or its subsidiary(ies) as defined in the announcement(s) of the Stock Exchange of Thailand (SET) that govern(s) related-party transaction(s) of registered company or acquisition or disposal of the material assets of registered company as the case may be, the company shall comply with the rule and procedure as prescribed by such announcement(s) in that particular matter.” By changing the texts from “in the announcement(s) of the Stock Exchange of Thailand (SET) that govern(s) related-party transaction(s) of registered company or acquisition or disposal of the material assets of registered company as the case may be, the company shall comply with the rule and procedure as prescribed by such announcement(s) in that particular matter.” to “the Company shall comply with the related laws.” for flexibility accordingly to the laws that might change in the future.

In registering the amendment to the Bank’s Articles of Association, if the officer who was registrar requested to amend the texts or wording for validity in accordance with the law, action would be able to be taken as recommended by the registrar.

Shareholder: Made an additional observation that more texts should be added in the Bank’s Articles of Association for further validity and incompliance with the law.

Article 39. and Article 41., from the exiting text “registrar” to be “registrar by related laws.”

Article 54., from the existing text “the Company shall comply with the related laws” to “the Company shall comply with the related requirements and laws”

Chairman of the Audit Committee: The texts or wording specified in the Bank’s Articles of Association, Article 39., Article 41., and Article 54. were already valid and complete.

Shareholder: Questioned if it would be correct to understand that Article 35. of the Bank’s Articles of Association actually referred to “The President or any other directors totaling two or more persons shall be delegated by the Board of Directors before being empowered to sign and affix the Company’s seal to act on behalf of the Company.”

President: The President or any other directors totaling two or more persons shall be delegated by the Board of Directors first as the shareholder understood accordingly.

## Resolution

Approved the amendment to the Bank's Articles of Association totaling six Articles as proposed by the Board of Directors by more than three-fourths of the total votes of the attending shareholders with 8,342,412,116 votes in favor (accounting for 99.9946800%), 12,800 votes against (accounting for 0.0001500%), 431,291 abstentions (accounting for 0.0051700%) and invalid ballot of zero vote (accounting for 0.0000000%). The amended Articles of Association of the Bank had the following details:

Article 14. Not less than seventy-five percent of the total shares bearing voting rights and already sold must be the persons of Thai nationality. The Company will not consider and register the transfer of shares which will result in violation of this provision.

Article 16. The shares of the Company may be transferred without any restriction except

(1) such restriction is for safeguarding the rights and benefits to which the company is entitled in accordance with the law.

(2) for maintaining the proportion of shareholding between Thai nationals and foreigners in accordance with the law governing financial institutions business.

Article 35. All business of the Company shall be under the power of the Board of Directors.

The President solely or any other directors totaling two or more persons as delegated by the Board of Directors shall have the power to sign and affix the Company's seal in the document, instruments or certificates on behalf of the Company.

Article 39. In summoning a general meeting, the Board shall prepare the notice of the summoning specifying the venue, date, time, agenda and the issues to be submitted to the general meeting together with relevant details, by clearly indicating them as issues to be submitted for information, for approval or for consideration as the case may be, including the comments by the Board on the issues. The Board shall then send them to the shareholders and the registrar not less than 7 days prior to the date of the meeting, and shall make an announcement of the meeting in a daily newspaper for three consecutive days and not less than three days before the date fixed for the meeting.

In holding a general meeting, the Board may determine the venue in any area in the Kingdom as it deems appropriate.

Article 41. Any shareholder who does not attend the meeting may appoint a proxy in writing to attend the meeting and vote in his replacement. The proxy must submit the instrument appointing a proxy to the chairman of the meeting or the person designated prior to the start of the meeting.

Such instrument must be prepared in compliance with the format prescribed by the registrar.

Article 54. In case the Company or its subsidiary(ies) agree to enter into related-party transaction(s) or transaction(s) relating to acquisition or disposal of the material assets of the Company or its subsidiary(ies) as defined, the Company shall comply with the related laws.

In proceeding with the registration of the amendment to the Bank's Articles of Association, if the officer who is registrar requested to amend the texts or validity and in compliance with the law, such amendment shall be made as recommended by the registrar.

**10. To consider and approve the purchase of shares in Krungthai Card Public Company Limited in accordance with the Public Limited Company Act B.E. 2535 and the Financial Institutions Business Act B.E. 2551**

The Chairman requested the meeting to consider approving the purchase of shares of Krungthai Card Pcl. under the Public Limited Companies Act B.E.2535 (1992) and the Financial Institutions Business Act B.E. 2551 (2008) as per details shown in the Attachment to Agenda 10 already sent to the shareholders together with the notice of meeting and asked the Secretary to report on the issue.

The Secretary reported that Krungthai Card Pcl. (the "Company") had a plan to issue and offer capitalized ordinary shares according to the resolution of the Company's Board of Directors' Meeting No. 4/2552 on 18<sup>th</sup> March 2009 and informed the Stock Exchange of Thailand in the same day about an increase of the Company's registered capital by issuing the new ordinary shares totaling 773,500,221 shares to be offered to the existing shareholders in accordance with the right offering at the rate of one existing share to three new shares at par value of Baht 10 per share. Share allocation to existing shareholders who subscribed for shares in accordance with their shareholding percentage proportion as at the right fixing day was scheduled for 1<sup>st</sup> April 2009. The Company had the objective to use the funds received from capital increase to support the Company's liquidity to be adequate for business operation and repayment for loans which would be due in 2009.

Currently the Bank was the major shareholder of the Company with shareholding of 49.45% of the total shares sold if the Bank bought such capitalized ordinary shares according to its right at the Company's capital increase at this time totaling 382.5 million shares amounting to Baht 3,825 million, and if certain shareholders did not exercise their rights to subscribe for capitalized shares according to the right offering only about 3% or in case where the Bank purchased additional shares of the Company by any other methods in the future, this would enable the Bank to be a shareholder of more than

50% of the Company's total shares sold that would be regarded as an acquisition or receipt of transfer of other company's business to be its own under Section 107 of the Public Limited Companies Act B.E.2535 (1992) and being an acquisition or receipt of transfer of other company's business in whole or in some material parts to be the financial institution's business under Section 43 of the Financial Institutions Business Act B.E.2552 (2008) requiring resolution of the general meeting by the votes of not less than three-fourths of the total votes of the attending shareholders who had voting rights and empowering the Board of Directors or persons or group of persons delegated by the Board to have the power to take action, specify methods, proportion of purchasing additional ordinary shares, specify details and/or terms and conditions of purchasing or having shares, negotiate, sign, amend or alter the agreement and/or any other contracts necessary for or relating to such purchasing or having shares in the Company as well as requesting for approval, permission or relaxation and coordinating with government agencies, state/public organizations or officers including the Bank of Thailand, the Office of Securities and Exchange, Thailand and the Stock Exchange of Thailand, as well as taking any other actions necessary for or relating to investment in purchasing or having ordinary shares in Krungthai Card Pcl. as mentioned above.

The Company was currently classified in the Bank's financial business group. The Bank had already considered the issue and was of the opinion that credit card business was a business of importance to the Bank since this would enhance the Bank's competency and support its strategy on being the Convenience Bank. In this connection, the Bank would have greater cooperation with the Company in conducting the credit card marketing by utilizing the Company's expertise and brand image to expand customer base of new and modern generation. Moreover, a capital increase or purchase of additional shares by any other methods that made the Company become the Bank's subsidiary would enable the Company to mobilize capital funds from the money markets more easily at lower cost thus boosting efficiency in profit-making which would positively affect the dividends in the future.

Having considered this issue, the Board was of the opinion that approval should be given to the Bank to buy additional capitalized share of Krungthai Card Pcl. according to the right offering or any other methods in the future that would enable the Bank to acquire the shares of more than 50% of the Company's total shares sold and approval of delegation of power as proposed in order to increase the Bank's competency in providing full-ranging financial services.

Shareholder: Commended the President for having stated to the media that Krung Thai Bank would exercise its right to buy the capitalized shares of Krungthai Card Pcl. resulting in rising share prices of Krungthai Card Pcl. on the Stock Exchange, even though they were not much increase. However, the shareholder had an observation that the share price using right offering of Krungthai Card Pcl. was higher than that on the Stock Exchange and that the policy of Krungthai Card Pcl. was not clear as yet, thus wishing the Bank to reconsider the use of right offering in buying the capitalized shares of Krungthai Card Pcl.

Shareholder: Wished to know the details of loans of Krungthai Card Pcl. that had to be repaid in 2009 as to the loan amounts together with the related financial statements information for consideration further.

President: Krungthai Card Pcl. issued its capitalized shares since it had a large number of the issued short-term bills of exchange that would reach maturity in 2009 combined with its need for capital to expand the business in the future. As for price of capitalized shares, it was prescribed by law not allowing the Company with retained earnings to issue capitalized shares at the price lower than the par value i.e. Baht 10 thus making the right-offering share price to be Baht 10. Such Capital increase approved by the shareholders of Krungthai Card Pcl. of which the ordinary general meeting was scheduled for 30<sup>th</sup> April 2009.

Shareholder: Did the Bank conduct the credit card business by itself or through Krungthai Card Pcl.? If the Bank did not buy the capitalized shares of Krungthai Card Pcl., what would be an impact on the Bank?

Shareholder: What would be the Bank's procedural steps or process of buying the capitalized shares of Krungthai Card Pcl.?

Shareholder: What are the Bank gain from buying the capitalized shares of Krungthai Card Pcl.?

Shareholder: Suggested that Krungthai Card Pcl. issue subsidiary debenture without fixing the debenture period in replacement of capitalized shares issuance.

Shareholder: Suggested that all the shareholders have their understanding that today's investment would benefit the Bank in the future such as in being the Convenience Bank. Nevertheless, such capital increase must receive approval or consent from the shareholders of Krungthai Card Pcl. of which the ordinary general meeting was scheduled for 30<sup>th</sup> April 2009 first, then the Bank would be able to exercise its right to buy such capitalized shares.

President: The Bank had designated Krungthai Card Pcl. to conduct the credit card business for the Bank while the Bank conducted the business on the part of debit card. It could be seen that all the Banks conducted credit card business as its own, except for Krung Thai Bank that conducted credit card business through Krungthai Card Pcl. Therefore, the Bank's purchase of the capitalized shares of Krungthai Card Pcl. would enable the Bank to boost its competency and support the strategy of being the Convenience Bank. In this regard, the Bank had hired an independent financial consultant to appraise the share prices of Krungthai Card Pcl. and it was found that the book value of the Company's share price was much higher than the price specified in the right offering, and if the Bank exercised its right to purchase the capitalized shares of Krungthai Card Pcl. that might enable the Bank to hold shares of more than 50% in Krungthai Card Pcl. and enable the Company to become the Bank's subsidiary whereby the Bank would record the account entry of investments in subsidiary and associated company in the single financial statements at the cost price and record the account entry by equity method in the consolidated financial statements, this would not have negative impact of accounting on the Bank in the aspect of conducting mark to market.

### Resolution

Approved the Bank's purchase of capitalized shares of Krungthai Card Pcl. under the Public Limited Company Act B.E. 2535 (1992) and the Financial Institutions Business Act B.E. 2551 (2008) and delegated the power to the Board of Directors or person or group of persons designated by the Board to take action on the part relating to purchasing or having the ordinary shares in Krungthai Card Pcl. as proposed by the Board of Directors by the votes of over three-fourths of the total votes

of the attending shareholders with 8,135,321,840 votes in favor (accounting for 97.5100000%), 134,364,310 votes against (accounting for 1.6100000%), 73,170,057 abstentions (accounting for 0.8800000%) and invalid ballot of zero vote (accounting for 0.0000000%).

## 11. Other Business

The Board of Directors did not have any other issues to be submitted to the meeting for consideration. However, certain shareholders gave their recommendations and suggestions for the Bank's business operation as summarized below:

Shareholder: Recommended that the Bank add the list of shareholders who expressed their opinions or comments at the general meeting except for shareholders not wishing to have their names specified for the completeness of the minutes of the meeting.

Shareholder: Recommended that the Bank request in writing to the educational institutions to correct tuition fees in the amount in line with the minimum salary of the government official so as to prevent problem of those who borrowed money from the Student Loan Fund and were unable to repay their debts upon graduation.

Chairman: Krung Thai Bank only served as manager for the Student Loan Fund. However, in the capacity as Chairman of the Student Loan Committee, the Chairman would transmit this recommendation to the Student Loan Fund for information further. Concerning the preparation of the minutes of the general meeting, the Chairman would accept the suggestion for consideration in order that it would be in consonance with the recording of the minutes of the general meeting of listed companies in the same group of business.

Shareholder: Suggested that the Bank increased its efficiency by comparing it with that of the peer banks, whether it was the issue of return building, expenses and efficiency in using its costs so as to be more beneficial to the shareholders' return while requesting the details of the operating performance trends in 2009.

President: Thailand's economy in 2009 would be affected by the US economic downturn. When the economy is not good, the Bank's operating performance will not be good either. Therefore, the 2009 operating performance trend might not come out as well as it did in the previous year. During the past three months (1<sup>st</sup> quarter), the Bank's interest income still remained the same as in the prior year, but the Bank's special income declined such as earning from returns of the Vayupak shares in which the Bank had invested. The Bank cut down its costs and expenses for higher operational efficiency and prevention of NPLs. At the same time, the Bank arranged for having more responsible officers to take care of its customers so that the Bank could survive the economic crisis that occurred.

Chairman: All the crucial details on each agenda items have already been explained to the shareholders and the Chairman wished to thank the shareholders for their recommendations and suggestions.

As no shareholders made any further inquiries and there was no additional item on the agenda, the Chairman expressed his thanks to the shareholders for their time to attend today's meeting and the shareholders who joined in witnessing the vote counting and declared the meeting closed.

The meeting was adjourned at 19.00 hrs.

..... Suparat Kawatkul  
 ..... Chairman of the Board of Directors  
 (Mr. Suparat Kawatkul)

..... Patcharasiri Kiatkumjai  
 ..... Corporate Secretary  
 (Mrs. Patcharasiri Kiatkumjai)