

Minutes of the Extraordinary General Meeting of Shareholders No. 1/2019

The Siam Commercial Bank Public Company Limited

Tuesday 6 August 2019

Mahisorn Hall, Head Office

9 Ratchadapisek Road, Jatujak District, Bangkok

Dr. Vichit Suraphongchai, Chairman of the Board of Directors, presided as the Chairman of the meeting.

The directors, presidents, and senior executives who attended the meeting were as follows:

There were 13 directors attending the meeting, namely:

1. Dr. Vichit Suraphongchai Chairman of the Board and Chairman of the Corporate Social Responsibility Committee
2. Mr. Prasan Chuaphanich Independent Director and Chairman of the Audit Committee
3. Mr. Kan Trakulhoon Independent Director, Chairman of the Nomination, Compensation and Corporate Governance Committee, and Member of the Executive Committee
4. Mr. Krirk Vanikkul Independent Director and Chairman of the Risk Oversight Committee
5. Mr. Thaweesak Koanantakool Independent Director and Chairman of the Technology Committee
6. Mr. Ekamol Kiriwat Independent Director and Member of the Audit Committee
7. Mr. Pasu Decharin Independent Director, Member of the Audit Committee, and Member of the Risk Oversight Committee
8. Mr. Weerawong Chittmitrapap Independent Director and Member of the Nomination, Compensation and Corporate Governance Committee
9. Mr. Chakkrit Parapuntakul Director, Member of the Executive Committee, and Member of the Nomination, Compensation and Corporate Governance Committee
10. Mr. Prapas Kong-led Director and Member of the Corporate Social Responsibility Committee
11. Dr. Lackana Leelayouthayotin Independent Director and Member of the Executive Committee
12. Mr. Chaovalit Ekabut Independent Director and Member of the Risk Oversight Committee
13. Mr. Arthid Nanthawithaya Directors, Chief Executive Officer, Chairman of the Executive Committee, and Member of the Risk Oversight Committee

There were two directors who were absent:

1. ACM. Satitpong Sukvimol Director and Member of the Nomination, Compensation and Corporate Governance Committee
2. Pol. Col. Thumnithi Wanichthanom Director and Member of the Corporate Social Responsibility

There were 13 directors of the Bank, representing 86 percent of the total directors, who attended this meeting.

There were four presidents attending the meeting, namely:

1. Mr. Sarut Ruttanaporn
2. Mr. Orapong Thien-Ngern
3. Mrs. Apiphan Charoenanusorn
4. Mr. Arak Sutivong

There were five Senior Executive Vice Presidents attending the meeting, namely:

1. Mrs. Wallaya Kaewrungruang Senior Executive Vice President, Chief Legal and Control Officer
2. Mr. Anucha Laokwansatit Senior Executive Vice President, Chief Risk Officer
3. Mr. Thanachariya Thienachariya Senior Executive Vice President, Chief Marketing Officer and Acting Head of External Communication & CSR
4. Mrs. Pikun Srimahunt Senior Executive Vice President, Chief SME Banking Officer
5. Mrs. Patraporn Sirodom First Executive Vice President, Chief People Officer

The Chairman expressed his appreciation to the shareholders for attending the meeting and informed the meeting that 3,153 shareholders were present in person and by proxy, altogether holding 2,612,213,307 shares, equivalent to 76.8481 percent of the total outstanding shares, thus constituting a quorum of the meeting pursuant to the Bank's Articles of Association. The Chairman then declared the Extraordinary General Meeting of Shareholders No. 1/2019 open.

The meeting commenced at 14.00 hrs.

The Chairman introduced to the meeting the directors and senior executives of the Bank who attended this meeting, and also informed the meeting that the Bank assigned Baker & McKenzie Limited to review and inspect the validity of proxy appointment, quorum and vote counting of this meeting.

The Chairman then asked the Company Secretary (Mrs. Siribunchong Uthayophas) to inform the meeting of the procedural guidelines applied as the rules for vote casting as summarized below.

According to Article 38 of the Bank's Articles of Association, a decision or resolution of the meeting of shareholders shall be made by voting, and one share shall be counted as one vote, notwithstanding the manner of voting. In voting for each agenda item, after the Chairman asked whether there is any shareholder or proxy who wishes to disapprove or abstain the vote, the shareholders or proxies who wish to disapprove or abstain their voting in any agenda item must, on an agenda item by item basis, identify themselves by raising their hands so that the Bank's officers will then collect the ballots from such shareholders or proxies and record the number of votes contained therein. It will be deemed that the shareholders or proxies who do not either raise their hands or deliver the ballots to the Bank's officers cast their approval votes on such agenda item. In the event that a shareholder has appointed a proxy to attend the meeting and has marked his/her votes for agenda items in the proxy form in accordance with applicable rules, the Bank will not give the ballot to the proxy in respect of such agenda items because the Bank has already recorded such votes as marked by the shareholder.

The vote counting for each agenda item in this meeting could be divided into two categories according to the Public Limited Companies Act B.E. 2535 as follows:

- For an agenda item which requires a vote of not less than three-fourths of the total number of votes of shareholders who attend the meeting and are entitled to vote, i.e. agenda item no. 1, the total number of votes of the shareholders who attend the meeting and are entitled to vote will be applied as the base number of votes for calculation purpose whereby all of the approval, disapproval and abstention votes will be included.
- For an agenda item which requires a simple majority of the votes of shareholders who attend the meeting and cast their votes, i.e. agenda item no. 2, only the approval and disapproval votes of the shareholders who are entitled to vote will be applied as the base number of votes for calculation purpose, while the abstention votes will be excluded.

Upon the completion of the vote counting of each agenda item, the Company Secretary would inform the meeting of the voting results before proceeding with a subsequent agenda item. The total number of shareholders or proxies in each agenda item might vary since some shareholders or proxies might attend the meeting after the meeting commencement or leave the meeting before the meeting adjournment. Shareholders and proxies leaving the meeting before the meeting adjournment were requested to contact the officers at the early exit counter to record their early exit and return all the remaining ballots. Upon the meeting adjournment, shareholders and proxies were requested to return all the remaining ballots to the Bank's officers standing by outside the meeting room.

The Bank arranged for its officers to facilitate the foreign shareholders' communication. Foreign shareholders were requested to write down and submit their questions, if any, to the officers in advance. For the general understanding of other shareholders in the meeting room, the directors or executives would answer the questions in Thai.

The Chairman then requested the meeting to consider the matters on the agenda according to the notice of the meeting as follows:

Agenda No. 1 To consider and approve the sale of all ordinary shares in SCB Life Assurance Public Company Limited (“SCB Life” or the “Insurer”) held by The Siam Commercial Bank Public Company Limited (“SCB” or the “Bank”) to FWD Group Financial Services Pte. Ltd. and/or its affiliates (“FWD”) and the long-term bancassurance partnership between SCB and FWD upon fulfilment of the conditions precedent as agreed

The Chairman invited Dr. Arak Sutivong, President, to give a detailed presentation in respect of this agenda item to the meeting.

The President (Dr. Arak Sutivong) presented to the meeting the following:

SCB has operated the life insurance business as the holder of 99.17 percent equity in SCB Life and as the distributor of SCB Life’s products primarily through the Bank’s branch network.

SCB Life was established in 1976 and, throughout 43 years of its operations, has been firmly committed to developing new products and offering high-quality services. SCB Life has since grown and became the fifth largest life insurance in Thailand with the total premiums of approximately Baht 50 billion in 2018.

In 2003, SCB was the first bank in Thailand that pioneered the bancassurance business by offering life insurance products through its distribution channels and networks. In the early stage of bancassurance business, SCB primarily focused on the distribution of life insurance products with savings plans which, though not popular, greatly matched the needs of consumers and were suitable for the distribution through SCB’s networks due to the simplicity of these products. At the end of 2018, given the simplicity of these products was the second largest bancassurer in Thailand.

In recent years, the life insurance business landscape in Thailand has rapidly changed and become increasingly complex primarily due to the following reasons.

- Consumers shifted towards more sophisticated products and their preference for life protection benefits over savings benefits, while the competitiveness of the sophisticated products required advanced level of knowledge and abilities.
- Digital disruptions brought about the needs for the integration of leading-edge technologies into operations and work processes. To thrive in this business, SCB would heavily invest in digital technologies to strengthen and leverage the technological capabilities.

- SCB was subject to the capital adequacy assessment under the Basel III regime which discouraged commercial banks from investment in insurance companies due to the imposition of high capital charge.
- The persistently low interest rate environment put downward pressure on life insurance income.

Amid the disruptive environment, the trend of progressive decline in insurance business performance emerged. In the past five years, insurance income of the Bank continuously declined at the rate of approximately 8 percent per year from approximately Baht 15.7 billion in 2014 to Baht 11.5 billion in 2018.

However, SCB viewed that the life insurance business was vital and supportive of the Bank's long-term strategy which oriented towards customer centricity. For the sustainability of SCB's insurance business, it was imperative for SCB to urgently transform its strategy and business model to pursue the distribution-only model which, in the Bank's perspective, would yield the best benefits to customers from the wide variety of products that were designed and developed by experts while the Bank would focus on the distribution which was its field of expertise. In this connection, the new business model was in line with the bancassurance model of leading banks around the world. Over the past several years, there were multiple cases of partnerships between the world's leading banks and life insurers that were well-versed in the insurance product development. Under such partnerships, the life insurers were chiefly in charge of the development of products that truly matched customer needs while the banks channeled its focus on strengthening its distribution capabilities and customer services.

Therefore, the Bank decided to enter into a life insurance partnership with FWD and adopt the distribution-only model. This transaction mainly comprised two parts as follows:

1. The sale of all of 65,949,620 SCB Life ordinary shares owned by the Bank, which represented 99.17 percent of total issued and outstanding shares of SCB Life, to FWD.
2. Upon the successful closing of the share sale, the Bank and SCB Life would enter into a long-term distribution agreement to establish a life insurance business partnership and distribute FWD's life insurance products in Thailand through the Bank's distribution network for 15 years in accordance with the terms of the distribution agreement.

Rationales behind this transaction were as detailed below.

(1) FWD was considered a right partner as it was one of the largest pan-Asian life insurers with a strong suit in product development and innovation. In addition, its vision was in alignment with the Bank, particularly the commitment to technological development and customer centricity.

- Headquartered in Hong Kong, FWD presently had operations in Hong Kong, Macau, Thailand, Indonesia, the Philippines, Vietnam, Singapore, and Japan, with more than five million customers.
- FWD was a company in Pacific Century Group and had Swiss Re Group, a world's leading's re-insurer, as its shareholder.
- FWD was committed to the development of digital innovation for optimized customer experience.
- FWD had more than 900,000 customers in Thailand and achieved the total premiums of approximately Baht 30 billion, ranking eighth.

Given FWD's remarkable strengths in terms of its product capabilities and digital innovation, SCB was confident that its partnership with FWD would further solidify the competitive advantages of SCB Life and strengthen SCB's bancassurance business in the long run.

(2) SCB's performance would be strengthened on the back of the cash inflow of approximately Baht 92.7 billion from the sale of SCB Life shares and the long-term bancassurance distribution partnership with FWD.

This transaction represented the price-to-book value (P/BV) ratio of 2.4x and the price-to-earnings (P/E) ratio of 17.1x which were relatively high if compared to other listed life insurance companies in this region. The Bank's world-class financial advisor conducted an assessment and rendered an opinion that the transaction value of Baht 92.7 billion was fair and reasonable.

The Bank could not yet disclose the breakdown structure of the consideration of Baht 92.7 billion to be received from the sale of SCB Life shares and the long-term distribution partnership as such details were still pending the regulators' approvals. The Bank would disclose this information as and when appropriate.

The Bank believed that, following the completion of the share sale, the synergy between the competitive edges and strengths of the Bank and FWD would boost the short-term and long-term profit of the Bank. After the completion of the share sale, the Bank would no longer receive earnings from SCB Life, which had been experiencing profit declines over the recent years amid the changing environment, but it would instead earn revenue from the life insurance product distribution for 15 years, sales commissions, allowances, and return on the investments of the funds received from this transaction.

(3) The sale of SCB Life shares held by the Bank would alleviate the capital charge associated with the Bank's holding of stake in an insurance company. The capital charge on such equity investments was multiple times higher than other investments in general.

(4) The Bank planned to invest the proceeds from this transaction in activities that would maximize shareholder's value and spur sustainable growth. These activities included investments for business growth and expansion, and possibly the allocation of funds to provisioning for greater capital base and special dividends to SCB shareholders. SCB was considering the options of proceeds allocation that would yield optimum benefits.

The completion of the share sale was conditional upon the satisfaction of conditions precedent under the share sale agreement which included but were not limited to the following:

- Approval from the shareholders' meeting of SCB;
- Approval from the meeting of the Board of Directors and/or the meeting of shareholders of FWD; and
- Endorsement from the Bank of Thailand and permission or waiver from the Insurance Commission.

Therefore, after the SCB shareholders' meeting had approved the share sale, SCB would be required to obtain an approval from the Bank of Thailand before completing the share sale. According to the share sale agreement, it was expected that the share sale would be completed within six months from the share sale agreement date.

Thereafter, the Chairman invited shareholders to ask questions and express opinions. The Chairman of the Board of Directors (Dr. Vichit Suraphongchai), the Chief Executive Officer (Mr. Arthid Nanthawithaya), and the President (Dr. Arak Sutivong) jointly provided clarifications as summarized below.

1. Mr. Sataporn Koteeranurak, a shareholder, raised the following questions.

1.1 The shareholder inquired whether such sale of SCB Life shares required the independent financial advisor (IFA)'s opinion.

The President explained that, pursuant to the Capital Market Supervisory Board Notification No. TorJor. 20/2551, Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets, and the Notification of the Board of Governors of the Stock Exchange of Thailand, Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Asset B.E. 2547, this transaction did not require the IFA's opinions.

The Chief Executive Officer added that this transaction was proposed to the shareholders at this meeting for approval by virtue of Section 107 of the Public Limited Companies Act B.E. 2535 to promote transparency. Subsequent to the meeting of shareholders' approval, this transaction would be subject to the consideration by relevant regulators, namely the Bank of Thailand and the Office of Insurance Commission.

1.2 The shareholder requested information about the estimated revenue that the Bank would receive in each year in return for the distribution of products under the agreement as well as potential risks associated with the Bank's failures to meet applicable terms and conditions or targets set by FWD. He also asked whether this share sale was a one-off transaction or was subject to special buyback conditions.

The Chief Executive Officer explained that the main purpose of this transaction was to enable SCB and SCB Financial Group to offer to their customers the best service suites which would be made possible through the capabilities to: 1) Develop attractive products that matched the market needs, and 2) Distribute right products that match customers' needs. Therefore, the long-term benefits for the Bank would depend on: 1) Attractive products developed by its partners with a breadth and depth of expertise, and 2) Penetrative distribution channel.

Potential risks of the Bank as a distributor of FWD's life insurance products could arise in two cases: 1) FWD failed to develop products that matched customer needs. In this case, SCB would be at a liberty to distribute life insurance products of other life insurers without any obligation to pay fines or refunds to FWD. 2) FWD had attractive and right products but the Bank failed to achieve sales for such products. In this case, FWD could not recall the funds of Baht 92.7 billion from the Bank.

This sale of all SCB Life shares to FWD was a one-off transaction and was not embedded with an option to buy back SCB Life shares.

2. Miss Malee Kijvekin, a shareholder, inquired about the offer price of SCB Life shares to FWD and requested the Bank to coordinate with FWD about the sale of SCB Life shares by minority shareholders.

The Chief Executive Officer responded that FWD requested the Bank to gather details of SCB Life minority shareholders who intended to sell their SCB Life shares for FWD's further consideration.

The President added that the transaction was pending regulatory approvals and thus the price could not yet be disclosed. In this connection, the Bank would announce the price information to shareholders as and when permissible.

3. Mr. Tara Cholapranee, a shareholder, stated that while the Chief Executive Officer mentioned that the Bank arranged this EGM for the purpose of transparency, the Bank was in fact obligated by the Public Limited Companies Act to arrange such meeting of shareholders. He further raised questions and expressed opinions as follows:

3.1 According to the Bank's presentation, one of the rationales behind the sale of SCB Life shares was the declining performance of SCB Life. It was therefore advisable for the Bank to delve into the causes to identify whether such decline was attributable to the products or the distribution and whether it was similar to or different from peers. Also, he questioned why FWD decided to acquire SCB Life despite the latter's trend of declining performance.

The Chief Executive Officer explained that the Bank's core business was banking, not life insurance business, and it thus had a limited breadth and depth of expertise in life insurance product development. The Bank's product prowess was in life insurance with savings benefits which offered lower margin and were not conducive to long-term growth as they were inferior to products available from world-class life insurers. The Bank's in-depth competitive analysis led to a conclusion that the distribution-only model was suitable for the Bank. If FWD's products were not befitting, the Bank could distribute products of other life insurers to offer the best products to its customers.

In addition, the penetration rate of the insurance industry in Thailand was lower than its regional neighbors, implying a vast room for future growth.

3.2 The shareholder asked about the capital burden under Basel III to be borne by the Bank in the event that the Bank continued to hold shares in SCB Life.

The President explained that, pursuant to Basel III requirements, investments of banks in insurance companies were subject to the risk weight of 250 percent and additional capital was required for the portion of insurance investments that exceeded 10 percent of tier 1 capital. Therefore, benefits that the Bank would gain from the divestment of SCB Life shares included: 1) The Bank could free up its capital buffer maintained under the insurance investment, 2) The Bank's goodwill would not be deducted from the capital, and 3) The applicable risk weights would decrease from 250 - 1,200% to 100% for non-insurance investment.

3.3 Under the distribution agreement with FWD, the products to be distributed by SCB would be limited to FWD's specific products offered through SCB Life, not the entire spectrum of FWD's products.

The Chief Executive Officer explained that, following the completion of this transaction, FWD would become a new shareholder of SCB Life, which might be renamed. However, all products of FWD would be distributed through the Bank's network.

The Chairman of the Board then provided supportive information about the reasonableness of FWD's acquisition of SCB Life in order to address the shareholder's concerns that the Bank would be assigned to sell unattractive products by pointing out the fact that FWD had decisively put substantial investment at Baht 92.7 billion, and that it was thus likely that FWD would leverage the Bank's distribution network to accelerate its return on investments by offering high-quality products.

3.4 The shareholder reproved that information presented to the shareholders in relation to this transaction lacked illustration that could show to the shareholders whether the product universe of SCB Life was smaller than that of FWD in order that the shareholders could compare the performance of SCB Life in different scenarios, i.e. divestment versus non-divestment of SCB Life shares. Referring to the total consideration of Baht 92.7 billion to be received by the Bank in exchange from both the sale of SCB Life shares and the long-term distribution, the shareholder requested information about the revenue that the Bank would receive in each year under the long-term distribution agreement.

The Chief Executive Officer acknowledged the reproof and clarified that the revenue to be earned under the long-term distribution agreement would be mainly from the Bank's service as a distributor. SCB Life's current product range was considered rather comprehensive, if compared to SCB Life's competitors or FWD, but customers might find SCB Life's products less fulfilling than the proposition available from insurers which possessed know-how and technology capabilities. However, the shareholders could trust that the management had thoroughly deliberated on all relevant aspects, including capabilities, workforce recruitment and partnership, and concluded with confidence that the proposal presented to this meeting was appropriate.

The Chairman of the Board added that the shareholders should also consider the Bank's key strategic purposes behind this deal with FWD which were: 1) Substantial growth potentials and opportunities of the insurance business, and 2) Development of attractive and suitable products coupled with powerful digital sales engines. In this connection, the Bank had deliberated and identified the areas that should be operated by the Bank itself and those that should be handled by business partners with strong potentials. To achieve these strategic purposes, the Bank selected a business partner which possessed strong potentials and could develop attractive life insurance products for the Bank which would continue to serve as a product distributor in light of the high growth potential of the life insurance business. Additionally, the overall returns on this deal were highly satisfactory for the Bank.

The Bank also aimed to maximize the shareholder value which would be reflected in the profits to be gained by Bank and its shareholders. With the right strategy and prudence, this transaction was considered appropriate. Nonetheless, the Bank could not yet disclose information about such gains as the transaction was still pending required regulatory approvals.

4. Mr. Patchakrit Attavornvitsan, a shareholder, mentioned that he and his family members were among SCB customers who purchased SCB Life products and questioned if the sale of SCB Life shares was a result of mismanagement or poor performance of the agency channel or the loss of insurance agents to other insurers.

The Chief Executive Officer thanked the shareholder for supporting the businesses of SCB and SCB Life and explained that the sale of SCB Life shares was not a result of mismanagement but was driven by, as mentioned earlier, the Bank's reflection on the ability to develop insurance products that matched the market demands. The shift of insurance agents between insurance companies evidently indicated that insurance agents would achieve higher sales and revenue if they had on hand the products that could satisfactorily fulfil customer needs. After the transaction closing, the Bank would continue to serve as the distributor of the best products that were the right fits for customer needs without forcing products on customers. The Bank's aspiration for its insurance business was to offer the best products and services to customers.

5. Mr. Nawee Kanjanachotkamol, a proxy appointed by a shareholder named Miss Julaporn Chatchaipolrat, inquired about the impact on employees and executives of SCB Life.

The Chief Executive Officer responded that primarily there was no impact and that the impact of this transaction on all stakeholders, including SCB Life employees, had been considered. According to the agreement, FWD would not reduce the workforce of SCB Life within one year. FWD intended to leverage SCB Life as a major springboard for its life insurance business arm and the Bank, as its business partner, would ensure that talented and committed employees were not affected.

6. Mr. Apirak Prasertsang, a shareholder, stated that the 5-year historical records showed that SCB Life recorded the profits of approximately Baht 6 billion annually and had been profitable despite its performance decline.

The Chief Executive Officer responded that the Bank was accountable for maximizing the benefits for its shareholders and the declining performance of SCB Life had unfavorable impact on the Bank's consolidated growth rate.

7. Mr. Wiwat Koosakul, a shareholder, raised additional inquiries as follows:

7.1 He requested explanations about the recognition of revenue from this transaction, difference in accounting costs, earnings per share, and special dividends.

The Chief Executive Officer explained that the total consideration of Baht 92.7 billion was the aggregate value of the sale of SCB Life shares and the 15-year distribution agreement, and that the revenue breakdown could not yet be finalized as regulatory approvals for the transaction were still in process. While a partnership was necessary due to the Bank's limited product capabilities, the Bank would still be in the life insurance business. The total value of this transaction would be reflected in the benefits for shareholders and the Bank gave significance to the benefits of shareholders in the short and long terms.

With regard to a special dividend payment, the Bank must give consideration to several factors, such as the economic uncertainties and vulnerabilities in the second half of 2019 which might cause a need for additional provision as well as future investment opportunities for inorganic growth. At the moment, the Bank could not yet make a decision in this respect as the transaction was not yet completed. The Bank would provide shareholders with relevant updates in due course.

7.2 He inquired why the Bank must sell its entire stake in SCB Life as the shareholders did not have adequate information to support their consideration of the transaction. He also requested explanations about the valuation criteria.

The Chief Executive Officer explained that this transaction was valued at Baht 92.7 billion, representing the price-to-book value (P/BV) ratio of 2.4x and the price-to-earnings (P/E) ratio of 17.1x which were relatively high if compared to regional peers, and the financial advisor concurred that the price was fair. Generally, the P/BV ratio of entire business sales in this region stood at approximately 1x while the P/BV ratio of this transaction of the Bank was at a high of 2.4x. In addition, positioning of the Bank in the life insurance business as a distributor was common in the banking industry and was adopted by other financial institutions such as DBS Bank, Singapore.

The Chairman of the Board of Directors further explained that the total consideration of Baht 92.7 billion represented the P/BV ratio of approximately 2.4x was considered high, particularly if compared to that of other banks which stood at only 1x or lower. At present, the Bank could not yet provide details about the value distribution between the share sale and the distribution agreement because the approval processes were not yet completed. The Bank had no intention to conceal such details and transparency was a priority for the Bank. This transaction was proposed to shareholders for approval in accordance with applicable legal requirements and further steps would be subsequently taken to complete the transaction. Information about the fairness of the transaction price was obtainable by shareholders from other relevant sources. It was noted that all of the Bank's gains would benefit the shareholders.

8. Mr. Chatri Jaroenneung, a shareholder, raised inquiries as follows:

8.1 He questioned whether this transaction required a foreign broker and requested information about the brokerage fee.

The Chief Executive Officer answered that this transaction did not involve any broker.

8.2 He asked about the fees charged by the financial advisor for this transaction.

The President explained that the fees charged by the financial advisor was below one percent of the transaction value and was equivalent to approximately Baht 500 million.

8.3 He inquired that whether the consideration of Baht 92.7 billion would be discounted if the Bank could not sell products of FWD and whether the Bank would be obligated to pay a penalty in such circumstance.

The Chief Executive Officer responded that in the event that the Bank could not sell products of FWD, the Bank would still receive the consideration of Baht 92.7 billion. However, the sales performance would affect the Bank's future commission earnings.

9. Mr. Apirak Prasertsang, a shareholder, mentioned that despite the agreement between the Bank and FWD that no workforce reduction would be made within a period of one year, he had heard that SCB Life had already decreased its manpower prior to this transaction to reduce expenses. The shareholder then requested the Bank to review its policy.

The Chief Executive Officer explained that the workforce reduction was not the Bank's policy nor connected with this transaction. Meanwhile, no additional policies would be implemented until the transaction was completed and FWD became the major shareholder of SCB Life.

10. Mr. Adirek Phattarakijirand inquired about the account recording of the consideration of Baht 92.7 billion which comprised the revenues from the share sale and the distribution fee.

The Chief Executive Officer explained that the entire amount of the consideration would be paid to the Bank as a lump sum. According to general accounting principles, the fees paid in exchange for the use of the Bank's distribution channel would be recorded as deferred revenue and amortized over the period of 15 years according to the agreement term while the revenue from the sale of SCB Life share would be recognized as revenue from the sale of investment. The investment gains would be recognized according to a difference between the selling price and the cost of such investment.

The Chairman of the Board of Directors added that selling expenses incurred from the distribution of life insurance products would be offset by the sales commissions which would be based on prevailing market rates.

11. Mr. Wiwat Koosakul, a shareholder, asked why the price-to-book value (P/BV) was assessed at 2.4x despite the fact that the total consideration of Baht 92.7 billion was for both the sale of SCB Life shares and the distribution service fee.

The Chief Executive Officer acknowledged the shareholder's question and replied that the explanations in respect of this issue had already been provided.

12. Mr. Patchara Kaewnukul, a shareholder, raised the following questions.

12.1 The consideration of Baht 92.7 billion comprised two parts. Supposing that the sale of SCB Life shares was valued at Baht 50 billion and the distribution service fee, which would be recognized as unearned revenue and must be amortized annually, was Baht 40 billion, the price-to-book value (P/BV) ratio should not be 2.4x because unearned revenue would create an obligation for the Bank to provide service.

The Chief Executive Officer such unearned revenue would not create an obligation as the Bank would not be obligated to refund the fee even if the Bank did not distribute products. The revenue to be received by the Bank was Baht 92.7 billion, not Baht 50 billion, and was from the sale of SCB Life and the long-term distribution. On the supposition that the price-to-book value (P/BV) ratio of 2.4x was the sum of the P/BV ratio of 1x based on the share sale value and the P/BV ratio of 1x based on the distribution fee which was irrevocable even if the Bank did not sell FWD products, it would mean that, in other words, the Bank was offered the share sale price at the P/BV ratio of 1x plus the gratuity which was slightly above the P/BV ratio of 1x.

12.2 The shareholder asked if it was correct that the Bank must amortize the revenue during the period of 15 years regardless of whether the Bank could sell FWD products.

The Chief Executive Officer explained that the consideration of the transaction had no connection with the Bank's sales performance and thus resembled a gratuity. In the future, the Bank would receive additional commissions based on its sales performance.

13. Mr. Sakchai Skulsrimontri, a shareholder, questioned whether the shareholder meeting of SCB Life should be arranged in advance of this EGM of the Bank in order that the Bank could provide greater details about this transaction to its shareholders.

The Chief Executive Officer explained that this EGM was intended for proposing the sale of SCB Life shares to FWD and the long-term bancassurance distribution agreement between the Bank and FWD to shareholders for approval and was not directly related to the shareholder meeting of SCB Life. At present, the Bank could not disclose about the price of the share sale and the fees for the long-term distribution was because the transaction was awaiting regulatory approvals, not because it was dependent on the decision of SCB shareholder meeting. The Bank would be able to disclose the breakdown structure of the consideration value after the regulatory approvals were obtained.

The President added that SCB Life would arrange an extraordinary general meeting of shareholders on Thursday 8 August 2019 to seek approval for the amendment to SCB Life's Articles of Association to adjust the permissible proportion of shareholding in SCB Life by foreign shareholders. Though the shareholder meeting of SCB Life included matters that were connected with this EGM of the Bank but were not related to the share sale transaction proposed to the shareholders at this EGM. In addition, the share sale by the Bank must be voted by SCB shareholders, not SCB Life shareholders.

14. Mr. Basant Kumar Dugar, a foreign shareholder, inquired about the impact of this transaction on the Bank's values in terms of the return on shareholders' equity from the one-time capital gains which were expected to be realized this year as well as how the Bank would spend the proceeds from this transaction.

The President explained that the proceeds of Baht 92.7 billion to be received by the Bank from this transaction would boost the Bank's return on shareholders' equity in 2019. The Bank planned to allocate the proceeds from this transaction to the maximization of shareholders' value and the investment in building new capabilities or inorganic growth through business acquisition.

Since there was no further question raised by any shareholder, the Chairman requested the meeting to approve the sale of all ordinary shares in SCB Life Assurance Public Company Limited ("SCB Life" or the "Insurer") held by The Siam Commercial Bank Public Company Limited ("SCB" or the "Bank") to FWD Group Financial Services Pte. Ltd. and/or its affiliates ("FWD") and the long-term bancassurance partnership between SCB and FWD upon fulfilment of the conditions precedent as agreed

The meeting of shareholders resolved to approve this agenda item with the votes of not less three-fourths of the votes of the shareholders who attended the meeting and were entitled to vote as follows:

Approved	2,460,344,665 votes equivalent to	94.1563 percent
Disapproved	151,622,729 votes equivalent to	5.8025 percent
Abstained	1,074,660 votes equivalent to	0.0411 percent

Agenda No. 2 To consider and approve the delegation of authority to the Executive Committee or the Chief Executive Officer and Chairman of the Executive Committee to have power to approve and perform any actions related to the Share Sale Agreement, the Distribution Agreement, or other relevant agreements and documents

The Chairman invited Dr. Arak Sutivong, President, to give a detailed presentation in respect of this agenda item to the meeting.

The President (Dr. Arak Sutivong) informed the meeting that the as the sale of all ordinary shares in SCB Life held by SCB to FWD as considered in the preceding agenda item would require proceedings with other relevant actions, the Board of Directors deemed it appropriate to request the meeting of shareholders to consider and approve the delegation of authority to the Executive Committee or the Chief Executive Officer and Chairman of the Executive Committee to have the power to approve and execute any actions relating to and/or in connection with the Share Sale Agreement, the Distribution agreement and other relevant agreements or documents as well as to take any actions in accordance with such agreements or document including the following:

- Enter into the share sale agreement, the distribution agreement and other relevant agreements and documents as well as to negotiate or make any amendments to any of such agreements and documents;
- Liaise with and perform any relevant or necessary actions with regulatory authorities or entities as well as take any actions as required by laws or regulations;
- Perform any actions that are related to and/or expedient or beneficial for the execution of the transaction, the share sale agreement, the distribution agreement, and other relevant agreements and documents;
- To appoint, change or withdraw any sub-attorney(s) to proceed with any of the above actions as appropriate and to authorize the sub-attorney(s) to grant additional sub-authorization(s) within the scope of his or her prescribed authority.

Thereafter, the Chairman invited shareholders to raise inquiries and express opinions as summarized below.

Mr. Wiwat Koosakul, a shareholder, why the Bank must seek an approval for the authority delegation despite the fact that the transaction was already approved by the shareholders under the preceding agenda item. The authority delegation should be at the Bank's discretion. This transaction was not comparable to the approval sought from the shareholders for the case of VinaSiam Bank which was required to comply with the Vietnamese regulator (State Bank of Vietnam).

The Chief Executive Officer responded that the Board of Directors exercised its duty in endorsing the delegation of authority to the Executive Committee or the Chief Executive Officer and Chairman of the Executive Committee to execute relevant acts that were not related to the agreement materiality to support the transaction closing. However, to promote transparency, this authority delegation was also proposed to the shareholders for approval at this EGM.

Since there was no further question raised by any shareholder, the Chairman requested the meeting to approve the delegation of authority to the Executive Committee or the Chief Executive Officer and Chairman of the Executive Committee to have power to approve and perform any actions related to the Share Sale Agreement, the Distribution Agreement, or other relevant agreements and documents.

The meeting of shareholders resolved to approve this agenda item with the majority votes of the shareholders who attended the meeting and cast their votes as follows:

Approved	2,457,903,668 votes equivalent to	94.1563 percent
Disapproved	153,150,404 votes equivalent to	5.8025 percent
Abstained	1,039,433 votes	-

The Chairman informed the shareholders that all items on the agenda as specified in the notice of the meeting were completely considered and expressed his appreciation to the shareholders for their time and questions. The Chairman then declared the meeting adjourned.

The meeting was adjourned at 16.00 hrs.

-signed-

Chairman of the Board

(Dr. Vichit Suraphongchai)

-signed-

Company Secretary

(Mrs. Siribunchong Uthayophas)