

To approve the appropriation of the net profit for the year 2020 and the omission of payment of dividend

Section 116 of the Public Limited Act B.E. 2535 stipulates that the Bank shall allocate no less than 5% of its annual net profit less the accumulated losses brought forward (if any) to a reserve fund until this fund attains an amount not less than 10% of the registered capital.

In the year 2020, the Bank had a net profit of Baht 1,366 million with no accumulated losses. The Board of Directors of the Bank is proposing to appropriate Baht 415 million of the net profit as the Bank's Legal Reserve, after the appropriation the Bank will have a Legal Reserve of Baht 2,015 million accounted for 10.01% of the registered capital, while the remaining Baht 951 million shall be set as Unappropriated Retained Earnings to support future operations of the Bank and strengthen the Bank's capital fund in accordance with the requirement of Basel III in order to enhance the Bank's financial position.

According to the Article 55 Paragraph 1 of the Bank's Article of Association "The Company may pay dividends only when the Company has profits, no accumulated loss and its Tier1 Capital of at least Baht 40,000 million. When considering whether or not to pay the dividends, the Company shall take into account the liquidity, economic condition as well as the business plan of the Company".

At the end of 31 December 2020, Tier1 Capital of the Bank after the appropriation of net profit of the year 2020 as Legal Reserve was Baht 30,701 million, less than the amount stated in the Article 55 Paragraph 1 of the Bank's Article of Association. The Bank therefore cannot pay dividend.

For the abovementioned reasons, the Bank proposes the appropriation of the net profit as Legal Reserve in the amount of Baht 415 million and the omission of the dividend from the operating results of 2020.