

**-TRANSLATION-**

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

**MINUTES**

**THE SHAREHOLDER ORDINARY GENERAL MEETING  
FOR THE YEAR 2011**

The meeting was convened in the Conference Room, 12<sup>th</sup> floor, TISCO Tower, North Sathorn Road, Silom, Bangrak, Bangkok, on April 21<sup>st</sup>, 2011, at 14.00 hours.

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

**Directors**

- |  |   |
|--|---|
| 1. Mr. Pliu Mangkornkanok                | Chairman of the Board of Director   |
| 2. Ms. Oranuch Apisaksirikul             | Director, Chairperson of the Executive Board, and Group Chief Executive Officer (Group CEO)     |
| 3. Ms. Krisna Theravuthi                 | Independent Director, Chairperson of the Nomination and Compensation Committee                  |
| 4. Assoc. Prof. Dr. Angkarat Priebjrivat | Independent Director and Chairperson of the Audit Committee                                     |
| 5. Ms. Panada Kanokwat                   | Independent Director and Member of the Audit Committee  |
| 6. Prof. Dr. Pranee Tinakorn             | Independent Director and Member of the Audit Committee  |
| 7. Ms. Patareeya Benjapolchai            | Independent Director  |
| 8. Dr. Nitus Patrayotin                  | Independent Director  |
| 9. Mr. Hirohiko Nomura                   | Director, Member of the Executive Board and Member of the Nomination and Compensation Committee |
| 10. Mr. Suthas Ruangmanamongkol          | Director, Member of the Executive Board, and President of TISCO Bank Public Company Limited     |

**Directors who were absent**

- |   |  |
|---|--|
| 1. Mr. Hon Kit Shing (Mr. Alexander H. Shing) | Vice Chairman of the Board of Directors, Member of Executive Board and Member of the Nomination and Compensation Committee |
| 2. Mr. Danny Seun Kam Yim                     | Director   |

## **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. Metha Pingsuthiwong First Executive Vice President  
(\* First Executive Vice President – Wealth & Deposit Services, TISCO Bank Public Company Limited)
3. Ms. Araya Thirakomen First Executive Vice President  
(\* President, TISCO Asset Management Company Limited)
4. Mr. Paiboon Nalinthrangkurn First Executive Vice President  
(\* Chief Executive Officer, TISCO Securities Company Limited)
5. Ms. Yutiga Sonthayanavin Executive Vice President  
(\* Managing Director, TISCO Information Technology Company Limited)
6. Mr. Chalit Silpsrikul Executive Vice President  
(\* Executive Vice President – Retail Banking - Front , TISCO Bank Public Company Limited)
7. Mr. Chatri Chandrangam Executive Vice President – Risk and Financial Control

## **Auditors**

1. Ms. Waraporn Prapasirikul Authorised to attend the meeting on behalf of Ms. Runnapa Lertsuwankul, the Company's auditors  
Ernst & Young Office Limited
2. Ms. Yuppadee Satchawannakul Ernst & Young Office Limited

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 2011 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 March 29, 2011 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 November 15 - December 16, 2010 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 909 shareholders holding 406,871,401 shares, or 55.90% 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 appointment 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 "Certificate of Entitlement" 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 officers 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 2010</b>
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The Chairman proposed that the meeting certify the Minutes of the Shareholder Ordinary General Meeting for the year 2010, convened on April 29, 2010. 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 2010 as proposed, with the votes as presented below:

	<u>Votes</u>	<u>%</u>
- For	403,567,511	97.99
- Against	100	0.00
- Abstain	8,272,500	2.01
- Void	0	0.00

After the meeting considered Agenda 1, the Chairman invited Ms. Oranuch Apisaksirikul, the Group CEO, to present and conduct Agenda 2 to 4 of the meeting.

**Agenda 2: To ratify the Board of Directors' business activities conducted in 2010 as described in the Annual Report**

The Group CEO summarised the Board of the Directors' business activities conducted in 2010 as described in the Annual Report, which had been sent to shareholders along with the Notice of this meeting.

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 **ratified** the Board of Directors' business activities conducted in 2010 as described in the Annual Report as proposed, with the votes as presented below:

	<u>Votes</u>	<u>%</u>
- For	404,440,510	98.00
- Against	100	0.00
- Abstain	8,272,501	2.00
- Void	0	0.00

**Agenda 3: To adopt TISCO Financial Group Public Company Limited and its subsidiary companies' Balance Sheets and Profit and Loss Statements for the year ended December 31, 2010**

The Group CEO proposed that the meeting adopt TISCO Financial Group Public Company Limited and its subsidiary companies' Balance Sheets and Profit and Loss Statements for the year ended December 31, 2010. The Audit Committee agreed with the auditor that the Balance Sheets and Profit and Loss Statements presented fair and comprehensive performance and financial position of TISCO, 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 Group CEO presented the meeting with a detail and an analysis of the Balance Sheets and Profit and Loss Statements.

Ms. Pornsri Rattanon, a shareholder, asked and the Management explained the issues as follows;

- The provision for bad debt and doubtful accounts policy for the year 2011

The Group CEO clarified that, with favourable economic environment during the past 3 years, the Company had set provision for bad debt and doubtful accounts at a relatively high level in order to support the future business fluctuation. This had resulted in this year excess reserve of approximately 1.6 – 1.7% of total loan. Thus, due to sufficient accumulating reserve, this year the Company will set the reserve at normal rate.

- The impact from the fierce competition in banking industry on the company's revenue structure.

The Group CEO clarified that, even though the competition in banking industry over the past year was very intense, the company had already prepared for such situation by adjusting the loan portfolio in response to the changing economic situation. Hence, for the first quarter of this year, the loan portfolio has increased by 11 % from the end of year 2010. For this year, the corporate lending is expected to grow at a higher rate than hire purchase loan, which may slow down from the past year due to the crisis in Japan that could result in shortage of imported spare parts for auto manufacturers. However, according to the Company strategy, the growth in Auto Cash loan and used cars loan are expected to be high.

- The impact from the severe flood in the South on TISCO Bank's loan business

The Group CEO clarified that such impact was minimal due to few loan proportion granted in the South and few customers were affected. Besides, most of the impact took place at the branch located in the disaster area. Nevertheless, the company had already donated 50,000 Baht for each local community affected by the flood as well as providing support to the employees effected from the incident.

- The growth trends of "gain on investments" and financial advisory fee for the year 2011 in comparison to the year 2010

The Group CEO informed that although it is expected that the gain on investments will continue to grow in 2011, the comparison in terms of growth rate should not be made to the year 2010 growth rate since the exceptionally high growth rate seen in the year 2010 was due to the year 2009's low comparison base.

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

- Branch expansion policy and the break-even point for each branch

The Group CEO informed that TISCO Group has the policy to expand its branch approximately 10 branches a year. However, this year, in order to support the retail loan of TISCO Leasing Co., Ltd., a subsidiary under TISCO Group, will open more than 10 branches in the rural areas and another 2 – 3 branches in Bangkok area. For the break-even period of new branch, it is set not to exceed 3 years. However, the break-even period varied for each branch depending on several factors such as the investment size and expenses.

- Customer support guideline for the southern flood disaster especially for hire purchase customers whose cars may be damaged.

The Group CEO informed that such support will be taken into consideration on a case by case basis. In the past, TISCO provided support in the form of debt restructuring with extended repayment period to meet customers' cash flow. Nevertheless, the numbers of customers who were affected by such incident is minimal.

Mr. Somboon Udomdirekrek, a shareholder, asked for the source of the gain on investment.

The Group CEO informed that the gain on investment during last year was from disposal of investments in debt securities following the investment portfolio management in accordance with the change in market interest rate. As for the equity portion, the Company may consider divesting some portion of investment this year, depending on the stock market condition.

Mr. Vachara Phothinimitr, a proxy of a shareholder, inquired on the Company's strategy in managing Net Interest Margin (NIM)

The Group CEO informed that the mentioned Net Interest Margin (NIM) management is part of the risk management model. Two main factors affecting the NIM are as follow;

- 1) The interest rate fluctuation : During the interest rate downturn, the Company will shorten the deposit duration so that the cost will reduce in aligning with the lowering interest rate while, at the same time, maintain the loan interest rate. For the interest rate upturn, the Company will extend the deposit duration in order to slow down the rising cost. In the past, every 1% change in interest rate generally resulted in 0.2 – 0.3 % in the difference between deposit interest rate and loan interest rate.
- 2) Market competition : The competition in the business is relatively severe over the past year especially in terms of the price competition. In 2010, the Company was able to retain the NIM. However for this year, the impact from the rising interest rate adjustment in the year 2010 may effect the cost. The Company will, therefore, adjust the loan portfolio to focus more on higher profit margin business i.e. Auto Cash loan and used car loan.

After considering the above factors, it is apparent that the effect from the market competition to the NIM is stronger than the effect from the interest rate fluctuation. However, with proper marketing strategy and management, TISCO Group is able to manage the average NIM after adjusting allowance for doubtful account to be at 3.2% - 3.3% which is at the satisfactory rate.

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' Balance Sheets and Profit and Loss Statements for the year ended December 31, 2010 as proposed, with the votes as presented below:

	<u>Votes</u>	<u>%</u>
• For	408,381,612	98.01
• Against	100	0.00
• Abstain	8,272,500	1.99
• Void	0	0.00

**Agenda 4: To approve the appropriation of profit arising from year 2010 operations for statutory reserve, dividend and others**

The Group CEO proposed that the meeting approve the appropriation of profit arising from year 2010 operations for statutory reserve, dividend, and others.

The Group CEO 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 92,800,000 Baht from the annual profit amount as statutory reserve in 2010. In compliance with the Public Company Limited 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	908,745,719
Interim dividend payment from profit arising from the second half of 2009 operations	(902,479,244)
Net Profit for year 2010	1,855,460,876
Required Statutory Reserve	(92,800,000)
<b><i>Unappropriated Retained Earnings available for dividend payment for year 2010</i></b>	<b>1,768,927,351</b>

Total unappropriated retained earnings available for dividend payment for the year ended 2010 was 1,768,927,351 Baht after appropriation of 92,800,000 Baht as statutory reserve.

TISCO had 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 2010 operations at 2.25 Baht per share for common shareholders and preferred shareholders. The proposed dividend payment amount would be approximately 1,640 million Baht, equivalent to dividend payout ratio of 56.8% on consolidated basis, compared to dividend payout ratio of 68.2% for year 2009. The dividend payment was in accordance with TISCO dividend policy at the rate of 50% - 100% of net profit, depending on the financial performance and capital requirement to support Company's business growth. The remaining net profit from year 2010, 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 2010 operations of 92,800,000 Baht as statutory reserve;
- **Approved** the appropriation of profit arising from year 2010 operations after statutory reserve as dividend payment for common and preferred shareholders at 2.25 Baht per share.
  - The shareholders whose names are shown in the registration book as of April 29, 2011 will be entitled to receive the dividend;
  - Dividend payment shall be made on May 20, 2011; and
- **Approved** the appropriation of profit arising from year 2010 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	408,381,812	98.01
• Against	100	0.00
• Abstain	8,272,500	1.99
• Void	0	0.00



**Agenda 5: To approve the number of directors and the appointment of directors**

The Chairman informed the meeting that since the Agenda 5 and 6 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 5 and 6.

The meeting elected Dr. Suwan Valaisathien, a shareholder, to conduct the meeting during the Agenda 5 and 6.

Dr. Suwan 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 appointment 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 not be less than three-fourths 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 approve the number of directors at 12.

Dr. Suwan proposed that the meeting approve 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 further informed the meeting that TISCO's Articles of Association required cumulative voting for the appointment 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 deemed appropriated to ensure the suitable size and composition of the board of directors. TISCO had allowed time frame during November 15 - December 16, 2010 for all shareholders to propose qualified candidate for director position in advance of the Shareholders Ordinary General Meeting for the year 2011. 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 appointed as an independent director must meet the requirements in TISCO Corporate Governance Policy and shall not be related to the Company, other companies in TISCO Group, and management in the manner that may cause conflict of interest.

The Board of Directors, after considering the Nomination and Compensation Committee's recommendation on the qualifications of the candidates, proposed the shareholder to approve the appointment 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>Position</u></b>
1. Mr. Pliu Mangkornkanok	Director
2. Mr. Hon Kit Shing (Alexander H. Shing)	Director
3. Ms. Oranuch Apisaksirikul	Director
4. Ms. Krisna Theravuthi	Independent Director
5. Assoc. Prof. Dr. Angkarat Priebjrivat	Independent Director
6. Ms. Panada Kanokwat	Independent Director
7. Prof. Dr. Pranee Tinakorn	Independent Director
8. Ms. Patareeya Benjapolchai	Independent Director
9. Dr. Nitus Patrayotin	Independent Director
10. Mr. Hirohiko Nomura	Director
11. Mr. Danny Suen Kam Yim	Director
12. Mr. Suthas Ruangmanamongkol	Director

Dr. Suwan 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. Uttaphol Udomwanich, a shareholder, made a remark on the qualification and the independence of Assoc. Prof. Dr. Angkarat Priebjrivat and Ms. Patareeya Benjapolchai who are the member of Accounting and Corporate Governance Steering Group of the Securities and Exchange Commission and the President of the Stock Exchange of Thailand respectively. Dr. Suwan clarified that the positions held in the above mentioned entities do not cause any conflict of interest since the position held by of Assoc. Prof. Dr. Angkarat Priebjrivat is only a working group member while Ms. Patareeya Benjapolchai's term in the Stock Exchange of Thailand has ended.

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 **approved** the number of directors at 12 as proposed, with the votes as presented below:

	<u>Votes</u>	<u>%</u>
• For	408,383,212	98.01
• Against	2,600	0.00
• Abstain	8,272,600	1.99
• Void	0	0.00

The shareholders also **approved** the appointment of the following candidates as the Company's directors as proposed, with the votes as presented below:

<u>Name - Surname</u>	<u>For (votes)</u>	<u>Against (votes)</u>
1. Mr. Pliu Mangkornkanok	335,577,312	121,700
2. Mr. Hon Kit Shing (Alexander H. Shing)	752,592,454	19,808,758
3. Ms. Oranuch Apisaksirikul	335,507,312	121,700
4. Ms. Krisna Theravuthi	330,231,912	5,381,100
5. Assoc. Prof. Dr. Angkarat Priebjrivat	335,561,312	121,700
6. Ms. Panada Kanokwat	335,492,312	121,700
7. Prof. Dr. Pranee Tinakorn	335,532,312	121,700
8. Ms. Patareeya Banjapholchai	335,502,312	166,700
9. Dr. Nitus Patrayotin	320,716,912	15,942,800
10. Mr. Hirohiko Nomura	312,870,154	21,398,758
11. Mr. Danny Suen Kam Yim	772,238,512	121,700
12. Mr. Suthas Ruangmanamongkol	336,332,312	121,700
Total	4,838,155,128	63,550,016
	<b>Abstain (votes)</b>	195,600,900
	<b>Void (votes)</b>	66,000

**Agenda 6: To approve the directors' remuneration and acknowledge current directors' remuneration**

Dr. Suwan informed the meeting that on April 29, 2010, the Shareholder Ordinary General Meeting for the year 2010 approved the annual directors' remuneration in the form of reward, monthly fee, meeting fee and bonus at the amount of not greater than 1,200,000 Baht for the Chairman of the Board and not greater than 500,000 Baht 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 TISCO's Articles of Association, the Board of Directors may assign a director or directors to conduct businesses on behalf of the Board of Directors. In this capacity, the remuneration to be paid to such director or directors in conducting business so assigned, shall be determined by the Board of Directors. Duties and responsibilities of board members who are assigned to other committees are detailed in the Annual Report.

Dr. Suwan informed the details of current director remuneration as shown below:

	Remuneration	
	Monthly Fee (Baht/Month)	Meeting Fee (Baht/Meeting)
<b><u>Board of Directors</u></b>		
Chairman	1,200,000 per annum	
Member	40,000	-
<b><u>Executive Board</u></b>		
Chairman	-	40,000
Member	-	35,000
<b><u>Audit Committee</u></b>		
Chairperson	-	50,000
Member	-	40,000
<b><u>Nomination and Compensation Committee</u></b>		
Chairperson	-	50,000
Member	-	40,000

Regarding the remuneration of TISCO group's subsidiary companies directors' remuneration will be paid to directors who do not hold any directorship in TISCO and/or management position in TISCO Group of companies in the form of reward, meeting fee, monthly fee, and bonus at the amount of not greater than 500,000 Baht each.

The Nomination and Compensation Committee had made an annual review of the directors' remuneration to ensure that remuneration is commensurate with their duties, responsibilities knowledge and capabilities and avoid excessive pays.

However, the roles and responsibilities of the Chairman have been broaden to support the dynamic and complex business environment that requires close and stringent supervision. Moreover, with the current Chairman who is well-known among the individual business arena, acts as the bridge connecting TISCO and its large corporate clients, resulting in greater cooperation for TISCO businesses as a whole.

The Board, with the recommendation from the Nomination and Compensation Committee, therefore, recommends the shareholders to approve the annual directors' remuneration in the form of reward, monthly fee, meeting fee and bonus at the amount of not greater than 2,400,000 Baht for the Chairman of the Board, and not greater than 500,000 Baht for each board member, to be valid until amended. 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.

Mr. Suthiwat Suthiwattanapornchai, a proxy of a shareholder, inquired on the voting right of the director who representing major shareholder to vote in this agenda item.

Dr. Suwan explained that the one who does not entitled to vote in this agenda is the director whose name is shown as the shareholder in the registration book at the closing date, whereas the major shareholder, who is the juristic person, does not have any interest from the consideration of this agenda item. Thus, the director, who is the representative of the major shareholder in the Board of Directors and was appointed as proxy of the major shareholder, is therefore entitled to vote in this agenda item. Besides, a proxy deems as the cause while the director who is appointed as a proxy deems as the representative.

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** the annual directors' remuneration in the form of reward, monthly fee, meeting fee and bonus at the amount of not greater than 2,400,000 Baht for the Chairman of the board, and not greater than 500,000 Baht 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:

	<u>Votes</u>	<u>%</u>
- For	403,317,284	96.79
- Against	12,000	0.00
- Abstain	8,362,101	2.01
- Void	0	0.00



**Resolution:** The shareholders **approved** the appointment of the following auditors of Ernst & Young Office Limited, with total remuneration of not exceeding 500,000 Baht as proposed, as the Company's auditors for the year 2011, subject to the approval from the Bank of Thailand;

- Ms. Ratana Jala CPA License No. 3734,
- Ms. Rungnapa Lertsuwankul CPA License No. 3516, and
- Ms. Siraporn Ouuanunkun CPA License No. 3844

Any one of these auditors is authorised to certify the auditor's report, with the votes as presented below:

	<u>Votes</u>	<u>%</u>
- For	408,348,297	97.99
- Against	100	0.00
- Abstain	8,362,100	2.01
- Void	0	0.00

After the meeting considered the Agenda 7, the Chairman invited Ms. Oranuch Apisaksirikul, the Group CEO, to present and conduct the Agenda 8 to 10 of the meeting.

**Agenda 8: To approve the acquisition of TISCO Leasing Company Limited from TISCO Bank Public Company Limited**

The Group CEO proposed the meeting to approve the acquisition of TISCO Leasing Company Limited ("TISCO Leasing") from TISCO Bank Public Company Limited ("TISCO Bank") and informed the meeting that according to the Group's business strategies to expand geographical scope and coverage of retail banking business into micro finance segment, TISCO Group has initiated an action to expand branch network into provincial area under a new operating entity with an aim to effectively penetrate target customers. The new operating entity is, therefore, expected to provide retail financing products, particularly hire purchase and loan against auto license, targeting customers with smaller-sized loan amount.

TISCO Group currently has TISCO Leasing Company Limited ("TISCO Leasing") as one of the subsidiary company, 100% owned by the Company. TISCO Leasing previously operated leasing business for the Group. During the holding company restructuring, the leasing business was transferred to operate in TISCO Bank itself. TISCO leasing ceased its operations and pending for liquidation. However, as TISCO Leasing brand is well suited for the new business in micro financing as planned, TISCO Leasing, therefore, has been re-activated for such business operation and already obtained approval from the Bank of Thailand.

To enhance operating effectiveness and ensure good standard of corporate governance under holding company structure, the shareholding of TISCO Leasing will be transferred from TISCO Bank to TISCO Financial Group Public Company Limited, the Group Parent Company. As such, the Company will buy all shares of TISCO Leasing at book value as of December 31, 2010, net of dividend paid from retained earning of TISCO Leasing.

The Chairman further informed the meeting that the disposition of TISCO Leasing to TISCO Financial Group Public Company Limited would require a shareholders' resolution with the votes of not less than three quarters of the total number of votes of shareholders who attended the meeting and had the right to vote.

Mr. Somyot Suthirapornchai, a shareholder, queried about the difference among the 3 subsidiary companies which operated leasing business.

The Group CEO informed that the leasing business in the TISCO group is operated by 4 subsidiary companies namely Hi-Way Company Limited, TISCO Tokyo Leasing Company Limited, TISCO Leasing Company Limited and TISCO Bank Public Company Limited. Each company has different branding strategy depending on its target group and/or market segmentation. Hi-Way Company Limited, for example, provides hire purchase loan for motorcycles, while TISCO Tokyo Leasing Company Limited, a joint venture company with Japanese hire purchase company, provides hire purchase service mainly to the Japanese group of customers. TISCO Bank Public Company Limited, provides both car hire purchase loan and retail loan for the amount starting from 100,000 Baht. As for TISCO Leasing Company Limited, it will operate leasing business targeting the customer group uncovered by either TISCO Bank Public Company Limited or Hi-Way Company Limited.

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

- TISCO Leasing market share for new car loan

The Group CEO responded that since TISCO Leasing has been re-activated for business operation from the end of 2010 until present, the volume of loan granted is, still small. Besides, the company is focused on used car loan and Auto Cash loan.

- The possibility for TISCO Leasing to be listed in the Stock Exchange of Thailand

The Group CEO informed that the company is operated under consolidated supervision by dividing its business lines according to target customers. This approach has enabled the maximum synergies among companies within the group. As a result, the Company has no policy to list any of its subsidiaries in the Stock Exchange of Thailand.

The Chairman made further remark that since the main business of the Company is to provide financial services. Business operations in each subsidiary within the group is under the supervision of the Company which help minimise redundancy while increase efficiency which result in the Group lower operation cost. Furthermore, this would also enable the Company to conduct customer structure so that the customer need in each customer group is well response.

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 **approved** the acquisition of TISCO Leasing Company Limited from TISCO Bank Public Company Limited at book value as of December 31, 2010, net of dividend paid from retained earnings of TISCO Leasing Company Limited as proposed, with the votes as presented below:

	<u>Votes</u>	<u>%</u>
- For	408,419,296	98.01
- Against	101	0.00
- Abstain	8,291,100	1.99
- Void	0	0.00

<b>Agenda 9: To acknowledge the progress of TISCO Bank Public Company Limited shares acquisition and approve related matters</b>
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The Group CEO proposed that the meeting acknowledge the progress of TISCO Bank Public Company Limited shares acquisition and approve related matters.

The Group CEO reported that, reference is made to the Shareholders Ordinary General Meeting of the Company on April 24, 2009 whereby the shareholders approved the acquisition of the remaining 3,545,845 shares (comprising of 3,472,641 ordinary shares and 73,204 preferred shares) or 0.49% of total paid-up shares of TISCO Bank Public Company Limited ("TISCO Bank") from the minority shareholders.

During the period from November 25, 2009 to November 19, 2010, 3,305,681 shares have been completely acquired through share swap option while another 120,644 shares have been completely settled by cash payment option at 14.66 Baht per share. As the result, there are 119,520 remaining shares of TISCO Bank held by 320 minority shareholders, comprising 119,416 ordinary shares and 104 preferred shares or accounted 0.02% of total paid-up shares of TISCO Bank.

Due to the small numbers of remaining shareholders, the Company will no longer provide the share swap option while retaining the cash purchase. The Board recommends the shareholders to approve the continuing cash purchase for all remaining shareholders of TISCO Bank, and authorise the Board to delegate the management to determine the price, terms and conditions for the cash purchase as appropriate.

A shareholder inquired on the remaining minority shareholders of TISCO Bank and further share acquisition process.

The Group CEO clarified that the Company has continuously contact the remaining minority shareholders of TISCO Bank, however, some shareholders are unable to contact due to relocation or deceased. Besides, some shareholders expressed intention to remain the shareholder of TISCO Bank. Nevertheless, the Company will continue the attempt to approach all the remaining shareholders of TISCO Bank for the cash purchase.

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:

- **Acknowledged** the progress of TISCO Bank Public Company Limited shares acquisition; and
- **Approved** the continuing cash purchase for TISCO Bank Public Company Limited shares, and **authorised** the Board to delegate the management to determine the price, terms and conditions for the cash purchase,

with the votes as presented below:

	<u>Votes</u>	<u>%</u>
- For	408,419,397	98.01
- Against	1,000	0.00
- Abstain	8,290,100	1.99
- Void	0	0.00

**Agenda 10: To approve the amendment to Clause 4. Registered Capital of the Company's Memorandum of Association to be in accordance with the current paid-up capital**

The Group CEO proposed that the meeting approve the amendment to Clause 4 Registered Capital of the Company's Memorandum of Association to be in accordance with the Company's paid-up capital which was amended resulting from the conversions of preferred shares to common shares carried during the past 5 years. The Company's Current Registered Capital and Paid-up Capital at the end of February 2011 is as follows:

	<u>Registered Capital</u>	<u>Paid-up Capital</u>
Total Capital (Baht)	11,002,000,000	7,279,120,860
Divided into (Shares)	1,100,200,000	727,912,086
At par value of (Baht)	10	10
Divided into		
- Common Shares	544,651,820	727,878,228
- Preferred Shares	555,548,180	33,858

Due to the continuing of conversion of preferred shares to common shares, the amending number of common and preferred shares will be adjusted to reflect the actual number of preferred shares converted during March 1, 2011 to the shareholders' meeting date. However, there was no preferred shareholders convert their shares during the said period. It is therefore proposed to amend Clause 4. Registered Capital of the Company's Memorandum of Association to be in accordance with the current paid-up capital. Additionally, the Company shall

register 33,858 common shares as a reserve for future conversion of preferred shares to common 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 three quarters of the total number of votes of the shareholders who attended the meeting and casted their votes)

**Resolution:** The shareholders **approved** the amendment to Clause 4. Registered Capital of the Company's Memorandum of Association to be in accordance with the current paid-up capital as proposed. Clause 4. would, therefore, read as follows:

**"Clause 4**

<b>Registered Capital</b>	Baht Eleven Thousand and Two Million	(11,002,000,000.-)
<b>Divided into</b>	One Thousand One Hundred Million and Two Hundred Thousand Shares	(1,100,200,000)
<b>At par value of</b>	Baht Ten	(10.-)
<b>Divided into</b>		
<b>- Common Shares</b>	Seven Hundred Twenty Seven Million Nine Hundred Twelve Thousand and Eighty Six Shares	(727,912,086)
<b>- Preferred Shares</b>	Three Hundred Seventy Two Million Two Hundred Eighty Seven Thousand Nine Hundred and Fourteen Shares	(372,287,914)"

with the votes as presented below:

	<u>Votes</u>	<u>%</u>
• For	407,450,297	97.78
• Against	0	0.00
• Abstain	9,260,200	2.22
• Void	0	0.00

**Agenda 10: 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 Boonwanich, a shareholder, complimented the Chairman for his management skills and asked the followings;

- The Company's opinion on the analyst view during the economic crisis stating that the opportunity for the Company's growth cannot be compared to that of the large bank.

The Chairman gave his opinion that in finance and securities business, during the economic crisis, large corporate usually has advantage over small corporate. However, always seeing business opportunities, the Company chose to pursue the business under the areas of its expertise while learning from the past crisis. Being 1 of the 10 financial institutions that survived the economic crisis, the Company is well aware that confidence and support from its employees and shareholders is the key to its success.

- The average year of service of employee (6.3 years) stated in TISCO corporate social responsibility report

The Chairman clarified that the average year of service of employee is counted from number of employees totalling 900 prior the crisis compared to 800 employees during the crisis. Nevertheless, numbers of the resigned employees during the crisis period were relatively few in comparison to others and most of the remained employees still have been with the Company until present. Furthermore, after the Company has started its commercial bank business as well as having numerous developments, the number of employees had increased significantly within a short period of time, from 800 employees during the crisis to 3,000 employees at present. This, therefore, has resulted in the average year of service of employee at 5-6 years.

- Dividend payment policy

The Group CEO informed that normally, the Company pays only annual dividend except in the year 2009 to which the preferential rights of preferred shares were expired. To ensure that the preferred shareholders had received the preferred dividend for the period which the preferred share had been held, the Company, therefore, paid the interim dividend payment in that year.

- Explanation on Japan's zero interest rate policy

Mr. Suthas Ruangmanamongkol, President, explained that during 1960 – 1990, Japanese economy grew rapidly in both asset and inflation rate, resulted in deflation during the post economic crisis, such that the general price level of goods and service decrease. Consequently, the return gained from the zero interest rate was, in fact, not equal to zero as it had to include the deflation rate to such return. Comparing to Thailand, Japanese loan rate (Japan Incorporation) had a relatively low spread at the average of 1-2% due to low operation cost and low Non-Performing Loan (NPL). Thailand, on the contrary, had a rather high spread due to high operation cost, high Non-Performing Loan (NPL) and bad-debt handling cost (i.e. longer period in lawsuit proceeding and prosecution)

There being no other issues, the Chairman thanked the shareholders for attending and adjourned the meeting at 16.07 hours.

*Pliu Mangkornkanok*

(Mr. Pliu Mangkornkanok)

Chairman of the Meeting and Chairman of the Board