



- TRANSLATION -

## Minutes of the Annual General Meeting of Shareholders for the year 2020

### TISCO FINANCIAL GROUP PUBLIC COMPANY LIMITED

The meeting was convened at the conference room on the 12<sup>th</sup> floor, Head Office of TISCO Financial Group Public Company Limited, 48/49 TISCO Tower, North Sathorn Road, Silom, Bangrak, Bangkok, on Friday, June 26, 2020, at 14.00 hours.

Mr. Pliu Mangkornkanok, the Chairman of the Board and Independent Director, chaired the meeting. He presented the Directors, Group Chief Executive, Management, auditors and observers from the Bank of Thailand at the meeting, as follows.

The directors presented at the meeting comprised ten directors, accounting for 83.3333% of the total number of directors, namely:

1. Mr. Pliu Mangkornkanok Chairman of the Board and Independent Director
2. Mr. Suthas Ruangmanamongkol Group Chief Executive, Chairman of the Executive Board, and Executive Director
3. Assoc. Prof. Dr. Angkarat Priebjivat Chairperson of the Audit Committee and Independent Director
4. Prof. Dr. Pranee Tinakorn Chairperson of the Nomination and Compensation Committee and Independent Director
5. Prof. Dr. Teerana Bhongmakapat Chairman of Risk Oversight Committee, Chairman of Corporate Governance Committee, and Non-Executive Director
6. Dr. Charatpong Chotigavanich Risk Oversight Committee Member, Corporate Governance Committee Member, and Independent Director
7. Dr. Kulpatra Sirodom Audit Committee Member, Nomination and Compensation Committee Member, and Independent Director
8. Mr. Satoshi Yoshitake Executive Board Member and Executive Director
9. Mr. Sakchai Peechapat Chief Operating Officer, President of TISCO Bank Public Company Limited, Risk Oversight Committee Member, Executive Board Member, and Executive Director

Director participating via videoconferencing:

10. Mr. Sathit Aungmanee Audit Committee Member, Nomination and Compensation Committee Member, and Independent Director

Directors absent with apologies due to the outbreak of COVID-19:

1. Mr. Hon Kit Shing (Alexander H. Shing) Vice Chairman of the Board, Nomination and Compensation Committee Member, and Non-Executive Director,
2. Mr. Chi-Hao Sun (Howard Sun) Executive Board Member and Executive Director

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บริษัท ทีเอสซีไฟแนนเชียลกรุป จำกัด (มหาชน)

48/49 อาคาร ทีเอสซีทาวเวอร์ ชั้น 21 ถนนสาทรเหนือ แขวงสีลม เขตบางรัก กรุงเทพฯ 10500  
โทรศัพท์ 02 633 6888 โทรสาร 02 633 6880

TISCO Financial Group Public Company Limited

21<sup>st</sup> Fl., TISCO Tower, 48/49 North Sathorn Road, Silom, Bangrak, Bangkok 10500, Thailand  
T. +66 (0) 2633 6888 F. +66 (0) 2633 6880

Members of the Management Committee (*\*positions seconded to management in subsidiary companies*)

1. Mr. Pitada Vatcharasiritham Senior Executive Vice President  
(*\*Senior Executive Vice President - Corporate Banking, TISCO Bank Public Company Limited*)
2. Mr. Chalit Silpsrikul Senior Executive Vice President  
(*\*Senior Executive Vice President - Retail Banking, TISCO Bank Public Company Limited*)
3. Mr. Metha Pingsuthiwong Senior Executive Vice President  
(*\*Senior Executive Vice President - Wealth Management & Banking Services, TISCO Bank Public Company Limited*)
4. Mr. Paiboon Nalinthrangkurn First Executive Vice President  
(*\*Chief Executive Officer, TISCO Securities Company Limited*)
5. Mr. Chatri Chandrangam First Executive Vice President - Risk and Financial Control
6. Mr. Rungroj Jarasvijitkul Executive Vice President  
(*\*Executive Vice President - Sales & Marketing 1, TISCO Bank Public Company Limited*)
7. Mr. Dejphinun Suthadsanasoung Executive Vice President  
(*\*Executive Vice President - Retail Banking Operations, TISCO Bank Public Company Limited*)
8. Mr. Picha Ratanatam Executive Vice President  
(*\*Executive Vice President - Wealth Management, TISCO Bank Public Company Limited*)
9. Mr. Pairat Srivilairit Executive Vice President - Governance Office and Corporate Secretary
10. Ms. Pavinee Ongvasith Executive Vice President  
(*\*Chief Executive Officer, TISCO Asset Management Company Limited*)
11. Ms. Wanthana Chotchaisathit Executive Vice President  
(*\*Managing Director, TISCO Information Technology Company Limited*)

Observers from the Bank of Thailand

1. Ms. Wararak Wongpu Senior Auditor, Banking Supervision Department 1

Auditors from EY Office Limited

1. Ms. Somjai Khunapasut Certified Public Accountant Registration No. 4499
2. Ms. Napassawan Pornlert Manager

The Chairman thanked the shareholders who attended the meeting. Further, the Chairman informed the meeting that due to the ongoing outbreak of COVID-19, the Company had established measures and guidelines related to hosting the meeting in order to prevent risk and spread of COVID-19, including social distancing which may cause inconvenience and delays. The Company thus apologized for any inconvenience caused and thanked shareholders for their understanding and cooperation. For the hygiene of shareholders, the Board of Directors will try to keep the meeting short, concise and with no microphone provided for the shareholders in the meeting room. Inquiries must be written down and handed to staff.

The Chairman stated that the Company assigned DIA Audit Company Limited to monitor and oversee the shareholders'

meeting to ensure transparency and compliance with laws and the Company's Articles of Association. DIA Audit Company Limited assigned officers as observers to the registration and vote counting throughout the meeting.

Thereafter, the Chairman stated that the Notice of the Annual General Meeting of Shareholders for the year 2020 had been disseminated before the date of the meeting, in compliance with the Company's Articles of Association and other relevant laws. In addition, the Company publicly informed shareholders of the meeting's agenda on May 21, 2020 through the dissemination channels of the Stock Exchange of Thailand (SET) and the Company's website to allow adequate time to study meeting materials.

The Chairman also informed the meeting that the Company had provided a period from September 1 to November 30, 2019 for all shareholders to propose any matter they deem significant and appropriate to be included on the agenda items of the annual general meeting. However, there were no matters proposed to be included in the meeting agenda.

The Chairman asked Mr. Pairat Srivilairit, the Corporate Secretary, to notify the meeting about the Company's Articles of Association regarding voting.

The Corporate Secretary advised on Section 20 of the Company'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 which the cumulative voting method is used.

According to the Financial Institutions Businesses Act B.E. 2551 ("FIBA"), Section 18, no person shall hold more than ten per cent of the total amount of a financial institution's or parent company of a financial institution's shares sold, including the number of shares held by related parties. Meanwhile, Section 21 indicated that the holding of shares in excess of the prescribed percentage shall not be set up against a financial institution or parent company of a financial institution concerned by such person, and such financial institution or parent company of a financial institution shall not pay dividend or any other form of money as benefit to such person or allow such person to vote at a meeting of shareholders on account of the portion of shares in excess.

For those who intended to vote at the meeting, the Company sent out voting forms for each agenda item prior to the meeting. In addition, the shareholders who had not cast their votes in advance and intended to vote "Against" or "Abstain" or split the votes (in the case of foreign shareholders with custodians in Thailand) on any of the agenda items could complete the voting form and submit it to the Company's staff to calculate the voting result for each agenda item. For cases in which shareholders have appointed a proxy and assigned their proxy to vote as directed, their "For" or "Against" or "Abstain" votes had been recorded in the computer system for calculation; these votes, including voided ballots, will be deducted from "For" votes from shareholders who have rights to vote when the calculation of each agenda item takes place.

The Corporate Secretary further informed the meeting that the shareholders who wish to leave the meeting before the meeting is adjourned, should return the remaining ballots to the Company's staff at the entrance of the meeting room.

To make the meeting proceed smoothly, if any shareholders have opinions or questions please write them down and hand them to our staff instead of using a microphone. The questions received from shareholders in advance will be answered in related agenda items, or agenda 8, other businesses, as the case may be.

The Chairman informed the meeting that there were 205 shareholders present in person and 1,429 represented through proxies, for a total of 1,634 shareholders, holding altogether 486,483,399 shares, representing 60.7606 per cent of the total paid-up shares, thereby constituting a quorum as specified under the Company's Articles of Association.

The Chairman hence declared the Annual General Meeting of Shareholders for the year 2020 duly convened.

During the meeting, there were an additional 38 shareholders who joined in person and 37 who joined represented through proxies. Thus, there were 243 shareholders attending in person and 1,466 represented through proxies, making up a total of 1,709 shareholders, holding altogether 486,975,819 shares, equivalent to 60.8221 per cent of the total paid-up shares.

The Chairman proposed that the meeting consider the following agenda items:

**Agenda Item 1 To certify the Minutes of the Annual General Meeting of Shareholders for the year 2019**

The Chairman proposed that the meeting certify the Minutes of the Annual General Meeting of Shareholders for the year 2019, convened on April 22, 2019. Copies of the Minutes had been disseminated to shareholders along with the Notice of this meeting.

The Board of Directors recommended shareholders certify the Minutes of the Annual General Meeting of Shareholders for the year 2019 as proposed.

The Chairman invited shareholders to express their opinions or ask questions.

Since no shareholders objected, questioned or requested that the Minutes be amended, the Chairman then proposed the meeting certify the Minutes of the Annual General Meeting of Shareholders for the year 2019 as recommended.

The meeting **certified** the Minutes of the Annual General Meeting of Shareholders for the year 2019 with the majority of votes of shareholders who attended the meeting and cast their votes as follows:

For	486,829,866	votes	equivalent to	100.0000	per cent
Against	0	votes	equivalent to	0.00	per cent
Abstain	87,600	votes			
No voided ballot					

**Agenda Item 2 To ratify the Board of Directors' business activities conducted in 2019 as described in the Annual Report**

The Chairman requested the meeting to ratify the Board of Directors' business activities conducted in 2019 as described in the Annual Report.

The Chairman then informed the meeting that the Company would present a video of the Board of Directors' business activities conducted in 2019 and proposed the meeting to ratify the activities. Details were described in the "Report from the Board of Directors" on pages 1-2 of the Annual Report and in Annex item 3 on pages 20-21 of the Notice of the meeting, which had been disseminated to shareholders along with the Notice of this meeting.

The Board of Directors recommended the shareholders ratify the Board of Directors' business activities conducted in 2019 as described in the Annual Report.

The Chairman invited shareholders to express their opinions or ask questions.

Dr. Chalernpol Waitayangkool, a shareholder, inquired as follows:

1. The ability to handle customers who may not be able to pay debt as usual after the end of debt restructuring program in accordance with the financial relief measures.
2. How the Company evaluated and prepared the capital plan in the next few years amid the COVID-19 outbreak.

The Chairman thanked the shareholder and invited the Group Chief Executive to explain.

The Group Chief Executive explained that the epidemic of the COVID-19 affected financial institutions, mutual fund businesses as well as fund management businesses and it was impossible to predict when the situation will end. Nevertheless, the regulators and financial institutions have cooperated to ensure that the situation ends well. For the debt restructuring program for retail and SME customers affected by COVID-19 in the second phase, the Company has evaluated the circumstances since the first phase and shall support those customers for a period of time depending on the global economic situation, not only on the situation with Thai financial institutions. For non-performing loans (NPL), which may increase, the Company will closely monitor and assess their impacts.

In the past three months, the Company issued measures to help customers affected by the situation and found that approx. 90 percent of customers who applied the program were able to repay debt within the period. Also, there were positive signals that the number of customers applying for the program was declining. This indicated that most of the affected customers had already entered the debt restructuring program.

In normal circumstances, the Company conducted a quarterly stress-testing as specified by the Bank of Thailand (BOT). The Company also prepared a three-year rolling business plan which was reviewed quarterly. Under the worst case scenario, the Company's financial position and capital funds still were at an acceptable level despite the increase in NPL and loan loss reserve. This however was based on the assumptions from the beginning stage of debt restructuring which did not reflect actual NPL. Furthermore, the BOT had announced the debt relief measures for retail and SME customers affected by COVID-19 in order to retard the occurrence of NPL and help them overcome this situation.

The BOT and Thai financial institutions have been always managed with care. Thus, at the present, Thai financial institutions were quite strong and the capital ratio according to the international standards of the entire system was at 18 per cent, higher than the BOT's regulation. In the contrary, the capital ratios of financial institutions in the United States and Europe were at only 11 percent on average, even though they should have higher capital ratios than Thai financial institutions due to direct impact from the world economy. Although NPL and loan loss reserve would increase and adversely affect net profit, shareholders could be assured that the Thai financial institution system remained strong.

For the Thai economy, the Government was attempting to support domestic tourism, an important factor to help revitalize growth. The current account balance was still in surplus even as the Thai Baht was strong.

The Chairperson of the Nomination and Compensation Committee added that the current account surplus resulted from Thailand's export structure as when there were fewer exports; imported products were also reduced.

Since no shareholders objected or asked questions, the Chairman then proposed the meeting ratify the Board of Directors' business activities conducted in 2019 as described in the Annual Report.

The meeting **ratified** the Board of Directors' business activities conducted in 2019 as described in the Annual Report, with the majority votes of shareholders who attended the meeting and cast their votes as follows:

For	486,463,718	votes	equivalent to	99.9770	per cent
Against	112,100	votes	equivalent to	0.0230	per cent
Abstain	351,000	votes	equivalent to		per cent
No voided ballot					

**Agenda Item 3 To adopt the Statement of Financial Position and Statement of Comprehensive Income for the year ended December 31, 2019 of the Company and its subsidiary companies**

The Chairman proposed that the meeting adopt the Statement of Financial Position and Statement of Comprehensive Income for TISCO Financial Group Public Company Limited and its subsidiary companies for the year ended December 31, 2019 as shown in the 2019 Annual Report which have been considered by the Audit Committee and audited by the Certified Public Accountant. Details were published in the Annual Report, which had been disseminated to shareholders along with the Notice of this meeting. The Chairman invited Mr. Suthas Ruangmanamongkol, the Group Chief Executive, to summarize the details to the meeting.

The Group Chief Executive summarized the financial statements to the meeting and invited Mr. Chatri Chandrangam, the First Executive Vice President - Risk and Financial Control, to present the details and analysis of the financial statements.

The First Executive Vice President - Risk and Financial Control presented the meeting with details and analysis of the Statement of Financial Position and Statement of Comprehensive Income as follows:

*(Unit : Thousand Baht)*

Description	Consolidated	Company Only
Total Assets	298,304,095	32,315,764
Total Liabilities	259,107,981	8,041,819
Total Equity	39,196,114	24,273,945
Profit for the year	7,273,198	6,224,284
Basic earnings per share (Baht)	9.08	7.77

The Board of Directors recommended shareholders adopt the Statement of Financial Position and Statement of Comprehensive Income for the year ended December 31, 2019 of TISCO Financial Group Public Company Limited and its subsidiary companies.

The Group Chief Executive invited shareholders to express their opinions or ask questions.

Mr. Basant Kumar Dugar, a proxy holder, inquired if the Company could increase the proportion of interbank loan.

The Group Chief Executive clarified that current repurchase rate (R/P Rate) was at 0.5 per cent resulting in low cost of interbank borrowing. In terms of fund stability, deposits were superior even though their cost is higher. Moreover, the Company has always been a net lender in the interbank lending market because the market is highly volatile.

Mr. Wasan Pongputthamon, a shareholder, inquired about the liquidity in the current banking system.

The Group Chief Executive replied that the liquidity in Thai banking system has increased throughout the past ten years. The Company continuously monitored excess liquidity which was currently over Baht 3 tn. Thus, the liquidity in the current Thai banking system was sufficient.

Ms. Ladda Thitikiatpong, a proxy holder from the Thai Investor Association, asked whether the Company expected or had plan to reduce the cost to income ratio, which was 4 per cent higher than the previous year.

The Group Chief Executive explained that cost to income ratio relied on many factors which the Board of Directors had determined through specific key performance indicators (KPI) to Management and employees.

The Chairman added that the Nomination and Compensation Committee had determined a clear framework and KPI each year. In the past, the Company tried to adjust administrative costs into variable costs so that all stakeholders could get good returns.

Since no shareholders objected or asked further questions, the Chairman then proposed the meeting adopt the Statement of Financial Position and Statement of Comprehensive Income for the year ended December 31, 2019 of TISCO Financial Group Public Company Limited and its subsidiary companies.

The meeting **adopted** the Statement of Financial Position and Statement of Comprehensive Income for the year ended December 31, 2019 of TISCO Financial Group Public Company Limited and its subsidiary companies, with the majority votes of shareholders who attended the meeting and cast their votes as follows:

For	486,843,825	votes	equivalent to	99.9770	per cent
Against	112,100	votes	equivalent to	0.0230	per cent
Abstain	7,100	votes			
No voided ballot					

<b>Agenda Item 4</b>	<b>To approve the appropriation of profit arising from the year 2019 operational results with no dividend payment, and to acknowledge the interim dividend payment</b>
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The Chairman proposed the meeting consider approving the appropriation of profit arising from the year 2019 operations as statutory reserve, with no dividend payment and to acknowledge the interim dividend payment. He also invited Mr. Suthas Ruangmanamongkol, the Group Chief Executive, to present details to the meeting.

The Group Chief Executive reported that TISCO Group recorded a net profit before minority interest of Baht 7,273,197,652 on a consolidated basis, increased by Baht 229,456,622 from the year 2018. Excluding minority interest, the net profit attributable to the Company's shareholders for the year 2019 was Baht 7,270,233,420.

In compliance with Section 115 of the Public Limited Companies Act B.E. 2535, as well as the rules and regulations of the Bank of Thailand, the dividend payment shall be made from net profit on a cash-basis after full appropriation of required statutory reserve based on the standalone financial statements. In addition, under Section 116 of the Public Limited Companies Act B.E. 2535 and Section 39 of the Company's Articles of Association, the Company shall allocate not less than 5 per cent of the annual profits as reserved funds, less the accumulated losses brought forward (if any), until the reserve fund reaches an amount not less than 10 per cent of the registered capital. As the statutory reserve of the Company had already reached 10 per cent of registered capital, it is therefore not required to appropriate the statutory reserve for the year 2019, according to the law.

Consequently, the Company's full year profit, interim dividend payment, and remaining unappropriated retained earnings for year-end 2019 based on standalone financial statements were shown as follows.

	<i>(Unit : Baht)</i>
Beginning Unappropriated Retained Earnings 2019	7,482,642,602
Dividend payment from profit arising from 2018 operations	(5,604,428,774)
Net Profit for year 2019	6,224,284,071
Adjust non-cash items	(15,712,303)
<b>Unappropriated Retained Earnings available for dividend payment for year 2019</b>	<b>8,086,785,596</b>
<b>Interim dividend payment from profit arising from 2019 operating results</b>	<b>(6,205,149,743)</b>
<b>Remaining Unappropriated Retained Earnings</b>	<b>1,881,635,853</b>

To alleviate impact on the dividend entitlement of shareholders caused by the postponement of the Annual General Meeting of Shareholders amidst the outbreak of COVID-19, the Board of Directors approved an interim dividend payment from the net profit arising from year 2019 operating results at Baht 7.75 per share for common shareholders and preferred shareholders. The payment was made on May 8, 2020 in an amount of Baht 6,205,149,743, equivalent to the dividend payout ratio of 85.4% on consolidated basis, compared to the dividend payout ratio of 79.9% for year 2018.

The Board recommended shareholders approve the appropriation of profit arising from the year 2019 operating results, and no dividend payment, as follows.

- No legal reserve appropriation because the Company's reserve has reached the amount required by law.
- No additional dividend payment from the year 2019 operating results because the Board has approved an interim dividend payment which was made on May 8, 2020 at the amount of 7.75 baht per share or approximately Baht 6,205 Million in total, equivalent to the dividend payout ratio of 85.4% on a consolidated basis. The Board of Directors' approval for such interim dividend payment was aimed to alleviate impact on the dividend entitlement of shareholders caused by the postponement of the Annual General Meeting of Shareholders due to the outbreak of the COVID-19.
- The appropriation of remaining profit arising from the year 2019 operations after the interim dividend payment as unappropriated retained earnings and acknowledged the interim dividend payment from the year 2019 operating results.

The Chairman invited shareholders to express their opinions or ask questions.

Shareholder inquiries and opinions are summarized as follows:

1. Mr. Wasan Pongputthamon, a shareholder, questioned about the clarity, impact and rationale of the BOT's Policy to prohibit banks from paying interim dividend and repurchasing of shares, which, in his personal opinion, should be on each bank's discretion. He also asked if the aforementioned policy covered annual dividend payments.
2. Ms. Ladda Thitikiatpong, a proxy holder from the Thai Investors Association, inquired about the impact from the BOT's policy to the Company's operations and the possibility of future dividend payment.
3. Mr. Sittichoke Boonwanich, a shareholder, complimented the Company for consistently high dividend payment and inquired whether the Company anticipated to maintain annual dividend payment given the event with severe negative impact to the Company.
4. Mr. Weerasak Sahachaiseri, a shareholder, queried over the possibility and ratio of the dividend payment next year.
5. Mr. Korakoch Chetsada-arrakkul, a shareholder, asked if the Company could still pay an annual dividend in the following year.



6. Dr. Chalernpol Waitayangkool, a shareholder, questioned the policy of dividend payment next year and whether the Company had a plan to repurchase shares to maintain the capital ratio.

The Chairman invited the Group Chief Executive to clarify.

The Group Chief Executive summarized that the BOT had issued the policy to temporarily suspend the interim dividend payment and hold share repurchases; it was a preventive policy for financial institutions aimed at encouraging caution due to the rise in NPLs and unclear impact of the COVID-19 virus outbreak. Furthermore, the Bank of Thailand determined that financial institutions in Thailand must provide a Stress Test in order to evaluate their stability over the next few years before considering the dividend payment. Share buyback was included as it is the same kind of dividend payment and subject to the same policy from the Central Bank.

The banks in America and Europe have capital ratios at 11 – 12 per cent while Thai financial institutions have capital ratios at 18 per cent on average which showed the stability of Thai banking system. Therefore, the Company deemed that the Bank of Thailand was acting to encourage financial institutions to remain cautious and was believed to return to normal after the situation improves. However, it depends on the Bank of Thailand's policy in the future. Regarding the Company's outlook for the next six months, Thailand should be able to handle this issue and Thai financial institutions are stronger than other countries on average and thus should be less affected. In summary, Thai financial institutions, as well as of the Company, still have capability to make dividend payments subject to their performance and the Bank of Thailand's policy.

The Chairman added that the policy issued by the BOT is considered a preventive policy for financial institutions. Nonetheless, the shareholders are understandably interested in what will happen to the Company, such as the dividend payment rate that was previously reported by the Group Chief Executive. Due to the COVID-19 pandemic, the Government is requiring financial institutions to assist entrepreneurs, resulting in the Bank's profits decreasing as more funds are set aside for the increase in NPL. The Company agreed with the above policy, however, financial institutions have to consider their capabilities because they mainly earn interest as income. A debt moratorium for six months to one year would cause damage to the financial institution system.

Referring to the decrease in global Gross Domestic Product (GDP), it is expected that the Company's net profit and dividend payment will also drop. The Central Bank's policy to announce no interim dividend payment is aimed at encouraging all financial institutions to be cautious as the COVID-19 situation is still in phase 1. Annual dividend payment is allowed if the financial institution has sufficient net profit, good financial statements and is able to control NPLs. The BOT is not seeking to directly impact shareholders. However, the aforementioned matters are only the Company's assumption.

For share repurchase, the Company agreed with the above Central Bank's policy to not allow banks to do share repurchase which will reduce the bank's capital fund. In the past, some financial institutions had capital levels that were too high or their stock price had fallen to a lower level than book value.

In this regard, the Company has a management plan to look after all stakeholders equally. Moreover, the Company has emphasized with management to place importance on high return and operating business carefully amid the changing situation.

Since no shareholders objected or asked further questions, the Chairman proposed the meeting approve the appropriation of profit arising from the year 2019 operations and no dividend payment, as recommended.

The meeting **approved** appropriation of profit arising from the year 2019 operations and no dividend payment as proposed, with the majority votes of shareholders who attended the meeting and cast their votes as follows:

For	486,964,795	votes	equivalent to	100.0000	per cent
Against	200	votes	equivalent to	0.0000	per cent
Abstain	1,200	votes			
No voided ballot					

and **acknowledged** the interim dividend payment from the year 2019 operating results

**Agenda Item 5 To approve the appointment of the auditors and their remuneration for the year 2020**

The Chairman proposed the meeting to consider the appointment of the auditors and their remuneration for the year 2020 and subsequently invited Assoc. Prof. Dr. Angkarat Priebjivat, the Chairperson of the Audit Committee, to summarise this agenda item to the meeting.

The Chairperson of the Audit Committee informed the meeting that in order to comply with the Public Limited Companies Act B.E. 2535 and Section 40 of the Company's Articles of Association which state that the annual general meeting of shareholders shall appoint an auditor and determine the remuneration of the auditor of the Company every year, the Audit Committee, in accordance with the Company's External Auditor Selection Guideline, proposed the appointment of Ms. Ratana Jala and/or Ms. Somjai Khunapasut and/or Mrs. Yuppadee Satchawannakul and/or Ms. Wanwilai Phetsang of EY Office Limited as the Company's auditors. The aforementioned auditors received approval from the Bank of Thailand for the year 2020, considering that they are qualified under the regulations of the Bank of Thailand and the Office of the Securities and Exchange Commission, and have shown satisfactory performance. Total audit fees for the Company and subsidiaries in TISCO Group will not be exceeding Baht 10,530,000 comprising a maximum of Baht 750,000 for the Company and Baht 9,780,000 for nine subsidiaries.

The professional audit fee quoted for the year 2020 for all companies in TISCO group totals Baht 10,530,000, increased by 4.9% or Baht 490,000 from the previous year, mainly from an implementation of new accounting standards, related regulations and inflation. The audit fee of Hi-Way also accounts for higher business volume & activities with the rising number of branches and new businesses. Meanwhile, the audit fee of TISCO Investment Advisory Securities Company Limited was decreased as the mentioned company was planned to be dissolve in this year.

In addition, the Company had no non-financial audit fee for the year 2020 compared with the non-financial audit fee of Baht 520,000 in 2019 from a special audit according to the Bank of Thailand's guidance which shall be performed every 5 years.

The Board of Directors concurred with the proposal of the Audit Committee, and proposed shareholders consider the appointment of Ms. Ratana Jala, CPA License No. 3734 and/or Ms. Somjai Khunapasut, CPA License No. 4499 and/or Mrs. Yuppadee Satchawannakul, CPA License No. 4819 and/or Ms. Wanwilai Phetsang, CPA License No. 5315 from EY Office Limited to be the Company and subsidiaries' auditors for the year 2020. Any one of these auditors is authorized to certify the auditor's report. All nominated auditors have been approved by the Bank of Thailand. Total audit fees for the Company and subsidiaries in TISCO Group will not exceed Baht 10,530,000 comprising a maximum of Baht 750,000 for the Company and Baht 9,780,000 for the nine subsidiaries.

The Chairperson of the Audit Committee invited shareholders to express their opinions or ask questions. However, since no shareholders objected or asked further questions, the Chairperson of the Audit Committee proposed the meeting to approve the appointment of the auditors and their remuneration for the year 2020.

The meeting **approved** the appointment of the auditors and their remuneration for the year 2020 as proposed, with the majority votes of the shareholders who attended the meeting and cast their votes as follows:

For	486,738,137	votes	equivalent to	99.9550	per cent
Against	219,000	votes	equivalent to	0.0450	per cent
Abstain	11,800	votes			
No voided ballot					

<b>Agenda Item 6 To approve the number of directors and the appointment of directors</b>
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The Chairman proposed the meeting consider approving the number of directors and the appointment of directors.

The Chairman informed the meeting that since agenda items 6 and 7 were matters related to directors, all directors would voluntarily leave the meeting in line with good corporate governance practices. The Chairman then proposed the meeting elect a shareholder to conduct the meeting for agenda items 6 and 7.

The meeting elected Ms. Krisna Theravuthi, a shareholder, to conduct the meeting during discussion of agenda items 6 and 7. In this regard, Ms. Krisna Theravuthi asked the Corporate Secretary to explain details of agenda item 6.

The Corporate Secretary summarized the details to the meeting, namely that according to TISCO's Articles of Association, the whole Board of Directors shall be simultaneously elected at the annual general meeting of shareholders each year. Thus, the current Board of Directors was due to retire today. The Corporate Secretary also added that consideration of this agenda item would be made in two sections: (1) to approve the number of directors and (2) to approve the appointment of directors.

Section 22 of the Company's Articles of Association prescribed that the shareholders shall, from time to time, by resolution of a general meeting, determine the number of directors which shall be not less than five with 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 per cent of the total number of directors.

The Board of Directors, with recommendations from the Nomination and Compensation Committee, had considered the number of directors to be appropriate, according to good corporate governance practices. The candidate's qualifications and the skills each candidate might bring to the Board were also considered. Upon review of the board size and composition most suitable to the needs of the Company, the Board proposed shareholders approve the number of directors at 12 (twelve). Therefore, the Corporate Secretary proposed 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 (1) vote per share.

Ms. Krisna Theravuthi invited shareholders to express their opinions or ask questions. However, since no shareholders objected or asked further questions, Ms. Krisna Theravuthi proposed the meeting approve the number of directors at 12.

The meeting **approved** the number of directors at 12, with the majority votes of shareholders who attended the meeting and cast their votes as follows:

For	448,197,553	votes	equivalent to	92.0386	per cent
Against	38,769,390	votes	equivalent to	7.9614	per cent
Abstain	2,000	votes			
No voided ballot					

The Corporate Secretary further informed the meeting that TISCO's Articles of Association number 23 and 24 required cumulative voting for the election of directors. This mechanism would increase the opportunity for minority shareholders to nominate persons to become TISCO directors in accordance with Section 70 and 71 of the Public Limited Company Act.

In addition, TISCO had allowed the period of September 1 to November 30, 2019 for all shareholders to propose qualified candidates for a director's position in advance of the Annual General Meeting of Shareholders for 2020. After the mentioned period, there was no candidate nominated by shareholders for director position.

The Nomination and Compensation Committee shall select qualified candidates by considering their knowledge, experience, biography, sufficient understanding of finance and banking, economics, information technology, law or any other related fields based upon the need and maximum benefit of the Company, corporate governance practices, related laws and regulations, in order to attain the most appropriate size and composition of the board. Moreover, Independent director positions must be in compliance.

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

<b><u>Name</u></b>	<b><u>Proposed Position</u></b>
1. Mr. Pliu Mangkornkanok	Independent Director
2. Mr. Hon Kit Shing (Alexander H. Shing)	Non-Executive Director
3. Mr. Suthas Ruangmanamongkol	Executive Director
4. Assoc. Prof. Dr. Angkarat Priebjrivat	Independent Director
5. Prof. Dr. Pranee Tinakorn	Independent Director
6. Prof. Dr. Teerana Bhongmakapat	Non-Executive Director
7. Mr. Sathit Aungmanee	Independent Director
8. Dr. Charatpong Chotigavanich	Independent Director
9. Dr. Kulpatra Sirodom	Independent Director
10. Mr. Chi-Hao Sun (Howard Sun)	Executive Director
11. Mr. Satoshi Yoshitake	Executive Director
12. Mr. Sakchai Peechapat	Executive Director

All above candidates have been approved by the Bank of Thailand.

The Board of Directors proposed two independent directors who had occupied the position for more than nine consecutive years namely, Assoc. Prof. Dr. Angkarat Priebjrivat and Prof. Dr. Pranee Tinakorn, due to the fact that both of them are persons with high knowledge, proficiency and experience in financial businesses that are deemed

appropriate and important to support the duties of the Board of Directors.

For transparency in appointing independent directors, the Board of Directors has approved the “Policy on Assessing the Independence of Directors” on December 8, 2017. The assessment suggested that all independent directors still performed their duties independently.

The Board of Directors, with recommendations from the Nomination and Compensation Committee, approved the above recommendation to propose the meeting appoint the proposed directors to return to their positions for another term since the Board was of the view that the mentioned director candidates have complete qualifications and suitability for the Company’s business, without prohibited characteristics for appointment as directors, in accordance with applicable laws. In addition, they have performed their duties with full responsibility, due care and integrity, in compliance with the regulatory requirements, objectives, the Company’s Articles of Association, resolutions of the Board of Directors, as well as resolutions of the General Meeting of Shareholders.

Furthermore, Mr. Pliu Mangkornkanok, Assoc. Prof. Dr. Angkarat Priebjivat, Prof. Dr. Pranee Tinakorn, Mr. Sathit Aungmanee, Dr. Charatpong Chotigavanich and Dr. Kulpatra Sirodom are qualified as independent directors as specified in the TISCO Corporate Governance Policy and practices, and are able to share opinions independently and comply with related laws and regulations.

Ms. Krisna Theravuthi, the moderator of the meeting, then invited shareholders to express their opinions or ask questions. Since no shareholders objected or asked any questions. Ms. Krisna Theravuthi proposed the meeting approve the appointment of director candidates.

The meeting **approved** the appointment of the following director candidates as the Company’s directors, by the cumulative voting method according to the Articles of Association with the votes as follows:

	<u>For</u>		<u>Against</u>	
1. Mr. Pliu Mangkornkanok	369,973,117	votes	42,761,161	votes
2. Mr. Hon Kit Shing (Alexander H. Shing)	947,901,965	votes	8,509,635	votes
3. Mr. Suthas Ruangmanamongkol	401,835,147	votes	8,782,197	votes
4. Assoc. Prof. Dr. Angkarat Priebjivat	289,718,848	votes	63,190,177	votes
5. Prof. Dr. Pranee Tinakorn	290,330,648	votes	65,836,377	votes
6. Prof. Dr. Teerana Bhongmakapat	399,521,387	votes	10,668,005	votes
7. Mr. Sathit Aungmanee	390,556,896	votes	26,645,478	votes
8. Dr. Charatpong Chotigavanich	405,445,526	votes	825,508	votes
9. Dr. Kulpatra Sirodom	371,400,591	votes	610,608	votes
10. Mr. Chi-Hao Sun (Howard Sun)	784,073,783	votes	8,118,505	votes
11. Mr. Satoshi Yoshitake	399,760,247	votes	8,033,405	votes
12. Mr. Sakchai Peechapat	401,823,147	votes	8,023,066	votes
	<b>5,452,341,302</b>	<b>votes</b>	<b>385,201,826</b>	<b>votes</b>
<b>Abstain</b>	<b>6,142,700</b>	<b>votes</b>		
<b>Voided Ballot</b>	<b>24,000</b>	<b>votes</b>		

**Agenda 7 To approve the remuneration of directors**

Ms. Krisna Theravuthi proposed that the meeting approve the remuneration of directors and asked the Corporate Secretary to present the details of agenda item 7 to the meeting.

The Corporate Secretary clarified that the Nomination and Compensation Committee shall consider appropriate remuneration for directors every year to ensure that the remuneration is commensurate with their duties and responsibilities.

The directors in TISCO Group of companies who do not hold any management position in other subsidiary companies will be remunerated with meeting fees and monthly fees in the same form and amount as TISCO Board members, to be valid until amended. No meeting fee shall be paid to a member of the Board and Sub-committee who is also an employee or holds a full time position in the TISCO Group of companies.

The Board of Directors considered and agreed with the proposal of the Nomination and Compensation Committee and recommended shareholders approve the remuneration of the directors, subcommittee and advisors in the form of monthly fees, meeting fees, at the same rate as that of 2019 due to low inflation. Details of the proposed remuneration for directors are as follows.

▪ **Monetary Remuneration**

(Unit: Baht)

	May 2019 - Present		Proposed to AGM 2020		% Change <sup>/1</sup>
	Monthly Fee	Meeting Fee	Monthly Fee	Meeting Fee	
<b>Board of Directors</b>					
Chairman	240,000	60,000	240,000	60,000	-
Member	50,000	50,000	50,000	50,000	-
Advisor	40,000	-	40,000	-	-
<b>Executive Board</b>					
Chairperson	-	60,000	-	60,000	-
Member	-	50,000	-	50,000	-
<b>Risk Oversight Committee</b>					
Chairperson	-	60,000	-	60,000	-
Member	-	50,000	-	50,000	-
<b>Audit Committee</b>					
Chairperson	-	60,000	-	60,000	-
Member	-	50,000	-	50,000	-
<b>Nomination and Compensation Committee</b>					
Chairperson	-	60,000	-	60,000	-
Member	-	50,000	-	50,000	-
<b>Corporate Governance Committee</b>					
Chairperson	-	60,000	-	60,000	-
Member	-	50,000	-	50,000	-

▪ **Non-monetary Remuneration**

1. An executive car for the Chairman of the Board,
2. Group life and accident insurance or health insurance for Thai directors aged over 60,
3. Directors & Officers Liability Insurance (D&O)

The Board recommends shareholders approve the remuneration of directors, subcommittee members and advisors in the form of monthly fees and meeting fees at the same rate due to low inflation, including an executive car for the Chairman of the Board, group life and accident insurance or health insurance in the case of Thai directors aged over 60, and Directors & Officers Liability Insurance, to be valid until amended. The Board of Directors, under the authority delegated by the shareholders, will determine an exact amount to be paid each time. The directors are entitled to receive other remuneration or benefits paid for other appointments or special assignments from the Board of Directors.

Ms. Krisna Theravuthi, the moderator of the meeting, then invited shareholders to express their opinions or ask questions.

Dr. Chalernpol Waitayangkool, a shareholder, inquired whether the consideration of remuneration of directors is in line with the economic downturn throughout the country, given that TISCO Group's operating results had decreased.

Ms. Krisna Theravuthi, the moderator of the meeting, informed the meeting that since the matter relates to the remuneration of directors, Prof. Dr. Pranee Tinakorn, the Chairperson of Nomination and Compensation Committee would join the meeting to clarify the details.

The Chairperson of Nomination and Compensation Committee explained to the meeting that the profit from operations will be allocated as a dividend to shareholders and bonus for employees. In addition, the Company has no policy to pay bonus to the directors. Hence, the remuneration of directors will be only monthly fees and meeting fees. The Nomination and Compensation Committee recommends shareholders approve the remuneration of directors at the same rate for this meeting despite the satisfactory performance in the past year because the duties and responsibilities of directors are still the same as before or even more due to the current situation. Nevertheless, if the operating results decreased significantly, the Nomination and Compensation Committee will review the remuneration of the directors to be in line with the situation.

Since no shareholders objected or asked further questions. Ms. Krisna Theravuthi then proposed the meeting to approve the remuneration of directors. In this regard, the directors who held shares were considered as having a conflict of interest in this matter and were not entitled to vote.

The meeting **approved** the remuneration of directors as proposed, with the votes of not less than two-thirds of the total number of votes of shareholders who attended the meeting as follows:

For	479,696,284	votes	equivalent to	98.5058	per cent
Against	1,341,675	votes	equivalent to	0.2755	per cent
Abstain	13,700	votes	equivalent to	0.0028	per cent
No voided ballot					

After the meeting considered the director-related agenda, all elected directors re-joined the meeting.

The Board of Directors re-joined the meeting and thanked all shareholders for their approval of their re-election for another term.

**Agenda 8 Other business (if any)**

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

Mr. Pakdee Changwichukarn, a proxy holder, inquired about:

1. The groups in the credit port held by the Company and the amount and portion of each group.
2. What is the number of customers who applied for the debt relief program, their value and proportion to the whole portfolio, and would they be classified as NPL after the end of relief program.
3. The potential for more reserve to be set aside.

Dr. Chalernpol Waitayangkool, a shareholder, inquired about the credit account consolidation, the possibility of debt relief program extension and interest reduction.

Mr. Wasan Pongputthamon, a shareholder, asked about:

1. The Company's policy to alleviate impact on debtors during this crisis.
2. The reserve for loan loss if there is an extension of debt relief program from three to six months.

Mrs. Sirilak Kosolsombat questioned the readiness to handle a second wave of COVID-19 outbreak.

The Group Chief Executive thanked the shareholders and clarified that the conditions and duration of relief measures under the Bank of Thailand's measures are different for each financial institution. The Management of the Company has discussed and agreed that the Company would apply debt restructuring by suspending the principal payment for six months. The reason was that if the customers enter the debt moratorium (both principal and interest) and the situation prolongs, not only are the NPL difficult to assess, but the Company will have no information of the customers' ability to pay and payment record to consider other relief measures in the next phase. Therefore, the Company would like customers to make at least the interest payment so that his ability to pay could be gauged and used as a factor for the consideration of the next relief measure of the Bank of Thailand. When the customers fail to pay interest, the NPL will be immediately shown in the report. If the customers could make the interest payment following the debt restructuring plan, the Stage 2 customers (Under-performing) would turn to Stage 1 (Performing) within three months and the Stage 3 customers (Non-performing) would turn to Stage 1 within 12 months as per accounting standards. Thus, the setting aside of reserve will be different for each financial institution depending on the measures they chose to help customers.

At the beginning of the program, there were some misunderstandings about the measures by many participating customers. Many customers applied to the program to save their liquidity as cushion for uncertainty despite their long good payment record. But after conditions become clearer, a number of customers with good ability to pay asked to quit the program and return to repay the debt as normal, resulting in a significant decline in proportion of customers under debt relief program compared to the customers originally applied for the program. The remaining customers in the program are believed to be directly affected by the COVID-19 situation. Once the debt restructuring period ends, the Company's overall picture will become clearer. Nevertheless, the Company has prepared measures to relieve the burden of expenses for some customers who are unable to make normal payments.

The Chairman added that when the Company launched measures to help debtor in the initial period, some customers misconceived the program as debt forgiveness, while in fact it was only a suspension of principal repayment for three to six months which means the customer's burden remains and interest will be accrued an added to loan principal if it is not



paid. There are large number of customers participating in debt restructuring to save their liquidity despite the fact that they still can repay the debt as normal. The inflow of applications for loan restructuring was far beyond the capacity of our operation to handle resulting in a surge of NPL.

The Group Chief Executive added that the understanding in the announced measures affected the number of requests for debt restructuring. After having clear understanding on the conditions of debt restructuring, the proportion of customers utilizing the measures decreased from 20 per cent to 10 per cent. For the motorcycle loan customers, the proportion reduced from 5 per cent to less than 2 per cent due to their better ability to pay off debt. For SME customers, less than 10 per cent of customers participated the debt restructuring measures. Due to misunderstanding about the measures, the number of customers requesting debt restructuring in the whole system should be more than what are actually needed, which will become clearer in the third quarter.

For the provision for loan loss in the future, the figures could not be predicted at the moment. However, the Credit Committee met weekly to closely monitor the situation. The Company should be able to predict the NPL figures after the debt restructuring ends by following up their ability to pay off debt under the measures for the next six months. Furthermore, the Company has prepared measures for the second wave of the COVID-19 pandemic and anticipated that 90 per cent of customers, especially those with good payment record in the first phase, would request an extension in the second phase where the Company will examine their ability to pay off debt and offer further assistance which will reduce the risk of the Company.

Dr. Chalernpol Waitayangkool, Shareholder, inquired about:

1. Change to the credit granting policy after the COVID-19 situation.
2. Marketing strategy of "Somwang Ngern Sang Dai" amid high unemployment.

The Group Chief Executive clarified that new loan demand will decrease, in line with the situation. Consumers might not make much investment and consumer loans will drop as well. Sales in the real estate and automotive industry including the production volume of factories will fall, which the Company sees as an advantage since it will reduce the occurrence of new debt burden. The Company saw massive market demand for "Somwang Ngern Sang Dai" which is providing credit facility against auto license for retail consumers who need credit line for business working capital and has been trying to penetrate this market for the past several months but had to delay the plan due to the current situation and may need to wait to assess the situation for another quarter. The Company believes that this market has a chance to grow in the next six to twelve months and will execute its strategy carefully.

Mr. Noppasit Pongsak, a shareholder, inquired about the issuance of Subordinate Instruments intended to qualify as Tier 2 Capital No. 1/2020, due in 2030.

The Group Chief Executive explained that the Company issued the subordinated debt Instruments to increase Tier 2 Capital and strengthen the Company's capital ratio. As the interest rates were low at the present, the Company decided to exercise option to redeem the subordinated debenture before maturity after five years and issued a new tranche with lower interest expense. This is an opportunity to reduce borrowing costs without changing policies or other objectives. The instruments offered were subordinated debentures issued in May 2020 (Tenor 10-year) with a 3.15 per cent interest rate and were given a credit rating by Credit Rating Agencies.

Mr. Thaprasert Phairotephamorn, Shareholder, inquired about the percentage of the Bank's customers that are SME and how much of these loans are NPLs.

The Group Chief Executive clarified that the SME customers account for around 4 to 5 per cent, which is a relatively small compared to the whole customer portfolio. The proportion of SME customers participating in the relief measures is less than ten per cent, over half of which chose to pay interest. However, if the situation is not resolved in the next six months, the company will consider extending the assistance based on their records and ability to pay as well as the business nature and potential. This is the policy that the company has implemented since the economic crisis in 1997.

Ms. Malee Kitvekin, a shareholder, queried the following matters:

1. Does TISCO Securities Company Limited offer Principal Protected Note and what is the characteristic and prospect of this product.
2. Is the Cryptocurrency a good choice of investment and will TISCO Securities Company Limited provide advisory service for such investment using Artificial Intelligence (AI).

The Group Chief Executive invited the Chief Executive Officer of TISCO Securities Company Limited ("TISCOSEC") to clarify the shareholder's inquiry. The Chief Executive Officer of TISCOSEC informed that the TISCOSEC never offer both Principal Protected Note and Cryptocurrency products owing to their high risk.

Dr. Chalernpol Waitayangkool, a shareholder, noted that the clarification on NPL by the Group Chief Executive is clear and prudent, and asked if the NPLs will rise after the company spends six months to consider customers' credibility due to various definition of NPL from 3 months to 6 months, 9 months and 12 months depending on each financial institution. He also asked if the Company still determine NPL in accordance with the standard because it may cause impact on the credit records of customers with National credit Bureau and so on and what is the Company's plan and guide on this issue.

The Group Chief Executive explained that the submission of customers' NPL status to the National Credit Bureau (NCB) is in line with the BOT's regulation which differs from the more stringent policy of the Company. The measures of the BOT allow immediate adjustment from Stage 2 (Under-performing) to Stage 1 (Performing) and takes 3 months to adjust from Stage 3 (Non-performing) to Stage 1 (Performing), while the Company's internal policy need twelve months to adjust from NPL status to Stage 1 (Performing) resulting in less fluctuation in the NPL ration and loan loss reserve.

The Chairman added that this measure complied with the Company's conservative policy but had no impact on the credit of customers.

The Shareholders asked the method of accounting in case of principal payment suspension for three months but continued payment of interest.

The Group Chief Executive answered that the customers who make only their monthly interest payment following the condition of principal payment suspension shall not be counted as overdue. It would take time to improve if it has already been classified as NPL. In fact, the NPL occurs after the fourth overdue. The customers who accepted the condition and consistently made the debt payment will not be NPL. And after the relief period ends, the Company will invite the customer who has good records and conforms to the agreed conditions to discuss whether the customers want to resume the normal payment or apply for other relief measures so that both the customers and the Company can survive the crisis.

The Corporate Secretary reported that the Company will disseminate the minutes of the Annual General Meeting of Shareholders 2020 through the Company's website within 14 days after the meeting. Shareholders can check the accuracy of the minutes via the website. Shareholders who have questions that require clarification may submit to the Corporate Secretariat Office via the Company's email, [tisco\\_cs@tisco.co.th](mailto:tisco_cs@tisco.co.th), or +66 2633 6805. The Corporate Secretary also requested shareholders submit the remaining ballots to the Meeting staff in front of the meeting room.

There being no other issues, the Chairman thanked the shareholders for attending and giving useful recommendations. The meeting then adjourned at 16.30 hours.

*- Pliu Mangkomkanok -*

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(Mr. Pliu Mangkomkanok)

Chairman of the Meeting  
and Chairman of the Board

*- Pairat Srivilairit -*

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(Mr. Pairat Srivilairit)

Corporate Secretary

**Appendix**  
**Summary of Questions and Answers from AGM 2020**  
**TISCO Financial Group Public Company Limited**

**Agenda Item 2      To ratify the Board of Directors' business activities conducted in 2019 as described in the Annual Report**

No.	Inquiries / Recommendations	Answer
<b>Inquiries in the Meeting</b>		
1	<p>Dr. Chalernpol Waitayangkool, a shareholder, inquired as follows:</p> <ul style="list-style-type: none"> <li>- The ability to handle customers who may not be able to pay debt as usual after the end of debt restructuring program in accordance with the financial relief measures.</li> <li>- How the Company evaluated and prepared the capital plan in the next few years amid the COVID-19 outbreak.</li> </ul>	<p>The Group Chief Executive explained that the epidemic of the COVID-19 affected financial institutions, mutual fund businesses as well as fund management businesses and it was impossible to predict when the situation will end. Nevertheless, the regulators and financial institutions have cooperated to ensure that the situation ends well. For the debt restructuring program for retail and SME customers affected by COVID-19 in the second phase, the Company has evaluated the circumstances since the first phase and shall support those customers for a period of time depending on the global economic situation, not only on the situation with Thai financial institutions. For non-performing loans (NPL), which may increase, the Company will closely monitor and assess their impacts.</p> <p>In the past three months, the Company issued measures to help customers affected by the situation and found that approx. 90 percent of customers who applied the program were able to repay debt within the period. Also, there were positive signals that the number of customers applying for the program was declining. This indicated that most of the affected customers had already entered the debt restructuring program.</p> <p>In normal circumstances, the Company conducted a quarterly stress-testing as specified by the Bank of Thailand (BOT). The Company also prepared a three-year rolling business plan which was reviewed quarterly. Under the worst case scenario, the Company's financial position and capital funds still were at an acceptable level despite the increase in NPL and loan loss reserve. This however was based on the assumptions from the beginning stage of debt restructuring which did not reflect actual NPL. Furthermore, the BOT had announced the debt relief measures for retail</p>

No.	Inquiries / Recommendations	Answer
		<p>and SME customers affected by COVID-19 in order to retard the occurrence of NPL and help them overcome this situation.</p> <p>The BOT and Thai financial institutions have been always managed with care. Thus, at the present, Thai financial institutions were quite strong and the capital ratio according to the international standards of the entire system was at 18 per cent, higher than the BOT's regulation. In the contrary, the capital ratios of financial institutions in the United States and Europe were at only 11 percent on average, even though they should have higher capital ratios than Thai financial institutions due to direct impact from the world economy. Although NPL and loan loss reserve would increase and adversely affect net profit, shareholders could be assured that the Thai financial institution system remained strong.</p> <p>For the Thai economy, the Government was attempting to support domestic tourism, an important factor to help revitalize growth. The current account balance was still in surplus even as the Thai Baht was strong.</p> <p>The Chairperson of the Nomination and Compensation Committee added that the current account surplus resulted from Thailand's export structure as when there were fewer exports; imported products were also reduced.</p>

**Agenda Item 3 To adopt the Statement of Financial Position and Statement of Comprehensive Income for the Year Ended December 31, 2019 of the Company and its subsidiary companies**

No.	Inquiries / Recommendations	Answer
<b>Inquiries in the Meeting</b>		
1	Mr. Basant Kumar Dugar, a proxy holder, inquired if the Company could increase the proportion of interbank loan.	The Group Chief Executive clarified that current repurchase rate (R/P Rate) was at 0.5 per cent resulting in low cost of interbank borrowing. In terms of fund stability, deposits were superior even though their cost is higher. Moreover, the Company has always been a net lender in the interbank lending market because the market is highly volatile.
2	Mr. Wasan Pongputthamon, a shareholder, inquired about the liquidity in the current banking system.	The Group Chief Executive replied that the liquidity in Thai banking system has increased throughout the past ten years. The Company continuously monitored excess liquidity

No.	Inquiries / Recommendations	Answer
		which was currently over Baht 3 tn. Thus, the liquidity in the current Thai banking system was sufficient.
3	Ms. Ladda Thitikiatpong, a proxy holder from the Thai Investor Association, asked whether the Company expected or had plan to reduce the cost to income ratio, which was 4 per cent higher than the previous year.	<p>The Group Chief Executive explained that cost to income ratio relied on many factors which the Board of Directors had determined through specific key performance indicators (KPI) to Management and employees.</p> <p>The Chairman added that the Nomination and Compensation Committee had determined a clear framework and KPI each year. In the past, the Company tried to adjust administrative costs into variable costs so that all stakeholders could get good returns.</p>

**Agenda Item 4 To approve the appropriation of profit arising from the Year 2019 operations results and no dividend payment, and acknowledge the interim dividend payment**

No.	Inquiries / Recommendations	Answer
<b>Inquiries in the Meeting</b>		
1	<p>1) Mr. Wasan Pongputthamon, a shareholder, questioned about the clarity, impact and rationale of the BOT's Policy to prohibit banks from paying interim dividend and repurchasing of shares, which, in his personal opinion, should be on each bank's discretion. He also asked if the aforementioned policy covered annual dividend payments.</p> <p>2) Ms. Ladda Thitikiatpong, a proxy holder from the Thai Investors Association, inquired about the impact from the BOT's policy to the Company's operations and the possibility of dividend payment.</p> <p>3) Mr. Sittichoke Boonwanich, a shareholder, complimented the Company for consistently high dividend payment and inquired whether the Company anticipated to maintain annual dividend payment given the event with severe negative impact to the Company.</p>	<p>The Group Chief Executive summarized that the BOT had issued the policy to temporarily suspend the interim dividend payment and hold share repurchases; it was a preventive policy for financial institutions aimed at encouraging caution due to the rise in NPLs and unclear impact of the COVID-19 virus outbreak. Furthermore, the Bank of Thailand determined that financial institutions in Thailand must provide a Stress Test in order to evaluate their stability over the next few years before considering the dividend payment.</p> <p>Share buyback was included as it is the same kind of dividend payment and subject to the same policy from the Central Bank.</p> <p>The banks in America and Europe have capital ratios at 11-12 per cent while Thai financial institutions have capital ratios at 18 per cent on average which showed the stability of Thai banking system. Therefore, the Company deemed that the Bank of Thailand was acting to encourage financial institutions to remain cautious and was believed to return to normal after the situation improves. However, it depends on the Bank of Thailand's policy in the future. Regarding the Company's outlook for the next six months, Thailand should be able to handle this issue and Thai financial institutions</p>

No.	Inquiries / Recommendations	Answer
	<p>4) Mr. Weerasak Sahachaiseri, a shareholder, queried over the possibility and ratio of the dividend payment next year.</p> <p>5) Mr. Korakoch Chetsada-arrakkul, a shareholder, asked if the Company could still pay an annual dividend in the following year.</p> <p>6) Dr. Chalernpol Waitayangkool, a shareholder, questioned the policy of dividend payment next year and whether the Company had a plan to repurchase shares to maintain the capital ratio.</p>	<p>are stronger than other countries on average and thus should be less affected. In summary, Thai financial institutions, as well as of the Company, still have capability to make dividend payments subject to their performance and the Bank of Thailand's policy.</p> <p>The Chairman added that the policy issued by the BOT is considered a preventive policy for financial institutions. Nonetheless, the shareholders are understandably interested in what will happen to the Company, such as the dividend payment rate that was previously reported by the Group Chief Executive. Due to the COVID-19 pandemic, the Government is requiring financial institutions to assist entrepreneurs, resulting in the Bank's profits decreasing as more funds are set aside for the increase in NPL. The Company agreed with the above policy, however, financial institutions have to consider their capabilities because they mainly earn interest as income. A debt moratorium for six months to one year would cause damage to the financial institution system.</p> <p>Referring to the decrease in global Gross Domestic Product (GDP), it is expected that the Company's net profit and dividend payment will also drop. The Central Bank's policy to announce no interim dividend payment is aimed at encouraging all financial institutions to be cautious as the COVID-19 situation is still in phase 1. Annual dividend payment is allowed if the financial institution has sufficient net profit, good financial statements and is able to control NPLs. The BOT is not seeking to directly impact shareholders. However, the aforementioned matters are only the Company's assumption.</p> <p>For share repurchase, the Company agreed with the above Central Bank's policy to not allow banks to do share repurchase which will reduce the bank's capital fund. In the past, some financial institutions had capital levels that were too high or their stock price had fallen to a lower level than book value.</p> <p>In this regard, the Company has a management plan to look after all stakeholders equally. Moreover, the Company has emphasized with management to place importance on high</p>

No.	Inquiries / Recommendations	Answer
		return and operating business carefully amid the changing situation.

**Agenda Item 7 To approve the remuneration of directors**

No.	Inquiries / Recommendations	Answer
<b>Inquiries in the Meeting</b>		
1	Dr. Chalernpol Waitayangkool, a shareholder, inquired whether the consideration of remuneration of directors is in line with the economic downturn throughout the country, given that TISCO Group's operating results had decreased.	The Chairperson of Nomination and Compensation Committee explained to the meeting that the profit from operations will be allocated as a dividend to shareholders and bonus for employees. In addition, the Company has no policy to pay bonus to the directors. Hence, the remuneration of directors will be only monthly fees and meeting fees. The Nomination and Compensation Committee recommends shareholders approve the remuneration of directors at the same rate for this meeting despite the satisfactory performance in the past year because the duties and responsibilities of directors are still the same as before or even more due to the current situation. Nevertheless, if the operating results decreased significantly, the Nomination and Compensation Committee will review the remuneration of the directors to be in line with the situation.

**Agenda Item 8 Others business (if any)**

No.	Inquiries / Recommendations	Answer
<b>Inquiries in the Meeting</b>		
1	1) Mr. Pakdee Changwichukam, a proxy holder, inquired about: <ul style="list-style-type: none"> <li>- The groups in the credit port held by the Company and the amount and portion of each group.</li> <li>- What is the number of customers who applied for the debt relief program, their value and proportion to the whole portfolio, and would they be classified as NPL after the end of relief program.</li> <li>- The potential for more reserve to be set aside.</li> </ul>	The Group Chief Executive thanked the shareholders and clarified that the conditions and duration of relief measures under the Bank of Thailand's measures are different for each financial institution. The Management of the Company has discussed and agreed that the Company would apply debt restructuring by suspending the principal payment for six months. The reason was that if the customers enter the debt moratorium (both principal and interest) and the situation prolongs, not only are the NPL difficult to assess, but the Company will have no information of the customers' ability to pay and payment record to consider other relief measures in the next phase. Therefore, the Company would like customers to make at least the interest payment



No.	Inquiries / Recommendations	Answer
	<p>2) Dr. Chalernpol Waitayangkool, a shareholder, inquired about the credit account consolidation, the possibility of debt relief program extension and interest reduction.</p> <p>3) Mr. Wasan Pongputthamon, a shareholder, asked about:</p> <ul style="list-style-type: none"> <li>- The Company's policy to alleviate impact on debtors during this crisis.</li> <li>- The reserve for loan loss if there is an extension of debt relief program from three to six months.</li> </ul> <p>4) Mrs. Sirilak Kosolsombat questioned the readiness to handle a second wave of COVID-19 outbreak.</p>	<p>so that his ability to pay could be gauged and used as a factor for the consideration of the next relief measure of the Bank of Thailand. When the customers fail to pay interest, the NPL will be immediately shown in the report. If the customers could make the interest payment following the debt restructuring plan, the Stage 2 customers (Under-performing) would turn to Stage 1 (Performing) within three months and the Stage 3 customers (Non-performing) would turn to Stage 1 within 12 months as per accounting standards. Thus, the setting aside of reserve will be different for each financial institution depending on the measures they chose to help customers.</p> <p>At the beginning of the program, there were some misunderstandings about the measures by many participating customers. Many customers applied to the program to save their liquidity as cushion for uncertainty despite their long good payment record. But after conditions become clearer, a number of customers with good ability to pay asked to quit the program and return to repay the debt as normal, resulting in a significant decline in proportion of customers under debt relief program compared to the customers originally applied for the program. The remaining customers in the program are believed to be directly affected by the COVID-19 situation. Once the debt restructuring period ends, the Company's overall picture will become clearer. Nevertheless, the Company has prepared measures to relieve the burden of expenses for some customers who are unable to make normal payments.</p> <p>The Chairman added that when the Company launched measures to help debtor in the initial period, some customers misconceived the program as debt forgiveness, while in fact it was only a suspension of principal repayment for three to six months which means the customer's burden remains and interest will be accrued and added to loan principal if it is not paid. There are large number of customers participating in debt restructuring to save their liquidity despite the fact that they still can repay the debt as normal. The inflow of applications for loan restructuring was far beyond the capacity of our operation to handle resulting in a surge of NPL.</p>

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		<p>The Group Chief Executive added that the understanding in the announced measures affected the number of requests for debt restructuring. After having clear understanding on the conditions of debt restructuring, the proportion of customers utilizing the measures decreased from 20 per cent to 10 per cent. For the motorcycle loan customers, the proportion reduced from 5 per cent to less than 2 per cent due to their better ability to pay off debt. For SME customers, less than 10 per cent of customers participated the debt restructuring measures. Due to misunderstanding about the measures, the number of customers requesting debt restructuring in the whole system should be more than what are actually needed, which will become clearer in the third quarter.</p> <p>For the provision for loan loss in the future, the figures could not be predicted at the moment. However, the Credit Committee met weekly to closely monitor the situation. The Company should be able to predict the NPL figures after the debt restructuring ends by following up their ability to pay off debt under the measures for the next six months. Furthermore, the Company has prepared measures for the second wave of the COVID-19 pandemic and anticipated that 90 per cent of customers, especially those with good payment record in the first phase, would request an extension in the second phase where the Company will examine their ability to pay off debt and offer further assistance which will reduce the risk of the Company.</p>
2	<p>Dr. Chalernpol Waitayangkool, Shareholder, inquired about:</p> <ul style="list-style-type: none"> <li>- Change to the credit granting policy after the COVID-19 situation.</li> <li>- Marketing strategy of “Somwang Ngern Sang Dai” amid high unemployment.</li> </ul>	<p>The Group Chief Executive clarified that new loan demand will decrease, in line with the situation. Consumers might not make much investment and consumer loans will drop as well. Sales in the real estate and automotive industry including the production volume of factories will fall, which the Company sees as an advantage since it will reduce the occurrence of new debt burden. The Company saw massive market demand for “Somwang Ngern Sang Dai” which is providing credit facility against auto license for retail consumers who need credit line for business working capital and has been trying to penetrate this market for the past several months but had to delay the plan due to the current situation and may need to wait to assess the situation for</p>

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		<p>another quarter. The Company believes that this market has a chance to grow in the next six to twelve months and will execute its strategy carefully.</p>
3	<p>Mr. Noppasit Pongsak, a shareholder, inquired about the issuance of Subordinate Instruments intended to qualify as Tier 2 Capital No. 1/2020, due in 2030.</p>	<p>The Group Chief Executive explained that the Company issued the subordinated debt Instruments to increase Tier 2 Capital and strengthen the Company's capital ratio. As the interest rates were low at the present, the Company decided to exercise option to redeem the subordinated debenture before maturity after five years and issued a new tranche with lower interest expense. This is an opportunity to reduce borrowing costs without changing policies or other objectives. The instruments offered were subordinated debentures issued in May 2020 (Tenor 10-year) with a 3.15 per cent interest rate and were given a credit rating by Credit Rating Agencies.</p>
4	<p>Mr. Thaprasert Phairotephamorn, Shareholder, inquired about the percentage of the Bank's customers that are SME and how much of these loans are NPLs.</p>	<p>The Group Chief Executive clarified that the SME customers account for around 4 to 5 per cent, which is a relatively small compared to the whole customer portfolio. The proportion of SME customers participating in the relief measures is less than ten per cent, over half of which chose to pay interest. However, if the situation is not resolved in the next six months, the company will consider extending the assistance based on their records and ability to pay as well as the business nature and potential. This is the policy that the company has implemented since the economic crisis in 1997.</p>
5	<p>Ms. Malee Kitvekin, a shareholder, queried the following matters:</p> <ul style="list-style-type: none"> <li>- Does TISCO Securities Company Limited offer Principal Protected Note and what is the characteristic and prospect of this product.</li> <li>- Is the Cryptocurrency a good choice of investment and will TISCO Securities Company Limited provide advisory service for such investment using Artificial Intelligence (AI).</li> </ul>	<p>The Group Chief Executive invited the Chief Executive Officer of TISCO Securities Company Limited ("TISCOSEC") to clarify the shareholder's inquiry. The Chief Executive Officer of TISCOSEC informed that the TISCOSEC never offer both Principal Protected Note and Cryptocurrency products owing to their high risk.</p>

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6	<p>Dr. Chalernpol Waitayangkool, a shareholder, noted that the clarification on NPL by the Group Chief Executive is clear and prudent, and asked if the NPLs will rise after the company spends six months to consider customers' credibility due to various definition of NPL from 3 months to 6 months, 9 months and 12 months depending on each financial institution. He also asked if the Company still determine NPL in accordance with the standard because it may cause impact on the credit records of customers with National credit Bureau and so on and what is the Company's plan and guide on this issue.</p>	<p>The Group Chief Executive explained that the submission of customers' NPL status to the National Credit Bureau (NCB) is in line with the BOT's regulation which differs from the more stringent policy of the Company. The measures of the BOT allow immediate adjustment from Stage 2 (Underperforming) to Stage 1 (Performing) and takes 3 months to adjust from Stage 3 (Non-performing) to Stage 1 (Performing), while the Company's internal policy need twelve months to adjust from NPL status to Stage 1 (Performing) resulting in less fluctuation in the NPL ration and loan loss reserve.</p> <p>The Chairman added that this measure complied with the Company's conservative policy but had no impact on the credit of customers.</p>
7	<p>The Shareholders asked the method of accounting in case of principal payment suspension for three months but continued payment of interest.</p>	<p>The Group Chief Executive answered that the customers who make only their monthly interest payment following the condition of principal payment suspension shall not be counted as overdue. It would take time to improve if it has already been classified as NPL. In fact, the NPL occurs after the fourth overdue. The customers who accepted the condition and consistently made the debt payment will not be NPL. And after the relief period ends, the Company will invite the customer who has good records and conforms to the agreed conditions to discuss whether the customers want to resume the normal payment or apply for other relief measures so that both the customers and the Company can survive the crisis.</p>
<b>Inquiry not answered in the Meeting</b>		
8	<p>Mr. Wasan Pongputthamon inquired about the method of accounting record during the debt moratorium period.</p>	<p>According to the Debt-Suspension Measure of the Bank of Thailand, the Bank acknowledges the accrued interest receivable following the accrual basis during the debt moratorium. This is in line with the standard of financial reporting and the regulations of the Bank of Thailand.</p>