

**Minutes of Annual General Meeting No. 96**  
**of**  
**KASIKORNBANK PUBLIC COMPANY LIMITED**  
**Thursday, 3<sup>rd</sup> April 2008**  
**at**  
**“Samanachan” Auditorium, 3<sup>rd</sup> Floor,**  
**KASIKORNBANK PUBLIC COMPANY LIMITED’s Head Office,**  
**1 Soi Kasikornthai, Ratburana Road, Khwaeng Ratburana,**  
**Khet Ratburana, Bangkok**

The Meeting commenced at 1400 hours.

Mr. Banyong Lamsam, Chairman of the Board of Directors, was unable to attend the meeting due to illness and Pol. Gen. Pow Sarasin, Vice Chairman of the Board of Directors, acted as Chairman of the Meeting in his place. Also present at the Meeting were directors, high-ranking executives of the Bank, and the Bank’s auditors, as listed below:

Thirteen directors participated in the Meeting included:

Pol. Gen. Pow Sarasin	Vice Chairman and Chairman of the Corporate Governance Committee
Mr. Banthoon Lamsam	Chief Executive Officer and Chairman of the Risk Management Committee
Dr. Prasarn Trairatvorakul	President
Mr. Sukri Kaocharern	Director
M.R. Sarisdiguna Kitiyakara	Independent Director and Chairman of the Audit Committee
Mr. Somchai Bulsook	Independent Director
Ms. Sujitpan Lamsam	Director
Prof. Khunying Suchada Kiranandana	Independent Director
Ms. Elizabeth Sam	Independent Director
Mr. Charles L. Coltman, III	Independent Director
Dr. Abhijai Chandrasen	Director and Legal Adviser
Mr. Chaisak Saeng-Xuto	Independent Director
Dr. Schwin Dhammanungune	Independent Director and Chairman of the



Human Resources and Remuneration  
Committee

Three Directors were absent from the Meeting, namely:

Mr. Banyong Lamsam	Chairman of the Board of Directors
M.R. Yongswasdi Kridakon	Director
Prof. Dr. Pairash Thajchayapong	Independent Director

There were six Executive Vice Presidents present at the Meeting, namely:

Dr. Piengchai Pookakupt	Finance and Control Division Head
Mr. Somkiat Sirichatchai	Human Resource Division Head
Mr. Teeranun Srihong	Systems Division Head
Mr. Sasawat Virapriya	Corporate Strategy Management Division Head
Mr. Predee Daochai	Credit Management Division Head
Mr. Krisada Lamsam	Retail Business Division Head

Two auditors represented KPMG Phoomchai Audit Limited, namely:

Mr. Thirdthong Thepmongkorn	Certified Public Accountant Registration No. 3787
Ms. Wilai Buranakittisopon	Certified Public Accountant Registration No. 3920

The Chairman of the Meeting thanked the shareholders for attending the Bank's Annual General Meeting No. 96, and informed the Meeting that there were 202 shareholders present in person and 4,252 represented through proxies, or the total 4,454 shareholders, holding altogether 1,175,590,290 shares, representing 49.12 percent of a total of 2,393,260,193 shares sold. A quorum was thus constituted in accordance with the Articles of Association of the Bank. The Chairman of the Meeting, therefore, declared General Meeting of Shareholders No. 96 open.

During the Meeting, more shareholders and proxies entered, totaling 83 and 38 persons, respectively, holding altogether an additional 866,160 shares. Thus, there were 285 shareholders attending the meeting in person, and 4,290 shareholders represented through proxies, making up a total of 4,575 shareholders, holding altogether 1,176,456,450 shares, or 49.16 percent of total shares sold.

The Chairman of the Meeting informed that, before the Annual General Meeting date, the Bank had provided the opportunity for all shareholders to submit their views on any issue as they deemed fit for inclusion in the agenda of the Annual General Meeting, and to propose qualified candidates for election to the positions of directors. The Bank also allowed the



shareholders to submit questions regarding the agenda of the Meeting. As a result, there were no issues submitted for inclusion in the Annual General Meeting agenda. Neither did any shareholder propose a candidate for election as director, nor submit questions regarding the agenda of the Meeting. The Chairman, then, asked the Corporate Secretary to explain the voting and vote-counting procedures to the Meeting.

The Corporate Secretary informed the Meeting that the shareholders have the right to vote according to the number of shares held, wherein one share is equal to one vote. For each agenda item, each shareholder is eligible to cast his/her votes, to either approve, disapprove, or abstain from voting. Split votes in other ways are disallowed. Exceptions are made for proxy holders for foreign investors who appoint custodians in Thailand to safe keep their clients' securities. In the vote-counting process, a resolution will require a majority vote at the Meeting, except as stated otherwise by law. In addition to using the Barcode system in the shareholder registration, the Bank has this year developed the Barcode system for the vote counting to help expedite the counting process. In the vote counting process for every agenda item, except Agenda Items 5 and 6 regarding the election of Directors, shareholders who wish to disagree or abstain from voting on any agenda should indicate their votes on the ballot and submit them to the Bank's officers for vote counting. Shareholders who do not cast votes on the ballots will be assumed to have approved the agenda as proposed, and the votes will be counted according to the number of shares they hold. Shareholders who approve the agenda are therefore not required to cast votes on the ballot. To count the votes approving an agenda, the Bank will deduct the total votes cast in disagreement and abstentions, as well as the number of invalid ballots, from the total votes of shareholders in attendance at the Meeting. In Agenda Item 5 and 6 concerning the election of Directors, all shareholders will be required to cast their votes on the ballots.

Shareholders who have entrusted their proxies to Independent Directors or the Chief Executive Officer or the President to attend the meeting and cast their votes on their behalf, will have their votes cast according to their wishes. However, shareholders who have entrusted the Chairman of the Board as their proxies to cast votes on their behalf, neither the number of shares nor their voting as approval, disapproval or abstentions will be counted in this meeting.

In pursuit of the best practices for the Annual General Meetings of listed companies, the Chairman of the Meeting invited representatives from Baker & McKenzie Limited to inspect the voting and the vote-counting procedure at this Meeting in accordance with the legal requirements and the Bank's Articles of Association. Two volunteers from the floor were also



invited to witness the vote counting throughout the Meeting. Then, the Chairman of the Meeting requested the Meeting to proceed to other items on the Agenda, as follows:

### **1. To Consider Adopting the Minutes of General Meeting of Shareholders No. 95**

The Chairman of the Meeting asked the Meeting to consider adopting the Minutes of General Meeting of Shareholders No. 95 held on April 5, 2007, a copy of which had been delivered to the shareholders together with the Notice of this Meeting.

A shareholder raised a point that there were no records made regarding space usage of the coffee shop at the Bank's branches in the Minutes of General Meeting of Shareholders No. 95 under agenda on Other Business. The shareholder inquired whether any of the Bank's Directors hold shares of this coffee shop.

The Chief Executive Officer replied that none of the Bank's Directors held shares in the coffee shop. At present, there remains only a coffee shop at the Bank's Siam Square Branch. The Bank has already terminated the space rental agreement at Phahon Yothin Main Branch, and the space has been converted for customer services.

A shareholder asked the Chief Executive Officer to provide examples where other banks had attempted to emulate the 'eGirls' project as mentioned by the Chief Executive Officer at the previous Annual General Meeting.

The Chief Executive Officer explained that the concept of using commercial presenters or the so-called 'eGirls' is based on making the best use of the female presenters' intelligence and beauty to help showcase various products of the Bank. This project was initiated 6-7 years ago. In the beginning, this project received criticism from observers. However, it has been seen now that almost all of the financial institutions are using female presenters to help market their products. The eight eGirls have been tasked with presenting the Bank's financial products all year round.

No shareholders raised questions.

The Meeting considered the matter and cast votes.

The Corporate Secretary announced the voting results.

There were 1,163,256,462 votes in approval, equal to 99.996 percent of shareholders who were in attendance in the Meeting and casting votes, 51,480 votes disapproving, equal to 0.004 percent of shareholders who were in attendance in the Meeting and casting votes, with 12,755,600 votes in abstention. There was no invalid ballot.





Therefore, the majority of shareholders who attended this Meeting and exercised their votes cast their votes in approval of the Minutes of Annual General Meeting No. 95.

## **2. To Acknowledge the Board of Directors' Report of the Year 2007 Operations**

The Chairman of the Meeting asked the Meeting to consider the Board of Directors' 2007 operations report, as detailed in the 2007 Annual Report, which had been delivered to the shareholders together with the Notice of this Meeting. This agenda item was for the Meeting's acknowledgment. Thus, the shareholders' voting was not required.

A shareholder raised a point regarding loan growth in 4Q/2007, January and February 2008.

The President explained that loans in 2007 grew 13 percent year-on-year. Loans in 4Q/2007 advanced 4 percent, which was higher than the average quarterly growth in 2007. The Bank has projected that loans will increase 10-15 percent in 2008.

A shareholder asked about the marked increases in loan losses, doubtful accounts and interest expenses in 2007, and how much were the increases for 2007, as well as the projection for 2008.

The President attributed the marked increases in interest expenses to the mobilization of deposits and other funding services, notably the issuance of promissory notes. Regarding increased expenses from bad debts and doubtful accounts, the Bank has sold some of the bad debts and doubtful accounts as seen in accounting records that the figures of these items, i.e., bad debts and doubtful accounts, as well as losses from debt-restructuring, equal to the value of troubled loans sold. The Bank, in fact, has not concluded the projection for 2008, due to the ongoing operations in this respect. Any projection, he added, should be conducted prudently, especially in the release of such information to the public.

The shareholder was of the view that despite an increase in dividend payment from the year before, the Bank still allocates 70 percent of the total profits for reserves. He would like to know if this implies that the Bank has some large investment projects in the future.

In reply, the President said that relevant authorities have enforced the minimum requirement for Capital to Risk Asset Ratio (CAR) among the local financial institutions. In credit extension, the Bank will have to maintain its capital status above the official requirement for the sake of security and confidence among investors and counterparties dealing business with



the Bank. The Bank needs a suitable and sufficient CAR to do business with counterparties, especially the petroleum industry, now showing a robust growth record.

There were no questions from the shareholders.

The Meeting duly acknowledged the Board of Directors' report of the year 2007 operations.

### **3. To Consider Approving the Balance Sheet and Statement of Income for the Year Ended December 31, 2007**

The Chairman of the Meeting asked the Meeting to consider and approve the Balance Sheet and Statement of Income for the year ended December 31, 2007, which had been approved by the Audit Committee and audited by the appointed independent auditor. Details are presented in the 2007 Annual Report attached to shareholders along with the Notice of this Meeting. The Chairman asked the President to present a report on the key details to the Meeting.

The President presented the Balance Sheet and Statement of Income for the year ending December 31, 2007 to the Meeting, which comprised the Consolidated and the Bank Financial Statements. Because the figures of the Consolidated and the Bank Financial Statement do not differ significantly, the President, therefore, reported only the operating results of the Consolidated Financial Statements of the year ending 31 December 2007. In essence, the Bank's net income totaled Baht 15,005 Million, increasing from the previous year by Baht 1,300 Million. Total assets equaled Baht 994,500 Million, higher than the previous year by Baht 59,000 Million. Total liabilities stood at Baht 894,500 Million, increasing over the previous year by Baht 47,200 Million. Shareholders' equity totaled Baht 99,900 Million, up from the previous year by Baht 11,700 Million. Details included:

#### **Balance Sheet:**

##### **Assets**

- Net Interbank and Money Market Items totaled Baht 58,700 Million, down from the previous year by Baht 24,100 Million, following the displacement of overseas deposits for loans that offer higher returns.
- Net Investments totaled Baht 95,500 Million, lower than the previous year by Baht 6,400 Million, due to the displacement of long-term overseas debt instruments for loans that offer higher returns.



- Loans totaled Baht 762,500 Million, increasing over the previous year by Baht 85,200 Million due largely to growth in SME loans. However, net sales of non-performing loans (NPLs) during that year less allowance for doubtful accounts totaled Baht 4,390 Million, yielding net income of Baht 380 Million. This was in line with the Bank's plans to dispose NPLs to a suitable level to cope with volatility in the economy, thus leading to greater flexibility in the Bank's management.
- Other assets totaled Baht 14,700 Million, higher than the previous year's record by Baht 5,100 Million, arising mainly from account receivable from selling NPL portfolio that did not reach maturities.

### **Liabilities and Shareholders' Equity**

- Deposits totaled Baht 783,800 Million, up from the previous year by Baht 37,500 Million, due largely to growth in saving deposits.
- Net Interbank and money market items totaled Baht 14,100 Million, declining from the previous year by Baht 3,500 Million due mainly to a reduction in borrowings from the Bank of Thailand.
- Short-term borrowings totaled Baht 39,000 Million, up from the previous year by Baht 9,600 Million because the Bank increased the issuance of Bills of Exchange that offered higher returns as an investment option for the general public and the Bank's depositors.
- Issued and paid-up ordinary shares totaled Baht 23,800 Million, increasing from the previous year by Baht 61 Million, following the final exercise of purchase right by employees for warrants issued under the Bank's Employer Stock Ownership Plan (ESOP) Program.
- Unappropriated, retained earnings totaled Baht 44,800 Million, increasing from the previous year by Baht 10,200 Million, due largely to an increase in net income by Baht 15,000 Million. Dividend payout from 2006 net income paid in April 2007 totaled Baht 2,900 Million and the interim dividend payout for 2007 paid in August totaled Baht 1,100 Million.
- Off-balance sheet item – Contingencies totaled Baht 1,703,100 Million, up over the previous year by Baht 577,800 Million due largely to an increase in derivatives transactions to facilitate higher demand for derivatives transactions among KBank's



customers, which significantly helped keep the Bank's net risk status intact from the previous year.

### **Statement of Income**

- Interest Income and Dividends totaled Baht 55,500 Million, increasing from the previous year by Baht 3,700 Million due largely to growth in loan interest income in tandem with loan growth.
- Interest expenses totaled Baht 18,000 Million, up over the previous year by Baht 800 Million, due to higher interest payables on deposits in line with the Bank's increased deposits.
- Losses on Debt Restructuring totaled Baht 1,500 Million, down from the previous year by Baht 3,100 Million, following sale of some NPL portfolios to keep NPLs at a suitable level and to ease the Bank's management burdens. Sales of NPLs thus resulted in the lower number of impaired loans entering the debt-restructuring process and lower losses from debt-restructuring, when compared to last year.
- Fee and Other Service Income totaled Baht 13,300 Million, increasing over the previous year by Baht 2,700 Million, due to an increase in fee receivables from credit cards and cash management services.
- Personnel expenses totaled Baht 9,300 Million, up over the previous year by Baht 1,100 Million mainly because of an increase in newly recruited personnel to facilitate the Bank's business expansion.

From the Bank's operating results as earlier mentioned, the Bank recorded net income as of December 31, 2007 of Baht 15,005 Million, increasing over the previous year by Baht 1,300 Million. The above Balance Sheet and Statements of Income for the year ended December 31, 2007 were submitted for consideration and approval by the Annual General Meeting.

A shareholder asked why there was such a big growth in bad debts and doubtful accounts in 2007, and whether it was an increase in bad debts or doubtful accounts.

The President explained that, to compare and assess the figures of bad debts and doubtful accounts, one must factor all items of losses from debt-restructuring based according to the booking process. When there are bad debts, the Bank has to set aside a certain amount of provision. Inevitably, any debt-restructuring effort might result in losses. In the Bank's case, bad debts and doubtful accounts totaling Baht 4,289,972,963 have been added to Baht





1,596,768,338 in losses from debt-restructuring in 2007, which brought the total amount of bad debts to Baht 5,886,741,301. In 2006, bad debts and doubtful accounts totaled Baht 651,534,903, plus losses of Baht 4,767,110,670 from debt-restructuring during that year, giving the total of Baht 5,418,645,573 in losses. The figures in both years are at a comparable level.

A shareholder asked about the meaning of lost on impairment of the Bank's investment in account receivables, and who owned those debts.

The President explained that the Bank's investment in account receivables is managed by the Bank and Ploy Asset Management Co. Ltd., which has been hired by the Bank to manage NPLs under the five-year timeline. If the restructured loans started performing, Ploy AMC would have to send them back to the Bank, and the Bank would post them as investment in account receivables.

A shareholder inquired about losses due to a reduction in registered capital in the Bank's subsidiary in 2007, totaling Baht 43 Million, which was not shown in the 2006 Balance Sheet. The shareholder wanted to know its nature of business, why the subsidiary operated at a loss, and whether it was due to subsequent impact on net income and dividend payment of the Bank.

The President pointed out that the mentioned subsidiary is KASIKORN FACTORING CO., LTD. and KASIKORN LEASING CO., LTD., both of whom are also involved in credit extension. Previously, they were not required to follow the loan-loss provisioning process, as adopted by a commercial bank. However, after the introduction of 'Consolidated Supervision' by the Bank of Thailand, both companies are now obliged to the same loan-loss provisioning criteria as applied to commercial banks, thus affecting their net income levels.

A shareholder asked if the loans totaling Baht 102,288 Million were an increase in loans or the total loan amount.

The President explained that the Bank's total loans in 2007 reached Baht 762,500 Million and the Consolidated Financial Statements for 2007 showed an increase in loans of Baht 85,200 Million, which was higher than that seen in 2006. Loans totaling Baht 102,288 Million that the shareholder referred to in the Statements of Cash Flows are cash receivables from loans.

A shareholder asked if an increase in non-interest expenses was caused by increased marketing and advertising expenditures, and how much the increase was, and whether it was cost-effective.



The President pointed out that expenditures related to sales promotions and advertising in 2007 rose Baht 200 Million over the level seen in 2006, which, in turn, led to businesses growth and income to the Bank.

No more questions were raised from the floor.

The Meeting considered the matter and cast votes.

The Corporate Secretary announced the voting results.

There were 1,137,703,311 votes approving, equal to 99.991 percent of shareholders who were in attendance in the Meeting and casting votes, 103,330 votes disapproving, equal to 0.009 percent of shareholders who were in attendance in the Meeting and casting votes, and 38,571,594 votes in abstention. There were no invalid votes.

In conclusion, the Meeting resolved, by a majority of shareholders' votes attending the Meeting and casting their votes, to approve the Balance Sheet and the Statement of Income for the period ended December 31, 2007.

#### **4. To Consider Approving the Appropriation of Profit from the Operating Results of the Year 2007, and Dividend Payment**

The Chairman of the Meeting requested the Meeting to consider approving an appropriation from profit on the 2007 operating results, and consider dividend payment, as presented to the Meeting by the President.

The President proposed an appropriation from profit on the 2007 operating results, and dividend payment, with details as follows:

Legal Reserves	Baht 760,000,000.00
Dividend on ordinary shares (Baht 2.00 per share, or 31.88 percent of the 2007 net income)	Baht 4,783,874,946.00
Interim dividend payment (Baht 0.50 per share)	Baht 1,193,984,656.50
Final dividend payment (Baht 1.50 per share)	Baht 3,589,890,289.50

The above dividend pay-out ratio is higher than Baht 1.75 per share seen in 2006. The Board of Directors considered the above dividend payment appropriate, as the Bank will still have a solid capital status, and able to accommodate continued growth in the business.

The final payment of the dividend will be made from April 28, 2008 onwards to the shareholders whose names appeared on the shareholder's registration as of April 17, 2008, at 1200 Hrs.



A shareholder would like to know the calculation method for dividend payment at 31.88 percent of 2007 net income.

The President explained that annual dividend payment at 31.88 percent of net income in 2007 had been derived from total dividend payment from 2007 operating results, divided by net income as shown in the Non-Consolidated Financial Statements.

No more questions were raised from the floor.

The Meeting considered the matter and cast votes.

The Corporate Secretary announced the voting results.

There were 1,163,079,503 votes approving, equal to 99.954 percent of shareholders who were in attendance in the Meeting and casting votes, 533,992 votes disapproving, equal to 0.046 percent of shareholders who were in attendance in the Meeting and casting votes, 12,796,100 abstentions, and 2,000 invalid votes.

In conclusion, the Meeting resolved, by a majority of the shareholders' votes attending the Meeting and casting votes, to approve the appropriation of profits from the 2007 operating results and dividend payment, as proposed.

#### **5. To Consider the Re-Election of Directors who are Retiring by Rotation**

The Chairman of the Meeting informed the Meeting that, under the Bank's Articles of Association, one-third of all directors must retire by rotation at every General Meeting of Shareholders. On this occasion, the directors who were retiring by rotation at this Meeting were:

1. Mr. Banyong Lamsam	Authorized Signatory
2. Pol. Gen. Pow Sarasin	Authorized Signatory
3. Ms. Elizabeth Sam	Independent Director
4. Mr. Chaisak Saeng-Xuto	Independent Director
5. Dr. Schwin Dhammanungune	Independent Director
6. Prof. Dr. Pairash Thajchayapong	Independent Director

The Chairman of the Human Resources and Remuneration Committee informed the Meeting that the Human Resources and Remuneration Committee considered the re-election of the aforementioned directors, being of the opinion that they were fully qualified according to the Public Company Limited Act, without any prohibited attributes disqualifying them from their positions by laws presently governing the commercial banking business in Thailand. In addition, they possess the qualifications, skills, knowledge, and competency that meet the



specifications of the Bank and have contributed greatly to the Bank's business. The Human Resources and Remuneration Committee had presented the above comments to a recent Meeting of the Board of Directors. The said Board of Directors Meeting, without the participation by those six nominated directors, endorsed the proposal made by the Human Resources and Remuneration Committee. The Shareholders' Meeting was, therefore, requested to consider approving the re-election of Mr. Banyong Lamsam, Authorized Signatory; Pol. Gen. Pow Sarasin, Authorized Signatory; Ms. Elizabeth Sam, an Independent Director; Mr. Chaisak Saeng-Xuto, an Independent Director; Dr. Schwin Dhammanungune, an Independent Director; and Professor Dr. Pairash Thajchayapong, an Independent Director, as directors of the Bank, each to serve for another term. The backgrounds and achievements of the six directors had been attached as annexed with the Notice of this Meeting.

The Board of Directors resolved to appoint Professor Dr. Pairash Thajchayapong as a Director of the Bank, as proposed by the Human Resources and Remuneration Committee, considering him as fully qualified, together with competency and experience, which will be of benefit to the Bank. He replaced Dr. Tian Suning, who had retired from the position of Director in February 2006. Appointed as KBank's Director in June 2007, Professor Dr. Pairash Thajchayapong's term of office is equal to the remaining term in the office of Dr. Tian Suning who he replaced, in accordance with Article 12 of the Bank's Articles of Association.

The Bank had provided the opportunity for shareholders to propose alternative candidates for election to directorship prior to the Annual General Meeting, but there were no proposals submitted.

The Chairman of the Meeting requested the Meeting consider re-electing the Directors retiring by rotation one by one. All shareholders would have sufficient time to use their discretion, thoroughly and transparently, in compliance with the Corporate Governance Principles, in considering the qualification of each director retiring by rotation, and in re-electing them as KBank's Directors for another term. In addition, the Bank would comply with the recommendations of the Office of the Securities and Exchange Commission, specifying the use of ballots in the voting for re-election of Directors to ensure greater transparency in the vote-counting procedure. All shareholders were therefore requested to cast their votes, either in agreement, disagreement or to abstain on the ballot, and the Bank officers would collect the ballots when shareholders have accomplished their voting for all six Directors.

No additional questions were raised from the floor.





The Meeting considered and cast votes to re-elect the Directors on individual basis.

The Corporate Secretary announced the voting results, as follows:

1. Mr. Banyong Lamsam
  - Approved by shareholders representing 1,162,052,945 votes, equal to 99.980 percent of shareholders who were in attendance in the Meeting and casting votes;
  - Disapproved by shareholders representing 230,320 votes, equal to 0.020 percent of shareholders who were in attendance in the Meeting and casting votes;
  - Abstention by 14,071,020 votes;
  - Invalid ballots by 95,710 votes.
2. Pol. Gen. Pow Sarasin
  - Approved by shareholders representing 1,161,200,865 votes, equal to 99.979 percent of shareholders who were in attendance in the Meeting and casting votes;
  - Disapproved by shareholders representing 243,740 votes, equal to 0.021 percent of shareholders who were in attendance in the Meeting and casting votes;
  - Abstention by 14,176,180 votes;
  - Invalid ballots by 829,710 votes.
3. Ms. Elizabeth Sam
  - Approved by shareholders representing 1,161,248,485 votes, equal to 99.962 percent of shareholders who were in attendance in the Meeting and casting votes;
  - Disapproved by shareholders representing 439,880 votes, equal to 0.038 percent of shareholders who were in attendance in the Meeting and casting votes;
  - Abstention by 14,445,920 votes;
  - Invalid ballots by 306,210 votes.
4. Mr. Chaisak Saeng-Xuto
  - Approved by shareholders representing 1,161,182,877 votes, equal to 99.980 percent of shareholders who were in attendance in the Meeting and casting votes;
  - Disapproved by shareholders representing 231,220 votes, equal to 0.020 percent of shareholders who were in attendance in the



- Meeting and casting votes;
- Abstention by 14,467,290 votes;
  - Invalid ballots by 569,562 votes.
5. Dr. Schwin Dhammanungune
- Approved by shareholders representing 1,161,142,469 votes, equal to 99.920 percent of shareholders who were in attendance in the Meeting and casting votes;
  - Disapproved by shareholders representing 926,120 votes, equal to 0.080 percent of shareholders who were in attendance in the Meeting and casting votes;
  - Abstention 14,268,530 votes;
  - Invalid ballots by 116,330 votes.
6. Prof. Dr. Pairash Thajchayapong
- Approved by shareholders representing 1,152,911,143 votes, equal to 99.239 percent of shareholders who were in attendance in the Meeting and casting votes;
  - Disapproved by shareholders representing 8,836,870 votes, equal to 0.761 percent of shareholders who were in attendance in the Meeting and casting votes;
  - Abstention 14,675,537 votes;
  - Invalid ballots by 29,900 votes.

The Meeting resolved, by a majority of the shareholders with votes in attendance at the Meeting and casting their votes, to re-elect all six directors as the Bank's Directors for another term.

## **6. To Consider the Appointment of a New Director**

The Chairman of the Meeting notified the Meeting that according to the Bank's Articles of Association, the Bank must have no less than 7 and no more than 18 Directors. At present, the Board of Directors comprises a total of 16 Directors. The Board has agreed to the proposal submitted by the Human Resources and Remuneration Committee for consideration at this Annual General Meeting, to appoint Professor Dr. Yongyuth Yuthavong as a Director of the Bank.

The Chairman of the Human Resources and Remuneration Committee informed the Meeting that Professor Dr. Yongyuth Yuthavong resigned from directorship of the Bank to be



the Science and Technology Minister in 2006. His ministerial term has now ended. Professor Dr. Yongyuth Yuthavong is qualified to be an Independent Director, as defined by the Bank. He is also fully qualified in accordance with the Public Company Limited Act, without any prohibited attributes disqualifying him from his position by the laws presently governing the commercial banking business in Thailand. In addition, he possesses qualifications, skills, knowledge and competency that meet the specifications of the Bank. The Human Resources and Remuneration Committee presented the above comments to a recent Meeting of the Board of Directors, and the Board was in agreement with the proposal. The Meeting was, therefore, requested to consider approving the appointment of Professor Dr. Yongyuth Yuthavong as the Bank's Director.

A shareholder asked that in 2006, the Bank appointed Professor Dr. Pairash Thajchayapong as the Bank's Director, replacing Professor Dr. Yongyuth Yuthavong who had resigned from the Board of Directors to take up the position of Science and Technology Minister. He would like to know the reason why the Bank proposed the reappointment of Professor Dr. Yongyuth Yuthavong as a Director, not waiting until the end of the term of Professor Dr. Pairash Thajchayapong as the appointment will incur higher remuneration costs.

The Chief Executive Office explained that Professor Dr. Pairash Thajchayapong was appointed as the Bank's Director replacing Dr. Tian Suning, who resigned from the Board during his term. The Bank decided to appoint Professor Dr. Pairash Thajchayapong because he was one of Thailand's leading IT experts, which coincided with the Bank's plans to upgrade the Bank's IT platforms. The knowledge and expertise of Professor Dr. Pairash Thajchayapong would be of great benefit to the Bank's business operations. As for Professor Dr. Yongyuth Yuthavong, during his term as an Independent Director of the Bank, he played a key role in the management of the Bank's business and services. Upon the end of his ministerial term, the Bank deemed it appropriate to reappoint him as the Bank's Director.

No more questions were raised from the floor. The Chairman of the Meeting requested all shareholders to cast their votes, that is, either in agreement, disagreement or to abstain on the ballot.

The Meeting considered the matter and cast votes.

The Corporate Secretary announced the voting results.

There were 1,162,760,450 votes approving, equal to 99.959 percent of shareholders who were in attendance in the Meeting and casting votes, 475,760 votes disapproving, equal to 0.041



percent of shareholders who were in attendance in the Meeting and casting votes, 13,213,420 votes in abstention and 6,820 invalid votes.

In conclusion, the Meeting resolved, by a majority of shareholders' votes attending the Meeting and casting their votes, to approve the appointment of Professor Dr. Yongyuth Yuthavong as the Bank's Director.

## **7. To Consider Approving the Remuneration for Directors**

The Chairman of the Meeting notified the Meeting that for voting on this agenda item, parties with an interest in the matter, notably the directors who were also shareholders of the Bank, were not eligible to vote. The Chairman then requested Dr. Schwin Dhammanungune, Chairman of the Human Resources and Remuneration Committee, to present this agenda item to the Meeting.

The Chairman of the Human Resources and Remuneration Committee informed the Meeting that General Meeting of Shareholders No. 95, on April 5, 2007, resolved to approve the directors' remuneration and bonuses, which would be effective until the Shareholders' Meeting would determine otherwise. This year, the Human Resources and Remuneration Committee considered the directors' remuneration for 2008, and deemed it appropriate to raise the remuneration of the Board of Directors' Meeting from Baht 1,424,500 per month to Baht 1,769,500 per month, which would be comparable to director remuneration of other banks. The Human Resources and Remuneration Committee deemed it appropriate to maintain the remuneration of Advisory Directors to the Management Committee, Board Committees, and Legal Adviser, including directors' bonus, at the same level as in 2007, as approved in the Annual General Meeting No. 95. The Meeting was requested to consider approving directors' remuneration as detailed below:

- Remuneration for the Board of Directors' Meeting totaling Baht 1,769,500 per month;
- Remuneration for Advisory Directors to the Management Committee totaling Baht 1,018,000 per month;
- Remuneration for the Audit Committee totaling Baht 231,000 per month;
- Remuneration for the Corporate Governance Committee totaling Baht 99,000 per month;





- Remuneration for the Human Resources and Remuneration Committee totaling Baht 99,000 per month;
- Remuneration for the Legal Adviser at Baht 330,000 per month;
- Directors' bonuses at 0.5 percent of the dividend payment, payable at the same time as dividend payment to shareholders

The above remuneration would remain effective until a successive Meeting of Shareholders would determine otherwise. The Annual General Meeting resolved to approve the dividend pay-out for the year 2007, totaling Baht 4,783,874,946 and the Bank had granted bonuses, totaling Baht 5,969,865, to the Board of Directors which was paid with the interim dividend payment on September 27, 2007. The Meeting was therefore requested to consider approving the Board of Directors' bonuses at the rate of 0.5 percent of the total dividend per the above resolution, equivalent to Baht 17,949,509.70, to be paid at the same time as the final dividend payment.

A shareholder asked if the above remuneration for the Board of Directors' Meeting totaling Baht 1,769,500 per month represents the total amount paid to all Directors or a single Director. The Shareholder would like to know the reason for the remuneration increase.

The Chairman of the Human Resources and Remuneration Committee explained that the monthly remuneration mentioned is for all Directors. The increase in remuneration made to the Bank's Directors is to reflect the level of remuneration of other commercial banks, which are set in the range between Baht 1,900,000 - 2,500,000 per month.

No more questions were raised from the floor.

The Meeting considered the matter and cast their votes.

The Corporate Secretary announced the voting results.

There were 1,153,070,272 votes approving, equal to 98.012 percent of shareholders who were in attendance in the Meeting, and 1,698,140 votes disapproving, equal to 0.144 percent of shareholders who were in attendance in the Meeting, 21,686,038 votes in abstention, equal to 1.843 of shareholders who were in attendance in the Meeting, 2,000 invalid votes, equal to 0.000 percent of shareholders who were in attendance in the Meeting.

In conclusion, the Meeting resolved, with the votes of not less than two-thirds of all votes of shareholders attending the Meeting, to approve the Board of Directors' remuneration as proposed, which would be effective until any successive Meeting of Shareholders would



determine otherwise, and to pay bonuses to the Board of Directors according to the details proposed.

#### **8. To Consider the Appointment and the Fixing of Remuneration of the Auditors**

The Chairman of the Meeting asked M.R. Sarisdiguna Kitiyakara, Chairman of the Audit Committee, to present the appointment and fixing of remuneration for the auditors for the year 2008 to the Meeting.

The Chairman of the Audit Committee reported to the Meeting that Audit Committee considered the agenda, and deemed it appropriate to propose the appointment of the following certified public auditors of KPMG Phoomchai Audit Limited, as the Bank's auditors for the year 2008, comprising:

- |                                |                              |
|--------------------------------|------------------------------|
| 1. Mr. Winid Silamongkol       | CPA Registration Number 3378 |
| 2. Ms. Somboon Supasiripinyo   | CPA Registration Number 3731 |
| 3. Mr. Thirdthong Thepmongkorn | CPA Registration Number 3787 |
| 4. Ms. Wilai Buranakittisopon  | CPA Registration Number 3920 |

Anyone of them shall be empowered to audit, perform and sign on the financial statements. All of the above auditors were approved by the Bank of Thailand as auditors of the Bank, per letter No. Fhor.Kor.Kor.(02)129/2551, dated February 13, 2008. With regard to the audit fees, KPMG Phoomchai Audit Limited proposed a total fee of Baht 12,080,000, higher than that of the previous year. Those audit fees included:

1. For the annual and periodical audit of non-consolidated and consolidated financial statements, totaling Baht 5,000,000
2. For the review of quarterly non-consolidated and consolidated financial statements, totaling Baht 2,750,000
3. For special audit reports per the order of the Bank of Thailand, totaling Baht 710,000
4. For audit of overseas branches in Thai Baht equivalent, totaling Baht 3,620,000

Any audit fees that might arise in addition to those specified above would be subject to the Management Committee's discretion for consideration of payment as deemed appropriate.

In addition, to ensure a uniform accounting policy and audit standards between the Bank and its subsidiary companies, KPMG Phoomchai Audit Limited was assigned to audit the 19 subsidiary companies of the Bank as shown in the Attachment to the Notice of this Meeting. Though the audit fees are higher than last year's, when including the audit fees for subsidiary



companies, the total audit fees for the Bank and its subsidiaries for this year declined by Baht 445,000, or 2.23 percent from the previous year.

A shareholder asked whether the proposed increase of annual audit fee to Baht 12,080,000 would include audit fees for branches and subsidiaries of the Bank. In this regard, he wanted to know if the Audit Committee had compared the annual audit fees with that of other banks.

The Chairman of the Audit Committee explained that the referred audit fee include audit fees for overseas branches of the Bank, but not for subsidiaries. The Bank would take note of the suggestion made by the shareholder for further consideration.

A shareholder asked if the special audit report per the order of the Bank of Thailand, totaling Baht 710,000 is for this year and will the Bank have to pay this fee for subsequent years.

The Chairman of the Audit Committee pointed out that the Bank has to pay this special audit fee annually as required by the Bank of Thailand.

No additional questions were raised from the floor.

The Meeting considered the matter and cast their votes.

The Corporate Secretary announced the voting results.

There were 1,162,675,860 votes approving, equal to 99.975 percent of shareholders who were in attendance in the Meeting and casting votes, 286,390 votes disapproval, equal to 0.025 percent of shareholders who were in attendance in the Meeting and casting votes, 13,492,200 votes abstentions, and 2,000 invalid votes.

In conclusion, the Meeting resolved, by a majority of votes of the shareholders attending the Meeting and casting their votes, to appoint the auditors and determine the remuneration for the auditors as proposed, and to authorize the Management Committee to approve any audit fees other than those specified above, as deemed appropriate.

## 9. Other Businesses

The Chairman of the Meeting invited the shareholders to express their opinions or ask questions regarding the business operations of the Bank.

A shareholder wanted to know the criteria for not including abstained votes in calculating the shareholder voting ratio.

The Chairman of the Meeting requested representative from Baker & McKenzie Limited to explain this matter.



Ms. Nattaya Asawawattanaporn clarified that in the calculation of the voting ratio, only the votes that are used to determine the resolution are considered. For instance, for normal agenda items, the resolution is derived from the majority of the votes of the shareholders who are present and cast vote. Therefore if a shareholder present at the Meeting would vote to abstain from voting, thus implying an intent not to vote, his/her abstained vote would not be counted to determine the resolution. Only the votes in agreement or disagreement with the agenda will be considered. If the abstained votes are included in the calculation, the ratio derived will deviate from the true voting result of the Meeting.

A shareholder presented his observation that some upcountry branches have not been installed with a queuing system, which means that customers will have to wait for a long time to be served, especially during lunch breaks. He would also like to know the Bank's recruitment policy.

The President explained that the Bank will gradually install the queuing systems at branches and will require the Bank officers to allot their breaks during light transaction periods. The Bank will also ensure that there are sufficient staffs at all times during the service hours. Regarding the Bank's recruitment policy, the Bank places priority to core competencies in the delivery of services, including their achievement drive, teamwork and collaboration, customer focus and their service mindsets.

A shareholder pointed out his observation that officers at several branches do not have sufficient skills in handling overseas funds transfer.

The President requested the shareholder to give him more details on that matter after the Meeting. His suggestion will be considered for further improvement in the Bank's services.

A shareholder pointed out his observation that there were many invalid ballots for Agenda Item 5 and he wanted to know the reasons for this.

The Chairman of the Meeting requested representative from Baker & McKenzie Limited to explain this matter.

Ms. Nattaya Asawawattanaporn explained that valid votes refer to the votes that are submitted in correspondence to the Agenda Item intended, and showing a mark in one of the boxes. There should be no splitting of shares or votes, except for proxies who have been appointed by foreign investors as custodians in Thailand. On the other hand, invalid votes are votes that show no markings which can be construed as either agreement, disagreement or abstention, or votes that do show markings but markings on more than one box, in exception for





proxies who have been appointed as custodians. Votes that are cast for the wrong agenda items are also considered invalid votes.

There were no more questions raised. The Chairman of the Meeting declared the Meeting closed, and expressed his appreciation to all shareholders for attending the Meeting and sharing their valuable views with the Bank.

The Meeting adjourned at 1610 hours.

(Signed) (Pol. Gen. Pow Sarasin)  
Chairman of the Meeting

(Signed) (Ms. Tida Samalapa)  
Corporate Secretary

โดยได้รับพระบรมราชานุญาต  
By Appointment to H.M. The King of Siam