

Minutes of the General Meeting of Shareholders No. 102

of

KASIKORNBANK PUBLIC COMPANY LIMITED**Friday, 4 April 2014**

at

Samanachan Hall, 3rd Floor,**KASIKORNBANK PUBLIC COMPANY LIMITED Head Office Building,****1 Soi Rat Burana 27/1, Rat Burana Road, Rat Burana Sub-District,****Rat Burana District, Bangkok**

The Meeting convened at 14.00 hours.

Mr. Banthoon Lamsam, Chairman of the Board and Chief Executive Officer, acted as Chairman of the Meeting. Also present at the Meeting were presidents, directors, executives of the Bank and the Bank's auditor, as listed below:

Seventeen directors participated in the Meeting, including:

Mr. Banthoon Lamsam	Chairman of the Board and Chief Executive Officer
Mr. Somchai Bulsook	Vice Chairman, Lead Independent Director and Chairman of the Human Resources and Remuneration Committee
Mr. Krisada Lamsam	Vice Chairman and Chairman of the Corporate Governance Committee
Mr. Predee Daochai	President
Mr. Teeranun Srihong	President
Ms. Sujitpan Lamsam	Non-Executive Director
Prof. Khunying Suchada Kiranandana	Independent Director and Chairperson of the Audit Committee
Prof. Dr. Yongyuth Yuthavong	Independent Director
Dr. Abhijai Chandrasen	Director and Legal Advisor
Prof. Dr. Pairash Thajchayapong	Independent Director
Ms. Kobkarn Wattanavrangkul	Independent Director
Sqn. Ldr. Nalineee Paiboon, M.D.	Independent Director
Mr. Saravoot Yoovidhya	Independent Director
Dr. Piyasvasti Amranand	Independent Director
Mr. Kalin Sarasin	Independent Director



Mr. Somkiat Sirichatchai Non-Executive Director and Chairman of the Risk Management Committee

Mr. Rapee Sucharitakul Non-Executive Director

There were 12 executive vice presidents present at the Meeting, namely:

Mr. Thiti Tantikulanan Capital Markets Business Division Head

Mr. Surasak Dudsdeemaytha Compliance and Audit Division Head

Ms. Kattiya Indaravijaya Finance and Control Division Head and Chief Financial Officer

Dr. Adit Laixuthai Corporate Secretariat Division Head and Corporate Secretary

Mr. Vasin Vanichvoranun Corporate Business Division Head

Mr. Ampol Polohakul Corporate Strategy Management Division Head

Mr. Wirawat Panthawangkun Enterprise Risk Management Division Head

Mr. Krit Jitjang Human Resource Division Head

Mr. Somkid Jiranuntarat Systems Division Head

Mr. Patchara Samalapa SME Business Division Head

Mr. Panop Ansusinha Investment Banking Business Division Head

Dr. Pipatpong Poshyanonda Customer Service Fulfillment Division Head

The auditors represented KPMG Phoomchai Audit Limited present at the Meeting, namely:

Mr. Supot Singhasaneh Certified Public Accountant Registration No. 2826

Ms. Somboon Supasiripinyo Certified Public Accountant Registration No. 3731

The Chairman thanked the shareholders for attending the Bank's General Meeting of Shareholders No. 102, and introduced to the Meeting a new director, Mr. Rapee Sucharitakul, who was appointed by the Board of Directors Meeting No. 10/2013 as Non-Executive Director. He has extensive knowledge and experience in the money and capital markets. His previous positions include Chairman of KASIKORN SECURITIES PCL. and Executive Chairman of KASIKORN ASSET MANAGEMENT Co., Ltd. Currently, he is a Director of the Stock Exchange of Thailand and Advisor to President of Muang Thai Life Assurance PCL. The Board was of the view that the director referred to earlier is fully qualified without any prohibited characteristics for election as a director in accordance with the Bank's Articles of Association and related laws. His knowledge and experience should contribute greatly to the Bank's business. The Board, therefore, resolved to appoint him to fill the vacant position of director.

Then, the Chairman asked the Corporate Secretary to announce the number of shareholders who were in attendance at this Meeting.

The Corporate Secretary informed the Meeting that there were 593 shareholders present in person and 4,513 represented through proxies, or a total of 5,106 shareholders, holding altogether 1,188,572,281 shares, representing 49.6633 percent of 2,393,260,193 shares sold, exceeding



one-third of all outstanding shares. A quorum was thus constituted in accordance with the Articles of Association of the Bank. The Chairman, therefore, declared the General Meeting of Shareholders No.102 open.

During the Meeting more shareholders and proxies entered, totaling 236 and 212 persons, respectively. Thus, there were 829 shareholders attending the Meeting in person, and 4,725 shareholders represented through proxies, making up a total of 5,554 shareholders, holding altogether 1,191,495,904 shares, or 49.7855 percent of total shares sold.

The Chairman, then, asked shareholders and proxies to acknowledge the voting and vote-counting procedures, as summarized below:

The voting is based on the principle of one share equals one vote. For each agenda item, each shareholder is eligible to cast his/her vote to either approve, or 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 voting for every agenda item, shareholders who wish to disagree with or abstain from voting on any agenda item should indicate their votes on the ballots; then relevant officers will take the barcode reader to record the votes at their seats and collect the ballots for verification. For the agenda item regarding the election of directors, shareholders are required to cast their votes on the ballots for the election of each director. Shareholders who agree or do not cast votes on the ballots will be assumed to have approved the agenda item as proposed. They are, therefore, not required to submit them for vote counting during the Meeting. Shareholders are required to submit the remaining ballots to the Bank's staff at the end of the Meeting.

In the vote-counting process, a resolution will require a majority of votes at the Meeting. An exception is made for the agenda item concerning the remuneration of directors, wherein a resolution will require at least two-thirds of all votes from shareholders who are in attendance at the Meeting.

This year, the Bank is using the annual general meeting service provided by Thailand Securities Depository Co., Ltd. and is utilizing the barcode system in the registration and vote-counting processes for a quicker vote-counting process, as in the previous years.

To count the votes in approval for each agenda item, the Bank will deduct the total votes cast as disapproval and abstention, as well as the number of invalid ballots, from the total votes of shareholders in attendance at the Meeting. Shareholders who cast their votes in advance or entrusted the Bank's directors as their proxies to attend the Meeting and cast their votes on their behalf will have their votes cast according to their wishes.

After the vote counting for each agenda item, the Bank will announce the voting results as approval, or disapproval or abstention or invalid ballots as a percentage of the total shareholders. For the agenda item concerning the election of directors, the Bank will announce the voting results for each director, one by one.



Regarding invalid ballots, the ballots are considered invalid when there is more than one box marked, or there are cancellation marks on the ballots, or there are split votes (except for the case of custodian).

After the report on voting and vote-counting procedures, the Chairman asked the Corporate Secretary to inform the Meeting of the best practices for the General Meeting of Shareholders of listed companies.

The Corporate Secretary informed the Meeting that, before the date of this General Meeting of Shareholders, the Bank had provided the opportunity for all shareholders to submit their views on any issues as they deemed fit for inclusion in the agenda of the General Meeting of Shareholders, and to propose qualified candidates for election to the positions of directors. The Bank had also invited the shareholders to submit questions regarding the agenda of the Meeting. Though these measures were taken, there were no issues submitted for inclusion in the agenda of the General Meeting of Shareholders. Nor did any shareholder propose a candidate for election as director, or submit questions regarding the agenda of the Meeting. The best practices for the General Meeting of Shareholders of listed companies, as prescribed by the Office of the Securities and Exchange Commission, state that there must be neutral persons to witness the vote-counting process. The Chairman thus invited representatives from Baker & McKenzie and two shareholders from the floor to witness the vote-counting at this Meeting.

Two shareholders volunteered to witness the vote-counting throughout the Meeting.

Then, the Chairman requested that the Meeting proceed to other items on the agenda, as follows:

1. To Consider Adopting the Minutes of the General Meeting of Shareholders No. 101

The Chairman asked the Meeting to consider adopting the Minutes of the General Meeting of Shareholders No. 101, held on April 3, 2013, a copy of which had been delivered to the shareholders together with the Notice of this Meeting.

A shareholder requested that an amendment be made to Agenda 2: To acknowledge the Board of Directors' Report of year 2013 Operations on the Xayaburi Hydropower Project in the Lao People's Democratic Republic, whereby the statement, saying "The consideration process of such project has not been completed at the Mekong River Commission and advanced consultation and agreement only" should be changed to "The consideration process of such project has not been fully completed at the Mekong River Commission".

The Chairman took note of the matter.

A shareholder recommended that the Bank conduct a study on overall identity of KBank and the coming of ASEAN Economic Community and Asia, plus finding ways to enhance efficiency on tax related matters.

The Chairman thanked the shareholder for his recommendations.

The Meeting considered the matter and cast votes.



The Corporate Secretary announced the voting results.

There were 1,188,527,573 votes approving, equal to 100.0000 percent of all votes of shareholders in attendance and casting votes; no votes disapproving; and 1,531,414 votes abstaining. There were no invalid ballots.

Therefore, the majority of shareholders who attended this Meeting and exercised their votes cast their votes in approval of the Minutes of the General Meeting of Shareholders No. 101.

2. To Acknowledge the Board of Directors' Report of Year 2013 Operations

The Chairman informed the Meeting that a copy of the Board of Directors' Report of year 2013 operations had been delivered to the shareholders together with the Notice of this Meeting for acknowledgement. As this agenda item was for acknowledgement, shareholders were not required to vote.

A shareholder expressed his views on the construction of the Xayaburi Hydropower Project, though the Bank requested that such views be made in Agenda 9: Other businesses.

A shareholder inquired about information on lending, wherein KBank currently holds the fourth largest share of the commercial banking system, but he asked about the percentage of KBank's share of lending in the commercial banking system and which banks are in the top three.

The Chairman replied that Bangkok Bank has the market share of about 17.3 percent, Krung Thai Bank at about 17.4 percent, Siam Commercial Bank at about 17.5 percent and KBank at about 14.4 percent.

A shareholder asked about the proportion of KBank's shareholding in Muang Thai Life Assurance PCL.

The Chairman explained that KBank has 51 percent share in Muang Thai Group Holding Co. Ltd., which holds 75 percent share in Muang Thai Life Assurance PCL. This means that KBank has indirect business control over Muang Thai Life Assurance PCL, being the shareholding structure when KBank first acquired shares of Muang Thai Life Assurance PCL in 2009 under concurrence of the Bank of Thailand.

A shareholder inquired about the most important risk of KBank, which risk is unlikely to occur, but if it does, what the magnitude of its damage will be.

The Chairman explained that various risks should be controlled within acceptable levels; otherwise, damage could occur in the short or long-term. Important risks include credit risk, being the key of the banking business. An undue lending policy, happening once in the Thai commercial banking system, led to massive losses. Therefore, credit risk has to be assessed at all times. Secondly, all daily financial transactions, namely funds transfers, withdrawals and others are associated with risks, which will require sound management to prevent any loss because such transactions are mechanisms for daily financial transactions of people across the nation. Thirdly, one important risk can arise from failure of assessing business directions accurately in line with the current global conditions. This is called strategic risk that leads to long-term damage and inhibits competitiveness in the financial market.



A shareholder commended the Bank for creating premium to its shares relative to those of other large banks in the country despite having lower capital base, thanks to its continuity of efficient business management and favorable income growth. In addition, the Bank had been able to comply with the Basel III Accord. The shareholder then recommended that the Bank seek extra income from its capital, in terms of interest and fees incomes from existing capital and liquid asset prior to the full enforcement of the Basel III Accord in the next five years.

The Chairman thanked the shareholder for his recommendations.

There were no more questions from the shareholders.

The Meeting duly acknowledged the Board of Directors' Report of year 2013 operations.

3. To Consider Approving the Financial Statements for the Year Ended December 31, 2013

The Chairman asked the Meeting to consider approving the Financial Statements for the year ended December 31, 2013, which had been considered by the Audit Committee and audited by the Certified Public Accountants. Details were as presented in the 2013 Annual Report, which had been delivered to the shareholders together with the Notice of this Meeting. The Chairman asked Mr. Teeranun Srihong, President, to present a report on key details to the Meeting.

Mr. Teeranun Srihong, President, reported to the Meeting the Bank's Consolidated Financial Statements for the year ended December 31, 2013, summarizing that:

Statement of Financial Position

The Bank's assets totaled approximately Baht 2.29 trillion, increasing over year by approximately Baht 212,600 million; total liabilities amounted to about Baht 2.05 trillion, increasing over year by approximately Baht 176,400 million; total KBank equity amounted to approximately Baht 219,200 million, increasing over year by approximately Baht 34,200 million. Some key changes were seen in the following items:

- Loans equaled approximately Baht 1.43 trillion, increasing over year by approximately Baht 112,200 million. These loans were largely commercial loans, trade financing and working capital.
- Deposits equaled approximately Baht 1.52 trillion, increasing over year by approximately Baht 138,400 million, due mainly to an increase in savings deposits.
- Unappropriated Retained Earnings equaled approximately Baht 159,900 million, increasing over year by approximately Baht 34,200 million, due largely to an increase in net income in 2013 by Baht 41,300 million, but the Bank made some Baht 7,100 million in dividend payouts in April and September 2013.



Statement of Comprehensive Income

The Bank's consolidated net income for 2013 totaled Baht 44,800 million, including about Baht 41,300 million of net income under KBank. Significant changes were seen in the following items:

- Net interest income totaled Baht 72,700 million, increasing over year by Baht 9,200 million, due mainly to loan growth.
- Non-interest income amounted to Baht 48,100 million, increasing over year by Baht 7,400 million, due largely to higher net fees and service income, and net premium earned.
- Other operating expenses totaled Baht 52,900 million, increasing over year by Baht 5,900 million, mainly from expenses to expand sale and service channels, and support financial products and services.

From the Statement of Financial Position and Statement of Comprehensive Income, as above, the President requested the Meeting to approve the Financial Statements for the year ended December 31, 2013.

A shareholder asked about the definition of collateral per credit support annex.

The Chairman explained that collateral per credit support annex is the money that the Bank deposits with its counterparties to accommodate transactions in the capital market. It is needed because conducting transactions in the capital market can result in both losses and profits. If the Bank incurs losses, such collateral has to be written-off.

A shareholder inquired about the Bank's marketing and public relations expenses in 2013, plus the growth rate. With regard to the 40 percent increase in impairment loss on loans and debt securities from the 2013 operating results, wherein the Bank explained that such increase had been set aside to facilitate systematic risk that may arise during the cyclical downturn in the economy, the shareholder asked whether the Bank is normally required to set aside such reserve or not, if so, at what amount. If it had been set aside at higher level, would there be some impact on the Bank's net profit in 2013, and, in turn, dividend payment? In addition, when the Bank opened a new overseas branch in Chengdu, China and invited a number of press members there. What are the Bank's criteria in selecting those press members to attend the opening ceremony.

The Chairman explained that the Bank had set aside a marketing budget at Baht 5 billion in 2013, up approximately 35 percent over the preceding year. In the annual business plan, the amount of marketing budget is typically set in line with the income target realized from brand promotion activities, being prerequisite for business operations. With regard to the opening of Chengdu branch, it is part of the Bank's plans to make greater inroads into China that had been initiated 10 years ago. Chengdu branch is KBank second branch in Western China, which is an important region and not very far from Thailand, following the successful opening of its first Shenzhen branch there. Inviting press members to join in the



trip would be part of the Bank's public relations, for cordial relationships with them, which would help promote KBank activities for public recognition. The Bank has the criteria for determining an appropriate number of the press members and their respective agencies to join in each trip.

As for the amount of impairment loss on loans and debt securities, it was in line with conditions in the economic and commercial banking systems. KBank has always set aside sufficient reserves for bad debt, but due to the overall sluggishness seen in overall economy in 2013, the Bank of Thailand requested all commercial banks to set higher amount of reserves for which KBank deemed that it was not too high, according to the appropriate criteria.

A shareholder referred an item on loss (gain) on remeasurement of available-for-sale investments in the 2012 Statements of Comprehensive Income that showed approximately Baht 4 billion in profit, whereas there was a substantial loss reported in the 2013 Statements of Comprehensive Income. The shareholder asked about details and reasons for the loss, plus the Bank's actions on this matter.

The Chairman attributed the loss to the consolidation of the Bank's financial statements with those of Muang Thai Life Assurance PCL., in which KBank is the major shareholder. When Muang Thai Life Assurance PCL. used the money to invest in the stock market and the stock prices fell, that loss was later recorded in KBank's financial statements.

A shareholder asked the Bank to clarify an item regarding properties foreclosed – net reported in Notes to the Financial Statements, showing that the value of properties foreclosed received from debt repayment is classified into the value appraised by an external valuer and an internal valuer, and would like to know the reason why the Bank did not use an external valuer to appraise all properties foreclosed.

The Chairman explained that the Bank will only appraise properties foreclosed having the prices less than Baht 50 million because it is more effective than using an external valuer. However, the Bank has to use an external valuer for properties foreclosed having the prices more than Baht 50 million per the Bank of Thailand regulations.

A shareholder recommended that the Bank use marketing excellence to promote new financial products and generate more income from its cost-centers. For instance, the Bank may conduct public relations campaigns via CSR related activities or ATMs. The shareholders also commended the Bank for being able to attain high deposit base, thus helping enhance confidence in the market, adding that the Bank could generate additional income from such deposits through Interbank mechanisms.

A shareholder pointed out his observations that queues at most branches are quite long. The Bank's Annual Report shows that there is higher personnel expense despite the fact that the Bank once introduced a reengineering program and reduced the number of employees. He asked the Bank to consider enhancing the efficiency of its personnel and various electronic services.



A shareholder expressed his views related to the previous shareholder that he had visited one of KBank branches and there was insufficient number of counter-service staff there. Besides, such staff spent a long time servicing each customer. The shareholder asked the Bank to consider improving this matter.

The shareholder expressed his views further on the queue system and budget for personnel development that the Bank should introduce a smart queue system for greater efficiency, wherein the customers can fill out their transaction requests at the queue machine so that the staff can view such information from the queue number. This should require less budget than that for personnel development because the smart queue system does not require various forms to be printed out, thus saving on costs.

The Chairman thanked the shareholders for their recommendations, which would be taken note for consideration.

A shareholder expressed his views on the gross NPLs to loan ratio in 2013 that it should be better than that reported in 2012, because the ratio declined. However, the Annual Report attributed the decline to loan growth, while there was growth in net NPLs, as well. This, therefore, means that net NPLs of the Bank would be about to rise, representing a cause for concern. This coupled with news reports of warnings given by the Bank that SMEs began to experience some problems because of unfavorable economic conditions. The shareholder also asked about the extent of the effects from the government's failure in making rice payments to farmers. Although KBank existing capital is higher than the Bank of Thailand minimum requirement or Basel II and III requirements, the shareholder wondered if the existing capital would be sufficient for business expansion of the Bank. He also expressed his views on the Bank's life insurance business that requires employees to achieve a set sales target; otherwise, they might be transferred for other assignments. Such a policy might cause the Bank to lose good employees who have customer service skills and sound performance records.

The Chairman thanked the shareholder for his recommendations and explained with regard to the Bank's capital that it is important to maintain adequate capital against the loan volume and within the minimum requirement of the Basel III Accord in the future, which will be higher than the existing one. Amid many challenges foreseen in the financial world ahead, the Bank must maintain capital at greater than 12 percent, being a stable level that should not put us in any risky position. The Bank's existing capital will be able to accommodate loan growth within 1-2 years, so there is no cause for concern at this time and its capital is considered as not too much and not too less.

A shareholder expressed his views further on the Bank's move to promote sales of life insurance policies that this may affect the image of the Bank. This is because when a customer buys insurance policies from a manager, such a manager will have to take care and may relax certain regulations for that customer in return, which would likely lead to fraud. As a result, the Bank may incur losses or subject to litigations. Thus, the Bank should adopt sound control systems and stringent document inspection procedures.



The Chairman took note of the matters for examination.

A shareholder referred to a case that if a customer deposits money into his savings account, but a bank staff changes it to the form an insurance deposit; the shareholder asked if the Bank can rectify this or not, and what channels can the customer file the complaints to. This is to provide information for shareholders to make clarifications in the case that this issue is posted on Pantip website. The shareholder also requested the Bank to adjust the performance or appraisal ranking of credit officers at upcountry branches so that they can compete with those at Bangkok branches because of the difference in transaction volume.

The Chairman thanked the shareholder for his recommendations.

There were no more questions from the shareholders.

The Meeting considered the matter and cast votes.

The Corporate Secretary announced the voting results.

There were 1,189,767,894 votes approving, equal to 99.9998 percent of all votes of shareholders in attendance and casting votes; 2,000 votes disapproving, equal to 0.0001 percent of all votes of shareholders in attendance and casting votes; 1,611,034 votes abstaining. There were no invalid votes.

In conclusion, the Meeting resolved, by a majority of shareholders attending the Meeting and casting their votes, to approve the Financial Statements for the year ended December 31, 2013, as proposed.

4. To Consider Approving the Appropriation of Profit from the 2013 Operating Results and the Dividend Payment

The Chairman requested the Meeting to consider approving an appropriation of profit from the 2013 operating results, and dividend payment, as presented to the Meeting by Mr. Teeranun Srihong, President.

Mr. Teeranun Srihong, President, proposed an appropriation of profit from the 2013 operating results, and dividend payment, as noted below:

- No legal reserve appropriation because KBank's legal reserve had already reached the amount required by law.
- Dividend on ordinary shares of Baht 3.50 per share, for a total dividend payment of Baht 8,376 million, equivalent to 22.32 percent of the 2013 net profit. KBank had made an interim dividend payout at the rate of Baht 0.50 per share on September 26, 2013, equivalent to the total of Baht 1,196 million, and would pay out the remaining dividend at the rate of Baht 3.00 per share, amounting to Baht 7,180 million. The Bank had scheduled the record date on April 17, 2014 to determine the shareholders entitled to receive the dividend, and set the shareholder register book closing date and suspension of share transfer on April 18, 2014 to compile the list of shareholders. The dividend payment had been scheduled for April 30, 2014. The Board of Directors had considered the above rate as appropriate, as the



Bank's capital status would remain solid and able to continue supporting growth and business expansion in the years ahead.

A shareholder inquired about dividend payment of the Bank for 2013, wherein he noticed in the withholding tax receipt from the Stock Exchange of Thailand that the first dividend payment was at 23 percent and at 20 percent for second half of 2012. The shareholder pointed out his observations over the dividend payment policy that shareholders of many companies had recently called on those companies to make dividend payments from accumulated profit, so that small shareholders could get higher tax credit from such dividend payments. The shareholder, therefore, proposed that the Bank consider making dividend payment from accumulated profit next year for the Bank could not do so this year as the Bank had already announced in advance that dividend payment be made on net profit. In addition, the Bank had made relatively small amounts of dividend payment, given the profits over recent years. Because the Bank is required to pay less corporate tax at 20 percent now compared with 23 percent and 30 percent before, but returns for shareholders increased only slightly, the Bank, therefore, should consider making higher dividend payment. Last year, bad debt and doubtful accounts grew for unusual reasons, and if possible, the Bank should consider cutting the amount of bad debt so as to bolster net profit and, in turn, dividend payment for shareholders.

The Chairman took note of said comment. Because this matter is related to taxes, the shareholder was requested to leave his name and address with the staff so that the Bank could provide official explanations in due course.

A shareholder expressed his views that dividend payment for every business is based on the percentage of profit. With regard to the preceding shareholder's view on the need to allow minor shareholders with low income to get higher tax credit from dividend payment based on accumulated profit, the shareholder pointed out that at 30 percent corporate tax, tax credit would be three-sevenths of the dividend payment, wherein the Bank does not have to make any incremental payment. In the past, the Bank had used the money from shareholders to seek returns, so whatever the Bank profits from such investment, it should pay back to shareholders at the corresponding amount. If the Bank needs to use the money, it may pay back shareholders in the form of dividend stocks. The Bank may have to work harder to keep profit per share intact. Paying dividend to shareholder in the form of dividend stocks means that money does not flow out of the business and minor shareholders shall profit from tax credit, meaning that there is more cash flow to help stimulate the economy. The shareholder, therefore, proposed that the Bank increase dividend payment next year.

The Chairman thanked the shareholders for their recommendations, which would be noted for consideration.

There were no more questions from the shareholders.

The Meeting considered the matter and voted.



The Corporate Secretary announced the voting results.

There were 1,185,491,143 votes approving, equal to 99.6229 percent of all votes of shareholders in attendance and casting votes; 4,487,134 votes disapproving, equal to 0.3770 percent of all votes of shareholders in attendance and casting votes; and 1,512,634 votes abstaining. There were no invalid votes.

In conclusion, the Meeting resolved, by a majority of shareholders attending the Meeting and casting votes, to approve the appropriation of profit from the 2013 operating results and dividend payment, as proposed, as well as acknowledging the interim payment at the rate of Baht 0.50 per share on September 26, 2013.

5. To Consider the Election of Directors to Replace those Retiring by Rotation

The Chairman 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. The directors retiring by rotation at this Meeting were:

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| 1. Prof. Dr. Pairash Thajchayapong | Independent Director |
| 2. Ms. Kobkarn Wattanavrangkul | Independent Director |
| 3. Mr. Krisada Lamsam | Non-Executive Director |
| 4. Mr. Teeranun Srihong | Executive Director |
| 5. Mr. Rapee Sucharitakul | Non-Executive Director |

The Chairman requested Mr. Somchai Bulsook, 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 the Human Resources and Remuneration Committee had considered the re-election of the aforementioned directors, and was of the opinion that the five directors referred to earlier were fully qualified without any prohibited characteristics for election as directors of a financial institution in accordance with related laws. Their qualifications, skills, knowledge, competency and experience were as specified by the Bank. In addition, they had performed their duties with full responsibility, due care and integrity in compliance with the regulatory requirements, objectives and Articles of Association of the Bank, resolutions of the Board, as well as resolutions of the General Meeting of Shareholders. All of the directors had contributed greatly to the Bank's business. The Human Resources and Remuneration Committee had presented the above comment to a recent Meeting of the Board of Directors. At that meeting, the Board of Directors, excluding these five nominated directors, endorsed the proposal made by the Human Resources and Remuneration Committee.

The Meeting was, therefore, requested to consider approving the re-election of these five directors as directors of the Bank, each for one more term. All the proposed directors had received concurrence from the Bank of Thailand. Their biographies and experience, as well as the definition of an independent director,



were presented in Annex No. 3 attached to the Notice of the current Meeting, which had been sent to all shareholders prior to the Meeting.

A shareholder was of the view that the Chairman who has been taking a dual position as the Chairman and Chief Executive Officer for a year now. Although this is not illegal, it may not be in line with good corporate governance. He also wondered whether appointing a director of the Stock Exchange of Thailand (SET) as a director of the Bank, being a listed company under the supervision of the SET, though not illegal as well, would be transparent or not.

The Chairman explained that the Bank had created checks and balances in the Board of Directors in the case that the Chairman takes a dual position as the Chairman and Chief Executive Officer. Such checks and balances are seen in the number of independent directors which accounts for more than half of the number of the Board of Directors. If the newly elected director is included, the number of independent directors of the Bank will increase to 10 compared with 18 members in the Board of Directors. In addition, the Independent Director Committee had been established with Mr. Somchai Bulsook, Vice Chairman of the Board, being appointed as Lead Independent Director. There are separate meetings of the Independent Directors Committee from the meetings of the Board of Directors, in order to consider the matters of importance to KBank management, especially credit requests by large corporate customers, for which they will provide independent recommendations and observations for the Board. This is to provide checks and balances between the Independent Director Committee and KBank Management in conformity with the good corporate governance principles. Therefore, the shareholders can be assured of transparent management of the Bank and its ability to safeguard benefits for all parties in an impartial manner without domination of the management or other persons. This structure had received concurrence from the Bank of Thailand. With regard to the appointment of the director of the SET as a director of the Bank, there is only one member, namely Mr. Rapee Sucharitakul, Independent Director of the SET, whereas Mr. Somkiat Sirichatchai is a member of the Risk Management Sub-Committee of the SET, not a director of the SET. The Chairman explained further that both directors referred earlier are not independent directors of the Bank, thus having no roles in the Meetings of the Independent Director Committee. The Bank has selected directors that are fully qualified per the regulatory requirements through a transparent process. They have knowledge and experiences that are beneficial to the Bank's businesses.

A shareholder stated in support of Mr. Banthoon Lamsam as the Chairman and Chief Executive Officer of KBank because he has competency and experiences in the banking business. Moreover, the shareholder proposed that the Executive Directors with authorized signatory be granted higher remuneration than other types of Directors because of their extensive responsibilities. Their bonuses should be based on dividend payment or net profit, depending on which is higher. The shareholder also agreed with the preceding shareholder's proposal that dividend payment be based on retained earnings.

A shareholder asked about the qualifications and nomination procedures of directors.



The Chairman explained that the Board of Directors consists of individuals with diverse knowledge in financial, business and other fields so that they can provide different views to ensure that all matters are thoroughly considered. This is reflected in the diverse experiences of the Board of Directors, especially in the economic and financial fields. The performance of each Director is evident and they have good reputation without any flaw in their historical records, especially Independent Directors whose qualifications are under stringent consideration than other types of Directors, thus making it more difficult to find suitable persons as Independent Directors of the Bank. In proposing the election of Directors, the Bank always opens an opportunity for shareholders to propose any qualified persons to be elected as Directors per the regulations of the Bank. The Bank has a selection process for electing Directors which are considered by the Human Resources and Remuneration Committee prior to proposing them for the Bank of Thailand approval.

There were no more questions from the shareholders.

The Chairman of the Human Resources and Remuneration Committee informed the Meeting, for this agenda item, the Bank had provided the opportunity for shareholders to propose any qualified candidates for directorship election prior to the official schedule of the General Meeting of Shareholders. There were no shareholders proposing a candidate for the directorship election.

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

The Corporate Secretary announced the voting results, as follows:

1. Prof. Dr. Pairash Thajchayapong:
 - Approved by shareholders representing 1,164,787,668 votes, equal to 97.8974 percent of all votes of shareholders in attendance and casting votes;
 - Disapproved by shareholders representing 25,015,948 votes, equal to 2.1025 percent of all votes of shareholders in attendance and casting votes;
 - Abstentions totaled 1,688,398 votes;
 - No invalid ballots.
2. Ms. Kobkarn Wattanavrangkul:
 - Approved by shareholders representing 1,165,837,725 votes, equal to 97.9949 percent of all votes of shareholders in attendance and casting votes;
 - Disapproved by shareholders representing 23,854,431 votes, equal to 2.0050 percent of all votes of shareholders in attendance and casting votes;
 - Abstentions totaled 1,799,858 votes;
 - No invalid ballots.



3. Mr. Krisada Lamsam:

- Approved by shareholders representing 1,181,510,874 votes, equal to 99.3032 percent of all votes of shareholders in attendance and casting votes;
- Disapproved by shareholders representing 8,289,636 votes, equal to 0.6967 percent of all votes of shareholders in attendance and casting votes;
- Abstentions totaled 1,691,504 votes;
- No invalid ballots.

4. Mr. Teeranun Srihong:

- Approved by shareholders representing 1,181,551,740 votes, equal to 99.3196 percent of all votes of shareholders in attendance and casting votes;
- Disapproved by shareholders representing 8,094,256 votes, equal to 0.6803 percent of all votes of shareholders in attendance and casting votes;
- Abstentions totaled 1,846,018 votes;
- No invalid ballots.

5. Mr. Rapee Sucharitakul:

- Approved by shareholders representing 1,110,315,665 votes, equal to 93.3283 percent of all votes of shareholders in attendance and casting votes;
- Disapproved by shareholders representing 79,372,331 votes, equal to 6.6716 percent of all votes of shareholders in attendance and casting votes;
- Abstentions totaled 1,804,081 votes;
- No invalid ballots.

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

6. To Consider the Election of a New Director

The Chairman informed the Meeting that the Bank's Articles of Association stipulate that, "The Bank must have at least 7, but no exceeding 18, directors." At present, the Bank had a total of 17 directors. The Board of Directors had concurred with the proposal of the Human Resources and Remuneration Committee and deemed it appropriate to propose to the General Meeting of Shareholders to elect one more director, Ms. Puntip Surathin, putting the total number of Bank's directors to 18.

The biography and experience of the proposed new director were presented in Annex attached to the Notice of the current Meeting, which had been sent to all shareholders prior to the Meeting.

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The Chairman requested Mr. Somchai Bulsook, 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 the Human Resources and Remuneration Committee had considered Ms. Puntip Surathin as fully qualified without any prohibited characteristics for appointment as a director of a financial institution, in accordance with related laws. Her qualifications, skills, knowledge, capability and experiences would be of benefit to the Bank. Ms. Puntip Surathin is qualified as Independent Director per criteria of the Bank and under concurrence of the Bank of Thailand.

A shareholder asked the voting criteria at the Meetings of the Board in the case that there is a tied vote, and whether it is necessary to have a maximum of 18 members of the Board of Directors.

The Chairman explained that Ms. Punthip Surathin has knowledge and experiences in the monetary and fiscal fields, which are required by the Bank. In the case of a tied vote, there had not been such as case at any Meeting as all directors could reach a resolution. If there is a tied vote, the Chairman of the Meeting shall have a deciding vote.

The Chairman of Human Resources and Remuneration added that the new director will be an Independent Director of the Bank per the wish of the Board that s as many Independent Directors as possible to provide checks and balances.

A shareholder expressed his approval in considering electing Ms. Punthip Surathin as a new Director of the Bank because she will be able to apply her experience to maximize benefit for the Bank's businesses.

There were no more questions raised from the floor.

The Meeting considered and cast votes to elect a new director.

The Corporate Secretary announced the voting results, as follows:

There were 1,189,857,520 votes approving, equal to 99.9952 percent of all votes of shareholders in attendance and casting votes; 56,970 votes disapproving, equal to 0.0047 percent of all votes of shareholders in attendance and casting votes; and 1,578,514 votes abstaining. There were no invalid votes.

The Meeting resolved, by a majority of the shareholders with votes in attendance at the Meeting and casting their votes, to elect Ms. Puntip Surathin as the Bank's director.

7. To Consider Approving the Remuneration of Directors

The Chairman asked the Meeting to consider approving the remuneration of directors and notified the Meeting that for voting on this agenda item, parties with an interest in the matter – notably the directors – who are also shareholders of the Bank were not eligible to vote. The Chairman requested that Mr. Somchai Bulsook, Chairman of the Human Resources and Remuneration Committee, present the agenda item to the Meeting.



The Chairman of the Human Resources and Remuneration Committee had referred to the resolution of the General Meeting of Shareholders No. 101, on April 3, 2013, approving the directors' remuneration and bonuses, which would be effective until the Shareholders' Meeting determines otherwise. For the year 2014, the Human Resources and Remuneration Committee deemed it appropriate for the General Meeting of Shareholders to approve the remuneration for Directors to remain at the same rate as that of 2013, as approved by the General Meeting of Shareholders No. 101, as follows:

1) Monthly remuneration for the Board of Directors' Meeting:

Chairman totals Baht 154,000

Vice Chairman totals Baht 115,500 per person

Director totals Baht 100,000 per person

2) Monthly remuneration for Independent Directors totals Baht 30,000 per person.

3) Monthly remuneration for the Audit Committee:

Chairman totals Baht 90,000

Director totals Baht 60,000 per person

4) Monthly remuneration for the Corporate Governance Committee:

Chairman totals Baht 50,000

Director totals Baht 36,000 per person

5) Monthly remuneration for the Humans Resources and Remuneration Committee:

Chairman totals Baht 50,000

Director totals Baht 36,000 per person

6) Monthly remuneration for the Risk Management Committee, for Non-Executive Directors only:

Chairman totals Baht 50,000

Director totals Baht 36,000 per person

7) Monthly remuneration for Legal Advisor totals Baht 330,000

8) Bonus is at 0.5 percent of total dividend payment

The Board of Directors' bonus shall be at 0.5 percent of total dividend payment from the 2013 operating results. Because the Bank paid the Board of Directors' bonus together with interim dividend on September 26, 2013, totaling Baht 5,983,090 million, it was deemed appropriate to propose for the General Meeting of Shareholders' approval the remaining bonus payment, totaling Baht 35,898,963.37, payable with the remaining dividend payment.

No questions were raised from the floor.

The Meeting considered the matter and cast their votes.

The Corporate Secretary announced the voting results, as follows:

There were 1,145,915,985 votes approving, equal to 96.5283 percent of all votes of shareholders in attendance; 39,644,725 votes disapproving, equal to 3.3395 percent of all votes of

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shareholders in attendance; and 1,568,594 votes abstaining, equal to 0.1321 percent of all votes of shareholders in attendance. There were no invalid ballots.

In conclusion, the Meeting resolved, with the votes of not less than two-thirds of all shareholders who were in attendance at the Meeting, to approve the Board of Directors' remuneration and bonus, as proposed.

8. To Consider Approving the Appointment and the Fixing of Remuneration of the Auditor

The Chairman of the Meeting asked the Meeting to consider approving the appointment and fixing remuneration of the auditor for 2014, as proposed by the Audit Committee. The Chairman asked Prof. Khunying Suchada Kiranandana, Chairperson of the Audit Committee, to present a report on key details to the Meeting.

The Chairperson of the Audit Committee presented to the Meeting that the Audit Committee had considered the agenda, and deemed it appropriate to propose the appointment of the following certified public accountants of KPMG Phoomchai Audit Limited, as the Bank's auditors for the year 2014, comprising:

- | | |
|-------------------------------|--------------|
| 1. Mr. Supot Singhasaneh | CPA No. 2826 |
| 2. Mr. Nirand Lilamethwat | CPA No. 2316 |
| 3. Ms. Wilai Buranakittisopon | CPA No. 3920 |

Any of them shall be empowered to audit, produce and sign the financial statements. All of the above auditors were under concurrence by the Bank of Thailand as auditors of the Bank, per letter ref. For. Kor. Kor (02) 61/2557, dated February 24, 2014. With regard to the audit fees, KPMG Phoomchai Audit Limited had proposed a total fee of Baht 13,063,000, higher than that of the previous year by Baht 423,000, including the annual audit fees for domestic audit, which increased from 2013 by Baht 150,000, or 1.67 percent, due to the expansion of audit duties to facilitate the Bank's continuous business growth and new financial reporting standards that came into effect in 2013. The audit fee for overseas branch audit, expressed in Baht terms, increased from 2013 by Baht 273,000, or 7.46 percent, due to the expansion of audit duties to accommodate new operational systems, increased transactions resulting from the Bank's business expansion, and the opening of new branches in China. In detail:

1. Audit fees for the annual and periodical audit for the Bank's financial statements and its consolidated financial statements total Baht 6,000,000;
2. Audit fees for quarterly review of the Bank's financial statements and its consolidated financial statements total Baht 3,130,000;
3. Audit fees for overseas branch audits, expressed in Baht terms, total Baht 3,933,000.

Other audit fees that may additionally be incurred under the regulatory requirements shall be under the discretion of the Management Committee. In addition, to ensure a uniform accounting policy and audit



standards between the Bank and its subsidiaries, KPMG Phoomchai Audit Limited was assigned to audit 28 wholly-owned subsidiaries of KASIKORNBANK, as shown in Annex No. 6 to the Notice of this Meeting. The total audit fee for the Bank's wholly-owned subsidiaries for 2014 increased slightly over 2013 by Baht 80,300, or approximately 0.73 percent.

A shareholder inquired about reasons for the increase in audit fee every year, details of the audit fee for the 2012 accounting year and criteria for selecting an external auditor. The shareholder also recommended that the Bank rotate and change the auditor so that the new auditor can provide different perspectives which should benefit auditing functions of the Bank.

Chairperson of the Audit Committee explained that audit fees for the 2012 accounting year comprised audit fee for the Bank's financial statements and its consolidated statements at Baht 8,763,000 and audit fee for overseas branches at Baht 3,145,000, bringing the total to Baht 11,908,000. The reason for the increase in audit fee was due to the expansion of audit duties for the Bank, constant improvements and changes in accounting standards, plus new regulatory requirements. The audit fee for an overseas branch is based on audit fee in a respective country, which also increased during the 2012 accounting year. However, the audit fee in the country grew at only 2 percent during the 2012 accounting year and just 1 percent during this accounting year. In addition, the audit company that the Bank is using is one of the four world-class companies under the concurrence of the Bank of Thailand and the Office of Securities and Exchange Commission (SEC). This audit company posted favorable operating results last year and was able to respond to the Bank's needs, thus performing their audit duties efficiently. The selection of an audit company did not base on bidding, but on its auditing quality. As for a recommendation to rotate the auditor, this matter had already been stipulated by the SEC, e.g., prohibiting the same auditor from signing the audit reports of financial statements for more than five years. In addition, the auditor has to be rotated even if the Bank uses the same audit company. The Audit Committee of KBank places great importance on this matter and trust that such audit company will carry out its tasks well.

A shareholder expressed his approval for the Bank to appoint KPMG Phoomchai Audit Limited, being one of four world-class audit companies, as the Bank's auditor and fix remuneration of the auditor in Baht or US Dollar to ease foreign exchange risk.

The Chairman thanked the shareholders for their recommendations.

There were no more questions from the shareholders

The Meeting considered the matter and cast their votes.

The Corporate Secretary announced the voting results, as follows:

There were 1,183,295,574 votes approving, equal to 99.4561 percent of all shareholders in attendance and casting votes; 6,471,116 votes disapproving, equal to 0.5438 percent of all votes of shareholders in attendance and casting votes; plus 1,728,914 votes in abstention. There were no invalid ballots.



In conclusion, the Meeting resolved, by a majority of shareholders attending the Meeting and casting votes, to appoint the auditors and fix the remuneration for auditors as proposed, and to authorize the Management Committee to consider other audit fees that may additionally be incurred under the regulatory requirements.

9. Other Businesses (if any)

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

A shareholder pointed out his observations about KBank's debit card services that its spending limit is quite low, while the annual fee is quite high, compared with those issued by other large banks. He inquired the Bank's market survey results on the debit cards, with the designs of copyrighted cartoon characters and recommended that the Bank offer additional debit card transactions, such as balance enquiry, funds transfer between linked accounts, other account funds transfer and bill payments without any limit set for the number of transactions, though the amount of those transactions may be set. The shareholder also requested the Bank to ensure that branch employees pay proper attention to their services, whereby the Bank may tighten its recruitment criteria. In addition, the internal audit unit should be responsible for receiving complaints from the customers because they are more effective in handling the matter. He continued that, as the Bank had improved its services by cancelling cash withdrawal and deposit forms, leaving only the cheque deposit form, but branch employees still had to fill out forms at counters, thus resulting in delays in services. The shareholder was of the view that such service improvement may not be applicable to some cases, e.g. authorized corporate customers or payments for K-Credit Cards. Therefore, the Bank should consider improving this service.

The Chairman responded that all complaints will be considered and handled properly in order to make sure that the customers are satisfied with the Bank's services. With regard to marketing and competition, these matters will be handled by responsible departments. Branch services, in fact, involve several technical and operating processes, which would be noted for further consideration.

A shareholder commended the Bank for sponsoring the production of the "Nine Troops War" documentary cum drama, for which he hugely enjoyed. He asked about the Bank's policy on ATM location because, in some locations, he saw more than one K-ATMs at the same location. Moreover, he was told by one of KBank's customers that this customer had made mortgage repayments with the Bank for over a year, but had not yet gotten any receipt from the Bank, or any promotional item. He also asked about the existing gap of knowledge and experience of the Board of Directors. In addition, because the minimum lending rate (MLR) is based on the Bank of Thailand policy rate, but if the MLR continued to drop, what impact on the Thai economy would be? If a customer borrowed funds for investment and encounters any unexpected problem, would there be a drop in NPLs? The shareholder asked if the Bank of Thailand's tighter control over lending would make it more difficult for banks to extend loans. He also asked pros and cons between lending under sound corporate governance and lending under control by the Bank of Thailand.



The Chairman explained that the Bank now has a maximum of 18 directors whose diverse knowledge should help support business operations of the Bank. It must be noted that finding competent directors is quite difficult because of many regulations involved. Besides, they must have proven performances and do not have obligations at other organizations. The Bank, however, allows shareholders to propose any qualified director to be elected at the General Meeting of Shareholders. With regard to MLR, commercial bank lending is generally based on an interest rate at a certain period. Whether or not it correlates with economic condition, attention should be paid to balance between the amount of lending in the system and economic conditions. In unusual conditions amid sluggish economy, commercial banks have to consider cutting their growth targets because they cannot inject cash into the system without taking into account the economic growth. If the situation eases, the economy may recover because the country's basic infrastructures have not been damaged, but there will be more challenges than in the past because of high competition. Massive lending, without proper risk control as in the 1997 financial crisis, resulted in huge damage to the country. The Bank of Thailand has to maintain sound balance in credit extension from time to time in order to avoid massive losses as in the past.

A shareholder proposed that the Bank record names of shareholders inquiring various matters at the General Meeting of Shareholders. He inquired about the Bank's vision and readiness to cope with heightened competition now and in the future as many foreign banks had acquired shares of Thai commercial banks, or if KBank may acquire businesses abroad, or if there is any company trying to jointly invest with KBank. He also asked if the Bank has any policy of preventing robbery at branches as seen from many news reports. Lastly, he commended the Bank for being able to bolster operating results, adding that KBank is truly a leader in internet banking.

The Chairman thanked the shareholder for the recommendations and elaborated more on competition that during the 1997 financial crisis, the world was eyeing the Thai commercial bank system and although overseas funds were bought into Thailand and international banks changed hands as major shareholders of Thai commercial banks, the management system structures of most Thai commercial banks were managed by Thai nationals, so this reflects that Thai people have the potential to manage financial system of the country. KBank's Board of Directors or those of other banks have paid due care to various types of risk, but most importantly they must ensure that the economic system is well sustained, utilizing the financial institution system to pave the way for sustainable prosperity. As for frequent bank robberies as reported by the media, although there would be only minimal impacts on shareholders, because the money is generally covered by insurance, the Bank have sought proper preventive measures, most importantly, there must be assurance of safety to all parties if such an incident occurs. Certain measures that most banks will introduce to prevent bank robberies is a ban on helmet wearing when entering the bank premises.

A shareholder inquired about the case of frequent complaints being filed towards KBank employees and such employees had been proven to lack competency in performing their duties. He wondered whether the law would allow the Bank to terminate their employment without severance pay. He believed that



personnel development expenses will decline, and KBank employees will be more efficient and complaints from the customers will reduce.

The Chairman explained that the Bank has a stringent performance appraisal process for all employees. Remunerations and awards are performance-base, aimed at encouraging employees to improve their efficiency. For those who cannot meet their operational targets, the Bank will find ways to improve their potential.

A shareholder inquired about the Thai economic outlook for 2014 and future of KBank, plus plans to cope with related changes after surviving crises twice. He said the world is now more integrated than before, while financial problems are mostly found among the world leaders. Although news reports said that the global economy would improve last year, it was evident that the recovery did not happen to all indicators. If a financial crisis occurs, the financial sector will be affected first with no exception to domestic banks in Thailand.

The Chairman explained that the Thai economy declined evidently. Most financial institutions revised their loan growth targets. Although the capital market sector, which assesses operating results of companies in the capital market, lowered their expectation because they realize that most companies would be unable to expand their businesses as planned. However, this is not the worst scenario. If domestic situation returns to normalcy, growth will resume. This is common everywhere. The USA took many years for recovery from crisis, which has not been confirmed yet. Likewise, China is not so certain with its growth forecast at 7.5 percent because of many unsolved problems at home. Every country will have to solve their own problems and find ways back to recovery, which will not happen so soon.

A shareholder inquired about a video clip scandal of a marching band of a school that was linked with an executive of KBank, claiming the Bank was preparing to donate a sum of money after that marching band won the contest. He wondered if this would be under the Bank's advertising plan.

Mr. Predee Daochai, President, explained that the Bank has normally conducted Corporate Social Responsibility activities in various areas, but as for this case, the Bank did not donate any money.

A shareholder commended the Bank for introducing the best voting procedures at this General Meeting of Shareholders for the results were announced instantly after the voting.

A shareholder commended the Bank for introducing a debit card that can be used as an ATM card without any fee service, while many other commercial banks had cancelled this service. He wanted the Bank to continue this service and recommended that Bank allow its credit card holders to retain their credit card numbers in the case of credit card renewal or upgrade, e.g., to platinum credit cards because various bill payments are under auto-debit from their cards.

The Chairman took note of the matters.

A shareholder thanked the Bank for monitoring movements of the Xayaburi Hydropower Project at the level of the Board of Directors based on the benefit of stakeholders, e.g., local communities and the environment. He wanted to clarify a number of issues concerning this project to the Meeting again, as follows:



1) The Xayaburi Hydropower Project has been under construction in the Lower Mekong River in Xayaburi, which is the most fertile land in Southeast Asia and has the world's second highest level of biodiversity, after the Amazon River. Once completed, it will likely cause rapid changes in the water levels in areas located below the dam. The dam is being constructed even if the consultations among member states of the Mekong River Commission (MRC) have not been completed because Lao PDR claims that it has sovereignty over the area. This dam is the run-of-the-river hydropower project, which does not require active storage of water as seen in the six massive dams built on the Mekong River in China. Although the Xayaburi hydropower plant is not a reservoir-type project, it has reservoir that will reach 33 meters once completed. Because this project is also located just 250 kilometers from the Thai border, rapid changes in the water levels below this dam will affect Thai people residing in seven northeastern provinces along the Mekong River. Around mid-December 2013, the water levels below this dam increased rapidly for three days, causing considerable losses to agricultural output in those seven provinces. Water levels in the Mekong River now do not fluctuate naturally according to the seasons as had been assessed by the project. Given this, the shareholder wanted the Bank to conduct a risk assessment on the project, then asked what would the Bank do if the Xayaburi Hydropower Project could not generate electricity according to the set target, plus what would be the Bank's responsibility if this project causes significant damage to communities in seven northeastern provinces.

2) Building "fish passages" into the dam is not feasible. The project claims that it allocated substantial investments in building "fish passages" into the dam so fish can swim upriver to spawn, then swim back downstream to lakes in Cambodia, but the fact is that at least about 600,000 tons of fish will decline because fish species in the Mekong River cannot jump like trout and salmon do, while no agencies have certified that such "fish passages" are practical. The shareholder wondered whether the Bank had received an improved design of "fish passages", or not and if there are damages resulting from this project, how will the Bank be responsible for the society, customers in the northeastern, shareholders and stakeholders cross the country and abroad where the Bank has business presence.

3) He wanted to know KBank loan term for said project, including the Bank's responsibility for shareholders if the project cannot operate as targeted.

4) He wanted to know the Bank's stance for other dams due for construction along the Lower Mekong River.

In addition, the shareholder proposed that the Bank place importance on environment impact assessment and adhere to the Equator Principle, IFC's risk assessment principles and Corporate Accountability when considering social and environmental impacts of the Xayaburi Hydropower Project.

The Chairman explained that there are no simple answers to this dam project because many parties are involved and it is difficult that no one will be affected by such a large dam like the Xayaburi Hydropower Project. Given this, an environmental impact assessment process must be undertaken.



This project must be involved by many parties at national level, e.g., governments of Thailand, Lao, Cambodia and Vietnam, plus organizations having divergent views on the project, as well as financial institutions. The resolution must be based on assessments of their priorities on such matters as marine life, sediment and water levels or impacts on provinces located in the upper and lower northeastern parts of Thailand, plus the impact of dams in China. As a result, there is no one dimension to related mechanisms and impact because all parties are affected. However, the best thing seen in the construction of large projects is the continuous consultation process among stakeholders, including various governments to arrive at the priority, so the project can be carried out together under the leadership of those governments. After all, what is needed is electricity for future development, though it can give rise to both positive and negative impacts. Because various processes of the project are based on legal and financial agreements, related assessments have to be undertaken continuously. The Bank opens the opportunity for discussion and had just received a letter from Director-General of the World Wide Fund for nature (WWF), Thailand, referring specifically to this project in a very friendly gesture. The Chairman thanked the shareholder for providing details of the Xayaburi Hydropower Project at the Meeting.

There are no more questions from the floor.

The Chairman 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 was adjourned at 5:40 p.m.

(Signed) (Mr. Banthoon Lamsam)
Chairman of the Meeting

(Signed) (Dr. Adit Laixuthai)
Corporate Secretary