

**-DRAFT TRANSLATION-**

**TISCO FINANCIAL GROUP PUBLIC COMPANY LIMITED (“TISCO”)**

**MINUTES**

**THE SHAREHOLDER ORDINARY GENERAL MEETING  
FOR THE YEAR 2013**

The meeting was convened in the Conference Room, 12<sup>th</sup> floor, TISCO Tower, North Sathorn Road, Silom, Bangrak, Bangkok, on April 25, 2013, at 14.00 hours.

The directors, Management Committee and auditors presented at the meeting were:

**Directors**

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|---|--|
| 1. Mr. Pliu Mangkornkanok                     | Chairman of the Board of Directors,<br>and Independent Director  |
| 2. Mr. Hon Kit Shing (Mr. Alexander H. Shing) | Vice Chairman of the Board of Directors,<br>and Member of the Nomination and<br>Compensation Committee |
| 3. Ms. Oranuch Apisaksirikul                  | Director, Chairperson of the Executive Board,<br>and Group Chief Executive (Group CEO)                 |
| 4. Ms. Krisna Theravuthi                      | Independent Director, Chairperson of the<br>Nomination and Compensation Committee                      |
| 5. Assoc. Prof. Dr. Angkarat Priebjrivat      | Independent Director and Advisor to the Audit<br>Committee   |
| 6. Ms. Panada Kanokwat                        | Independent Director and Chairperson of the<br>Audit Committee   |
| 7. Prof. Dr. Pranee Tinakorn                  | Independent Director and Member of the Audit<br>Committee  |
| 8. Ms. Patareeya Benjapolchai                 | Independent Director and Member of the Audit<br>Committee  |
| 9. Mr. Chainoi Puankosoom                     | Independent Director   |
| 10. Mr. Hirohiko Nomura                       | Director, Member of the Executive Board and<br>Member of the Nomination and Compensation<br>Committee  |
| 11. Mr. Chi-Hao Sun                           | Director and Member of the Executive Board   |
| 12. Mr. Suthas Ruangmanamongkol               | Director, Member of the Executive Board, and<br>President of TISCO Bank Public Company<br>Limited      |

## **Management Committee**

(\* positions seconded to manage in subsidiary companies)

1. Mr. Sakchai Peechapat Senior Executive Vice President  
(\* Senior Executive Vice President – Retail Banking, TISCO Bank Public Company Limited)
2. Mr. Pitada Vatcharasiritham Senior Executive Vice President  
(\* Senior Executive Vice President – Corporate Banking, TISCO Bank Public Company Limited)
3. Mr. Metha Pingsuthiwong First Executive Vice President  
(\* First Executive Vice President – Retail Banking - Front TISCO Bank Public Company Limited)
4. Mr. Chalit Silpsrikul First Executive Vice President  
(\* First Executive Vice President – Wealth Management & Banking, TISCO Bank Company Limited)
5. Ms. Yutiga Sonthayanavin Executive Vice President  
(\* Managing Director, TISCO Information Technology Company Limited)
6. Mr. Chatri Chandrangam Executive Vice President – Risk and Financial Control

## **Auditors (Ernst & Young Office Limited)**

1. Ms. Ratana Jala
2. Ms. Yuppadee Satchawannakul
3. Ms. Chatmanee Jiravicha
4. Ms. Chorkaew Kaewmorakot

There were also representatives from Bank of Thailand observed the meeting.

Mr. Pliu Mangkornkanok, Chairman of the Board of Directors, chaired the meeting and thanked the shareholders for attending. He stated that Notice of the Shareholder Ordinary General Meeting for the year 2013 had been duly sent out before the date of the meeting, in compliance with TISCO's Articles of Association and other relevant laws. In addition, TISCO had publicly informed shareholders of the meeting's agenda on February 19, 2013 through the dissemination channels of the Stock Exchange of Thailand (SET) and on TISCO's website to allow adequate time to study meeting material.

The Chairman also informed the meeting that TISCO had provided a period from October 3, 2012 - January 7, 2013 for all shareholders to propose any matter which they may deem significant and appropriate to be included as the agenda of the ordinary general meeting. However, no shareholders proposed any matters to be included as meeting agenda.

The Chairman noted that 1,187 shareholders holding 491,822,628 shares, or 67.57% of the total paid-up shares, were present, either in person or by proxy, thereby constituting a quorum as specified under TISCO's Articles of Association. The Chairman hence declared the meeting duly convened.

The Chairman informed the meeting that in accordance with TISCO's Articles of Association regarding voting, every shareholder present in person or being represented by proxy is entitled to one vote per share, with the exception of voting for the election of directors. For this specific agenda, TISCO has implemented cumulative voting procedure. In addition, to accommodate shareholders in voting, shareholders could cast their votes in advance by completing the details of voting on the Registration and Voting Form which had been sent out together with Notices of shareholders' meeting. For those who intended to vote at the meeting, TISCO had made voting forms available prior to the meeting. He added that shareholders who had not cast their votes in advance and intended to vote "Against", "Abstain", or split the votes (in case of foreign shareholder with custodian in Thailand) on any of the agenda items could complete the voting forms, and then submit them to Company's officer to calculate the voting result for each agenda. For cases in which shareholders have appointed a proxy and assigned their proxy to vote as directed, their votes would be recorded in the computer system for calculation on each agenda.

The Chairman also informed the meeting that for shareholders, who wished to leave the meeting before the meeting adjourned, shall return "Registration Receipt" and unused "Voting Form" (if any) to the Company's officer at the entrance of the meeting room.

In addition, TISCO assigned Ernst & Young Office Limited to monitor and oversee the shareholder meeting in order to ensure transparency and compliance with the law and TISCO's Articles of Association. Ernst & Young Office Limited assigned officer as an observer to the registration and vote counting throughout the meeting.

The Chairman proposed that the meeting consider the following agenda:

<b>Agenda 1: To certify the minutes of the Shareholder Ordinary General Meeting for the year 2012</b>
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The Chairman proposed that the meeting certify the minutes of the Shareholder Ordinary General Meeting for the year 2012, convened on April 26, 2012. Copies of the minutes had been sent to shareholders along with the Notice of this meeting.

No shareholder objected or requested that the minutes be amended otherwise. The meeting considered the matter and cast votes.

The voting in this agenda item requires a shareholders' resolution with the majority votes of the shareholders who attended the meeting and casted their votes

**Resolution:** The shareholders **certified** the minutes of the Shareholder Ordinary General Meeting for the year 2012 as proposed, with the votes as presented below:

	<u>Votes</u>	<u>%</u>
• For	489,608,855	100.00
• Against	0	0.00
• Abstain	6,800	0.00
• Void	0	0.00

**Agenda 2: To ratify the Board of Directors' business activities conducted in 2012 as described in the Annual Report**

The Chairman summarised the Board of the Directors' business activities conducted in 2012 and proposed the meeting to ratify the activities. Details were described in the "Report from the Board of Directors" on page A1-A2 of the Annual Report, which had been sent to shareholders along with the Notice of this meeting.

Mr. Ratthawit Ruengprakone, a shareholder, asked and the Management explained the issues as follows;

Question: 1) TISCO Bank Public Company Limited ("Bank")'s credit approval process and loan amount granted to the Xayaburi Hydropower Project in the Lao People's Democratic Republic.

2) Because the project is still in research and consideration process by related parties and could have significantly affect the ecological systems, local communities and the people residing in Mekong River Basin, how TISCO, as the lender will take responsibilities of any effects as well as damages that would incur to the society, environment and shareholder?, and

3) Whether the Bank's project evaluation complied with the Equator Principles, a credit risk management framework for determining assessing and managing environmental and social risk in project finance transactions, based on the International Finance Corporation (IFC)'s principle?

Answer: Ms. Oranuch Apisaksirikul, the Group CEO, explained that Xayaburi Project is an infrastructure project that the Bank together with other large Thai Commercial Banks had provided approximately Baht 88 Billion syndicated loan, with TISCO's portion of over Baht 3 Billion to finance the project. The loan drawdown period is 14 years.

The project was approved, taking into the consideration its importance to national economic growth, moral validity, the project's financial feasibility, repayment ability, including social and environmental impacts and its effect to stakeholders. All relevant aspects were thoroughly considered by all syndicated banks. Besides, the

external experts were hiring to provide further information including engineering, technological and environmental impact. And since the Bank did not have direct expertise and know-how on the subject, the Bank had to consider and take all information to which indicated that there are insignificant social and environmental effects from the project. Ms. Oranuch Apisaksirikul further added that because Xayaburi Dam is a run of water dam operating by water levels differences unlike other dam, potential impact on sediment flows down the river is at low-level. Besides, the natural fish passage system is well maintained so the biological effects on the Mekong fish species are at minimum.

The shareholder further added on the effects on ecology and other related studies and asked the company for further consideration on the risks and long-term effects on the environment and society.

The Chairman thanked the shareholder for the valuable suggestion.

Ms. Janjira Sombatcharoenwong, a shareholder, asked and the Management explained the issues as follows;

Question: During the year 2010-2012, TISCO has exhibited a high growth rate with loan growth at 32.2%, 23.6% and 34.2% respectively. What is the rational for the decline in net profit margin?

Answer: Ms. Oranuch Apisaksirikul stated that there were two main reasons for the decrease in net profit margin as follows:

1. The Company's provisioning policies: As the company follows the conservative provisioning policies, which is different from others, loan loss provisions will be set aside once the credit has been granted. Thus, in the year with strong loan growth, the company's provision will increase accordingly. Furthermore, the company employs the "beginning provisioning method" which is considered from the probability of total non-performing loan that might happen referring to past information of PD or Probability of Default and LGD or Loss Given Default and advance the fund before credit approval. By following such provisioning policies, this could result in the Company's net profit margin to be slightly lower.
2. The Banks' Contribution to the National Development Fund: According to the government policy to resolve the debt of Financial Institutions Development Fund ("FIDF") as to the Royal Act on rectifying loan debt management, 0.46 percent of the surcharge will be used to repay the FIDF and the remaining 0.01 percent will be contributed to Deposit Protection Agency ("DPA"), comparing to the previous rate of 0.40 percent of banks' total deposit holdings. With the increasing costs, net margin was therefore decreased. Since the aforementioned expense was unpredicted, it took some time for the company to adjust, as apparently over the past 6 months, the net profit margin ratio has begun to stabilize.

Ms. Oranuch Apisaksirikul also added that by following the conservative provisioning policies, the Company is able to maintain the continuous growth of net profit as well as sustainable long term growth.

Question: 1) TISCO Group's business growth forecast for the year 2013, and 2) whether the proclaimed Baht 1.7 Billion capital increase is to support the expected 20% loan growth during the next three years?

Answer: Ms. Oranuch Apisaksirikul clarified that the mentioned growth rate is the assumption made based on the company's internal growth. For this year, loan growth is expected to remain strong, however, with ethical and legal reasons, the company is unable to reveal the definite number to the meeting.

Mr. Suriyapong Wattanasak, a shareholder, asked and the Management explained the issues as follows;

Question: Disclosure of research and names of Xayaburi Project's consultant.

Answer: Ms. Oranuch Apisaksirikul informed that with business ethics and confidentiality issues, the company cannot provide such information. It will have to be discussed between the syndicated banks and clients prior to any information disclosure.

Question: The quality of Hire Purchase loan.

Answer: Ms. Oranuch Apisaksirikul explained that the quality of each loan type is quite diverse. The loan quality is rather subjective depended on related factors. However, if divided by customer group and vehicle type, it can be categorized in 3 groups as follows;

1. Hire Purchase for "First-car Tax Rebate Policy": This group is currently the best portfolio in terms of loan quality due to strict term loan and conditions.
2. Hire Purchase for New Car: The loan quality is improving with the decline in non-performing loan ("NPL"). The quality loan control is implemented by applying statistical analysis in analyzing loan quality by comparing the loan quality over the period.
3. Used Car Hire Purchase: The loan quality is slightly lower than others which is rather normal. However, the Company will revise the term loan conditions to maintain the loan quality at appropriate level to the return.

The Chairman also added that as generally viewed that the quality of Hire Purchase Loan for 'First-car Tax Rebate Policy' would be lower than others, however, in fact the loan quality is rather depended more on the management.

The voting in this agenda item requires a shareholders' resolution with the majority votes of the shareholders who attended the meeting and casted their votes.

**Resolution:** The shareholders **ratified** the Board of Directors' business activities conducted in 2012 as described in the Annual Report as proposed, with the votes as presented below:

	<u>Votes</u>	<u>%</u>
• For	491,165,600	99.93
• Against	0	0.00
• Abstain	330,101	0.07
• Void	0	0.00

**Agenda 3: To adopt TISCO Financial Group Public Company Limited and its subsidiary companies' Statement of Financial Position and Statement of Comprehensive Income for the year ended December 31, 2012**

The Chairman proposed that the meeting adopt TISCO Financial Group Public Company Limited and its subsidiary companies' Statement of Financial Position and Statement of Comprehensive Income for the year ended December 31, 2012. The Audit Committee agreed with the auditors that the Statement of Financial Position and Statement of Comprehensive Income presented fair and comprehensive performance and financial position of TISCO Group, in compliance with generally accepted accounting principles. Details were published in the Annual Report, which had been sent to shareholders along with the Notice of this meeting. The Chairman invited Ms. Oranuch Apisaksirikul, the Group CEO, to summarize the details of Agenda 3-7 to the meeting.

Ms. Oranuch Apisaksirikul summarized the financial statements and invited Mr. Chatri Chandrangam, Executive Vice President – Risk and Financial Control, to present the details of the financial statements.

Mr. Chatri Chandrangam presented the meeting with the details and analysis of the Statement of Financial Position and Statement of Comprehensive Income.

Mr. Sitthichoke Boonvanich, a shareholder, asked and the Management explained the issues as follows;

Question: Amid intense competitive market condition, please further clarify on the break-even point of TISCO Bank's new branch opening in comparison to the existing one.

Answer: Ms. Oranuch Apisaksirikul informed that the new branch opening policy of TISCO Bank is different from others as the Company considers greatly on the break-even point and the ability to generate revenue including unit cost analysis. After the thoroughly considerations, if the break-even point is more than 3 years, such new branch will not be opened. With this policy, our new branch expansion rate is therefore lower than other banks. However, the numbers of new branches opening each year is quite varied depending on the business opportunities and other involving factors.

Ms. Janejira Sombatcharoenwong, a shareholder, asked and the Management explained the issues as follows;

Question: The rationale for the increase of fees and service income.

Answer: Ms. Oranuch Apisaksirikul explained that such increase is mainly due to strong income from Bancassurance business, associated with other business (Cross Selling), especially the hire purchase business as the fee income will increase in the same direction with the associated business growth (i.e. hire purchase). Ms. Oranuch further added that, apart from auto insurance business, the Company also provides other types of insurance services such as health insurance as well.

Mr. Suppasak Chunlasorn, a shareholder, asked and the Management explained the issues as follows;

Question: The explanations on income from business promotion relating to the business, stated in page 11-3 of the Annual Report and expense from business promotion relating to the business, which increased in the same direction.

Answer: Ms. Oranuch Apisaksirikul explained that expense related to the business were operating expense such dealer incentive and insurance promotional expenses. When the Company has high insurance sales volume or hire purchases volume, the expenses will be higher sequentially, resulting in the increase of the aforementioned income.

Question: Further explanation on the equity price volatility under market risk described in page 2-6 of the Annual Report, which consisted of the risks from listed equity risk and non-listed equity risk.

Answer: Ms. Oranuch Apisaksirikul explained that such information disclosed only investment in securities, both listed and non-listed security, to which most of them are equity. However, the Company has also invested in other instruments.

Mr. Suriyapong Wattanasak, a shareholder, asked and the Management explained the issues as follows;

Question: The decrease in the profit from before operating income tax expenses.

Answer: Ms. Oranuch Apisaksirikul clarified that such profit was slightly decreased due to the increase of aforementioned expenses and reserve fund.

The Chairman proposed the shareholder for proceeding to the next agenda while awaiting for voting result. No shareholder objected otherwise. The Chairman proceeded the next agenda while awaiting for voting result as proposed.

The meeting considered the matter and cast votes.

(The voting in this agenda item requires a shareholders' resolution with the majority votes of the shareholders who attended the meeting and casted their votes)

**Resolution:** The shareholders **adopted** TISCO Financial Group Public Company Limited and its subsidiary companies' Statement of Financial Position and Statement of Comprehensive Income for the year ended December 31, 2012 as proposed, with the votes as presented below:

	<u>Votes</u>	<u>%</u>
• For	491,710,609	100.00
• Against	0	0.00
• Abstain	12,400	0.00
• Void	0	0.00

**Agenda 4: To approve the appropriation of profit arising from year 2012 operations for statutory reserve, dividend and others**

Ms. Oranuch Apisaksirikul proposed the capital management plan, which covers the content of Agenda 4-7 of the meeting, she informed that for the last 5 years, the Company has expanded its business at continuous increasing rate, with profits from growing operations and generated the return of equity rate of more than 20% for many consecutive years.

To strengthen the level of capital fund and ensure prudent financial position while maintaining steadily cash dividend payout ratios, it is therefore considered appropriate to propose the dividend payment at Baht 2.40 per share to the shareholders, accounted for 47% payout ratio of net profit for the year 2012 on consolidated basis, in order to sustain high dividend yields as in prior years. Meanwhile the Company proposes to issue Transferable Subscription Rights (TSR) for newly issued common shares to provide existing shareholders with an alternative to reinvest the dividends received as new capital back into the Company, in order to regenerate more returns from business expansion. The Right Offering is made at the ratio of 10 existing shares: 1 TSR, exercisable into 1 common share at the price of Baht 24 per share. The Company is confident that it can continue to deliver strong returns to shareholders in the future.

Ms. Oranuch Apisaksirikul reported that TISCO shall appropriate 5% of its annual net profit as statutory reserve until this fund attains an amount of 10% of its registered capital. Thus, TISCO appropriated Baht 107,300,000 from the annual profit amount as statutory reserve in 2012. In compliance with the Public Limited Companies Act B.E. 2535, the dividend payment shall be paid based on standalone financial statement. Consequently, the remaining unappropriated retained earnings based on standalone financial statement available for the dividend payment was detailed as follows:

Baht

Beginning Unappropriated Retained Earnings 2012	1,715,390,528
Dividend payment from profit arising from 2011 operations	(1,710,574,402)
Net Profit for year 2012	2,144,868,083
Required Statutory Reserve	(107,300,000)
Actuarial Gain/Loss	(9,564,000)
<b><i>Unappropriated Retained Earnings available for dividend payment for year 2012</i></b>	<b><i>2,032,820,209</i></b>

Total unappropriated retained earnings available for dividend payment for the year ended 2012 is Baht 2,032,820,209 after appropriation of Baht 107,300,000 as statutory reserve.

TISCO Group has a policy to pay dividend at the appropriate rate based on operating performance of the group while also maintaining sufficient Capital Adequacy Ratio (BIS Ratio) for group business expansion. The Board therefore recommended the shareholders to approve the dividend payment from the remaining net profit arising from year 2012 operations at Baht 2.40 per share for common shareholders and preferred shareholders. The proposed dividend payment amount would be approximately Baht 1,747 Million, equivalent to dividend payout ratio of 47% on consolidated basis, compared to dividend payout ratio of 52.4% for year 2011. The dividend payment was in accordance with the TISCO dividend policy at the rate of approximately 50% of net profit, depending on the financial performance, capital adequacy, investment plan, and business strategies of the Company. Also, such dividend payment shall have no impact on TISCO's subsidiary's status as a Qualified Bank under the definition of Bank of Thailand. The remaining net profit from year 2011, on consolidated basis, would be appropriated as capital fund.

The meeting considered the matter and cast votes.

(The voting in this agenda item requires a shareholders' resolution with the majority votes of the shareholders who attended the meeting and casted their votes)

**Resolution:** The shareholders resolved the followings as proposed;

- **Approved** the appropriation of profit arising from year 2012 operations of Baht 107, 300,000 as statutory reserve;
- **Approved** the appropriation of profit arising from year 2012 operations after statutory reserve as dividend payment for common and preferred shareholders at Baht 2.40 per share;
  - The shareholders whose names are shown in the registration book as of May 7, 2013 will be entitled to receive the dividend;
  - Dividend payment shall be made on May 23, 2013; and
- **Approved** the appropriation of profit arising from year 2012 operations after dividend payment, as capital fund according to the Consolidated Supervision guidelines.

with the votes as presented below:

	<u>Votes</u>	<u>%</u>
• For	491,805,517	100.00
• Against	0	0.00
• Abstain	8,500	0.00
• Void	0	0.00

**Agenda 5: To approve the issuance of Transferable Subscription Rights (TSRs)**

Ms. Oranuch Apisaksirikul informed the meeting that TISCO Group has continuing prospect for progressive business expansion, it is considered that some capital management action to strengthen the level of capital fund is needed to enable future growth and ensure prudent financial position. As part of the capital management plan, the Company will increase the capital through the issuance and allocation of Transferable Subscription Rights (TSRs) to the existing shareholders at the ratio of 10 existing shares for both common shares and preferred shares to 1 TSR unit at no cost. The TSR unitholders have the rights to convert their TSRs into the Company's common shares at the conversion ratio of 1 TSR unit per 1 newly issued common share at par value of Baht 10 per share with the exercise price of Baht 24 per share.

In this regard, the Company will issue and allocate up to 72,791,209 units of TSRs for the existing shareholders. The TSRs are categorized into 2 tranches based on nationality of the shareholders which are

- (1) TSRs for Thai individual or juristic person are symbolized as TISCO-T1 and having full amount of capital increased share reserved for the exercise of TISCO-T1.
- (2) TSRs for Foreign individual or juristic person are symbolized as TISCO-T2 and having full amount of capital increased share reserved for the exercise of TISCO-T2.

TSR is another way of raising capital similar to warrant, with key benefits of TSRs in terms of transferability, tradability and short period of share subscription in less than 2 months.

Furthermore, TSRs will provide the existing shareholders with alternatives to exercise their rights to subscribe for newly issued shares or sell their right in the Stock Exchange of Thailand to obtain some returns in the event that they do not wish to exercise their right to subscribe for the newly issued shares.

Mr. Suppasak Chunlasorn, a shareholder, asked and the Management explained the issues as follows;

Question: According to the capital management plan, published on the website, the loan growth assumption is at 18% per year for the next three years. Based on the assumption, please confirm whether the Company has planned to issue the Transferable Subscription Rights (TSRs) in the following 3 years.

Answer: Ms. Oranuch Apisaksirikul informed that the likelihoods that the company would issue the TSRs in the following years could not be concluded at this stage since

such decision was mainly up to the business opportunities, the company's necessity, market conditions and shareholders' benefits.

Question: Considering the loan growth and the company's capital fund, please further clarify on the Company's ability to generate profit in the future.

Answer: Ms. Oranuch Apisaksirikul explained that as discussed earlier that such assumption is based on the scenario that no dividend is paid by the Company. Additionally, since the Company applies the Internal Ratings-Based (IRB) approach in calculating the regulatory capital requirement to which with efficiently risk management in place, capital requirement is required at lower level than the capital requirement calculating by the Standardized Approach (SA). According to the IRB Approach, the Company has to be exceptionally cautious in managing the business as any impact could result in the Company's cost. According to the Company's current business model, retail loan expansion rate is rather high. However, the provision set for the retail loan is comparatively lower than others. With the current growth rate, the existing capital fund is able to serve the business growth rate of up to 20%. In conclusion, the current capital reserve is sufficient and able to support the Company's future growth including satisfied return to shareholders

Ms. Oranuch Apisaksirikul further explained that according to the applied IRB approach, the Company plans to maintain the BIS ratio at 12% and 10% for the Bank and the Company respectively. The comparatively lower BIS ratio of the Company is because the business within the Group covers various businesses i.e. securities business and asset management business which require lower capital requirement comparing with banking business as risk involving in such businesses is mainly operation risk, unlike the bank. At present, the BIS ratio of the Bank is at 12-13% with the capital tier I at 8-8.5% and capital tier II at approximately 4%.

An anonymous shareholder asked and the Management explained the issues as follows;

Question: The rationale for not issuing stock dividend due to its taxation privilege.

Answer: Ms. Oranuch Apisaksirikul explained that as informed earlier that the Company has a diverse shareholder structure with different needs, the Company must find solutions to meet the needs of all shareholder groups. Either the company pays stock dividends or issue TSRs, the shareholders will be taxed. To follow the alternative with no cash dividend payout, this might result in some shareholder groups' dissatisfaction. In this regards, issuing TSRs is the way to offer the shareholders an option to either exercise their rights to subscribe for additional shares or sell such rights in the Stock Market. Furthermore, since the Company plan for the completion of the capital increase process within the second quarter, the period of TSRs trading is therefore scheduled to be approximately 1-2 weeks.

The meeting considered the matter and cast votes.

(The voting in this agenda item requires a shareholders' resolution with the votes of not less than two-thirds of the total number of votes of shareholders who attended the meeting.

**Resolution:** The shareholders **resolved** the followings as proposed:

- (1) The issuance and allocation of up to 72,791,209 units of Transferable Subscription Rights (TSRs) at no cost to the existing shareholders of the Company pro rata to their shareholding at the offering ratio of 10 existing shares (common shares and preferred shares) for 1 unit of TSRs, whereby any fraction of shares shall be disregarded. 1 unit of TSRs conveys the right to purchase 1 newly issued common share of the Company at the price of Baht 24 per share. The issuance and allocation of TSRs is divided into 2 tranches according to the nationality of the shareholders as follows;
  - (1.1) TISCO-T1 will be issued and allocated to the existing shareholder who is Thai individual or juristic person
  - (1.2) TISCO-T2 will be issued and allocated to the existing shareholder who is Foreign individual or juristic person.
- (2) The methods for the allocation of the capital increased shares to the TSRs Holder of TISCO-T1 and TISCO-T2 according to the initial rights of shareholders with respect to the foreign shareholding limit prescribed by law.
- (3) The closing date of share registration book to determine the shareholders, who are entitled to receive the TSRs, shall be on May 7, 2013.
- (4) The delegation of authority to the Board of Directors or the Group Chief Executive to determine other relevant details in connection with the issuance and allocation of the TSRs.

With the votes as presented below.

	<u>Votes</u>	<u>%</u>
• For	490,118,617	99.66
• Against	311,300	0.06
• Abstain	1,384,100	0.28
• Void	0	0.00

**Agenda 6: To approve the reduction of the Company's registered capital by cancelling preferred shares which has already been converted into common shares and the amendment to the Company's Memorandum of Association Clause 4**

Ms. Oranuch Apisaksirikul informed the meeting that the Company currently has the registered capital in the amount of Baht 11,002,000,000 divided into 372,287,914 of preferred shares and 727,912,086 of common shares, with par value of Baht 10 per share. Prior to the increase of the registered capital to reserve for the exercising of Transferable Subscription Rights (TSRs) as detailed in Agenda 5, the Company is required to reduce the registered capital by cancelling unissued preferred shares of 372,287,914 shares at par value of Baht 10 per share, which have already been converted into common shares. Therefore, the Company needs to reduce its registered capital by cancelling such registered preferred shares, according to the Section 140 of the Public Limited Companies Act.

The Board recommends the shareholders to approve the reduction of the Company's registered capital by cancelling unissued preferred shares of 372,287,914 shares at par value of Baht 10 per share. The Company's registered capital will reduce from Baht 11,002,000,000 to Baht 7,279,120,860.

In order to reflect the reduction of the registered capital, the shareholders are recommended to approve the amendment to the Company's Memorandum of Association Clause 4 as follows:

Clause 4	Registered Capital	:	7,279,120,860 Baht	(Seven billion two hundred and seventy nine million one hundred and twenty two thousand eight hundred and sixty Baht)
	Divided into	:	727,912,086 shares	(Seven hundred and twenty seven million nine hundred and twelve thousand eighty six shares)
	Par Value per share	:	10 Baht	(Ten Baht)
	Consisting of			
	Preferred shares	:	33,858 shares	(Thirty three thousand eight hundred fifty eight shares)
	Common shares	:	727,878,228 shares	(Seven hundred and twenty seven million eight hundred and seventy eight thousand two hundred and twenty eight shares)

The meeting considered the matter and cast votes.

(The voting in this agenda item requires a shareholders' resolution with the votes of not less than two-thirds of the total number of votes of shareholders who attended the meeting.)

**Resolution:** The shareholders **resolved** the followings as proposed:

- **Approved** the reduction of the Company's registered capital by cancelling unissued preferred shares of 372,287,914 shares at par value of Baht 10 per share. The Company's registered capital will reduce from Baht 11,002,000,000 to Baht 7,279,120,860.
- **Approved** the amendment to the Company's Memorandum of Association Clause 4 as follows:

Clause 4

Registered Capital	: 7,279,120,860 Baht	(Seven billion two hundred and seventy nine million one hundred and twenty thousand eight hundred and sixty Baht)
Divided into	: 727,912,086 shares	(Seven hundred and twenty seven million nine hundred and twelve thousand eighty six shares)
Par Value per share	: 10 Baht	(Ten Baht)
Consisting of Preferred shares	: 33,858 shares	(Thirty three thousand eight hundred fifty eight shares)
Common shares	: 727,878,228 shares	(Seven hundred and twenty seven million eight hundred and seventy eight thousand two hundred and twenty eight shares)

With the votes as presented below.

	<u>Votes</u>	<u>%</u>
• For	491,797,917	100.00
• Against	1,300	0.00
• Abstain	14,800	0.00
• Void	0	0.00

**Agenda 7: To approve the increase of the Company's registered capital, and the amendment to the Company's Memorandum of Association Clause 4**

Ms. Oranuch Apisaksirikul informed the meeting that after the reduction of the Company's registered capital in Agenda 6, the Company will have the registered capital in the amount of Baht 7,279,120,860. To reserve for the exercising of Transferable Subscription Rights (TSRs) as detailed in Agenda 5, the Company will increase the registered capital in the amount of Baht 727,912,090. As a result, the Company's registered capital will be increased to Baht 8,007,032,950.

The Board recommends the shareholders to approve the increase of the Company's registered capital to support the resolution of the Shareholders' Meeting in Agenda 5 and 6 in consideration and approval of the issuance of Transferable Subscription Rights (TSRs) by amending the Company's registered capital from Baht 7,279,120,860 to Baht 8,007,032,950. The additional registered capital of Baht 727,912,090 will be 72,791,209 common shares at par value of Baht 10 per share.

In order to reflect the increase of the Company's registered capital, the shareholders are recommended to approve the amendment to the Company's Memorandum of Association Clause 4 as follows:

Clause 4	Registered Capital	:	8,007,032,950 Baht	(Eight billion seven million and thirty two thousand nine hundred fifty Baht)
	Divided into	:	800,703,295 shares	(Eight hundred million seven hundred and three thousand two hundred ninety five shares)
	Par Value per share	:	10 Baht	(Ten Baht)
	Consisting of			
	Preferred shares	:	33,858 shares	(Thirty three thousand eight hundred fifty eight shares)
	Common shares	:	800,669,437 shares	(Eight hundred million six hundred and sixty nine thousand four hundred thirty seven shares)

Ms. Oranuch Apisaksirikul further informed that the purpose of the increase of the Company's registered capital, as notified in the capital management plan, is to support the increase of registered capital of TISCO Bank Public Company Limited, which is a subsidiary of the Company, and invited the shareholders to acknowledge the purchase of the newly issued common shares of TISCO Bank according to TISCO Group's capital management plan, to which the Bank will increase the registered capital to Baht 8,191,712,820. The additional registered capital of Baht 910,190,320 will be 91,019,032 common shares at par value of Baht 10 per share in total of Baht 1,900 Million. The allocation of newly issued shares shall be pro-rata to the shareholding at the offering ratio of 8 existing shares for both common shares and preferred shares to 1 newly issued common shares (the "Right Offering") at the offering price of Baht 20.88 per share, whereby the offering price is calculated based on the book value of

shareholders' equity as of December 31, 2012. This capital increase will support future business growth.

The meeting considered the matter and cast votes.

(The voting in this agenda item requires a shareholders' resolution with the votes of not less than two-thirds of the total number of votes of shareholders who attended the meeting.

**Resolution:** The shareholders **resolved** the followings as proposed:

- **Approved** the increase of the Company's registered capital to support the resolution of the Shareholders' Meeting in consideration and approval of the issuance of Transferable Subscription Rights (TSRs) by amending the Company's registered capital from Baht 7,279,120,860 to Baht 8,007,032,950. The additional registered capital of Baht 727,912,090 will be 72,791,209 common shares at par value of Baht 10 per share.
- **Approved** the amendment to the Company's Memorandum of Association Clause 4 as follows:

Clause 4

Registered Capital	:	8,007,032,950 Baht	(Eight billion seven million and thirty two thousand nine hundred fifty Baht)
Divided into	:	800,703,295 shares	(Eight hundred million seven hundred and three thousand two hundred ninety five shares)
Par Value per share	:	10 Baht	(Ten Baht)
Consisting of			
Preferred shares	:	33,858 shares	(Thirty three thousand eight hundred fifty eight shares)
Common shares	:	800,669,437 shares	(Eight hundred million six hundred and sixty nine thousand four hundred thirty seven shares)

With the votes as presented below.

	<u>Votes</u>	<u>%</u>
• For	490,116,617	99.65
• Against	314,300	0.06
• Abstain	1,383,100	0.28
• Void	0	0.00

and **acknowledged** the purchase of the new shares of TISCO Bank Company Limited, subsidiary company, according to the capital increase plan. In this

regard, the Bank will increase the registered capital to Baht 8,191,712,820. The additional registered capital of Baht 910,190,320 will be 91,019,032 common shares at par value of Baht 10 per share with the offering price of Baht 20.88 per share, in total of Baht 1,900 million, whereby the offering price is calculated based on the book value of shareholders' equity as of December 31, 2012. This capital increase will support future business growth.

**Agenda 8: To approve the number of directors and the election of directors**

The Chairman informed the meeting that since the Agenda 8 and 9 were matters relating to directors, all directors would voluntarily leave the meeting in light of good corporate governance. He proposed the meeting elect a shareholder to conduct the meeting for the Agenda 8 and 9.

The meeting elected Dr. Suwan Valaisathien, a shareholder, to conduct the meeting during the Agenda 8 and 9.

Dr. Suwan Valaisathien informed the meeting that according to TISCO's Articles of Association, the whole Board of Directors shall be simultaneously elected at the general meeting of shareholders of each year. Thus, the current Board of Directors was due to retire today.

He further added that consideration of this agenda would be divided into 2 sections, (1) To approve the number of directors and (2) To approve the election of directors.

Pursuant to TISCO's Articles of Association, the shareholders shall, from time to time by resolution of a general meeting, determine the number of directors which shall not be less than 5, provided that not less than one half of the directors must domicile in Thailand. In addition, the number of directors who are persons of Thai nationality shall be in compliance with related laws, which shall be not less than 75% of the total number of directors.

The Board of Directors, therefore, with recommendations from the Nomination and Compensation Committee, considered the appropriate number of directors for good corporate governance. The qualifications and benefits that each candidate might bring were also considered upon contemplating TISCO's needs, the most suitable board size and composition. The Board therefore proposed that the shareholders approved the number of directors at 12.

Dr. Suwan Valaisathien proposed that the meeting approved the number of board members and informed the meeting that shareholders, present in person or represented by proxy, were entitled to one vote per share.

Dr. Suwan Valaisathien further informed the meeting that TISCO's Articles of Association required cumulative voting for the election of directors. This mechanism would increase the opportunity for minority shareholders to nominate persons to become TISCO directors. He further explained details of Cumulative Voting to the meeting.

In addition to those restricted by laws, the Nomination and Compensation Committee, assigned by the Company's Board of Directors, identified and proposed qualified nominees for director

positions as deem appropriated to ensure the suitable size and composition of the board of directors. TISCO had allowed time frame during October 3, 2012 - January 7, 2013 for all shareholders to propose qualified candidate for director position in advance of the Shareholder Ordinary General Meeting for the year 2013. No shareholder has proposed candidates for director position within the mentioned period.

The Nomination and Compensation Committee shall select qualified candidates by considering their knowledge, experiences, sufficient understanding of finance and banking, economics, law or any other related fields based upon the Company's needs and maximize interest, Corporate Governance, laws and relevant rules and regulations for the most appropriate size and composition of the board.

In addition, a person to be nominated or elected as an independent director must meet the requirements in TISCO's Corporate Governance Code of Conduct, which are more stringent than those of the Securities and Exchange of Thailand and the Stock Exchange of Thailand and shall not be related to the Company, other companies in TISCO Group, and management in the manner that may cause conflict of interest.

For the year 2013, Ms. Krisna Theravuthi and Mr. Chainoi Puankosoom have expressed their wish not to continue their term of director position of the Company. However, in order to remain the Board's size at 12, the Nomination and Compensation Committee has been considering the qualified candidates in replacement of the two independent directors who do not wish to continue their terms.

The Board of Directors, after considering the Nomination and Compensation Committee's recommendation on the qualifications of the candidates, proposed the shareholders to approve the election of the following qualified candidates as the Company's directors. Candidates' profiles were presented in the Notice which had been sent to shareholders.

<b><u>Name – Surname</u></b>	<b><u>Proposed Position</u></b>
1. Mr. Pliu Mangkornkanok	Independent Director
2. Mr. Hon Kit Shing (Mr. Alexander H. Shing)	Director
3. Ms. Oranuch Apisaksirikul	Director
4. Assoc. Prof. Dr. Angkarat Priebjrivat	Independent Director
5. Ms. Panada Kanokwat	Independent Director
6. Prof. Dr. Pranee Tinakorn	Independent Director
7. Ms. Patareeya Benjapolchai	Independent Director
8. Mr. Hirohiko Nomura	Director
9. Mr. Chi-Hao Sun	Director
10. Mr. Suthas Ruangmanamongkol	Director
11. Mr. Pichai Chanvirachart	Independent Director

12. Prof. Dr. Teerana Bhongmakapat

Independent Director

Dr. Suwan Valaisathien requested that every shareholder who did not cast votes in advance to complete the voting forms and submit them to TISCO's officers to calculate voting results.

Mr. Suriyapong Wattanasak, a shareholder, asked and the Management explained the issues as follows;

Question: Whether the number of directors who are non-Thai nationality is in compliance with related laws.

Answer: Dr. Suwan Valaisathien responded that a proportion of non-Thai nationality director candidate of the Company is at 25% of total numbers of directors complying with the law.

Ms. Saranya Jindavanich, a proxy holder, asked and the Management explained the issues as follows;

Question: The explanation on the disclosure of the two director candidates' profiles, concerning there was no details given in the Notice of the Shareholder General Meeting. She further stated that the non-disclosed information could have an effect on the Company's Corporate Governance Assessment score and the voting decision of some groups of shareholder such as institutional shareholders, foreign shareholders, etc.

Answer: Mr. Ekkapol Apinun, Corporate Secretary, explained that the Company realized the importance of equitable right of all shareholders, the disclosure of information, and good corporate governance, however, abiding by the certain laws and regulation, the Company could not publicly disclose such information in the Notice of the Shareholder General Meeting. However, once the approval has been granted from the Bank of Thailand, the Company has promptly disclosed the profiles and details of the two candidates to the shareholders.

The meeting considered the matter and cast votes.

(The voting in this agenda item requires a shareholders' resolution with the majority votes of the shareholders who attended the meeting and casted their votes for the number of directors part. For the election of director part, cumulative voting will be applied according to the Articles of Association)

**Resolution:** The shareholders **resolved** the followings as proposed:

- **Approved** the number of directors at 12, with the votes as presented below:

	<u>Votes</u>	<u>%</u>
• For	450,215,546	91.54
• Against	26,518,541	5.39

• Abstain	15,086,341	3.07
• Void	2,200	0.00

- **Approved** the election of the following director candidates as the Company's directors, with the votes as presented below:

	<b>Name - Surname</b>	<b>For (votes)</b>	<b>Against (votes)</b>
1	Mr. Pliu Mangkornkanok	362,085,028	39,865,659
2	Mr. Hon Kit Shing (Mr. Alexander H. Shing)	803,591,828	35,093,859
3	Ms. Oranuch Apisaksirikul	374,822,828	27,097,859
4	Assoc. Prof. Dr. Angkarat Priebjrivat	374,966,128	26,944,559
5	Ms. Panada Kanokwat	374,961,828	26,948,859
6	Prof. Dr. Pranee Tinakorn	374,966,128	26,944,559
7	Ms. Patareeya Benjapolchai	374,960,928	26,944,559
8	Mr. Hirohiko Nomura	373,728,528	28,195,959
9	Mr. Chi-Hao Sun	811,562,128	27,093,559
10	Mr. Suthas Ruangmanamongkol	374,814,128	27,093,559
11	Mr. Pichai Chanvirachart	345,001,628	32,763,959
12	Prof. Dr. Teerana Bhongmakapat	344,867,228	32,763,959
	<b>Total</b>	<b>5,290,328,336</b>	<b>357,750,908</b>
		<b>Abstain(votes)</b>	<b>253,792,292</b>
		<b>Void (votes)</b>	<b>0</b>

**Agenda 9: To approve the directors' remuneration and acknowledge current directors' remuneration**

Dr. Suwan Valaisathien informed the meeting that on April 26, 2012, the Shareholder Ordinary General Meeting for the year 2012 approved the annual directors' remuneration in the form of reward, monthly fee, meeting fee and bonus at the amount of not greater than Baht 2,400,000 for the Chairman of the Board and not greater than Baht 500,000 for each Board member, provided that the amount of such remuneration so determined shall be valid until amended. The Board of Directors, under the authority delegated by the shareholders, will determine appropriate amount and the exact amount to be paid each time. Besides, the directors are entitled to receive other remuneration or benefits paid for other appointments or special assignments from the Board of Directors.

According to the Company's Articles of Association, the Board of Directors may assign directors to conduct the businesses on behalf of the Board of Directors. In this connection, the remuneration to be paid to such directors for other appointments or special assignments shall be determined by the Board of Directors. Duties and responsibilities of board members who are

assigned to other committee are detailed under Part 1, Section 8 Management in the Annual Report.

The Nomination and Compensation Committee shall consider appropriate remuneration for director and propose to the Board of Directors. The scale and components of remuneration for directors should be appealing enough to attract and retain quality directors, but avoid excessive pays. Remuneration for non-executive directors should be comparable to the general practice in the industry with regard to work experience and commitment, as well as the benefits each director brings. Directors who are assigned with extra work (being members of other committee, for example) should be paid appropriately. The remuneration to be paid to such director or directors will be approved by the board.

Regarding directors' remuneration for companies in TISCO Group, in addition to directors' remunerations paid to directors of TISCO, the Parent Company, starting from year 2012 there are only remuneration to be paid to directors who do not hold any directorship in TISCO and/or management position in other subsidiary companies in the form of reward, monthly fee, meeting fee, and bonus in the same form and amount to TISCO Board member, to be valid until amended. The Board of Directors, under the authority delegated by the shareholders, will determine appropriate amount and the exact amount to be paid each time. Besides, the directors are entitled to receive other remuneration or benefits paid for other appointments or special assignments from the Board of Directors.

In this regard, the Nomination and Compensation Committee had made an annual review of the directors' remuneration to ensure that remuneration is commensurate with their duties and responsibilities. The study suggested that TISCO current remuneration of directors was still in line with the industry.

The Board, with the recommendation from the Nomination and Compensation Committee, recommended shareholders to approve current annual directors' remuneration in the form of reward, monthly fee, meeting fee and bonus at the amount of not greater than Baht 2,400,000 for the Chairman of the Board and not greater than Baht 500,000 for each Board member, to be valid until amended. The Board of Directors, under the authority delegated by the shareholders, will determine appropriate amount and the exact amount to be paid each time. Besides, the directors are entitled to receive other remuneration or benefits paid for other appointments or special assignments from the Board of Directors. The Board also recommended the shareholders to acknowledge current director remuneration. Details of current director remuneration are as follows:

	<b>Remuneration</b>	
	<b>Monthly Fee (Baht/Month)</b>	<b>Meeting Fee (Baht/Meeting)</b>
<b>Board of Directors</b>		
Chairman	200,000	-
Member	40,000	-
<b>Executive Board</b>		
Chairman	-	40,000
Member	-	35,000
<b>Audit Committee</b>		
Chairperson	-	50,000
Member	-	40,000
Advisor	-	35,000
<b>Nomination and Compensation Committee</b>		
Chairperson	-	50,000
Member	-	40,000

The payment of such remuneration requires the shareholders' resolution with the votes of not less than two-thirds of the total number of votes of shareholders who attended the meeting. Moreover, the directors who held shares were considered as having a conflict of interest in this matter and were not entitled to vote.

The meeting considered the matter and cast votes.

(The voting in this agenda item requires a shareholders' resolution with the votes of not less than two-thirds of the total number of votes of shareholders who attended the meeting. The directors who held shares were considered as having a conflict of interest in this matter and were not entitled to vote)

**Resolution:** The shareholders **approved** annual directors' remuneration in the form of reward, monthly fee, meeting fee, and bonus at the amount of not greater than Baht 2,400,000 for the Chairman of the Board and not greater than Baht 500,000 for each Board member, to be valid until amended. The Board of Directors, under the authority delegated by the shareholders, will determine appropriate amount and the exact amount to be paid each time. Besides, the directors are entitled to receive other remuneration or benefits paid for other appointments or special assignments from the Board of Directors, as proposed, with the votes as presented below:

	<b><u>Votes</u></b>	<b><u>%</u></b>
• For	484,507,392	98.51
• Against	5,100	0.00
• Abstain	178,900	0.04
• Void	0	0.00





### **Agenda 11: Others, if any**

The Chairman informed the meeting that all agenda items had been considered and invited the shareholders to bring forward any additional matters, issues, or concerns that they might wish to discuss.

Mr. Sitthichoke Boonvanich, a shareholder, asked and the Management explained the issues as follows;

Question: Economic factors that may affect the Company's loan growth rate.

Answer: Ms. Oranuch Apisaksirikul informed that factors, i.e. economic, financial, political, interest rates, foreign exchange rate, and etc. that affect the economic growth would as well affect the performance of the company. The level of impact is, though, varied depended on the Company's management. The company, however, has set the business target considering the business and market situations. While in practice, the company attempts to achieve higher results than the set target.

Question: The impact from Thai Baht appreciation to the Bank and/or the Bank's customers.

Answer: Ms. Oranuch Apisaksirikul clarified that the direct impact from exchange rate to the Bank is at minimum because the company does not provide any foreign exchange trading (FOREX trading) or other exchange rate services. However, for the business associated with the exchange rate, the Company has employed the currency hedging to eliminate any currency risk the Company might encounter. For the indirect impact, there might be some slight impact to the Company's performance due to its impact to overall economic performance.

The shareholder complimented on the Company's performance, share price, and the dividend payouts ratio. The shareholder also complimented on the prompt service provided by TISCO Securities Company Limited and further inquired as follows;

Question: Impact from the end of the "First-Car Tax Rebate" scheme and Hire Purchase business strategy

The Chairman expressed his gratitude towards shareholder's compliment for the company and asked the management to clarify the matter.

Answer: Ms. Oranuch Apisaksirikul responded that there might be a slight slowdown in the auto industry after the end of the scheme. Consequently, the Hire Purchase business might take the effect from such slow down. She further stated that reasons for significantly increased in the volume of auto loan over the past year are the postponement of car buying resulting from last year's major flood and "First-Car Tax Rebate" scheme. These factors are additional factors that stimulate robust growth for the auto industry.

For this year, the Company viewed that the Hire Purchase business would continue its growth at the satisfactory level as cars from "First-Car Tax Rebate" policy will be partly transferred this year. The expected growth would be in according with the planned strategies enhanced with the effective risk management and the company's ability to find new business opportunities.

Question: Hire Purchase business for luxury car.

Answer: Ms. Oranuch Apisaksirikul responded that the condition and credit approval procedure applied for luxury cars would differ from regular cars. For the luxury car, the borrower's repayment ability is the main concern. At present, the Company has provided the hire purchase loan for luxury car i.e. Mercedes Benz, BMW, etc. However, the down payment for such loan is relatively higher than others.

Mr. Chatchai Khun-ngam, a shareholder, expressed his appreciation towards the company on the ability to manage the Return on Equity ("ROE") and inquired as follows;

Question: The business impact to Hire Purchase business and the Company's Hire Purchase business strategy.

Answer: The Chairman clarified that the Company has operated the hire purchase business for over 40 years and experiencing in both upward and downward trend in according with the normal business cycle. The Company will adjust the business strategies as well as business operation in order to sustain the growth to support such changes and the consistent return provided to shareholders.

Question: Brief analysis on Microeconomics and Macroeconomics.

Answer: Ms. Oranuch Apisaksirikul explained that the global economy for the year 2013 shows the sign of improving, especially the Asian region whereby the growth is pick up gradually. This might be the impact from the upcoming ASEAN Economic Community (AEC). For Asian region, Thailand and the Philippines are the countries that investors have shown their interest in due to the political stability, good corporate performance, and infrastructure projects that will directly stimulate the economic growth. Moreover, the government's economic stimulation procedure to alleviate the export to country within the economic uncertainty region i.e. America and Europe to the country within the prospective growth region i.e. China as well as the stimulation procedure to increase domestic spending are the factors that pushed forward Thailand's economy to the greater direction.

There being no other issues, the Chairman thanked the shareholders for attending and adjourned the meeting at 16.30 hours.

Pliu Mangkornkanok

(Mr. Pliu Mangkornkanok)

Chairman of the Meeting and Chairman of the Board