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**Minutes of Annual General Meeting of the Shareholders No. 179  
The Siam Commercial Bank Public Company Limited  
Thursday 4 April 2002  
at Mahisorn Auditorium  
Head Office, 9 Rutchadapisek Road, Chatuchak, Bangkok**

Mr. Chirayu Isarangkun Na Ayuthaya, Chairman of the Board of Directors, acted as Chairman of the Meeting.

The Chairman expressed his gratitude to the shareholders who attended the meeting and informed the meeting that there were altogether 306 shareholders attending the meeting both in person and by proxy, holding 1,881,557,421 shares equivalent to 60.09% of the total issued shares, the quorum was therefore constituted according to the Articles of Association of the Bank. The Chairman then declared the Annual General Meeting of the Shareholders No. 179 opened.

The Meeting commenced at 10.00 a.m.

The Chairman informed the Meeting that Mr. Olarn Chaipravat and Mr. Banterng Tantiwit, former members of the Board, had resigned since 17 October 2001. In addition, Mr. Masateru Nakamura had also resigned since 22 February 2002. The Chairman further informed the Meeting that according to the Bank's Articles of Association, the Board was authorized to appoint directors in replacement of those resigned directors, and in order to have the process of appointment of new directors be transparency and for the benefit of the shareholders, the Nomination Committee chaired by Mr. Anand Panyarachun was therefore formed by the Board so that this committee would search for appropriate and qualified persons to be the members of the Board in replacement of those resigned directors.

The Board had then reviewed the list of names of persons proposed by such Nomination Committee and unanimously elected and appointed Mr. Bodin Asavanich, Mrs. Kannikar Chalitaporn and Mr. Mahito Kageyama as the new members of the Board of the Bank in replacement of those resigned directors. The Board also appointed Mr. Bodin Asavanich as a member of the Executive Committee and Mrs. Kanikar Chalitaporn as a member of the Nomination Committee and the Compensation Committee.

The Chairman thereafter proceeded with the Meeting according to the following agenda:

**Agenda No. 1 To consider and approve the Minutes of the Annual General Meeting of the Shareholders No. 178 held on 9 April 2001.**

The Chairman requested the Meeting to consider on a page by page basis and approve the Minutes of the Annual General Meeting of the Shareholders No. 178 held on 9 April 2001 as per details in the copy of the Minutes of the Meeting sent to all shareholders together with the notice of this Meeting.

No shareholder raised any objection or demanded for amendment to such Minutes.

After due consideration, the Meeting, by majority votes of 1,881,334,821 shares (with the abstained votes of 222,600 shares ), RESOLVED THAT the Minutes of the Annual General Meeting of the Shareholders No. 178 dated 9 April 2001 be approved.

**Agenda No. 2 To acknowledge the Annual Report for the year 2001 prepared by the Board.**

The Chairman requested the Meeting to consider annual report for the year 2001 prepared by the Board and published in the Annual Report of the Bank, which was previously sent to the shareholders. The Chairman of the Board, the Chairman of the Executive Committee, and the President then jointly presented to the Meeting the Bank's policies and operational results for the year 2001 that could be summarized as follows:

1. The Board had superintendence policies of good governance practice in which an honest and independent management would be applied. In addition, conflict of interests would have to be avoided and disclosure of information would have to be made on an sufficient, accurate and timely fashion basis. All management levels would be accountable for what was done and anything done would also have to be reviewable. Finally, all groups of stakeholders would be treated equally and social responsibility would also be regarded.

2. The Chairman informed the Meeting that in 2001 neither directors nor executives received any stock option, bonus or any form of remuneration other than those regularly received under the terms of employment.

3. Operational results for 2001

3.1 In 2001, profit before of loan loss provision was Baht 9,612 Million and loan loss provisioning expense was increased from Baht 2,951 Million for the year 2000 to Baht 9,207 Million for 2001. This was due to the fact that the Board adopted a prudential reserve policy in light of a fragile economic outlook. As a result, net profit for 2001 was dropped from Baht 3,560 Million in 2000 to Baht 405 Million.

3.2 In 2001, the total revenue of the Bank was Baht 22,690 Million derived from net interest and dividend income in the amount of Baht 16,078 Million, and from non-interest income in the amount of Baht 6,612 Million. In respect of non-interest expenses, the Bank incurred total expenses in the amount of Baht 13,079 Million.

3.3 As of the end of 2001, total assets of the Bank was increased to Baht 715,390 Million from year 2000 although total amount of loans provided was decreased from last year due to a transfer of loans in the amount of Baht 7,477.3 Million to Thai Asset Management Corporation (TAMC) and a written-off of the doubtful loans. With respect to the Bank's total liabilities, there was a little amount of change comparing with the previous year, i.e. the total deposits was Baht 600,990 Million, increasing from year 2000 in the amount of Baht 7,800 Million.

3.4 *Financial ratio highlights for year 2001:* Cost to income ratio was 58.2%, which was the Bank's lowest ratio during 5 years period. This ratio was also the lowest among large commercial banks. Ratios in respect of profits to net assets and profits to net shareholders' equity were 0.1% and 0.7%, respectively. The Bank posted Baht 0.13 in earnings per share and Baht 19.78 in book value per share.

3.5 *Asset quality as of the end of year 2001:* Total NPLs at the year-end was Baht 84,928 Million or 18.5% of the Bank's total loans. Problem classified loans amounted to Baht 108,679 Million or 23.5% of total classified loans. Loan loss provisioning in the total amount of Baht 23,535 Million was made which was equivalent to 155.7% of the Bank of Thailand's reserve requirement whilst the outstanding debts already been restructured at the end of year 2001 was Baht 160,029 Million.

3.6 Capital reserve funds pursuant to the requirement of law at the end of year 2001 was Baht 77,923 Million or 16.6% of the total risk assets, much larger than those of other private commercial banks in terms of absolute amount and capital ratio.

#### 4. The Bank's Change Program

4.1 The Bank was under the process of implementing the Change Program for the purpose of increasing its competitiveness and upgrading its operations in all respects in order for them to meet with international standard. The target for this was to increase the rate of return on equity at a satisfactory level within 3 years.

4.2 According to the Change Program, 8 programs were being implemented in order to achieve 3 main objectives, i.e. Revenue Enhancement, Cost Reduction and Risk Management. In respect of Revenue Enhancement, there were With respect to Cost Reduction, it consisted of Retail Branch Redesign, Corporate Functions Redesign, Building IT Effectiveness and Operation Process Redesign. In regard of Risk Management, it consisted of 2 programs, i.e. Credit Process Redesign and Credit workout Enhancement.

There were shareholders raised questions and comments and also requested the Board to proceed with certain things which could be summarized as follows:

1. Requesting the Bank to proceed with certain matters; such as, incentive arrangement in order to attract the customers to use the Bank's services, special services for elderly customers, installation of television in all of the Bank's branches, setting up branches in department stores, arrangement for having queuing cards system at all branches and settling appropriate banking hours for each of the branches.

The Chairman informed the Meeting that all suggestions of the shareholders would be considered since they corresponded to the things being improved. The President further advised the Meeting that the queuing card system had been used and installed on a number of branches, especially the branches in Bangkok and busy branches. Opening hours of the branches in Bangkok had also been changed to 8.30 a.m. and banking business hours of busy branches had been extended further to normal working hours during the early and the end of each month.

2. Querying as to why accumulative restructured debts of the Bank decreased more slowly than those of other banks.

The President explained that there was no different in respect of amount of debt restructuring among large private commercial banks.

3. Querying as to the Bank's turnover ratio of general employees and executives.

The President explained that the turnover ratio of the Bank's employees was mostly found in the group of persons who had just started their career. This was due to their resignation for further education. In respect of executive officers, the turnover was not high.

4. Asking for explanation regarding Baht 594 Million of equipment expenditure in year 2001.

The President explained that such amount of expenditure was earmarked for the Bank's new computer system.

After due consideration, the Meeting RESOLVED THAT the Board's annual report for the year 2001 be acknowledged as presented.

**Agenda No. 3 To consider and approve the financial statements for the year ended 31 December 2001 and to acknowledge the non-payment of dividends**

The Chairman proposed to the Meeting to consider and approve the financial statements for the year ended 31 December 2001 and to acknowledge the non-payment of dividend due to the Bank's retained losses. In this connection, the financial statements were audited and certified by the auditor and such financial statements had previously been sent to the shareholders.

There were shareholders raised certain questions and comments on the Bank's dividend payment. The Chairman replied that the Board had thoroughly and carefully reviewed the matter and viewed that it was still uncertain to give the answer at this period of time as to when the Bank would be able to pay dividend. This would depend upon progress of the Bank's improvement project and the economy of the country as a whole.

Since there was no further question, the Chairman then proposed the Meeting to grant approval on the financial statements and to acknowledge the non-payment of dividend.

After due consideration, the Meeting, by majority votes of 2,192,503,063 shares (with the abstained votes of 302,600 shares and non-approved votes of 2,400 shares), RESOLVED THAT the audited financial statements for the year ended 31 December 2001 be approved and the non-payment of dividend payment be acknowledged.

**Agenda No. 4 To consider and elect directors in place of directors retired by rotation.**

The Chairman informed the Meeting that there were four directors needed to be retired by rotation in accordance with the Bank's Articles of Association namely:

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|--|------------------------------|
| (1) M.R. Disnadda Diskul               | (2) Mr. John William Hancock |
| (3) Mr. Chirayu Isarangkun Na Ayuthaya | (4) Mr. Vichit Suraphongchai |

The Chairman further informed the Meeting that the retired directors could be re-elected and that the Nomination Committee had duly considered the matter pursuant to the prescribed rules and regulations applied to the Nomination Committee and proposed to the Board to present the matter to the Meeting that the said 4 retired directors be re-elected to the office. In this connection, Mr. John William Hancock, a member of the Nomination Committee, did not take part in the Committee's consideration of his nomination.

The Chairman then proposed to the Meeting to re-elect the four retired directors.

After due consideration, the Meeting, by majority votes of 2,192,565,063 shares (with the abstained votes of 238,000 shares and non-approved votes of 5,000 shares), RESOLVED THAT M.R. Disnadda Diskul, Mr. John William Hancock, Mr. Chirayu Isarangkun Na Ayuthaya and Mr. Vichit Suraphongchai be re-elected to continue their offices as directors of the Bank.

**Agenda No. 5 To consider and appoint the auditor and determine the auditing fee.**

The Chairman informed the Meeting that the Audit Committee had already selected the Bank's auditor for year 2002 and asked the Board to propose to the Meeting to appoint Miss Jongjit Leekpai or Mr. Niti Jeungnijirun of Deloitte Touche Tohmatsu & Jaiyos Co., Ltd. as the Bank's auditor for year 2002, and also to propose to the Meeting the auditing fees in the amount of Baht 5.56 Million for the Bank's accounts and in the amount of Baht 2.95 Million for the Bank's foreign branches, totaling Baht 8.51 Million.

There were questions raised by certain shareholders regarding the selection process of and the auditing fee for the auditor.

Mr. Viroj Phutrakun, Chairman of the Audit Committee, explained that in the selection process, qualified auditors were firstly invited to present their proposals to the Bank. The Audit Committee then made the selection and assessment and made a recommendation to the Board to consider and present to the shareholders for approval.

With respect to the auditing fee increased from the previous year, the Chairman explained that the foreign branches auditing fee in the amount of Baht 2.95 Million was included and proposed to the shareholders while such amount of fee had not been proposed to the shareholders last year.

After due consideration, the Meeting, by majority votes of 2,192,510,063 shares (with the abstained votes of 297,600 shares and non-approved votes of 400 shares), RESOLVED THAT Miss Jongjit Leekpai or Mr. Niti Jeungnijirun of Deloitte Touche Tohmatsu Jaiyos Co., Ltd. be appointed as the Bank's auditor for year 2002, and the auditing fees therefor totaling of Baht 8.51 Million be approved.

**Agenda No. 6 To consider and approve the amendment to Clause 3 of the Bank's Memorandum of Association to add non-life insurance and life insurance brokering to the Bank's objectives**

The Chairman informed the Meeting that the Bank of Thailand had issued a notification dated 20 December 2001, Re: Allowing Commercial Banks to Engage in the Business of Being Broker for both Non-Life Insurance and Life Insurance, and that the Ministry of Commerce, which is the Registrar pursuant to the Non-Life Insurance Act, B.E. 2535 and the Life Insurance Act, B.E. 2535, had also issued a notification in respect of regulations and conditions for issuing the relevant licenses dated 14 January 2002. The Bank therefore proposed to the Meeting to grant approval on the amendment to Clause 3 of the Bank's Memorandum of Association to add non-life insurance and life insurance brokering to the Bank's objectives to enable the Bank to engage in this type of business in the future.

After due consideration, the Meeting, by majority votes of 2,192,572,463 shares (with the abstained votes of 235,600 shares), RESOLVED THAT the amendment to Clause 3 of the Bank's Memorandum of Association to add non-life insurance and life insurance brokering to the Bank's objectives be approved, THAT the Board be authorized to make any further amendment to the approved wordings of item (i) that might be subject to an order of the Registrar to amend during the period of the Bank's filing the application to register such amendment, and THAT Item (i) pursuant to the languages specified below be added to the Bank's objectives:

“ (i) To conduct non-life insurance and life insurance brokerage services”

**Agenda No. 7 To consider and approve the amendment to Clause 4 of the Bank's Memorandum of Association with respect to changes in the number of ordinary shares and preferred shares due to the conversion from preferred shares into ordinary shares exercised in year 2002.**

The Chairman informed the Meeting that the Bank had issued preferred shares in the amount of 6,191,239,927 shares and that according to the Memorandum of Association, the holders of preferred shares may, every 3 months, exercise their rights to convert preferred shares into ordinary shares. In year 2001, there were 136,344,895 ordinary shares converted from preferred shares. For consistency purpose pursuant to the requirements prescribed by the Ministry of Commerce, the shareholders therefore were proposed to approve the amendment to Clause 4 of the Bank's Memorandum of Association in order for it to be consistent with the amount of ordinary shares converted from preferred shares.

After due consideration, the Meeting, by majority votes of 2,192,582,463 shares (with the abstained votes of 225,600 shares), RESOLVED THAT Clause 4 of the Bank's Memorandum of Association be amended to read as specified below in order for it to be in line with such preferred shares conversion:

“Clause 4 registered capital Baht 70,000,000,000 (Seventy Thousand Million Baht)  
divided into 7,000,000,000 shares (Seven Thousand Million Shares)  
par value per share Baht 10 (Ten Baht)  
consisting of:  
ordinary shares in 1,057,350,163 shares (One Thousand Fifty Seven Million Three Hundred Fifty Thousand One Hundred Sixty Three Shares)  
the amount of  
preferred shares in 5,942,649,837 shares (Five Thousand Nine Hundred Forty Two Million Six Hundred Forty Nine Thousand Eight Hundred Thirty Seven Shares)”

**Agenda No. 8 To consider and approve the amendment to Article 8 of the Bank's Articles of Association in order for the Bank to be able to purchase its own shares pursuant to the provisions of the Public Limited Companies Act (No. 2), B.E. 2001**

The Chairman informed the Meeting that there were several legal changes pursuant to the Public Companies Act (No. 2), B.E. 2001, most of which entitled public companies to proceed with certain acts and things without having to specify in the Articles of Association. However, an amendment to the Articles of Association in

respect of a company to purchase or hold its own shares should have been made in order for it to be more clear and be in line with the changed provisions of the law, i.e. the Public Companies Act (No. 2), B.E. 2001 sets forth that a company may own its own shares. The amendment to Article 8 of the Bank's Articles of Association was therefore proposed to the Meeting for approval in order for it to be in line with the provisions of the Public Companies Act (No. 2), B.E. 2001.

After due consideration, the Meeting, by majority votes of 2,192,585,463 shares (with the abstained votes of 222,600 shares), RESOLVED THAT the amendment to Article 8 of the Bank's Articles of Association in order for it to be in line with the provisions of the Public Companies Act (No. 2), B.E. 2001 be approved and THAT the Board be authorized to make any further amendment to the approved wordings of Article 8 as specified below that might be subject to an order of the Registrar to amend during the period of the Bank's filing the application to register such amendment:

“Article 8 Subject to the provisions of law stipulated, the Company may hold its own shares, but may not take them as collateral.

Rights and obligations of the Company as the shareholder of its own shares as stated in the preceding paragraph shall be in accordance with the permissions or regulations as prescribed by law.”

#### **Agenda No. 9 The consider other business (if any)**

The following questions and comments were raised by certain shareholders:

1. Reasons for employment of 2 foreigners at high remuneration who held the position of Senior Executive Vice President for the implementation of the Bank's Change Program.

Mr. Anand Panyarachun, the Chairman and director and Mr. Vichit Suraphongchai, a director, jointly explained to the Meeting that in managing the Bank, the Board adhered to the principle of both revenue and cost management, i.e. an investment would be made in order to generate income and to deserve the cost paid. Remuneration of such foreign Senior Executive Vice President was in line with the market levels. Furthermore, the Board also placed great emphasis on implementation of the Change Program to achieve the desired objectives. Thus, the persons in charge would be responsible for bringing the Program to a successful conclusion. As it was a huge project involving every person in the organization, its implementation would be closely supervised by the Board. The Board expected to be able to report its progress to the shareholders in the next year annual general meeting.

2. Impact to the Change Program of the expiration of the unexercised covered warrants to purchase preferred shares from the Ministry of Finance (SCB-C1) which would expire on 10 May 2002 since the Ministry of Finance would be a major shareholder of the Bank.



The Chairman advised the Meeting that having the Ministry of Finance as a major shareholder of the Bank would not hamper the Program implementation in any way since the two representatives of the Ministry of Finance who were members of the Bank's Board shared this thought and fully supported the Program and were aware that the shareholder value would depend upon the success of the Program.

The Chairman further informed that if the covered warrants were not exercised, the Bureau of the Crown Property, the major shareholder of the Bank, would be willing to purchase the preferred shares from the Ministry of Finance in order to maintain its status as the Bank's major shareholder, provided the Bureau's stability would not be impacted.

Since there was no further question, the Chairman expressed his gratitude to the shareholders for attending the Meeting and their views and suggestions which the Board would take into consideration.

The Meeting was adjourned at 13.30 p.m.

(Mr. Chirayu Isarangkun Na Ayuthaya)

**Chairman**

(Mrs. Siribunchong Uthayophas) **Secretary to the Board of Directors**