

(Translation)

Notice of the Extraordinary General Meeting of Shareholders No. 1/2009

**Friday 20 February 2009
at 4.00 p.m.**

**The conference room, 23rd Floor, the Head Office of BankThai Public Company Limited
44 North Sathorn Road, Silom Sub-district, Bangrak District,
Bangkok 10500**

Financial Advisor



CIMB-GK Securities (Thailand) Ltd.

**Office of the President
Board Secretary and Investors Relation Section
Tel. 02-638-8287**

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Ref.BT.OFP. 080/2009

5 February 2009

To: The shareholders

Re: **Notice of Extraordinary General Meeting of Shareholders No.1/2009**

The Board of Directors of BankThai Public Company Limited (the "Bank") passed a resolution to convene the Extraordinary General Meeting of Shareholders No.1/2009 on Friday, 20 February 2009, at 4.00 p.m. in the conference room, 23rd Floor in the Head Office of BankThai Public Company Limited, 44 North Sathorn Road, Silom Sub-district, Bangrak District, Bangkok 10500 to consider the following agenda and Board of Directors' opinions:

Agenda item 1 **To certify the minutes of Extraordinary General Meeting of Shareholders No. 2/2008 held on 3 September 2008;**

Objective and Reason: The Extraordinary General Meeting of Shareholders No. 2/2008 was held on 3 September 2008, a copy of which is attached (enclosure 1).

Board of Directors' opinion: It is appropriate for the shareholders to certify the minutes of Extraordinary General Meeting of Shareholders No. 2/2008 held on 3 September 2008, which has been properly recorded.

Agenda item 2 **To amend the agenda items 2 and 4 of the resolutions of Extraordinary General Meeting of Shareholders No.2/2008, held on 3 September 2008;**

Objective and Reason: Pursuant to the Extraordinary General Meeting of Shareholders No.2/2008, held on 3 September 2008, shareholders had resolved to approve a capital increase plan by issuing 6,674,700,582 new ordinary shares to existing shareholders ("Rights Shares") in proportion to each shareholding at the ratio of one existing share to one new ordinary share, at a price lower than par value (Baht 3.75), provided that such an offering price shall not be lower than Baht 0.66 ("Offering Price"), being the legally required floor price (agenda items No. 2 and 4) ("Rights Offering").

The Board of Directors has contemplated the Rights Offering and the Offering Price, and it was proposed that the Bank shall amend the Offering Price from not lower than Baht 0.66 per share to Baht 0.38 per share. At Baht 0.38 per share, the total amount that shall be raised under the Rights Offering is Baht 2,536,386,221.16.

In regards to the above, the Board of Directors has taken into cognizance the balance sheet structure of BankThai as well as regulatory guidelines, the Rights Offering forms one part of a two-pronged strategy in the Bank's recapitalisation plan (the other being the Issuance of Hybrid Tier 2, definition and details in Agenda Item 3), which has the objective of ensuring the stability of the Bank's capital position and support the short-term and long-term growth and development of the Bank's business and operations. With the Rights Offering, the Bank's BIS ratio based on the unaudited financial statements as at 31 December 2008 will indicatively increase to approximately 9.2% from approximately 5.8% under Basel II (inclusive of profits).

With the reduced Offering Price, this will give the opportunity to all shareholders to continue to participate on a proportionate basis in the future growth and development of the Bank at a relatively lower price and cash outlay.

Board of Directors' opinion: The Board of Directors deemed appropriate to seek approval from shareholders at the Extraordinary General Meeting of Shareholders No.1/2009 for the amendment of the agenda items 2 and 4 of the resolution of Extraordinary General Meeting of Shareholders No. 2/2008 from the Offering Price of not be lower than Baht 0.66 to the Offering Price of Baht 0.38, with other terms of the Rights Offering to remain unchanged, and to consider and prescribe the closure date of the share register book to be entitled for rights to subscription of the Rights Shares to be on Friday, 27 February 2009.

Agenda item 3 To Consider and approve the issuance and offering for sale of instruments having a similar nature of capital which is regarded by the Bank of Thailand as Hybrid Tier 2 Capital;

Objective and Reason: To supplement the Rights Offering, the Board of Directors has also approved the issuance and offering for sale of instruments having a similar nature of capital which is regarded by the Bank of Thailand as Tier 2 capital ("**Hybrid Tier 2**") with an aggregate value of up to Baht 2,500,000,000 ("**Issuance of Hybrid Tier 2**"), with the objective to ensure that the Bank has sufficient capital to not only enhance the stability of the Bank's capital position but to support the short-term and long-term growth and development of the Bank's business and operations.

The rationale of the Issuance of Hybrid Tier 2 as a supplement to the Rights Offering is to optimise the Bank's capital structure and also taking into consideration the cost of funding to the Bank throughout the tenure of the instruments.

The Issuance of Hybrid Tier 2 has been structured to be in line with the maximum Hybrid Tier 2 Capital that can be raised by the Bank as pursuant to the Notification Re: Element of Capital of the Commercial Banks registered in Thailand issued by the Bank of Thailand to ensure a more efficient capital structure of the Bank, subject to the recognition of issued instruments as Hybrid Tier 2 by the Bank of Thailand.

Upon completion of the Rights Offering and Issuance of Hybrid Tier 2, the Bank's BIS ratio based on the unaudited financial statements as at 31 December 2008 will indicatively increase to approximately 11.3% from approximately 5.8% under Basel II (inclusive of profits).

The Bank has been informed that CIMB Bank Berhad ("**CIMB Bank**"), the major shareholder of the Bank, or its nominated party(ies), will be participating in the Issuance of Hybrid Tier 2 to lend support and credence to the issuance. As a result, the Issuance of Hybrid Tier 2 may be considered a connected transaction of listed companies, as prescribed in the Notification of Capital Market Supervisory Board TorChor 21/2551 re: Related Parties Transactions and the Notification of the Board of Governors of the Securities Exchange of Thailand B.E. 2546 (2003), when the transaction value is expected to be more than 3% of the consolidated net tangible assets of the Bank, including its subsidiaries, according to the reviewed financial statements of the Bank as at 30 September 2008. Such connected transaction must be approved by the Bank's shareholders in a shareholders' meeting by a vote of not less than three quarters of all voting shareholders present in the meeting. CIMB Bank shall abstain from voting in this agenda in the Extraordinary General Meeting of Shareholders No. 1/2009 to be held on 20 February 2009.

In this regard, the Bank has appointed TISCO Securities Company Limited as the independent financial adviser ("**IFA**") for the Bank's shareholders in relation to the Issuance of Hybrid Tier 2 to render an opinion on the suitability of the Issuance of Hybrid Tier 2. Please refer to Enclosure 4 for details on the IFA's opinion on the Issuance of Hybrid Tier 2.

With regards to the indicative pricing of the Issuance of Hybrid Tier 2, it was proposed that, based on current market pricing and recent comparable transactions, the indicative average pricing range for the Issuance of Hybrid Tier 2, on the assumption that the Issuance of Hybrid Tier 2 takes place at the end of January 2009 under current market conditions, is the 10-year Government Bond Yield + 2.1%-

3.1% spread. Based on the current 10-year Government Bond Yield of 3.4%, this translates to an average yield of 5.5% to 6.5%.

However, such final yield for the Issuance of Hybrid Tier 2 shall be dependent on the prevailing market conditions at the time of Issuance of Hybrid Tier 2, including demand from investors, and under the agreements and conditions of the Hybrid Tier 2 issued at that time, and to be under the SEC's notification and/or the SET and/or the notification or regulations of any government agencies concerned which are still in effect at the time of Issuance of Hybrid Tier 2 and offer (if more than one issue) and the Board of Directors including the person or the group of persons assigned by the foregoing shall be authorised to determine the final yield for the Issuance of Hybrid Tier 2 should there be changes to the prevailing market conditions and other abovementioned factors at the time of issuance of Hybrid Tier 2.

Please refer to Enclosure 2 for details on Indicative Principal Terms and Conditions of the Issuance of Hybrid Tier 2. In this regard, the Board of Directors including the person or the group of persons assigned by the foregoing shall have the power / discretion to:

- (i) determine and finalise other details on the terms and conditions not aforementioned in relation to the Issuance of Hybrid Tier 2 such as, date of issuance and offering, the total limit amount of the instruments for issuance and offering whether they will be issued and offered for sale once in the whole amount or partially issued and offered in smaller amount in several times and detailed allocation method, interest rate and interest payment method, rights of the Bank's redemption, as well as make any necessary amendments to the terms and conditions as stated in Enclosure 2 to facilitate the Issuance of Hybrid Tier 2, so long as they are not deemed to be material changes and/or in order to comply with relevant laws, regulations and/or order of the competent authority; and
- (ii) appoint a financial adviser and/or underwriter and/or credit rating agency of the securities issuer and/or any other person in the case where the appointment is required under the regulations of government agencies concerned or in any other case as deemed suitable, in relation to the Issuance of Hybrid Tier 2, upon such terms and fees as they may deem fit and appropriate; and
- (iii) negotiate, enter into, sign, amend agreement and/or other documents as well as contact, provide information, and submit documents, evidence to the Securities and Exchange Commission of Thailand ("SEC"), the Bank of Thailand and/or any other agencies relating to the Issuance of Hybrid Tier 2 and offer as well as to take any relevant or necessary action as deemed suitable.

CIMB Bank's representatives on the Board of Directors shall abstain from voting on any future resolution(s) pertaining to the Issuance of Hybrid Tier 2.

Board of Directors' opinion: The Board of Directors (excluding CIMB Bank's representatives on the Board of Directors who had abstained from voting on this agenda in the Board of Directors' meeting) deemed appropriate to seek approval from shareholders at the Extraordinary General Meeting of Shareholders No.1/2009 for the Issuance of Hybrid Tier 2 up to an amount of Baht 2,500,000,000, as per all details mentioned above, and authorisation of the Board of Directors including the person or the group of persons assigned by the foregoing to have the power / discretion, as per all details mentioned above. Due to CIMB Bank is the interested shareholders, CIMB Bank shall abstain from voting in this agenda.

Agenda item 4 To approve the transfer of the Bank's reserve funds to compensate for the accumulated losses, and the decrease of registered capital by way of lowering the par value from Baht 3.75 per share to Baht 0.50 per share:

Objective and Reason: In conjunction with the recapitalisation plan, the Board of Directors have also resolved to undertake a capital reduction exercise for the Bank, based on the audited financial statements as at 30 June 2008, in order to offset both its share discount and accumulated loss accounts, and in order to clean up the Bank's balance sheet and start the Bank on a clean slate for future growth.

As the reduction of registered capital will be undertaken by lowering the par value of the Bank's ordinary shares such that it results in a decrease to less than one quarter of the Bank's registered capital, prior to undertaking the intended decrease of registered capital, the Bank is required under Section 119 of the Public Company Act B.E. 2535 (as amended) (the "PLC Act") to transfer (a) other reserves (if any); (b) legal reserve funds (reserved fund referred in Section 116 of the PLC Act) (if any); and (c) premium reserve funds (reserved fund referred in Section 51 of the PLC Act) (if any), respectively, to compensate for the accumulated loss.

Prior to the capital reduction exercise, as the Bank has only legal reserve funds (reserved fund referred in Section 116 of the PLC Act), the Bank shall first undertake a transfer of legal reserve funds amounting to Baht 6,053,483.70 to compensate for the Bank's accumulated losses. The capital reduction exercise shall then be implemented by way of lowering the par value from Baht 3.75 per share to Baht 0.50 per share, of which the premium arising from the capital reduction exercise shall be used to credit the share discount account in order to offset the share discount amount and subsequently, to the retained earnings account in order to offset the accumulated loss amount, provided that the utilization of reserve and the capital reduction exercise shall take place after the Rights Offering, and upon obtaining the approval from the Bank of Thailand.

Using the Bank's audited financial statements as at 30 June 2008, and assuming a utilisation of legal reserve funds and a reduction of par value from Baht 3.75 per share to Baht 0.50 per share, the issued and paid-up capital of the Bank shall decrease from Baht 50,060,254,365.00 post-Rights Offering to Baht 6,674,700,582.00.

Baht	Audited as at 30 Jun 2008	Proforma Post-Rights Offering	Proforma Post-Capital Reduction
Total Number of Issued Shares	6,674,700,582	13,349,401,164	13,349,401,164
Issued and Paid-up Share Capital	25,030,127,182.50	50,060,254,365.00	6,674,700,582.00
Share Discount	(10,606,987,211.62)	(33,100,728,672.96)	-
Retained Earnings / (Accumulated Loss)	(10,312,932,790.13)	(10,312,932,790.13)	(28,107,180.09)
Legal Reserve	6,053,483.70	6,053,483.70	-
Shareholders' Funds	(10,318,986,273.83)	(10,318,986,273.83)	(28,107,180.09)

Upon completion of the capital reduction exercise using the audited accounts as at 30 June 2008 and post-Rights Offering, the Bank shall still have accumulated losses amounting to approximately Baht 28.1 million.

Board of Directors' opinion: The Board of Directors deemed appropriate to seek approval from shareholders at the Extraordinary General Meeting of Shareholders No.1/2009 to approve:

- (i) the transfer of legal reserve funds (reserved fund referred in Section 116 of the PLC Act) amounting to Baht 6,053,483.70 to compensate for the accumulated loss before the decrease

of registered capital by lowering the par value in (ii) below, as the Bank has only legal reserve funds (reserved fund referred in Section 116 of the PLC Act); and

- (ii) the decrease of registered capital by way of lowering the par value from Baht 3.75 per share to Baht 0.50 per share, of which the premium arising from the capital reduction exercise shall be used to credit the share discount account in order to offset the share discount amount and subsequently, to the retained earnings account in order to offset the accumulated loss amount.

provided that the utilization of reserve and the capital reduction exercise shall take place after the Rights Offering, and upon obtaining the approval from the Bank of Thailand.

Agenda item 5 To approve an amendment to Clause 4 of the Memorandum of Association in accordance with the capital reduction by lowering the par value; and

Objective and Reason: In order to be consistent with the amendment to Clause 4 of the Bank's Memorandum of Association in accordance with the registered capital decrease of the Bank as earlier proposed in Agenda Item 4, the clause will be revised as follows:

"Clause 4 Registered capital of	Baht 6,674,700,582	(six billion six hundred and seventy-four million seven hundred thousand five hundred and eighty-two Baht)
Divided into	13,349,401,164 shares	(thirteen billion three hundred and forty-nine million four hundred and one thousand one hundred and sixty-four ordinary shares)
With a par value of	Baht 0.50	(fifty satang)
Categorised as: Ordinary shares	13,349,401,164 shares	(thirteen billion three hundred and forty-nine million four hundred and one thousand one hundred and sixty-four ordinary shares)
Preferred shares	- shares	- shares"

Board of Directors' opinion: The Board of Directors deemed appropriate to seek approval from shareholders at the Extraordinary General Meeting of Shareholders No.1/2009 to approve the amendment to Clause 4 of the Bank's Memorandum of Association in accordance with the registered capital reduction as proposed and, authorise the person appointed by the Board of Director to register the amendment of the memorandum of association with the Department of Business Development, the Ministry of Commerce as well as to amend or add information as ordered by the registrar.

Agenda item 6 To approve the Bank's name change to "ธนาคาร ซีไอเอ็มบี ไทย จำกัด (มหาชน)" in Thai and "CIMB THAI BANK PUBLIC COMPANY LIMITED" in English and the amendment to Clause 1 of the Memorandum of Association to be consistent with the name change

Objective and Reason: CIMB is currently the Bank's major shareholder holding 92.04% of the paid up shares of the Bank. The Bank will thus become a part of the regional network of CIMB Group.

Therefore, it is deemed essential to change the name of the Bank to be consistent with the name of CIMB Group which is being used in the region.

Board of Directors' opinion: The Board of Directors deems it appropriate to seek approval from shareholders at the Extraordinary General Meeting of Shareholders No.1/2009 to approve the Bank's name change to "ธนาคาร ซีไอเอ็มบี ไทย จำกัด (มหาชน)" in Thai and "CIMB THAI BANK PUBLIC COMPANY LIMITED" in English and the amendment to Clause 1 of the Memorandum of Association to be consistent with the name change by repealing the original statement and replacing it with the statement to be written as follows:

"Clause 1. The name of the Company is "ธนาคาร ซีไอเอ็มบี ไทย จำกัด (มหาชน)"
Written in English as follows: "CIMB THAI BANK PUBLIC COMPANY LIMITED"

Nevertheless, the registration of the name change and the amendment to the Memorandum of Association with the aforementioned details will be proceeded after the Bank has received approval from the Extraordinary General Meeting of Shareholders and the Ministry of Finance.

Agenda item 7 To approve the amendment to the Articles of Association with respect to Clause 1 of Chapter I, General Provisions and Clause 53 of Chapter VII, Additional Provision to be consistent with the name change

Objective and Reason: To be consistent with the name change of the Bank as proposed for approval in agenda item 6.

Board of Directors' opinion: The Board of Directors deems it appropriate to seek approval from shareholders at the Extraordinary General Meeting of Shareholders No.1/2009 to approve the amendment to the Articles of Association with respect to Clause 1 of Chapter I, General Provisions and Clause 53 of Chapter VII, Additional Provision to be consistent with the name change by repealing the original statement and replacing it with the new statement with the details as follows:

Clause 1 of Chapter 1, General Provisions "Company" means CIMB THAI BANK PUBLIC COMPANY LIMITED

Clause 53 of Chapter VII, Additional Provision, The Company seal shall be as follows:



Nevertheless, the registration of the amendment to the Articles of Association with the aforementioned details will proceed after the Bank has received approval from the Extraordinary General Meeting of Shareholders and the Ministry of Finance.

Agenda item 8 Other matters (if any)

The Bank therefore would like to invite all shareholders to attend the meeting on the date, time and place as mentioned above. Should any shareholder have queries in relation to the agenda, please

send them to the following e-mail address of the Bank: Shareholder.services1@bankthai.co.th. Any questions may be submitted from 5 February 2009 to 13 February 2009.

In order to speed up and facilitate the registration process at the Extraordinary General Meeting of Shareholders No.1/2009, the shareholders and/or the proxy are kindly requested to bring the letter with the barcode or Proxy Form with barcode, (see attachment), together with identification documents, and present them to the registration staff on the date of the meeting. The record date (which shareholders entitled to attend and with the right to vote at the Extraordinary General Meeting of Shareholders No.1/2009) on Monday, 2 February 2009, and to set the Share Registry Book closing date for preparing the list of shareholders under Section 225 of the Security and Exchange Act on Tuesday, 3 February 2009.

Sincerely yours,



Mr. Chin Yuen Yin
Acting President
BankThai Public Company Limited

Enclosure 1

Enclosure 1 Draft Minutes of the Extraordinary
General Meeting of Shareholders
No. 2/2008

(Translation)

Minutes of the Extraordinary Shareholders' Meeting No.2/2008

of

BankThai Public Company Limited

The meeting was convened on Wednesday, 3 September 2008, at 2.00 p.m. at the conference room, 23rd floor of the Head Office of BankThai Public Company Limited, 44 North Sathorn road, Kwaeng Silom, Khet Bangrak, Bangkok.

Directors in attendance:

- | | | | |
|----|---------------|---------------|---|
| 1. | Mr. Tawee | Butsunton | Chairman |
| 2. | Mr. Phirasilp | Subhapholsiri | President |
| 3. | Mr. Techapit | Sangsingkeo | Independent Director and
Chairman of the Audit Committee |
| 4. | Mr. Dharin | Divari | Independent Director and
Member of the Audit Committee |
| 5. | Mr. Pongpanu | Svetarundra | Director |
| 6. | Mr. Preecha | Oonchitti | Director |
| 7. | Mrs. Saowanee | Suwannacheep | Director |
| 8. | Mr. Chin | Yuen Yin | Director |
| 9. | Mrs. Watanan | Petersik | Director |

Directors absent:

- | | | | |
|----|----------------|----------------|---|
| 1. | Mr. Chatchawal | Eimsiri | Independent Director and
Member of the Audit Committee |
| 2. | Mr. Daniel | Ashton Carroll | Director |
| 3. | Mr. Ranvir | Dewan | Director |

Executive officers in attendance:

- | | | | |
|----|-----------------|-----------------|--|
| 1. | Mrs. Duangphorn | Sucharittanuwat | Senior Executive Vice President
Corporate Banking Group 1 |
| 2. | Mr. Surin | Premamornkit | Senior Executive Vice President
Corporate Banking Group 2 |
| 3. | Mr. Chamnarn | Wangtal | Senior Executive Vice President
Institutional Banking Group |
| 4. | Mr. Ekajai | Tivutanond | Senior Executive Vice President
Business Support Group |
| 5. | Mr. Surachai | Chitratsene | Senior Executive Vice President
Retail Banking Group |

- | | | | |
|----|-------------|-------------------|--|
| 6. | Mr. Prasert | Wangrattanapranee | First Executive Vice President
Financial Control Division |
| 7. | Mr. Pipat | Eamsherangkoon | Executive Vice President
Technology Division Head |

Auditors in attendance:

Ernst & Young Office Limited. Auditors in charge:

1. Mrs. Yuppadee Satchawannakul
2. Miss Chanita Ngernlailuck

Legal Advisor in attendance:

Linklaters (Thailand) Limited

Financial Advisor in attendance:

Phatra Securities Public Company Limited

The Chairman, Mr. Tawee Butsunton, cordially welcomed shareholders who attended the meeting, and informed the meeting that, at the time of declaring the meeting open, 160 shareholders attending and shareholders represented an aggregate of 5,812,429,565 shares, or equivalent to 87.0815 percent of the Bank's total shares. They constituted a quorum according to the Bank's Articles of Association. The Chairman then declared the Extraordinary Shareholders' Meeting No. 2/2008 open.

The Meeting started at 2.00 p.m.

The Chairman requested that Mr. Thaphop Kleesuwan, Secretary of the Board, clarify the mechanism for voting for the meeting. Mr. Thaphop summarized the mechanism as follows:

To vote in the shareholders' meeting, one share has one vote. For each agenda item, the Chairman will ask shareholders whether there is any objection, disagreement or abstention from voting. If shareholders do not object, disagree or abstain, the Chairman will conclude that shareholders have approved or agreed with the agenda item as presented. Shareholders who object, disagree or abstain, make a mark [/] in the square bracket of the voting form and raise their hands. An officer of the Bank will collect the voting form and tallies the results, except for some agenda items, the Chairman will otherwise determine the voting as appropriate.

Resolutions of the shareholders' meeting are counted only if shareholders object, disagree or abstain from an agenda item, and such objections, disagreements or abstentions will be deducted from the total number of vote of all the shareholders who attended the meeting. Any others will be deemed as having agreed with the item as presented.

For any person attending the meeting by proxy, his/her votes will be counted as per the votes in the proxy.

Furthermore, registration will be open until the end of the shareholders' meeting.

Therefore, the number of shareholders and number of shares for each item may change according to the number of shareholders who registered.

Subsequently, the following agenda items were considered by the meeting:

Agenda item 1 To consider and approve the Minutes of the Extraordinary General Meeting of Shareholders No.1/2008, held on 12 June 2008

The Chairman requested that shareholders approve the Minutes of the Extraordinary General Meeting of Shareholders No.1/2008, held on 12 June 2008, which were sent to all shareholders in advance, together with an invitation to attend the meeting.

A shareholder noted that the content in page 3 and 4 of the Minutes was not recorded in line with the question raised. The content in such page 3 and 4 is requested to be amended as follows:

Page 3. The current wording: "Question: A shareholder asked the Bank to confirm the reason why the Bank could only sell Baht 300 million of the approximately Baht 3,000 million NPAs, as of 31 December 2007, because the remaining NPAs are small plots of land, so it was difficult to sell. The question was raised to ensure that an answer was given to the question posed."

Correct to new wording as: "Question: Pursuant to copy Minutes page 9, a shareholder asked why the Bank could only sell Baht 300 million of the approximately Baht 3,000 million NPAs, as of 31 December 2007. The answer of SEVP, Business Support Group, did not respond to the question, therefore, a shareholder asked why the Bank could only sell the NPAs approximately Baht 300 million in the year of 2007."

The current wording: "Answer: SEVP, Business Support Group confirmed the correct answer and added that such plots of land were located far from town, so they are difficult to sell."

Correct to new wording as: "Answer: SEVP, Business Support Group answered that the reason why the Bank could only sell NPAs of approximately Baht 300 million in year 2007 is that the current NPAs are mostly small plots of land which have low value, so the amount of money which the Bank obtained from the sale of NPAs was not much, although so many plots of land were sold. In addition, some plots of land were located far from town, so they are difficult to sell."

The current wording: "Question: Copy of Minutes page 9: after granting Baht 4,000 million loan facilities, there was a change in President Agri Trading company's majority shareholding structure. Did the Bank ask the Company to provide additional collateral for this loan?"

Correct to new wording as: "Copy of Minutes page 9; after granting Baht 4,000 million loan facilities, there was a change in President Agri Trading company's majority shareholding structure. A shareholder would like to ask the Bank whether the change to President Agri's majority shareholding structure was intentional or not, and did the Bank ask the Company to provide additional collateral for the loan facilities which the Bank provided for the company, and was caused by trusting the shareholder from Saha Path Group?"

The current wording: "Question: The Minutes page 10: Is it worth investing in CDOs? Please make a direct and simple answer for understanding."

Correct to new wording as: "Question: The Minutes page 10: Is it worth investing in CDOs? Please provide a direct answer."

The chairman assigned SEVP, Business Support Group to cooperate with the shareholder who had additional questions for more details and record the details at the Extraordinary Shareholders' Meeting No. 2/2008. The shareholder agreed.

A shareholder expressed an opinion that shareholders should reveal their full name when sharing their comments and asking questions at the meeting. Mr. Staporn Phangniran, a shareholder, agreed with this assertion because every shareholder who shared their comments and asked questions in the meeting had to be responsible for

their comments and questions. However, some shareholders objected that it is the right of shareholders to reveal their name or not. It was concluded that shareholders may reveal their name when sharing their comments and asking questions in the meeting, and the minutes of the shareholders' meeting shall record the details.

A shareholder expressed an opinion that the Minutes of the Extraordinary Shareholders' meeting No.1/2008 did not use beautiful language. The Chairman replied that the Minutes of the Extraordinary Shareholders' meeting No.1/2008 were recorded to the same standard as the meeting minutes of government units and other enterprises', and the language was beautiful.

As there were no further amendment, the Chairman requested that the meeting consider and approve the Minutes of the Extraordinary General Meeting of Shareholders No. 1/2008, held on 12 June 2008, which were sent to all shareholders in advance, with the amendment of content in page 3 and 4 as the shareholder's noted above.

The Chairman declared that 99.9997 of the shareholders attending and with the right to vote agreed equalled 5,932,663,462 shares, while 0.0000 of the shareholders attending and with the right to vote disagreed equalled 1,144 shares, and 0.0003 of the shareholders attending and with the right to vote did not to vote equalled 17,482 shares; there were no shareholders with no right to vote.

Resolution

The Meeting resolved to adopt the Minutes of the Annual General Meeting of Shareholders No.1/2551, held on 12 June 2008, by a majority of shareholders present.

Agenda item 2 To consider and approve a registered capital increase and to determine the terms of the allotment of the capital increase shares

The Chairman requested that the President explain the details to the meeting.

The President presented to the meeting the following:

In order to create stability, strengthen business operations and competitiveness, ensure the Bank's BIS Ratio and make an offering to existing shareholders, the Bank needs to raise new capital. The Board of Directors deemed appropriate to seek approval from the Extraordinary General Meeting of Shareholders to consider and approve a registered capital increase from Baht 25,030,127,182.50 (twenty-five billion, thirty million, one hundred twenty-seven thousand one hundred eighty-two baht and fifty satang) to Baht 50,060,254,365 (fifty billion sixty million two hundred fifty-four thousand three hundred and sixty-five baht) by issuing 6,674,700,582 (six billion six hundred seventy-four million seven hundred thousand five hundred and eighty-two shares) new ordinary shares, with a par value of Baht (3.75) (three baht and seventy-five satang) each, and to determine the terms of allotment for the newly issued capital increase shares, as follows:

1. Offer all 6,674,700,582 (six billion six hundred seventy-four million seven hundred thousand five hundred and eighty-two shares) newly issued capital increase shares to existing shareholders whose names are registered as shareholders in the Shareholders' Register Book as of the date to be set by the Board of Directors, in proportion to each shareholding (Rights Offering) at the ratio of one existing share to one new share, and approve the sale of the newly issued capital increase shares at a price lower than par value (Baht 3.75) (three baht and seventy-

five satang), provided that such an offering price is not lower than Baht 0.66 (sixty-six satang) (which represents the book value of the Bank's shares according to the unreviewed financial statements of the Bank for the six-month period ending on 30 June 2008); Baht 0.66 (sixty-six satang) is the legally required floor price.

2. Any shares remaining after the rights offering shall be allocated to any shareholders making subscription in excess of their rights pursuant to their entitlement until all shares are fully subscribed.

3. Consider: (i) that the offer and issue of the capital increase shares shall take place only after the completion of the purchase of the Bank's shares by CIMB Bank Berhad ("CIMB Bank") from the Financial Institutions Development Fund ("FIDF") and completion of the tender offer for all of the Bank shares by CIMB Bank due to the share purchase agreement as aforementioned; (ii) that the Board of Directors be authorized to consider and prescribe other terms and conditions relating to the issue and the rights offering of new ordinary shares, including the closure date of the share register book (or the record date for subscription rights to the capital increase shares; which is expected to be on the date after the last day of the tender offer made by CIMB Bank or any other date as the Board of Directors deems appropriate; if the sale and purchase of the Bank's shares between FIDF and CIMB Bank cannot be completed as notified in writing by the FIDF to the Bank), the offering price (which will be determined close to the offering period), the period for subscription of and payment for the ordinary shares etc.; and (iii) that the Board of Directors, the President or their designated persons be authorized to sign any related documents and to perform any other acts and things necessary for and expedient in relation to the rights offering as well as to give information and file any documents and evidence to the Stock Exchange of Thailand, the Ministry of Commerce and any relevant government agencies.

In the event that the Bank receives written confirmation from FIDF that the sale and purchase of the Bank's shares, between FIDF and CIMB Bank cannot be completed, the Board of Directors shall be authorized to proceed with the issue and allotment of capital increase shares to existing shareholders in proportion to each shareholding (Rights Offering).

Several shareholders shared their opinions and asked questions:

Question: Shareholder, Mr. Staporn Phangniran, shared his opinion that he objected to the sale of registered capital increase newly issued shares at a price lower than par value. He added that if the Bank loves its business, then the registered capital increase newly issued shares should not be sold at a price lower than par value. As the Bank still has accumulated losses, he did not know when the Bank would be able to clear its accumulated losses and share discount in order to make a dividend payment. He understood that the Bank needed to increase its registered capital by offering all newly issued shares to existing shareholders which was the condition of the tender offer for all of the Bank shares by CIMB Bank, but the Bank should clear its accumulated losses by reducing its capital before increasing registered capital. He, therefore, disagreed to see the newly issued shares at a price lower than par value because he did not want to see the burden from the share discount. Moreover, he asked for the full name of CIMB.

Answer: The President answered that the Bank has not yet clearly determined the offering price of registered capital increase newly issued shares, because it should be considered by related persons, including existing and new shareholders determining the offering price. Nevertheless, the registered capital increase would support the Bank's BIS Ratio which should not be lower than 12-15%. He noted that while an offering price of newly issued capital increase shares determined at par value was interesting, the Board of Directors has circumspectly considered and proposed to shareholders the best course of action. About the full name of CIMB, the President was not aware of the full name of CIMB and where it came from, because it has been used for a long time, and other banks such as DBS Bank had used its English name "DBS"

which did not come from any full name, for a long time.

Question: Mr. Suksun Chunsilaphawet, a shareholder, asked whether the share purchase between the FIDF and CIMB Bank be completed by November 2008. He also wanted to know the process and government agencies involved in considering the approval of foreign shareholders to hold an aggregate of more than 49 percent of the total issued of the Bank shares. He further asked for an estimate of the possibility of completing the Bank share purchase between the FIDF and CIMB Bank.

Answer: The Chairman answered that the completion of the purchase of the Bank shares between the FIDF and CIMB Bank depends on the precedent condition as to whether the Ministry of Finance would approve foreign shareholders holding an aggregate of more than 49 percent of the total issued shares of the Bank which is now under the consideration of the Ministry of Finance. If the Bank obtains such approval, the precedent condition of agreement will be fulfilled, and the share purchase would be completed. The Chairman further said that he has not met the Ministry of Finance, but the application has already been sent to the Ministry of Finance.

Question: Mr. Phuwanarth Na Songkla, a representative of the Thai Investors Association, asked why the Bank does not reduce the amount of its registered capital, then, increase the amount of its registered capital, respectively. He further asked how many time has the Bank to increase its registered capital any more, and for how long can the increased capital be utilized.

Answer: The President answered that the Board of Directors had considered the good and weak points, before requesting a shareholders' meeting to approve a registered capital increase in order to create stability and strengthen the Bank's business operations. He added that the reason why the Bank did not reduce the amount of its registered capital by lowering the par value of each share before increasing the amount of its registered capital, was the time-consuming nature of the process a registered capital decrease. If an objection is made, the Bank cannot reduce its capital unless it has paid down its debt or given security for the debt. Therefore, the Bank should increase the amount of its registered capital before reducing the amount of its registered capital. He further said that after the registered capital increase, the Bank's BIS Ratio would increase to an estimated 15 percent. Nevertheless, if the economy recovers and there is a need for more credit facilities, this round registered capital increase may be utilized for 3-5 years. However, the Bank of Thailand (BOT) will consider the market risk of every Bank which may also affect each bank's BIS Ratio.

Question: Mr. Phuwanarth Na Songkla asked if it was possible for the Bank to reduce registered capital by reducing par value after this time registered capital increase.

Answer: The President answered that, in his opinion, the Bank had no problem with a capital reduction, if this was necessary, but timeline involved should also be considered. If the Bank can further continue its operations unhindered, it is unlikely to call shareholders for an extraordinary meeting in year 2008 to resolve the share value gap. However, if the Board of Directors considers it must resolve the share value gap, then the Bank will seek approval from a shareholders' meeting in 2009.

Question: A shareholder asked about the Notice of Extraordinary Shareholders' Meeting No.2/2008, agenda item 2, the details of which stated that "the offer and issue of the capital increase shares shall take place only after the completion of the purchase of the Bank's shares by CIMB Bank Berhad from the FIDF and completion of the tender offer for all of the Bank shares by CIMB Bank due to the share purchase agreement as aforementioned". The shareholder said that he thought that the approval via a shareholders' meeting seeking a registered capital increase before the fulfillment of precedent condition stated in the agenda item 2, would not come effect until the completion of aforesaid precedent condition, so he suggested the Bank clarify this issue with the Ministry of Finance before seeking shareholders' approval.

Answer: The President answered that the Ministry of Finance has considered with circumspection the approval of foreign shareholders to hold an aggregate of more than 49 percent of the total issued shares of the Bank. Although the information released stated that the Ministry of Finance would spend 1-2 months to consider such a case, no

one can confirm the approval date. Nevertheless, the Bank seeks prior approval for a registered capital increase from a shareholders' meeting, because should the case arise the Bank can promptly further process approval without delay. If the Bank seeks registered capital increase approval from a shareholders' meeting after obtaining approval from the Ministry of Finance, it would waste more time without any prior preparation.

Question: If the precedent condition of the share purchase agreement between the FIDF and CIMB Bank is not fulfilled, will this shareholders' meeting effective or not.

Answer: The President answered that he has not seen the Bank's Share Purchase Agreement between the FIDF and CIMB Bank, yet, nevertheless, if there is the expiration date, the agreement can be extended, it should not have any problem. However, in the event that the sale and purchase of the Bank's shares, between FIDF and CIMB Bank, cannot be completed, the issue and allotment of capital increase shares to existing shareholders in proportion to each shareholding will be continuously processed.

Mr. Staporn Phangniran was of the opinion that registered capital increase would make operating the Bank's business more convenient, because it is not clear whether the Ministry of Finance would approve foreign shareholders holding more than an aggregate of more than 49 percent of the total issued shares of the Bank or not. He added that the sale price of the newly issued registered capital increase issued shares should not be lower than par value in order to maintain current book value. Moreover, he asked for information on whether a meeting with more than five persons violates the Governmental Management on Emergency Act or not.

The President answered that CIMB Bank negotiated all details with the Bank and representatives of TPG Newbridge, and the Bank received confirmed support for an estimated Baht 6,000 million capital increase. Therefore, the Bank is required to seek shareholders' approval. If necessary, the Bank can promptly further process the procedures without wasting any more time. This process is to establish the system for the Bank to go forward, and the most important is to follow the BOT's policy of stabilizing and strengthening the business operations of commercial banks.

For the sale of the newly issued capital increase shares at a price of par value, the President was not sure about the calculation of government agencies before making any decision, and he could not request the government agency to purchase the newly issued capital increase shares of the Bank while the book value of the Bank shares is still low, because government agency approval processes are very strict. As to whether a meeting with more than five persons violates the Governmental Management on Emergency Act or not, he has assigned the Secretary to the Board of Directors to coordinate with the police by letter to confirm that an extraordinary shareholders' meeting is not a political meeting, so the Bank can convene the meeting.

Question: A shareholder said that an offering of Baht 0.66 per share is quite low, if the shareholders' meeting approves the Bank's registered capital increase, it means that CIMB Bank does not have to pay too much to increase the Bank's capital. In addition, he asked for the reason why the Bank has determined the floor price of newly issued capital increase shares at a low level; the shareholder asked if could it be higher than Baht 0.66 or not.

Answer: The President answered that the price of Baht 0.66 per share is the legally required floor price pursuant to Public Companies Limited Act, Section 52, states that the company may offer shares at a price lower than par value, for this purpose, the company shall determine the floor price. Therefore, a price of Baht 0.66 per share is not an offering price, but it represents the book value of the Bank's shares according to the unreviewed financial statements of the Bank for six-month period ending on 30 June

2008. However, the Bank has not yet determined an offering price. In case some shareholders believe that an offering price of newly issued capital increase shares should be determined at par value, it is the good commented; the President asked if shareholders were interested or not.

Some shareholders agreed that the Bank should request a shareholders' meeting to approve a registered capital increase.

Question: A shareholder asked for the price per share that the FIDF agreed to sell to CIMB Bank.

Answer: The President answered that the Bank requested a shareholders' meeting to approve a registered capital increase in order to create stability and strengthen the Bank's business operations and competitiveness subject to the BOT's policy. The Bank has not yet determined an offering price of newly issued capital increase shares, because it shall consult with the major shareholders. The FIDF agreed to sell its shares to CIMB Bank at Baht 2.10 per share.

Question: A shareholder wanted to see the completion of the Bank registered capital increase, however, the sale of the newly issued capital increase shares should be determined at a price of Baht 2.10, according to the sale and purchase of Bank shares between the FIDF and CIMB Bank. He further asked whether CIMB Bank purchased all of Bank shares held by the FIDF. He also said that some shareholders had asked the Chairman after the previous capital increase, whether the Bank needs more capital or not, and the Chairman answered those shareholders that the previous capital increase could be utilized for an estimated 1 year, but now the Bank is seeking for more capital again after the previous capital increase of less than 1 year ago. Is the sale of the newly issued capital increase shares at a price of Baht 0.66 calculated by the previous capital increase offering price of Baht 1.34 divided by 2? He also asked how long the registered capital increase can be utilized for, if the Bank does not make any further capital increases, and asked how long the Bank can utilize its current capital. Also, he asked if Ministry of Finance would approve the Banks' capital increase.

Answer: The Chairman answered that CIMB Bank agreed to purchase all of the Bank's shares held by the FIDF, but he could not say how long the increased capital could be utilized; the capital increase will ensure the Bank's BIS Ratio at about 12-14 percent. The newly issued capital increase shares price of Baht 0.66 was not calculated by the previous capital increase offering price divided by 2, but the price of Baht 0.66 represents the book value of the Bank shares according to the unreviewed financial statements of the Bank for the six-month period ending on 30 June 2008, and it is the legally required floor price. The registered capital increase requires approval from a shareholders' meeting, not from the Ministry of Finance.

In the absence of the legally required floor price, the Bank could not determine another floor price. As to how long the Bank can use the registered capital increase the President answered that he believes that after this capital increase round, the Bank will not need to make any quick capital increases. Nevertheless, the Bank is concerned about the global economic crisis, which has caused damage of about USD 503,000 million, so he was not sure if financial institutions would suffer more damage from CDOs in the next quarter; the Bank has already resolved its CDO problem. Additionally, *Newsweek* reported that the US's Finance Secretary has conceded that no the CDO problem to affect so many financial institutions.

Question: Has CIMB Bank made a payment for the share purchase to the FIDF yet?

Answer: The President answered that CIMB Bank will pay for the share purchase after the Bank obtains prior permission and approval from the Ministry of Finance to allow foreign shareholders to hold an aggregate of more than 49 percent of the total issued shares of the Bank. Moreover, the Malaysian government has already approved CIMB Bank's investment in BankThai.

Question: A shareholder asked to make sure that the FIDF will sell its Bank shares to CIMB Bank.

Answer: The President confirmed that the FIDF agreed to sell its Bank shares to CIMB Bank and CIMB Bank would make tender offer for all of the Bank shares.

Question: What date will CIMB Bank make a payment for the share purchase?

Answer: The President replied that he has not seen the Bank Share Purchase Agreement between the FIDF and CIMB Bank yet, but the payment for shares purchase would be made after the Ministry of Finance approved foreign shareholders holding an aggregate of more than 49% of the total issued shares of the Bank.

Question: A shareholder asked the Chairman whether the sale and purchase of the Bank's shares could be completed by the end of 2008 or not.

Answer: The Chairman replied that the FIDF and CIMB Bank agreed to fulfill and complete the sale and purchase of the Bank's shares within 180 days, and payment would be made after the Ministry of Finance approves foreign shareholders holding an aggregate of more than 49% of the total issued shares of the Bank. Nevertheless, the sale and purchase of the Bank's shares between FIDF and CIMB Bank, is not related to the Board of Directors, as the Board of Directors must follow the law.

Question: If the sale and purchase of the Bank's shares between FIDF and CIMB Bank cannot be completed within 180 days, will the share purchase be terminated or not?

Answer: The Chairman answered that this question should be directed to the FIDF, nevertheless, in the event that the sale and purchase of the Bank's shares between FIDF and CIMB Bank cannot be completed, the registered capital increase will be processed thenceforward. The Chairman would also assist by following up on the progress of the Ministry of Finance's consideration.

Question: A shareholder asked FIDF representatives if they had followed up and accelerated the consideration of the Ministry of Finance from what agency or not, and asked for information on the sale of Bank of Asia shares held by the FIDF.

Answer: A representative from the FIDF answered that he has continuously followed up the consideration of the Ministry of Finance, including today, before attending the shareholders' meeting. The representative added that he had not prepared anything on the sale of Bank of Asia shares held by the FIDF for this meeting.

The Chairman asked the meeting whether any shareholder had any further questions. As there were no further questions, the Chairman requested that the meeting consider and vote to approve a registered capital increase and to determine the terms of the allotment of the capital increase shares. If shareholders do not object, the Chairman would conclude that shareholders have approved or agreed with the agenda item as presented.

The Chairman further informed the meeting that this agenda item required an affirmative vote of more than three-quarters of shareholders present and with the rights to vote.

The Chairman declared that 99.9829 of the shareholders attending and representing, with the right to vote agreed equalled 5,937,095,844 shares, while 0.0159 of the shareholders attending and with the right to vote disagreed equalled 946,000 shares, and 0.0012 of the shareholders attending and with the right to vote did not to vote equalled 70,244 shares; there were no shareholders with no rights to vote.

Resolution

The Meeting resolved to approve a registered capital increase by issuing new ordinary shares after the completion of the purchase of the Bank's shares by CIMB Bank from the Financial Institutions Development Fund ("FIDF") and completion of the tender offer for all of the Bank shares by CIMB Bank due to the share purchase agreement as aforementioned; and to determine the terms of the allotment of the capital increase shares as proposed, by an affirmative vote of more than three-quarters of shareholders present and with the rights to vote.

Agenda item 3 **To approve an amendment to Clause 4 of the Bank's Memorandum of Association in accordance with the registered capital increase**

The chairman informed the meeting that in order to be consistent with the registered capital increase of the Bank as earlier proposed in Agenda Item 2, the Board of Directors deemed appropriate to seek approval at the Extraordinary General Meeting of Shareholders to amend Clause 4 of the Bank's Memorandum of Association in accordance with the registered capital increase. The clause is to be written as follows:

"Clause 4. Registered capital amounts to Baht 50,060,254,365 (fifty billion sixty million two hundred fifty-four thousand three hundred and sixty-five Baht) and consists of 13,349,401,164 shares (thirteen billion three hundred forty-nine million four hundred one thousand one hundred sixty-four ordinary shares); par value is Baht 3.75 per share (three baht and seventy-five satang)."

The Chairman asked the meeting whether any shareholder had any further questions. As there were no further questions, the Chairman requested that the meeting consider and vote to approve an amendment to Clause 4 of the Bank's Memorandum of Association in accordance with the registered capital increase. If shareholders do not object, the Chairman would conclude that shareholders have approved or agreed with the agenda item as presented.

The Chairman further informed the meeting that this agenda item required an affirmative vote of more than three-quarters of shareholders present and with the rights to vote.

The Chairman declared that 99.9930 of the shareholders attending and with the right to vote agreed equalled 5,937,695,944 shares, while 0.0051 of the shareholders attending and with the right to vote disagreed equalled 300,900 shares, and 0.0019 of the shareholders attending and with the right to vote did not to vote equalled 115,244 shares; there were no shareholders with no rights to vote.

Resolution:

The meeting resolved to approve an amendment to Clause 4 of the Bank's Memorandum of Association in accordance with the registered capital increase, with an affirmative vote of more than three-quarters of shareholders present and with the rights to vote.

Agenda item 4 **To consider and approve the offering of the newly issued capital increase shares to existing shareholders in proportion to each shareholding (Rights Offering) at the ratio of 1 existing share to 1 new share, at a price lower than par value (Baht 3.75), provided that such an offering price shall not be lower than Baht 0.66 per share**

The Chairman requested that the President explain the details to the meeting.

The President presented to the meeting the following:

In agenda item 2, the Bank requested that shareholders approve a capital increase by the issuance of 6,674,700,582 (six billion six hundred seventy-four million seven hundred thousand five hundred and eighty-two shares) newly issued ordinary shares. Therefore, in this agenda item, the Bank requested for the said shares to be offered to existing shareholders whose names are registered as shareholders in the Shareholders' Register Book, at a date to be set by the Board of Directors, in proportion

to each shareholding (Rights Offering) at the ratio of one existing share to one new share, and approve the sale of the newly issued capital increase shares at a price lower than par value (Baht 3.75) (three baht and seventy-five satang), provided that such an offering price is not lower than Baht 0.66 (which represents the book value of the Bank's shares according to the unreviewed financial statements of the Bank for the six-month period ending on 30 June 2008); Baht 0.66 (sixty-six satang) is the legally required floor price.

The Chairman asked the meeting whether any shareholder had any further questions. As there were no further questions, the Chairman requested that the meeting consider and vote to approve the offering of the newly issued capital increase shares to existing shareholders in proportion to each shareholding as presented by the President. If shareholders do not object, the Chairman would conclude that shareholders have approved or agreed with the agenda item as presented.

The Chairman declared that 99.9972 of the shareholders attending and with the right to vote agreed (equal to 5,937,946,944 shares), while 0.0028 of the shareholders attending and with the right to vote disagreed (equal to 164,900 shares), and 0.0000 of the shareholders attending and with the right to vote did not to vote (equal to 244 shares); there were no shareholders with no rights to vote.

Resolution

The meeting resolved to approve the offering of newly issued capital increase shares to existing shareholders in proportion to each shareholding (Rights Offering) at the ratio of 1 existing share to 1 new share, at a price lower than par value (Baht 3.75) (three baht and seventy-five satang), provided that such an offering price is not be lower than Baht 0.66 per share, by an affirmative vote of a majority of shareholders present and with the rights to vote. Any shares remaining after the rights offering shall be allocated to any shareholders making a subscription in excess of their rights pursuant to their entitlement until all shares are fully subscribed.

Consider: (i) that the offer and issue of the capital increase shares shall take place only after the completion of the purchase of the Bank's shares by CIMB Bank Berhad ("CIMB Bank") from the FIDF and completion of the tender offer for all of the Bank shares by CIMB Bank due to the share purchase agreement as aforementioned; (ii) that the Board of Directors be authorized to consider and prescribe other terms and conditions relating to the issue and the rights offering of new ordinary shares, including the closure date of the share register book (or the record date for subscription rights to the capital increase shares; which is expected to be on the date after the last day of the tender offer made by CIMB Bank or any other date as the Board of Directors deems appropriate; if the sale and purchase of the Bank's shares between FIDF and CIMB Bank cannot be completed as notified in writing by the FIDF to the Bank), the offering price which will be determined close to the offering period, the period for subscription of and payment for the ordinary shares etc.; and (iii) that the Board of Directors, the President or their designated persons be authorized to sign any related documents and to perform any other acts and things necessary for and expedient in relation to the rights offering as well as to give information and file any documents and evidence to the Stock Exchange of Thailand, the Ministry of Commerce and any relevant government agencies.

In the event that the Bank receives written confirmation from FIDF that the sale and purchase of the Bank's shares, between FIDF and CIMB Bank cannot be completed, the Board of Directors shall be authorized to proceed with the issue

and allotment of capital increase shares to existing shareholders in proportion to each shareholding (Rights Offering).

Agenda item 5 To approve an amendment to Article 9 of the Articles of Association of the Bank

The Chairman presented to the meeting that the FIDF has agreed to sell its 2,811,862,559 shares (two billion eight hundred eleven million eight hundred sixty-two thousand five hundred and fifty-nine shares) equivalent to 42.1271 percent of the Bank's shares, to CIMB Bank pursuant to a Share Purchase Agreement dated 20 June 2008 which will cause non-Thai juristic person shareholders to hold more than 49 per cent of the total issued shares of the Bank. However, Article 9 of the Articles of Association of the Bank states that any transfer of shares that causes foreign shareholders to hold more than 49 per cent of the total issued shares of the Company should be prohibited. Therefore, in order for the transfer of FIDF's shares to be completed, Article 9 of the Articles of Association of the Bank needs to be amended with a vote of not less than three-quarters of the shareholders attending and with the right to vote. Provided that the amendment of the Article 9 shall be proceeded only after the following conditions have been fulfilled:

1. That the Bank obtains prior permission and approval from the Ministry of Finance to allow foreign shareholders to hold an aggregate of more than 49 per cent of the total issued shares of the Bank, and approval in principle from the Ministry of Commerce which permits the Bank to conduct its business pursuant to the Foreign Business Acts; and
2. That the Bank receives written confirmation from the FIDF that the conditions precedent under the Share Purchase Agreement between FIDF and CIMB Group Sdn Bhd dated 20 June 2008 have been fulfilled and completed or waived (except for the condition relating to the registration of the amendment to the Articles of Association of the Bank) and that the FIDF informs the Bank of the date of the share transfer between FIDF and CIMB Bank.

Some shareholders had questions on the following issues:

Question: Mr. Staporn Pangniran, a shareholder, asked for the conditions of the Bank Shares Purchase Agreement between the FIDF and CIMB Bank, dated 20 June 2008.

Question: A shareholder asked whether this agenda item was proposed to seek approval from the shareholders' meeting to amend the Bank's Articles of Association, Article 9, so it may be deemed completion of the Bank shares purchase between the FIDF and CIMB Bank or not. In addition, he wanted to know the good and weak points of an amendment to the Bank's Articles of Association, Article 9.

Answer: The Chairman answered that he has not seen the Share Purchase Agreement between the FIDF and CIMB Bank, dated 20 June 2008 yet. Nevertheless, in order to prepare for the approval of the Ministry of Finance for foreign shareholders to hold more than 49 percent of the total issued shares of the Bank, and for the completion of the Bank Share Purchase Agreement between the FIDF and CIMB Bank, including the Bank's registered capital increase, the Bank must seek approval for amendment to Article 9 of the Article of Association of the Bank in order to avoid the violation to the Bank's Article of Association. So the amendment to the Bank's Articles of Association will allow foreigner to hold the Bank's shares more than 49 percent of the total issued shares and the Bank's registered capital increase can be proceeded. Additionally, a representative of the FIDF provided further information that the Share Purchase

Agreement between the FIDF and CIMB Bank dated 20 June 2008 stipulated a precedent condition that the share purchase payment would be made when the Minister of Finance approves foreign shareholders holding more than 49 percent of the total issued shares of the Bank, if not, the share purchase will not come into effect.

Mr. Staporn Pangniran, a shareholder, expressed the opinion that the Bank sent the additional details and conditions of an amendment to Article 9 of the Articles of Association of the Bank to shareholders after sending the Notice of the Extraordinary General Meeting of Shareholders No.2/2008, so he asked the Bank to send all details and conditions of each agenda (if any) to shareholders at the same time for the next Shareholders' Meetings.

The Chairman agreed to send all details and conditions of each agenda (if any) to shareholders concurrently for the next shareholders' meetings.

The Chairman asked the meeting whether any shareholder had any further questions. As there were no further questions, the Chairman requested that the meeting consider and vote to approve an amendment to Article 9 of the Articles of Association of the Bank. If shareholders do not object, the Chairman would conclude that shareholders have approved or agreed with the agenda item as presented.

The Chairman further informed the meeting that this agenda item required an affirmative vote of more than three-quarters of shareholders present and with the rights to vote.

The Chairman declared that 99.9995 of the shareholders attending and with the right to vote agreed (equal to 5,938,084,188 shares), while 0.0005 of the shareholders attending and with the right to vote disagreed (equal to 27,900 shares); there were no shareholders did not to vote and no shareholders with no rights to vote.

Resolution

The Meeting resolved to approve an amendment to Article 9 of the Articles of Association of the Bank, by an affirmative vote of more than three-quarters of shareholders present and with the rights to vote, provided that the amendment of the Article 9 proceeds only after the following conditions have been fulfilled:

1. That the Bank's obtains prior permission and approval from the Ministry of Finance which will allow foreign shareholders to hold an aggregate of more than 49 per cent of the total issued shares of the Bank, and approval in principle from the Ministry of Commerce which permits the Bank to conduct its business pursuant to the Foreign Business Acts; and

2. That the Bank receives written confirmation from the FIDF that the conditions precedent under the Share Purchase Agreement between FIDF and CIMB Group Sdn Bhd dated 20 June 2008 have been fulfilled and completed or waived (except for the condition relating to the registration of the amendment to the Articles of Association of the Bank) and that the FIDF specifies and informs the Bank of the date of the share transfer between FIDF and CIMB Bank.

Agenda item 6 Other matters (if any)

The Chairman asked the meeting whether any shareholder had any further questions.

A shareholder expressed concern about the Bank's employees in case that the Bank

Enclosure 2 - 4

(Accompanying documents for Agenda item 3)

Enclosure 2 Cumulative Hybrid Tier 2 Capital
Securities Indicative Principal Terms
and Conditions

Enclosure 3 Connected Transaction Information

Enclosure 4 Independent Financial Advisor's
Opinion

CUMULATIVE HYBRID TIER 2 CAPITAL SECURITIES

INDICATIVE PRINCIPAL TERMS AND CONDITIONS

<i>Issuer</i>	:	BankThai Public Company Limited
<i>Facility Description</i>	:	Cumulative Hybrid Tier 2 Capital Securities ("Securities")
<i>Issue Size</i>	:	Up to Baht 2,500 million
<i>Issue Price</i>	:	Par to the nominal value of the Securities
<i>Use of Proceed</i>	:	The proceeds from the issuance of the Securities will be used by the Issuer for general corporate purpose and to provide the Issuer with Hybrid Tier 2 capital in order to strengthen its capital base.
<i>Maturity Date</i>	:	10 years from the issue date
<i>Interest / Distribution Rate</i>	:	To be determined closer to issuance date, depending on the prevailing market conditions at the time of issuance of the Securities, and under the agreements and conditions of the Securities issued at that time, and to be under the SEC's notification and/or the SET and/ or the notification or regulations of any government agencies concerned which are still in effect at the time of issuance and offering of the Securities (if more than one issue)
		<i>(The interest payment is referred to as "Distribution" and each payment date is referred to as "Distribution Payment Date". The Interest / Distribution Rate may also include step up rate)</i>
<i>Mode of Issue</i>	:	Private Placements
<i>Listing Status</i>	:	The Securities will not be listed.
<i>Events of Default</i>	:	There are no events of default under the Securities.

Upon occurrence of any of the following events (**Enforcement Events**):

- (a) a default made in the payment of any nominal value of the Securities on the due date for payment thereof; or
- (b) a default made in the payment of Distribution amounts (including any additional amounts) on the Securities on the due date for payment thereof, which default continues for 14 days consecutively (other than non-payment of Distribution under the item "LIMITATION ON PAYMENT OF DISTRIBUTIONS")

the holders of the Securities may, at their discretion and without further notice, institute proceedings against the Issuer in Thailand (but not elsewhere) provided that, such holders shall have no right to accelerate payment of such Securities in the case of non-payment of Distribution on, or other amounts owing under, such Securities.

If a Winding Up Proceeding (see below) commences in respect of the Issuer, or an effective resolution of the shareholders of the

Issuer is passed for a Winding Up Proceeding in respect of the Issuer, the holders of the Securities may, at such holders' option, declare the principal of and any Distribution amounts on the Securities to be due and payable immediately, by a notice in writing to the Issuer. Upon such a declaration, such nominal value and any Distribution amounts shall become immediately due and payable.

Winding Up Proceeding means the occurrence of any of the following:

- (a) a court or agency or supervisory authority in Thailand having jurisdiction in respect thereof shall have instituted a proceeding or entered a decree or order for the appointment of a receiver or liquidator in any insolvency, rehabilitation, readjustment of debt, marshalling of assets and liabilities, or similar arrangements involving the Issuer or all or substantially all of its properties, or for the winding up of or liquidation of its affairs and such proceeding, decree or order shall not have been vacated or shall have remained in force undischarged or unstayed for a period of 60 days; or
- (b) The Issuer files a petition to take advantage of any insolvency statute.

Limitation on Payment of Distribution

: If any of the following is satisfied:

(A) If the capital adequacy ratio ("BIS Ratio") of the Issuer is, on a Distribution Payment Date, lower than 0% or;

(B) If the Issuer would, immediately after a Distribution Payment Date, cause the Issuer's BIS Ratio to be lower than 0% ;

(C) If the Bank of Thailand has intervened by ordering a capital increase or decrease of the Issuer and such increase or decrease has not been completed;

then the Issuer shall defer paying Distribution on such Distribution Payment Date, by giving not less than 5 nor more than fifteen (15) business days' notice to the Facility Agent /Paying Agent / and the Trustee (whichever applicable) (which notice shall be irrevocable and shall oblige the Issuer to defer payment of the interest amount which, but for the Payment Limitation Condition, was payable on such Distribution Payment Date).

To the extent that the above clause does not apply, if the Payment Limitation Condition (see below) is met, the Issuer may, at its option, defer the Distribution which would otherwise have been payable on such Distribution Payment Date.

Any such deferral pursuant to the above paragraphs will not constitute or be deemed a default by the Issuer for any purpose whatsoever.

Payment Limitation Condition means that during the [12] month period immediately preceding any Distribution Payment Date, the Issuer did not declare and/or pay any dividend to its shareholders, or make any interest payment or distribution, on

any securities or instruments ranking junior to the Securities, and that the Issuer expects that the net profit for the current fiscal year is expected to be zero or less.

“Deferred Distribution Amount” means any Distribution amount which is deferred by the Issuer pursuant to the Limitation on Payment of Distribution clause herein.

For the avoidance of doubt all Deferred Distribution Amount shall be cumulative.

Dividend and Capital Stopper : In the event that the Issuer has not made a full payment of any Distribution or Deferred Distribution Amount on a Distribution Payment Date then (A) the Issuer shall not pay any dividends to its shareholders or make any interest payment or distribution on any security or instruments ranking pari passu with or junior to the Securities (the **Dividend Stopper**); and (B) the Issuer shall not redeem, purchase, reduce or otherwise acquire any of its ordinary shares, preference shares, securities or instruments ranking pari passu with or junior to the Securities, or any securities of any of its subsidiary undertakings benefiting from a guarantee from the Issuer, ranking, as to the right of redemption of principal, or in the case of any such guarantee, as to the payment of sums under such guarantee, pari passu with or junior to the Securities (the **Capital Stopper**).

Optional Redemption The Issuer may, at its option and subject to the Redemption Conditions (see below) being satisfied, Redeem (see below) the Securities (in whole but not in part) on any Optional Redemption Date.

Redemption Conditions means:

- (1) The Issuer is solvent at the time of any Redemption (see below) of the Securities and immediately thereafter;
- (2) The Issuer is not in breach of BOT's minimum capital adequacy ratio requirements applicable to the Issuer; and
- (3) The Issuer has obtained the written approval of BOT prior to Redemption of the Securities.

Redeem means:

- (1) redeem the Securities for the Redemption Amount (see 7. REDEMPTION AMOUNT below)

“Redemption” and **“Redeemed”** have the corresponding meanings.

Optional Redemption Date : A date falling no earlier than the fifth anniversary (5th) of the relevant Issue Date, and any Distribution Payment Date thereafter.

Tax Redemption : If there is more than an insubstantial risk that:

- (1) The Issuer would no longer obtain tax deductions for the purposes of Thailand corporation tax for any payment in respect of the Securities;

as a result of a change in, or amendment to, the laws or regulations of Thailand or any political subdivision or any authority thereof or therein having power to tax, or change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date of first issue and the Issuer cannot, by taking reasonable measures available to it, avoid such obligations, then the Issuer may, at its option, Redeem the Securities (in whole, but not in part) at the Redemption Amount, subject to the Redemption Conditions being satisfied on any Optional Redemption Date.

- Regulatory Redemption* : If the Securities no longer qualify as Tier 2 capital of the Issuer for the purposes of BOT's capital adequacy requirements under any regulations applicable to the Issuer, then the Issuer may, at its option, Redeem the Securities (in whole, but not in part) at the Redemption Amount, subject to the Redemption Conditions being satisfied on any Optional Redemption Date.
- Redemption Amount* : In the case of an Optional Redemption, a Tax Redemption or a Regulatory Redemption, an amount equal to 100% of the face value together with accrued but unpaid Distributions (if any) relating to the then current Distribution period (if any) up to (and excluding) the date on which the Securities are Redeemed.
- Ranking* : The Securities are direct and unsecured obligations of the Issuer.
- Amounts payable on the Securities will be subordinated in right of payment upon the occurrence of any winding up proceeding to the prior payment in full of all deposit liabilities and all other liabilities of the Issuer (including liabilities of all offices and branches of the Issuer wherever located and any debt securities (whether subordinated or unsubordinated) of the Issuer that rank senior to the Securities) except, in each case, to those liabilities which by their terms rank equal with or junior to the Securities.
- Claims in respect of the Securities will rank pari passu and without preference among themselves, but in priority to the rights and claims of holders of tier 1 capitals of the Issuer and the preference shares (if any) of the Issuer as well as ordinary equity shares of the Issuer.
- Voting Rights* : Holders will not be entitled to receive notice of or attend or vote at a meeting of the ordinary shareholders of the Issuer or to participate in the management of the Issuer.
- Governing Laws* : The Securities will be governed by, and shall be construed in accordance with Law of the Kingdom of Thailand.

BankThai Public Company Limited
Information Memorandum to shareholders regarding Connected Transactions

A) Information Memorandum in respect of clause 16 of the Notification of the Board of Governors of the Stock Exchange of Thailand B.E. 2546 (A.D. 2003)

1. Date of Transaction:

To occur after the Extraordinary General Meeting of Shareholders No. 1/2009, to be held on 20 February 2009 and, subsequently, the approvals granted by the Bank of Thailand (the “**BOT**”), the Office of Securities and Exchange Commission (the “**SEC**”) and/or any other agencies whose authority relates to the Issuance of Hybrid Tier 2 (defined herein).. The Bank expects that it will be able to complete the Issuance of Hybrid Tier 2 (defined herein) by March 2009.

2. Parties involved:

Issuer : BankThai Public Company Limited (“**BankThai**” or the “**Bank**”)
Purchaser : CIMB Bank Berhad (“**CIMB Bank**”)

3. Relationship:

CIMB Bank, a major shareholder of the Bank pursuant to the Rules on Connected Transactions, holds 6,143,544,532 shares of the Bank, which represents 92.04% of the current entire issued and paid-up share capital of the Bank.

4. Characteristics of the transaction:

The Board of Directors’ meeting No. 2/2009, held on January 22, 2009, resolved to approve the issuance and offering for sale of instruments having a similar in nature of capital which is regarded by the BOT as Hybrid Tier 2 capital (“**Issuance of Hybrid Tier 2**”), up to an amount of THB 2,500,000,000. The Bank has been informed that CIMB Bank, the major shareholder of the Bank, or its nominated party(ies) will be participating in the issuance and offering for sale of Hybrid Tier 2, in order to lend support and credence to the issuance of Hybrid Tier 2, which will ensure the capital needs of the Bank.

Please refer to further details of the Issuance of Hybrid Tier 2 in the indicative principal terms and conditions as attached in Enclosure 2.

5. Total value of the consideration and condition of payment:

With regards to the indicative pricing of the Issuance of Hybrid Tier 2, it was proposed that, based on current market pricing and recent comparable transactions, the indicative average pricing range for the Issuance of Hybrid Tier 2, on the assumption that the Issuance of Hybrid Tier 2 takes place in end January 2009 under current market conditions, is the 10-year Government Bond Yield + 2.1%-3.1% spread. Based on the current 10-year Government Bond Yield of 3.4%, it translates to an average yield of 5.5% to 6.5%.

However, such final yield for the Issuance of Hybrid Tier 2 shall be dependent on the prevailing market conditions at the time of Issuance of Hybrid Tier 2, including demand from investors, and under the agreements and conditions of the Hybrid Tier 2 issued at that time, and to be under the Securities and Exchange Commission of Thailand’s (“**SEC**”) notification and/or the SET and/or the notification or regulations of any government agencies concerned which are still in effect at the time of issuance of

Hybrid Tier 2 and offer (if more than one issue) and the Board of Directors including the person or the group of persons assigned by the foregoing shall be authorised to determine the final yield for the Issuance of Hybrid Tier 2 should there be changes to the prevailing market conditions and other abovementioned factors at the time of issuance of Hybrid Tier 2.

The Issuance of Hybrid Tier 2 may be considered a connected transaction as the receipt of financial assistance, of which the transaction value, taking into account the average yield together with the aforementioned assumption, is expected to be more than 3% of the consolidated net tangible assets ("**NTA**") of the Bank, including its subsidiaries, according to the reviewed financial statements of the Bank as at 30 September 2008 (the Bank's NTA pursuant to the financial statement, as at 30 September 2008, was Baht 5,031,687,000)

6. The conditions of the Transaction:

The issuance of Hybrid Tier 2, up to an amount of Baht 2,500,000,000, to supplement the Bank's capital base requires the approvals from the SEC, the Bank of Thailand and/or any other agencies whose authority relates to the Issuance of Hybrid Tier 2. In addition, the Issuance of Hybrid Tier 2 requires the votes of no less than three quarters of all shareholders in the meeting with rights of votes excluding interested shareholders' equity.

7. Opinion of the Board of Directors:

The Board of Directors has considered and deliberated the above transaction, and has concluded that the transaction constitutes a major part of the recapitalisation of the Bank which is integral to the strengthening of the Bank's current capital position, and for sustainable growth and development both in the short and long run.

8. Opinion of Audit Committee and/or Directors of the Bank that are Different from those of the Board of Directors pursuant to Clause 7 above

-None-

9. Directors with special interest:

Mr. Kenny Kim and Dato' Robert Cheim, the representative directors from CIMB Bank who may be deemed to have interest shall not be entitled to vote.

10. Submission of Invitations to Shareholders

The Bank will submit to the SEC and the SET for its perusal the invitation letter and other attachments before sending them to all shareholders. However, such invitation letter and attachments shall be sent to all shareholders at least 14 days prior to the shareholders' meeting date.

B) Brief information concerning the company and its business operation

BankThai Public Company Limited

Business Type	: Commercial Bank
Registered office	: No. 44, North Sathorn Road, Silom, Bangkok 10500, Thailand
Registration No.	: 0107537002338 (former Bor. Mor. Jor. 480)
Home Page	: www.bankthai.co.th
Telephone	: 0-2633-9000-3, 0-2638-8000
Facsimile	: 0-2633-9026
BANKTHAI Care Center	: 0-2626-7777

1. Background and key developments

BankThai was established through the amalgamation of the Union Bank of Bangkok Public Company Limited, the 12 state-intervened finance companies¹ and Krungthai Thanakit Finance Public Company Limited² pursuant to the governmental order on 14 August 1998, a Cabinet resolution of 27 October 1998 and the notification of the Ministry of Finance, dated 22 December 1998. The consolidated entity subsequently changed its name to “BankThai Public Company Limited”, a new commercial bank established on 21 December 1998. The Financial Institutions Development Fund (the “FIDF”) acquired a major shareholding in the Bank and subsequently, the SET approved the trading of the Bank’s ordinary shares on 30 March 2001 with “BT” designated as its stock trading sign.

Details of the Bank’s major developments are summarised below:

The Bank of Thailand issued an order to the Union Bank of Bangkok Public Company Limited to reduce its registered capital via a par value reduction from Baht 10 per share to Baht 0.01 per share, resulting in a decrease of the registered capital from Baht 1,800 million to Baht 1.8 million. The Bank of Thailand then ordered Union Bank to increase its registered capital from Baht 1.8 million to Baht 12,334 million through the issuance of increased ordinary shares totaling 1,233,220 million shares at 0.01 Baht per share, all of which were allotted to the FIDF. As a result, the Bank’s registered and paid-up capital was Baht 12,334 million with the FIDF holding 100%. With that, the Bank’s capital funds were sufficient to facilitate the consolidation between the Union Bank of Bangkok PCL, the 12 state-intervened finance companies and Krungthai Thanakit Finance and Securities Public Company Limited, into a new commercial bank, with the FIDF being the major shareholder.

Pursuant to the resolution of the Cabinet on 27 October 1998 and the notification of the Ministry of Finance on 22 December 1998, the following steps taken were:

- transfer of all assets and liabilities of 12 finance companies to Krungthai Thanakit Finance Public Company Limited; and
- transfer of all assets and liabilities of Krungthai Thanakit Finance Public Company Limited to the Union Bank of Bangkok Public Company Limited.

Upon completion of the above processes, Krungthai Thanakit Finance Public Company Limited and the other 12 controlled finance companies surrender their finance business licenses to the Ministry of Finance. The Union Bank of Bangkok Public Company Limited changed its name on 21 December 1998 to BankThai Public Company Limited.

¹ Comprises:

<i>Nava Finance and Securities Plc.</i>	<i>Vajiradhanathun Finance Co., Ltd.</i>	<i>First City Investment Plc.</i>
<i>Thai Summit Finance and Securities Co., Ltd.</i>	<i>Erawan Trust Co., Ltd.</i>	<i>Ksit Finance and Securities Plc.</i>
<i>Mahatun Finance Co., Ltd.</i>	<i>Progressive Finance Co., Ltd.</i>	<i>Union Asia Finance Plc.</i>
<i>Bangkok Asian Finance Co., Ltd.</i>	<i>Dhana Siam Finance and Securities Plc.</i>	<i>IFCT Finance and Securities Plc.</i>

² Previously named Krungthai Thanakit Finance and Securities Public Company Limited

In 1999, the Bank changed the par value of its ordinary shares from Baht 0.01 per share to Baht 10 per share and increased capital amounting to Baht 40,000 million via the issuance of non-cumulative preferred shares, of which can be converted into ordinary shares with the right to receive capital reduction upon conversion into ordinary shares for 4,000 million shares with a par value of Baht 10 per share to the FIDF. The allotment was made through a private placement to the FIDF for the entire amount at a price equal to par value, i.e. Baht 10 per share. The FIDF paid for 3,706.80 million shares at the price of 10 Baht per share, totaling Baht 37,068 million. As a result, the Bank's registered capital increased to Baht 52,334 million and the issued shares to Baht 49,402 million, with the FIDF holding 100%.

Subsequently in 2000, the Bank reduced its registered capital by Baht 2,932 million by canceling un-issued preferred shares and then increasing registered capital via the issuance of 260.05 million ordinary shares with a par value of Baht 10 per share. The increased capital was allotted through a private placement offering to shareholders of Krungthai Thanakit Finance Public Company Limited at the price of Baht 5.6184 per share. The purchase was paid with the ordinary shares of Krungthai Thanakit Finance Public Company Limited. The value of the bank's ordinary shares, as appraised by the Bank, was equal to Baht 1.3566 per share, resulting in a share swap ratio of 0.2414478 the Bank's share per 1 share of Krungthai Thanakit Finance Public Company Limited. Upon completion of the share swap, the Bank's registered and paid-up capital stood at Baht 52,002.5 million with the FIDF being the major shareholder holding 5,145.3 million shares (1,438.5 million ordinary shares and 3,706.8 million preferred shares), representing 98.94% of total issued shares.

At the end of 2000, the Bank complied with the resolution with regards to the compensation of non-performing assets as approved by the Cabinet on 19 September 2000. The Bank reduced capital via the cancellation of all preferred shares and returned the total preferred share capital of Baht 37,068 million to the FIDF, in order to relieve the FIDF's burden and to adjust the amount of capital to an appropriate level. The Bank subsequently recorded the FIDF as a creditor and issued promissory notes to the FIDF, which were to be payable by 1 January 2006. The Bank gradually made partial repayment of Baht 15,068 million of the promissory notes in cash, and the remaining Baht 22,000 million was mutually agreed by the FIDF and the Bank to be used against the compensation of non-performing asset transactions the Bank recorded as receivables from the FIDF under a gain/loss sharing and yield maintenance agreement. The Bank had fully set off such an amount by the end of 2005.

Additionally, as the FIDF had been the sole absorber of the burden incurred from the Bank's financial difficulties and capital increase in the past, to provide an opportunity for the Bank to compensate the FIDF and to improve the Bank's business status and operations, on 9 May 2001, the Bank issued 10-year warrants to purchase its preferred shares ("**Warrants**"), totaling 3,706.80 million units and maturing on 8 May 2011 to the FIDF, at no cost. The Warrants carried transfer restrictions, and each Warrant may be converted into 1 preferred share of the Bank at Baht 10 per share. The Bank increased its registered preferred share capital by 3,706.80 million shares at Baht 10 per share as full reserve for the Warrants and registered the same with the Registrar of public limited companies. With that, the Bank's registered capital was equal to Baht 52,002.50 million, consisting of 1,493.45 million ordinary shares with a par value of Baht 10 per share and 3,706.80 million preferred shares with a par value of Baht 10 per share. The Bank's issued shares stood at Baht 14,934.50 million with the FIDF being the major shareholder holding 1,438.45 million ordinary shares, or equivalent to 96.32% of the Bank's total ordinary shares.

In 2002, the FIDF decreased its shareholding in the Bank in line with the government's privatisation policy through the disposal of 707 million of the Bank's ordinary shares held by the FIDF to the public. Accordingly, the FIDF's shareholding declined from 96.32% to 48.98% of the Bank's total shares. In terms of the Warrants issued to the FIDF, to prevent any negative impact on the Bank's share price and to

limit the FIDF's holding in the Bank's shares to less than 50% of the total issued shares, the Bank's Board of Directors' meeting No. 13/2002, held on 28 August 2002, passed a resolution to cancel the Warrants by buying them back from the FIDF. Subsequently, on 23 September 2002, the Bank entered into a Warrant buyback option agreement with the FIDF (the "**Agreement**"). The Bank paid a total of Baht 300 million to the FIDF for its reacquisition rights. The major terms and conditions of the Agreement include, amongst others:

- The FIDF agreed to grant the Bank the right to buy its Warrants at Baht 0.27907 per unit, plus interest determined at the Bank's average funding cost, from 23 September 2002 to the buyback date;
- The exercise period is 23 September 2002 to 8 May 2010; and
- The FIDF agreed not to exercise its conversion rights for the duration of the reacquisition period. If any Warrants remain at the end of the reacquisition period or they are not exercised for all the 3,706.80 million units, the FIDF may exercise its conversion rights in accordance with the original conditions of the Warrants.

On 16 February 2007, the Bank's Board of Directors passed a resolution ratifying the accrual of the Warrants buyback transaction at a total price of Baht 1,034.46 million plus interest of Baht 111.18 million (a total of Baht 1,145.64 million), retrospectively, and effective until 31 December 2006, and the recording of the buyback transaction was made directly against the Bank's deficit with the corresponding credit of amounts due to FIDF in the 31 December 2006 financial statements.

After obtaining approval from the Extraordinary General Meeting of Shareholders No. 1/2007, held on 30 May 2007, the Bank repurchased and canceled its Warrants by way of a payment to the FIDF of Baht 1,162 million (inclusive of interest calculated from 1 January 2007 – 30 May 2007 of Baht 16 million), recorded on the balance sheet, and increasing registration via the cancellation of preferred shares and all remaining unsold shares (3,706.8 million shares) on 12 July 2007.

Additionally, in 2007 the Board of Directors' approved the sale of 556.23 million new ordinary shares to investors, i.e. Newbridge Sukhothai Netherlands B.V. ("**Newbridge**"), representing approximately 24.99% of the total paid up shares at the price of Baht 4.17 per share, for a total amount of Baht 2,319.46 million, and to Blum Strategic III BT Hong Kong Limited, and MSOF Hong Kong BT Limited for a total of 175.23 million shares or 7.90% of the total paid-up capital at the price of Baht 4.17 per share, for a total amount of Baht 730.69 million. The Annual General Meeting of Shareholders No.13 (2007) approved a whitewash to the abovementioned investors, and approved a capital reduction via the reduction of par value from Baht 10 per share to Baht 3.75 per share. On 13 November 2008 (the last closing date of the share register book of the Bank), Newbridge Sukhothai Netherlands B.V., Blum Strategic III BT Hong Kong Limited and MSOF Hong Kong BT Limited acquired the shares of the Bank, representing approximately 36.74%, 3.95% and 1.31% of the total paid-up shares, respectively.

On 20 June 2008, the FIDF entered into a share purchase agreement with CIMB Bank. Under the agreement, the FIDF agreed to sell its 2,811,862,559 shares in the Bank (equivalent to 42.13% of the total and paid up shares of the Bank) at the price of Baht 2.10 per share, totaling of Baht 5,904.91 million.

On 9 October 2008, the Bank received a letter from the Bank of Thailand approving CIMB Bank to hold the shares in the Bank in excess of the amount limited by law. In addition, the Ministry of Finance also approved the Bank to have non-Thai shareholders of more than 49% of the total issued and paid-up shares, and to have such number of non-Thai directors of more than one-half of the total directors in accordance with the foreign shareholding ratio from CIMB Bank's purchase of shares from the FIDF and tender offer on the Bank, and the impending capital increase to be completed by the first quarter of 2009.

On November 5, 2008, CIMB Bank completed its purchase of ordinary shares of the Bank from the FIDF, and emerged as the largest shareholder of the Bank at 42.13%. On November 17, 2008, the Bank was notified that CIMB Bank will be undertaking a tender offer to purchase all the remaining shares of the Bank it does not own (3,862,838,023 shares or 57.87% of the total issued and paid-up shares of the Bank) at the price of THB 2.10 per share for the total value of Baht 8,111,959,848.30. Upon completion of the tender offer on 6 January 2009, CIMB Bank's shareholding in the Bank had increased to 6,143,544,532 shares, representing 92.04% of the total issued and paid-up shares of the Bank.

2. Type of Business and Business Activities

Nature of Business

BankThai is licensed by the Ministry of Finance and related authorities to engage in the commercial banking business, which constitutes the primary business of the Bank. In addition, the Bank is also focused on innovative and value-added products and services, especially those that can contribute to its fee-based income; such as to cash management, financial advisory service and treasury products.

The main businesses of the Bank can be summarised as follows:

- (i) Commercial banking business: the Bank provides a full suite of commercial banking products and services, such as deposits, loans, discounting, aval/acceptance of bills of exchange, letters of guarantee, foreign exchange trading, letters of credit, tele-banking and ATM services;
- (ii) Insurance business: life and non-life insurance brokerage, as licensed by the Department of Insurance, the Ministry of Commerce;
- (iii) Securities businesses and other related businesses as licensed by the SEC and/or Ministry of Finance such as:
 - (a) Financial advisory;
 - (b) Registrar and paying agent services
 - (c) Debt securities dealing and underwriting ;
 - (d) Bondholder's representative;
 - (e) Brokerage, dealing and underwriting of investment unit trusts;
 - (f) Custodian services; and
 - (g) Derivatives dealing;
- (iv) Business consultancy; and
- (v) Asset management;

In all cases, the Bank holds a stake in businesses that contribute, either directly or indirectly, towards promoting its growth, with some having been transferred to the Bank under the merger process. The Bank's policy remains focused on building synergies between its strategic business units and its subsidiary and associate companies. With this in mind, the Bank intends to retain only those companies with growth potential and which are able to generate good investment returns.

The Bank's strength lies in its well-established and extensive network of domestic branches. As at 31 December 2008, the Bank operated 36 main offices with credit

facilities and 147 branches, all of them equipped with foreign exchange facilities. In addition, customers enjoy easy and convenient access to 1,054 ATM terminals across the country. At the branches, the Bank also has 24 CDMs (Cash Deposit Machines) and 31 Passbook Update Machines.

C) List of the management and list of the first 10 shareholders as at the date of close of share register book

1. Board of Directors

The Board of Directors of the Bank as at 3 February 2009 are as follows:

No.	Name	Title
1	Mr. Tawee Butsunton	Chairman of the Board
2	Mr. Chin Yuen Yin	Acting President
3	Mr. Techapit Sangsingkeo	Independent Director, Chief of Audit Committee
4	Mr. Dharin Divari	Independent Director, Audit Committee
5	Mr. Chatchawal Eimsiri	Independent Director, Audit Committee
6	Dato' Sharrani Bin Ibrahim	Independent Director
7	Mr. Preecha Oonchitti	Director
8	Dato' Robert Cheim Dau Meng	Director
9	Mr. Kenny Kim	Director
10	Mr. Ranvir Dewan	Director
11	Mrs. Watanan Petersik	Director
12	Mr. Phirasilp Subhapholsiri	Director

Note: Additional Information relating to Directors

<i>A. Illegal Record</i>	<i>: None</i>
<i>B. Debt on Bank or subsidiary companies</i>	<i>: None</i>
<i>C. Conflict of Interest</i>	<i>: None</i>

2. Executive Management

The Executive Management Committee of the Bank as at 3 February 2009 are as follows:

No.	Name	Title
1	Mr. Chin Yuen Yin	Acting President
2	Mrs. Duangphorn Sucharittanuwat	Senior Executive Vice President (Business Development Group)
3	Mr. Ekajai Tivutanond	Senior Executive Vice President (Business Support Group)
4	Mr. Surachai Chitratsene	Senior Executive Vice President (Retail Banking Group)
5	Mrs. Panute Na Chiangmai	Executive Vice President (Group Deputy – Risk Management)
6	Mr. Phongsuree Bunnag	Executive Vice President (Human Resources Management Division)
7	Mr. Pipat Eamsherangkoon	Executive Vice President (Technology Division)

No.	Name	Title
8	Mr. Nuekruk Baingern	Executive Vice President (Operation Division)

Note:

1. "Executive Management" means Director, President, or the top 4 Management positions after the President, according to the definition of the SEC, and another person to be same as
2. Additional Information relating to the Management Committee:
 - A. Illegal Record : None
 - B. Debt on Bank or subsidiary companies : None
 - C. Conflict of Interest : None

3. Shareholders

The top 10 shareholders of the Bank as at 12 January 2009 are as follows:

	Name of shareholders	Number of Shares	% of Total
1.	CIMB BANK BERHAD	6,143,544,532	92.04
2.	BARCLAYS BANK PLC, SINGAPORE-WEALTH MGT	264,866,744	3.97
3.	Pannasub Co., Ltd.	118,790,100	1.78
4.	Thai NVDR Co., Ltd.	34,209,795	0.51
5.	Mr. Pisit Phruekpaiboon	9,604,300	0.14
6.	CLEARSTREAM NOMINEES LTD	2,644,655	0.04
7.	Mrs. Charoonlak Panitchiwa	2,544,400	0.04
8.	Mrs. Suwanna Supachardkaisorn	2,000,000	0.03
9.	Mrs. Ruenphet Sethapiyanon	2,000,000	0.03
10.	Mr. Pairoj Charoenwisuttiwong	1,826,500	0.03
	Other shareholders	92,669,556	1.39
Total 3,763 shareholders		6,674,700,582	100.00

(2 February 2009 shall be the closure date of the Share Registry Book for preparing the list of shareholders. The Bank shall distribute the list of shareholders (as at 2 February 2009) to the all shareholders present at the Extraordinary General Meeting of Shareholders No. 1/2009)

D) Related party transactions during the past year and present year until the latest quarter (if any)

Related party transactions constitute part of the Bank's business activities and are subject to the formal approval process. There is every probability that related party transactions will continue to be an integral part of the Bank's businesses, however, they will continue to be governed by clearly-defined procedures and practices for reviewing and approving such transactions

In year 2007, the Bank had significant business transactions with its subsidiary, associate and affiliate companies (related by way of common shareholders and/or common directors), including related persons (directors or executives from the level of vice president upwards). These transactions are in compliance with the conditions and the criteria that are agreeable between the Bank and its subsidiary, associate and affiliate companies. The summary of the related party transactions as follows (as per disclosed in the financial note Item 35):

- (i) As at 31 December 2007, loans and contingent liabilities associated with one executive from the level of vice president upwards amounted to Baht 1 million; and
- (ii) As at 31 December 2007, loans, contingent liabilities and deposits associated with businesses in which the Bank and its subsidiary companies, or directors or

executives from the level of vice president upwards, hold 10% or more of their paid-up capital were as follows:

(millions of Baht)

Company Name	Obligations	Outstanding loan / Investments in receivables	Interest rate	Deposits	Nature of relationship	
					% share-holding	Joint Management
<u>Subsidiary companies</u>						
BT Securities Co., Ltd.	-	86	MLR–1.5%, MOR–2%, 1%	31	99.99	Directors with delegated signature authority: Mrs. Duangphorn Sucharittanuwat, Mrs. Panute Na Chiangmai, Mr. Surin Premamornkit
BT Leasing Co., Ltd.	-	2,258	MOR–2%, 4.07%	28	99.99	Directors with delegated signature authority: Mr. Surachai Chitratsenee, Mr. Tada Charukitphaisan Mr. Patom Amorndechawat
BT Asset Management Co., Ltd.	-	-	-	8	99.99	Directors with delegated signature authority: Mr. Manit Jeeradit, Mr. Prasert Wangrattanapranee
BT Consultant Co., Ltd.	-	6	MOR–2%	2	99.99	Directors with delegated signature authority: Mr. Phongsuree Bunnag, Mr. Prasert Wangrattanapranee
BT Insurance Co., Ltd.	-	-	-	39	99.99	Directors with delegated signature authority: Mr. Preecha Oonchitti, Mr. Phirasilp Subhapholsiri, Mr. Ekajai Tivutanond, Mr. Surachai Chitratsenee
Sathon Asset Management Co., Ltd.	-	2,969	MOR–2%, 4.05%	61	99.99	Directors with delegated signature authority: Mr. Ekachai Tivutanond, Mr. Surachai Chitratsenee, Mr. Songwud Buakhem, Mr. Thaphop Kleesuwan
Krungthai Thanakit Finance Plc.*	-	-	-	143	99.10	-

Company Name	Obligations	Outstanding loan / Investments in receivables	Interest rate	Deposits	Nature of relationship	
BT WorldLease Co., Ltd.	442	-	MLR+2%, MOR+2% of obligations	18	% share-holding 75.04	Joint Management Directors with delegated signature authority: Mr. Surachai Chitratsenee, Mr. Tada Charukitphaisan Mr. Patom Amorndechawat
<u>Subsidiary held by the Bank's subsidiary (BT WorldLease Co., Ltd.)</u>						
Asset Liability Management Co., Ltd.	-	-	-	1	-	-
<u>Associate Companies</u>						
Millea Life Insurance (Thailand) Public Co., Ltd.	-	-	-	68	30.00	Director: Mr. Chamnarn Wangtal, Mr. Tada Charukitphaisan
Worldclass Rent A Car Co., Ltd.	4	3	MLR, 2% of obligations	-	20.00	-
<u>Related Companies</u>						
Suetrong Construction Co., Ltd.	34	473	MLR, 2.5% of obligations	1	50.00	Director: Mr. Songwud Buakhem
Srithepthai Plaschem Co., Ltd.	-	-	15%	-	37.48	-
Wongpaitoon Group Plc.	-	89	0.1%	-	16.26	-
Samchai Public Co., Ltd.*	-	-	15%	-	10.00	-
Senju Metal (Thailand) Co., Ltd.	-	-	-	53	10.00	-
Thai Baroda Industry Co., Ltd.	70	262	No interest, 9.15%, 0.5% & 2% of obligations	-	9.51	Director: Mr. Songwud Buakhem
Burapa Steel Industries Co. Ltd.	-	-	15%, 0.1%	-	-	-
S. Capital Co. Ltd.	-	-	15%	-	-	-
P.T.K. Metal Co. Ltd.	-	-	15%	-	-	-
Maxwin Builders Ltd.	-	134	5%, no interest	-	-	-
Union Petrochemical Public Co., Ltd.	2	40	MOR, 5.05%, 0.4%, 1.5% of obligations	4	-	-

Company Name	Obligations	Outstanding loan / Investments in receivables	Interest rate	Deposits	Nature of relationship	
					% share-holding	Joint Management
Sukhumvit Asset Management Co., Ltd.	2	-	1.25% of obligations	50	-	-
Thai Asset Management Corporation	-	-	-	1,669	-	-
Global Leasing Co., Ltd.	-	-	15%	-	-	-

* Currently undergoing liquidation process

The Bank extends the same deposit interest rates to the related parties as to other customers.

The Bank's related party transactions with the FIDF, a former major shareholder, are associated with the Gain/Loss Sharing and Yield Maintenance Agreement, comprising the yield maintenance income, gain/loss sharing, promissory notes, and warrant buyback agreements. The particulars of these transactions are disclosed in the Notes to the Financial Statements for the year ended 31 December 2007. The outstanding and substantial related party transactions are separately disclosed in the balance sheet and the income statements for the year ended 31 December 2007.

In the year 2008, the Bank had significant business transactions with its subsidiary, associate and affiliate companies (related by way of common shareholders and/or common directors), including related persons (directors or executives from the level of vice president upwards). Those transactions is complied with the conditions and the criteria that are agreeable between the Bank and its subsidiaries or such related persons. The summary of the related transactions as follows:

- (i) As at 30 September 2008, loans and contingent liabilities associated with one executive from the level of vice president upwards amounted to Baht 1 million; and
- (ii) As at 30 September 2008, loans, contingent liabilities and deposits associated with businesses in which the Bank and its subsidiary companies, or directors or executives from the level of vice president upwards, hold 10% or more of their paid-up capital were as follows:

(millions of Baht)

Company Name	Obligations	Outstanding loan / Investments in receivables	Interest rate	Deposits	Nature of relationship	
					% share-holding	Joint Management
<u>Subsidiary companies</u>						
BT Securities Co., Ltd.	-	85	MLR-1.5%, 3.75%, 6%	96	99.99	Directors with delegated signature authority: Mrs. Duangphorn Sucharittanuwat, Mrs. Panute Na Chiangmai, Mr. Surin Premamornkit
BT Leasing Co., Ltd.	-	2,256	3.53%, 3.55%, 4.20%	75	99.99	Directors with delegated signature authority: Mr. Surachai Chitratsenee, Mr. Tada Charukitphaisan
BT Asset Management Co., Ltd.	-	-	-	4	99.99	Directors with delegated signature authority: Mr. Manit Jeeradit, Mr. Prasert Wangrattanapranee
BT Consultant Co., Ltd.	-	6	MOR-2%	2	99.99	Directors with delegated signature authority: Mr. Phongsuree Bunnag, Mr. Prasert Wangrattanapranee
BT Insurance Co., Ltd.	-	-	-	49	99.99	Directors with delegated signature authority: Mr. Preecha Oonchitti, Mr. Phirasilp Subhapholsiri, Mr. Ekajai Tivutanond, Mr. Surachai Chitratsenee

Company Name	Obligations	Outstanding loan / Investments in receivables	Interest rate	Deposits		Nature of relationship
					% share-holding	Joint Management
Sathon Asset Management Co., Ltd.	-	-	3.50%, 3.53, 3.55%	237	99.99	Directors with delegated signature authority: Mr. Ekachai Tivutanond, Mr. Prasert Wangrattanapranee, Mr. Songwud Buakhem, Mr. Thaphop Kleesuwan
Krungthai Thanakit Finance Plc.*	-	-	-	145	99.10	-
BT WorldLease Co., Ltd.	366	433	MLR, 2% of obligations	86	75.04	Directors with delegated signature authority: Mr. Surachai Chitratsenee, Mr. Tada Charukitphaisan
<u>Subsidiary held by the Bank's subsidiary (BT WorldLease Co., Ltd.)</u>						
Asset Liability Management Co., Ltd.	-	-	-	1	-	-
<u>Associate Companies</u>						
Millea Life Insurance (Thailand) Public Co., Ltd.	-	-	-	221	30.00	Director: Mr. Chamnarn Wangtal, Mr. Tada Charukitphaisan
Worldclass Rent A Car Co., Ltd.	4	-	MLR, 2% of obligations	-	20.00	-
<u>Related Companies</u>						
Suetrong Construction Co., Ltd.	9	457	MLR - 3.075%, 2.5% of obligations	3	50.00	Director: Mr. Songwud Buakhem
Wongpaitoon Group Plc.	-	89	0.1%	-	16.26	
Cenmetal (Thailand) Co., Ltd.	-	-	-	10	10.00	-
Thai Baroda Industry Co., Ltd.	-	-	No interest, 6.3%, 0.5% and 2% of obligations	-	9.51	Director: Mr. Songwud Buakhem
Maxwin Builders Ltd.	-	129	7.25%	-	-	-
Union Petrochemical Public Co., Ltd.	2	40	MOR, 4.35%, 4.8%, 5.025%, 1.5% of obligations	2	-	-

Company Name	Obligations	Outstanding loan / Investments in receivables	Interest rate	Deposits	Nature of relationship	
					% share-holding	Joint Management
Sukhumvit Asset Management Co., Ltd.	2	-	1.25% of obligations	2,013	-	-
Thai Asset Management Corporation	-	-	-	201	-	-
Energy Complex Co.,Ltd.	-	-	-	108	-	-

* Currently undergoing liquidation process

The Bank extends the same deposit interest rates to its related parties as to other customers.

E) Summary of financial statements during the past 3 years and the present year until the latest quarter, as well as the explanation and analysis of financial condition and operating result in the past year and the present year until the latest quarter

Table Of Balance Sheet Items And Percentages
Bankthai Public Company Limited, as at 31 December 2005, 2006, 2007 and 30 September 2008

	(millions of Baht)			
	REVIEWED 30/09/08	AUDITED		
		2007	2006	2005
FINANCIAL STANDING				
TOTAL ASSETS	182,315.05	204,097.76	219,917.01	269,175.43
INTERBANK & MONEY MARKET ITEMS	24,775.63	8,474.01	13,176.85	12,726.36
INVESTMENTS – Net	48,955.31	75,527.07	77,614.99	65,178.93
LOANS AND ACCRUED INTEREST RECEIVABLES – Net	81,889.96	88,372.44	99,292.42	119,219.03
TOTAL LIABILITIES	176,949.89	202,683.72	214,426.46	260,690.17
DEPOSITS	147,562.14	166,183.23	181,318.66	194,573.32
INTERBANK & MONEY MARKET ITEMS	5,274.78	7,736.62	10,857.15	50,824.83
BORROWINGS	6,565.02	8,088.75	7,018.50	3,414.16
TOTAL SHAREHOLDER'S EQUITY	5,365.16	1,414.04	5,490.55	8,485.26
ISSUED AND PAID-UP SHARE CAPITAL	25,030.13	8,343.38	14,934.50	14,934.50
SHARE DISCOUNTS	(10,606.99)	-	(1,123.61)	(1,123.61)
RETAINED EARNINGS AND UNREALISED	(9,057.98)	(6,929.34)	(8,320.34)	(3,274.50)
OPERATING PERFORMANCE				
TOTAL INCOME	7,366.36	8,886.09	14,249.06	9,925.35
INTEREST AND DIVIDEND INCOME	8,433.04	13,935.92	13,472.33	8,724.59
NON-INTEREST INCOME	(1,066.68)	(5,049.83)	776.73	1,200.76
TOTAL EXPENSES	9,274.55	16,312.96	18,727.77	9,314.10
INTEREST EXPENSES	3,902.03	7,651.84	8,092.14	5,021.73
BAD DEBT AND DOUBTFUL ACCOUNTS	1,584.00	3,563.00	1,622.00	215.00
NON-INTEREST EXPENSE	3,788.52	5,098.12	9,013.63	4,077.37
NET INCOME / (LOSSES) FOR THE PERIOD	(1,908.19)	(7,426.87)	(4,478.71)	611.25
Income / (loss) per share attributable to equity holders of the Bank (Baht)	(0.30)	(3.72)	(3.07)	0.48
FINANCIAL RATIOS				
Yield Rate (%)	5.52	8.27	6.60	4.60
Cost Rate (%)	2.24	3.86	3.59	2.14
Spread (%)	3.28	4.41	3.02	2.46
Net Profit (%)	(25.90)	(83.58)	(31.43)	6.16

	REVIEWED	AUDITED		
	30/09/08	2007	2006	2005
Return on Equity (%)	(56.30)	(215.13)	(64.09)	7.57
Return on Assets (%)	(0.99)	(3.50)	(1.83)	0.24
Allowance for Doubtful Accounts per Total Loans (%)	8.91	7.66	3.57	15.81
Bad Debts per Total Loans (%)	0.24	0.02	0.26	1.15
Dividend Paid (%)	-	-	-	-
Capital Funds per Risk Assets (%)	6.93	1.48	5.95	8.56
1st Tier Capital Funds per Risk Assets (%)	4.24	0.81	4.12	8.45

Sources:

1. Non-consolidated financial statements for the years ended 2005, 2006 and 2007 audited by certified public accountants (Thailand)
 2. Non-consolidated financial statements for the nine-month period ended 30 September 2008 reviewed by certified public accountants (Thailand)
- * Earnings per share calculated from net income / (loss) for the period to be divided by the weighted average number of ordinary shares issued and paid-up to holders of third persons for the period

Bankthai Public Company Limited And Its Subsidiaries, as at 31 December 2005, 2006, 2007 and for the nine-month period ended 30 September 2008

(millions of Baht)

	REVIEWED	AUDITED		
	30/09/08	2007	2006	2005
FINANCIAL POSITION				
TOTAL ASSETS	183,875.36	205,696.98	219,469.62	269,837.77
INTERBANK & MONEY MARKET ITEMS	25,091.16	8,741.49	13,326.86	12,829.51
INVESTMENTS – Net	48,395.62	76,957.44	79,407.25	64,328.89
LOANS AND ACCRUED INTEREST				
RECEIVABLES – Net	83,132.25	88,096.75	96,072.87	119,657.03
TOTAL LIABILITIES	178,278.19	204,985.96	215,186.08	261,272.75
DEPOSITS	147,104.14	166,028.94	181,219.39	194,446.90
INTERBANK & MONEY MARKET ITEMS	5,680.25	7,698.81	10,781.28	50,762.70
BORROWINGS	7,170.91	9,715.09	7,298.64	3,414.16
TOTAL SHAREHOLDER'S EQUITY	5,597.17	711.02	4,283.54	8,565.02
ISSUED AND PAID-UP SHARE CAPITAL	25,030.13	8,343.38	14,934.50	14,934.50
SHARE DISCOUNTS	(10,606.99)	-	(1,123.61)	(1,123.61)
RETAINED EARNINGS AND UNREALISED	(8,365.59)	(7,165.15)	(8,265.88)	(3,194.74)
OPERATION RESULTS				
TOTAL INCOME	9,211.97	10,350.60	15,809.63	10,420.40
INTEREST AND DIVIDEND INCOME	8,687.01	14,469.38	13,795.77	8,839.33
NON-INTEREST INCOME	524.96	(4,118.78)	2,013.86	1,581.07
TOTAL EXPENSES	10,180.05	17,277.56	20,253.05	9,812.63
INTEREST EXPENSES	3,953.43	7,704.80	8,092.29	5,022.11
BAD DEBT AND DOUBTFUL ACCOUNTS	1,685.85	3,478.26	2,115.53	238.01
NON-INTEREST EXPENSE	4,488.54	6,084.62	10,028.75	4,528.31
NET INCOME / (LOSSES) FOR THE PERIOD	(968.08)	(6,926.96)	(4,443.42)	607.77
Net income / (loss) attributable to equity holders of the Bank	(974.23)	(6,928.73)	(4,423.03)	611.25
Income (loss) per share attributable to equity holders of the Bank (Baht)	(0.15)	(3.70)	(3.32)	0.48
FINANCIAL RATIOS				
Yield Rate (%)	5.71	8.43	6.76	4.58
Cost Rate (%)	2.24	3.86	3.59	2.14
Spread (%)	3.46	4.57	3.18	2.44
Net Profit (%)	(10.51)	(66.92)	(28.11)	5.83
Return on Equity (%)	(30.69)	(277.38)	(69.17)	7.49
Return on Assets (%)	(0.50)	(3.26)	(1.82)	0.24
Allowance for Doubtful Accounts per Total Loans (%)	10.67	11.15	7.29	17.14
Bad Debts per Total Loans (%)	0.33	0.09	0.62	1.18
Dividend Paid (%)	-	-	-	-

	REVIEWED	AUDITED		
	30/09/08	2007	2006	2005
Capitals Fund per Risk Assets (%)	6.93	1.48	5.95	8.56
1st Tier Capital Funds per Risk Assets (%)	4.24	0.81	4.12	8.45

Sources:

1. Non-consolidated financial statements for the years ended 2005, 2006 and 2007 audited by certified public accountants (Thailand)
 2. Non-consolidated financial statements for the nine-month period ended 30 September 2008 reviewed by certified public accountants (Thailand)
- * Earnings per share calculated from net income (loss) for the period, to be divided by the weighted average number of ordinary shares issued and paid-up to holders of third persons for the period (net from treasury stock holders by subsidiary companies).

Management discussion and analysis of the financial position and operating results of the Bank and its subsidiaries for the nine-month period ended 30 September 2008

1. Consolidated operating results

The Bank remains committed to its strategy of achieving sustainable growth through time by improving its flexibility and ability to adapt to a constantly changing environment. The Bank brought a new and tighter focus to facilitate financing access for corporate customers, especially small and medium sized enterprises (“SME”s), which aims to facilitate financing access for SMEs that are not only one of the country’s major economic drivers, but also exhibit a strong potential to contribute to the Bank’s own business growth. In parallel with this, continued emphasis has been given to developing new products and services to help meet the changing needs of large corporate customers and maintaining close customer relationships. As at 31 December 2007 and for the nine-month period ended 30 September 2008, the Bank reported a net loss of Baht 6,929 million and Baht 969 million respectively, as a result from the impact of the financial crisis on the global economy as evidenced by various declines, the sub prime mortgage crisis in the United States of America, the political crisis within the country, and allowances for bad and doubtful debts and loss valuation of investment in foreign debts instruments.

(i) Revenue of the Bank and its subsidiaries

The Bank and its subsidiaries have an income structure derived from Interest and Dividend Income and Non-Interest Income, where Interest and Dividend Income accounted for the major income stream. As at 31 December 2007, interest and dividend income was Baht 14,469 million, which represented an increase Baht 673 million, or 4.88% from the same period in 2006, which was Baht 13,796 million. Of this amount, only interest from loans decreased by Baht 124 million against the increase in interest from interbank and money market items of Baht 279 million, from hire purchase and financial leases of Baht 118 million, and from investments totaling Baht 400 million.

The Bank’s non-interest income comprised gains / (losses) on investments, fees and charges (for example, acceptances, aval and guarantees) as the major generators of this category of income. The Bank’s non-interest income for 2007 comprised losses of Baht 4,119 million, a 304.52% decrease of Baht 6,133 million compared to the same period in 2006, which was Baht 2,014 million, reflected the Bank’s reclassification of Collateralised Debt Obligations (“CDO”s) and Structured Notes from held-to-maturity investments, which are presented at acquisition cost less provision for impairment, to trading investments, which are presented at fair value, with gains or losses from revaluation recognised as income/expenses in the income statements, in compliance with the new criteria in a recent Bank of Thailand notification.

Total income for the nine-month period ended 30 September 2008 as presented in the consolidated financial statements was Baht 9,212 million, a 14.20% decrease of Baht 1,525 million compared to the same period in 2007, which accounted for Baht 10,737 million. Interest and dividend income for

the Bank and its subsidiaries for the nine-month period ended 30 September 2007 and 2008 was Baht 8,687 million and Baht 11,129 million, respectively, which represented a decrease of Baht 2,442 million or 21.95%, attributed to a decrease in interest from loans of Baht 509 million, from interbank and money market items of Baht 268 million, and from investments of Baht 1,678 million.

Non-interest income of the Bank and its subsidiaries as presented in the consolidated financial report for the nine-month period ended 30 September 2008 was Baht 525 million, a 233.66% increase of Baht 918 million compared to the same period in 2007 with the loss of Baht 393 million. This reflected a subsidiary's gain from sale of investments of Baht 1,145 million and the Bank's unrealised losses caused by the mark-to-market of CDOs of Baht 2,943 million. However, on 29 July 2008, the Bank sold all of its CDOs and realised a gain on the sale of Baht 970 million.

(ii) *Capital Funds and Operating Expenses*

The Capital funds structure and operating expenses comprised both interest expenses and non-interest expenses, wherein interest expenses represented the largest component. As at 31 December 2007, the Bank and its subsidiaries' interest expenses were equivalent to 44.59% of total expenses, which amounted to Baht 7,705 million, a decrease of Baht 387 million or 4.79% from 2006's figures of Baht 8,092 million. This was a consequence of the decrease in expenses from deposits of Baht 754 million and an increase in expenses from borrowings of Baht 465 million.

Non-interest expenses (including allowances for doubtful debts, corporate income tax and minority interests of subsidiaries) in 2006 and 2007 were Baht 12,140 million and Baht 9,574 million, respectively, a decrease by Baht 2,566 million or 21.13% from the previous year, whereby in 2006 the Bank and its subsidiaries recorded losses from the settlement of the gain/loss sharing and yield maintenance agreement of Baht 2,196 million and uncollected yield maintenance income of Baht 1,691 million in 2006.

Interest expense in the consolidated financial statements for the nine-month period ended 30 September 2008 accounted for 38.81% of total expenses. For the nine-month period ended 30 September 2007 and 2008, this figure was Baht 3,953 million and Baht 6,234 million, respectively, which represented a decrease of Baht 2,281 million, or 36.58%, owing to the decrease in expenses from deposit and interest rates for the first half of 2008.

Non-interest expenses (including allowances for doubtful debts, corporate income tax and minority interests of subsidiaries) as presented in the consolidated financial statements as at 30 September 2008 were equivalent to 61.19% of total expenses. Non-interest expenses for the nine-month period ended 30 September 2007 and 2008 were Baht 7,495 million and Baht 6,233 million, respectively, a decrease of Baht 1,262 million or 16.84%. In aggregate, the principal categories of non-interest expenses for the nine-month period ended 30 September 2008 were personnel expenses at 27.78%, and bad debts and doubtful accounts at 27.05%.

(iii) *Net Profit (Loss)*

The Bank and its subsidiaries registered a net loss in the years 2006 and 2007 of Baht 4,423 million and Baht 6,929 million, respectively. The loss in 2007 increased to Baht 2,506 million, or 56.65% over 2006, due to allowances for bad and doubtful debts allocated for loans and investments in receivables corresponding to the guideline on non-performing assets as notified by Bank of Thailand, and equivalent to Baht 1,376 million; a specific provision for President Agri Trading Group for Baht 1,419 million; and losses

from the valuation of investment in foreign debts instruments in the form of CDOs for Baht 7,315 million.

Operating Results for the nine-month period ended 30 September 2007 and 2008, for the Bank and its subsidiaries recorded a net loss of Baht 974 million and Baht 2,992 million, respectively. This was attributed to the Bank's unrealised losses caused by the mark-to-market of CDOs in 2006 and the first half of 2008, and the realisation of a gain on the sale CDOs in the third quarter of 2008.

2. Financial position

(i) Assets

Primary Assets contributed to business operations in the form of loans, money market items and investments. As at 31 December 2006 and 2007, the Bank and its subsidiaries had total assets of Baht 219,470 million and Baht 205,697 million respectively, a decrease of Baht 13,773 million or 6.28% as compared to 2006, resulting from the decreased in interbank and money market items of Baht 4,585 million; from loan and accrued interest receivables by Baht 7,976 million, resulting from the Bank's decreased loans and provided as an allowance for doubtful debt, which together with net investments decreased by Baht 2,450 million.

The total assets of the Bank and its subsidiaries as at 30 September 2008 amounted to Baht 183,875 million, a decrease by Baht 21,822 million or 10.61% from 2007, resulting from an increased in interbank and money market items of Baht 16,350 million; from accounts receivables from the sale of investments of Baht 851 million; against a decrease in investments of Baht 28,561 million, and of loans and accrued interest receivables of Baht 4,965 million.

(ii) Asset Quality

(a) Loans & Loan concentration

As at 30 December 2007, the Bank and its subsidiaries net outstanding loans of Baht 88,097 million decreased from the same period in 2006, which had a value of Baht 96,073 million, by Baht 7,976 million or 8.30%, the repayment of the loans was higher than the extension of the loans during this period.

As at 30 September 2008, the Bank and its subsidiaries' net outstanding loans of Baht 83,132 million decreased by Baht 4,965 million from the end of 2007, or by 5.64%, as the repayment of the loans was higher than the extension of the loans during this period, such bank loans were mainly extended to the manufacturing sector, followed by loans for consumer goods and banking and finance businesses at the percentage of 22.65%, 22.02% and 20.84% of total loans respectively. Loans extended to the manufacturing sector amounting to Baht 24,735 million decreased by Baht 3,956 million or 13.79%, as compared to the same period last year, while loans to the consumer goods sector totaling Baht 24,051 million increased by Baht 4,528 million or 23.19%. Loan extended to the banking and finance businesses sector of Baht 22,759 million increased by Baht 15,185 million or 200.49%.

The Bank continued to diversify the proportion of loans granted to various business sectors to avoid over-concentration in any particular industry, in compliance with a credit policy whereby credit is extended to customers of vital business sectors with good growth

potential and customers from all categories of large, medium, small and retail sectors. In addition, lending continues to focus on customers who are manufacturers in potential sectors and on increasing the valued retail customer portfolio.

The majority of loans carried maturities of more than one year, totaling Baht 67,571 million or 61.86% of the total loans portfolio.

Loan accounts exceeding Baht 10 million totaled Baht 82,461 million, or 75.50% of the total loans portfolio.

(b) Classification of assets

As at 30 September 2008, the Bank's classification of assets (including accrued interest receivables, but excluding loans to financial institutions) totaled Baht 89,949 million, against an allowance for bad and doubtful debts of Baht 8,012 million. The non-consolidated financial statements of the Bank as at 30 September 2008 then showed a ratio of loan-loss reserves to total loans (including accrued interest receivables, but excluding loans to financial institutions) at 8.91%, as compared to 6.97% in 2007. The consolidated financial statements as at 30 September 2008 indicated a ratio of the Bank's loan-loss provisions to total loans (including accrued interest receivables, but excluding loans to financial institutions) at 10.67%, as compared to 10.48% in 2007.

The Bank has closely monitored the status of each loan by maintaining a database of loans with outstanding balances ageing at each month's end and by dividing loan balances into 4 categories, namely: (1) 1-3 months past due; (2) 3-6 months past due; (3) 6-12 months past due; and (4) more than 12 months past due. Based on such information, the Bank reviews repayment records together with accounts history for debts reclassification, the collection process and forecasting trends for non performing loans.

(c) Non-performing loans (substandard loans)

As at 30 December 2007, the Bank and its subsidiaries non-performing loans amounted to Baht 13,854 million or 13.55% of the outstanding loan portfolio (only with respect to principal plus loans to financial institutions). As at 30 September 2008, the Bank and its subsidiaries' non-performing loans amounted to Baht 13,507 million or 12.02% of the outstanding loan portfolio, which were classified according to the Bank of Thailand's notification dated 21 December 2006 defining non-performing loans as substandard, doubtful and lost, and including doubtful loans written off and subsequently reversed for booking.

(iii) *Liabilities and Shareholders' Equity*

The Bank and its subsidiaries had total liabilities as at 31 December 2006 and 2007 of Baht 215,186 million and Baht 204,986 million respectively, which represented a decrease of Baht 10,200 million or 4.74% from the last year. This was due to a decrease in deposits of Baht 15,190 million as a result of compensation for a decrease in the deposit interest rate, while interbank and money market items decreased by Baht 3,082 million, borrowings decreased by Baht 2,416 million and accounts payable for purchases of investments decreased by Baht 8,474 million.

As presented in the consolidated financial statements as at 30 September 2008, total liabilities were Baht 178,278 million, a decrease of Baht 26,708

million or 13.03% compared to 2007. This was due to compensation for a decrease in the deposit interest rate in the first half of the year, interbank and money market items decreasing by Baht 2,019 million and borrowings decreasing by Baht 2,544 million.

Shareholders' equity as at 31 December 2006 and 2007 was Baht 711 million and Baht 4,284 million, respectively. The decrease in shareholders' equity reflected the impact of losses of Baht 6,929 million incurred from the allowance for bad and doubtful debts and loss in investments as mentioned above.

As presented in the consolidated financial statements as at 30 September 2008, shareholders' equity totaled Baht 5,597 million, an increase of Baht 4,886 million, or 687.21% compared to 2007. This demonstrated the effect of the capital increase by Baht 6,079 million in January 2008 and unrealised net losses of Baht 1,980 million.

3. Liquidity

The details of the Bank and its subsidiaries' cash flows for the year ended 31 December 2007 are as follows:

- The Bank's net cash flow received from operational activities was Baht 10,175 million. This was a result of an increase in operating assets outpacing operating liabilities, and income from operating activities before changes in operating assets and liabilities
- The Bank's net cash flow used in investment activities was Baht 15,743 million due to an increase in investments held for trading
- The Bank's net cash flow received from financing activities was Baht 5,662 million, and was the result of a increase in cash received from capital and short-term borrowings, as well as long-term borrowings

As presented in the consolidated financial statements for the nine-month period ended 30 September 2008, the details of the Bank's cash flow are as follows:

- The Bank's net cash flows used in operating activities was Baht 32,550 million. This reflected decreases in interbank and money market items
- The Bank's net cash flow received from investment activities was Baht 28,863 million, due to a decrease in investments held for trading
- The Bank's net cash flow received from financing activities was Baht 3,508 million as a result of an increase in cash received from capital, short-term borrowings and a decrease in long-term borrowings

The difference between the Bank's net cash flows received from (or used in) operating activities and net cash flow received from (or used in) investment activities and financing activities did not have any material impact on the Bank's cash position and liquidity situation at the end of the accounting period, both of which were maintained at the minimum level required by the Bank of Thailand.

4. Maintenance of ratios

(i) Non-compliance with capital fund maintenance provisions

As at 30 September 2008, the Bank's assets exceeded its liabilities by Baht 5,365 million (a positive shareholders' equity balance). However, the Bank maintains its capital funds to risk-weighted assets ratio (BIS ratio) at 6.93% which is less than the level required by law.

(ii) *Liquid assets ratio*

The Bank of Thailand requires all commercial banks to maintain a minimum liquid assets ratio at not less than 6% of total deposits and offshore borrowings with a maturity of less than one year. For the nine-month period ended 30 September 2008, the Bank's total liquid assets were Baht 51,672 million, while its loan-to-deposit ratio stood at 60.74%. The liquid assets to total assets ratio was 28.34% and liquid assets to total deposits stood at 35.02%, all of which were covered by the regulatory minimum.

F) Other information (if any) that may materially affect the decision of investors

- None -

G) Statements indicating that connected persons and/or shareholders having interests shall have no right to vote whereby the names and the number of shares held by such shareholders having no voting rights shall be indicated

CIMB Bank, a major shareholder of the Bank, holds 6,143,544,532 shares of the Bank, which represents 92.04% of the current entire issued and paid-up share capital of the Bank, shall have no right to vote on this agenda item of Consideration and Approval of the Issuance of Hybrid Tier 2 in the Extraordinary General Meeting of Shareholders No. 1/2009 to be held on 20 February 2009.

H) Appraisal of asset price by an independent appraiser in case of acquisition or disposal of asset having fundamental significance in a form of asset value such as immovable property

- None -

I) Opinion of the Board of Directors about a decision to enter into a connected transaction specifying the reasonableness and the highest benefit to the listed company compared to a decision to enter into a transaction with an independent third party

The Board of Directors has considered and deliberated the above transaction, and has concluded that the transaction constitutes a major part of the recapitalisation of the Bank which is integral to the strengthening of the Bank's current capital position, and for the sustainable growth and development of the Bank in both the short and long term, in order to lend support and credence to the issuance of Hybrid Tier 2, which will ensure the capital needs of the Bank.

The Bank has certified that the information in this report is true and accurate.

(Mr. Thaphop Kleesuan)
Senior Vice President
Office of the President

This English translation has been prepared solely for the convenience of foreign shareholders of BankThai Public Company Limited and should not be relied upon as the definitive and official opinions of BankThai Public Company Limited and of the Independent Financial Advisor on the connected transaction. The Thai language version of the opinions of the BankThai Public Company Limited and of the Independent Financial Advisor is the definitive and official document of the advisor and shall prevail in all respects in the event of any inconsistency with this English translation.



- Translation -

No. IBL 3 / 2552

February 2, 2009

Re: The Opinion by an Independent Financial Advisor in Relation to a Connected Transaction for
BankThai Public Company Limited

To: The Board of Directors and Shareholders of
BankThai Public Company Limited

Whereas the Board of Directors' meeting of BankThai Public Company Limited (the "Bank" or the "Company") No. 1/2009, held on January 14, 2009, and No. 2/2009, held on January 22, 2009 resolved to approve the issuance and offering for sale (the "Issuance") of instruments having a similar in nature of capital which is regarded by the BOT as Hybrid Tier 2 capital ("Hybrid Tier 2 capital"), up to an amount of THB 2,500,000,000 by means of private placement with terms and conditions in Appendix 1, for the purpose of recapitalizing the capital structure of the Bank to supplement the capital base of the Bank as well as to expand the short run and long run business operations and future developments of the Bank. The Board of Directors of the Bank resolved to further submit the Issuance of Hybrid Tier 2 capital and the to obtain Shareholders' approval in the Extraordinary General Meeting of Shareholders No. 1/2009 to be held on February 20, 2009 and the authorization of the Board of Directors including the person or the group of persons assigned by the foregoing to have power / discretion to determine terms and conditions with regards to such Issuance of Hybrid Tier 2 capital.

With regards to the determination of on average yield for the Issuance of Hybrid Tier 2 capital, based on current market pricing and recent comparable transactions, the Bank cannot determine the

definite average coupon rate with the tentative schedule of the Issuance of Hybrid Tier 2 capital in March 2009. Nevertheless, based on current market situation, recent available comparable transactions, and the assumption that the Issuance of Hybrid Tier 2 capital takes place in the end of January 2009 under the current market conditions, the indicative range of average yield is the 10-year Government Bond yield plus the indicative spread range of 2.1% to 3.1%. Based on the current 10-year Government Bond yield as of January 21, 2009 of 3.41%, this translates to an indicative range of yield of approximately 5.5% to 6.5% per annum.

The final yield for the Issuance of Hybrid Tier 2 capital shall be dependent on the prevailing market conditions at the time of Issuance of Hybrid Tier 2 capital, including demand from investors, and under the agreements and condition of the Hybrid Tier 2 capital issued at that time, and to be under notifications of the Securities and Exchange Commission (the "SEC") and of the Stock Exchange of Thailand (the "SET") and/or regulations of any government agencies concerned which are still in effect at the time of Issuance of Hybrid Tier 2 capital and the offers (if more than one issue).

In the Board of Directors' meeting No. 1/2009, held on January 14, 2009, had also been informed that CIMB Bank Berhad ("CIMB Bank"), the major shareholder of the Bank, or its nominated party(ies), will be participating in the issuance of Hybrid Tier 2 capital to the level that the capital funds of the Bank will meet the minimum Capital Adequacy Ratio requirements of the BOT (the "Transaction"). As a result, the transaction will be considered a connected transaction of listed companies for receipt of financial assistance, as prescribed in the Notification of Capital Market Supervisory Board Tor Jor 21/2551 re: Related Parties Transactions and the Notification of the Board of Governors of the SET. The Bank expects that the value and size of such receipt of financial assistance, determined from the interest payments that will be paid to CIMB Bank or its nominated party(ies), will exceed the size of 3% of net tangible assets of the Bank and its subsidiaries as of 30 September 2008. With respect to this, the Bank is required to disclose the details of the transaction to the SET, receive approval from the Bank's Board of Directors, and receive approval from the Bank's Board of Directors, and receive the resolution with approval from the Shareholders of at least three fourth of the attending shareholders who are eligible to vote, excluding the shareholder who are related party to the transaction which is CIMB Bank.

In this respect, the Bank has appointed TISCO Securities Company Limited (the "Financial Advisor") to be an Independent Financial Advisor to the shareholders of the Bank for rendering an opinion concerning the reasonableness, fairness of the pricing, and the terms and conditions of the Transaction.

In rendering an opinion on the Transaction to shareholders of the Bank, the Financial Advisor has determined the Transaction from documents received from the Bank, the information disclosed by the Bank to the SET, and information in the public domain including the Board of Directors' approval of

the Bank for the Transaction, financial statement, annual registration statement (Form 56 – 1), annual report, indicative terms and conditions of the Issuance of Hybrid Tier 2 capital for the transaction being approved, information from interviews with the Bank's managements and employees, and other relevant documents, including the economic situation, capital markets, money markets, and other external factors affecting the operation of the Bank. However, the Financial Advisor have not conduct the review concerning the legal, tax, the marketability of the Issuance, therefore, the Financial Advisor cannot provide any opinion on such aspects.

The Financial Advisor assumes that the received information and documents are reliable, complete, and accurate at the date that the Financial Advisor rendering the opinion on the Transaction. In the circumstances that the received information and documents as well as the economic situation, capital markets, money markets, and other external factors have changed from the date of rendering the opinion on the transaction, the rendered opinion of the Financial Advisor might have to be changed, accordingly.

Summary of nature and details of the Transaction

After the Extraordinary General Meeting of the Shareholders No. 1/2009, to be held on February 20, 2009 resolve to approve the Issuance of Hybrid Tier 2 capital and, subsequently, the proposed Issuance of Hybrid Tier 2 capital is subjected to the approval of the SEC and the inclusion of the Hybrid Tier 2 capital reduction is subjected to the approval of the BOT. The Bank expects that it will be able to issue and offer the sale of the Hybrid Tier 2 capital to be approximately in March 2009.

The Bank expects that the size of the Transaction will exceed the size of 3% of net tangible assets of the Bank and its subsidiaries as of 30 September 2008. In order to comply with the Notification of Capital Market Supervisory Board Tor Jor 21/2551 re: Regulations for a Connected Transaction, a disclosure of transaction details to the SET, the approval from the Bank's Board of Directors, the approval from the Bank's Board of Directors, and the resolution from the shareholders meeting voting in favor of the Transaction from at least three fourth of the attending shareholders who are eligible to vote, excluding the shareholder who are connected party that is CIMB Bank.

The size of the Issuance of Hybrid Tier 2 capital, the portion that CIMB Bank would subscribe, the interest rate offered may not yet be able to be determined at the date of the Extraordinary General Meeting of the shareholders No. 1/2009 to be held on February 20, 2009. Hence, for the purpose of determining a size of the transaction, the Financial Advisor would assume the followings:

- The size of the issuance and offering for sale of the Hybrid Tier 2 is THB 2,500.00 million.
- CIMB Bank or its nominated party(ies) would subscribe the whole amount of the Hybrid Tier 2 capital offered which is THB 2,500 million.
- The average yield offered is 6.50% per annum (10-year Government Bond yield of 3.4% plus credit spread of 2.1% to 3.1%).
- The maturity of the Hybrid Tier 2 is 10 years without redemption until year 10.
- The Bank is able to pay all the interest payments due or all the accrued interest payments.

The value of the Transaction when calculated according to the guideline for calculation of receipt of financial assistance, which takes into account the interest and/or benefits which the Bank expects to pay CIMB Bank or its nominated party(ies), is approximately THB 1,625,000,000. Based on the Bank's unaudited but reviewed consolidated financial statements as of the September 30, 2008, the size of the transaction is 32.30% when calculated by comparing the value of the Transaction.

The Bank will determine the actual average yield in the period of the Issuance the Hybrid Tier 2 capital. The definite average yield will depend on the market conditions, and be under the agreements and condition of the Hybrid Tier 2 capital issued at that time, and to be under notifications of the SEC and the SET and/or regulations of any government agencies concerned which are still in effect at the time of Issuance of Hybrid Tier 2 capital and the offers (if more than one issue).

The Issuance of Hybrid Tier 2 capital will be on a market-driven basis. The method of placement of the Hybrid Tier 2 will be on the Private Placement basis. The Bank will seek for potential investors and conduct the market sounding / book building process to measure the demand of potential investors on the Issuance of Hybrid Tier 2 capital and to determine the average yield based on guideline approved by the shareholder meeting of the Bank. If CIMB Bank or its nominated party(ies) were to participate in the issuance of the Hybrid Tier 2, CIMB Bank or its nominated party(ies) will receive the same coupon rate that has been determined by a the demand of other investors who are not related to CIMB Bank or its nominated proxy(ies). However, if the economic situation and market conditions changes from its current state, or if the market survey of the Hybrid Tier 2 capital shows that the average yield required by investors are above the approved range by the Shareholders' meeting, the Board of Directors including the person or the group of persons assigned by the shareholders shall have the authorization to determine the details of the issuance and other terms and conditions of Hybrid Tier 2 capital as necessary in order to successfully issue the Hybrid Tier 2 capital as assigned.

Summary of opinion of the Financial Advisor

Since the beginning of 2008, the global financial and economic downturn as well as domestic political uncertainties have caused negative effects on the Bank's operation performance which affected the Capital Adequacy ratio to be lower than the level required by law. Subsequently to gaining majority control of the Bank, CIMB Bank is proceeding to reinforce the financial status, increase the Capital Adequacy ratio, and improve the ability to expand the business of the Bank by proposing the recapitalization plan to the BOT together with other plans for its approval. The Issuance of Hybrid Tier 2 capital is part of recapitalization plan.

The Board of Directors of the Bank has proposed to the Shareholders' meeting of the Bank to approve the Issuance of Hybrid Tier 2 capital up to an amount of THB 2,500,000,000. The Bank has been informed that CIMB Bank, the major shareholder of the Bank, or its nominated party(ies) will be participating in the Issuance of Hybrid Tier 2 capital to the level that the capital funds of the Bank will meet the minimum Capital Adequacy Ratio requirements of the BOT. The transaction will be considered a connected transaction of listed companies for receipt of financial assistance.

The Bank will be able to issue the Hybrid Tier 2 capital once approved by the Shareholders' meeting, approved the Issuance of the Hybrid Tier 2 capital by the SEC, and the inclusion of the Hybrid Tier 2 capital as capital fund by the BOT, which the Bank expects to be able to issue the Hybrid Tier 2 capital approximately in March 2009. However, since at present and in the near future the market condition is volatile, therefore, the Bank cannot yet determine the coupon rate that investors will be interested in investing in Hybrid Tier 2 capital. Hence, the Bank cannot determine the amount that CIMB Bank or its nominated party(ies) will be investing in. Nevertheless, the Bank has determined the range of the appropriate credit spread of the Issuance of Hybrid Tier 2 capital base on the 10-year Government Bond yield. The use of the 10-year Government Bond yield as a base in determining the appropriate average yield is used by the issuers and the investors on a normal practice basis. Moreover, the reason that the Bank use the 10-year Government Bond yield to determine the average yield of the Issuance of Hybrid Tier 2 capital is because both have equivalent tenures.

The Financial Advisor has considered the credit spread range of the Hybrid Tier 2 capital by comparing the credit spread to those recent issuance of debentures and/or subordinate debentures by domestic commercial banks in the local market. The Financial Advisor has estimated the credit rating of the Bank and of the Issuance of the Hybrid Tier 2 capital by comparing to those of other commercial banks to compare the credit rating and, consequently, the credit spread

Under the Top-down approach, since CIMB Bank is the major shareholder of the Bank, it can be seen that the major shareholder will be in its best interest to support its subsidiary and may be viewed as a guarantee provider on the financial status of the Bank. However, since CIMB Bank does

not neither provide full or partial guarantee for the Hybrid Tier 2 capital in any legal or enforceable way, the Financial Advisor views that the credit rating of CIMB Bank cannot be fully comparable.

According to the Bottom-up approach, the Financial Advisor estimates the credit rating of the Bank by comparing the Bank's financial status and operating performance with those of the small banks. Although, the Bank's asset size and total asset is larger than those of TISCO and KK, but its profitability in recent years has been making a constant loss due the loss on investments in CDOs resulting in insufficient capital and weak financial position and inadequate Capital Adequacy ratio as required by law. However, since CIMB Bank has become the majority shareholder and provide support to the Bank, including the recapitalization plan, it may strengthen the Bank's financial position and financial performance. Therefore, the Financial Advisor views that with these factors the indicative company rating of the Bank with the Bottom-Up approach could be estimated to be in the range of those of TISCO and KK or lower.

From the above comparison and given the fact that the Hybrid Tier 2 capital is unrated and has features that are junior to the subordinate debenture and the current financial status of the Bank, the Financial Advisor views that the proposed credit spread range of 2.1% to 3.1%, which is equivalent to the average yield of Hybrid Tier 2 capital of 5.5% per annum to 6.5% per annum, is reasonable and beneficial to the Bank and its minority shareholders.

The Bank intends to have Issuance of Hybrid Tier 2 capital to be on a market-driven basis. The method of placement of the Hybrid Tier 2 will be on the Private Placement basis. The Bank will seek for potential investors and conduct the market sounding / book building process to measure the demand of potential investors on the Issuance of Hybrid Tier 2 capital and to determine the average yield based on guideline approved by the shareholder meeting of the Bank. If CIMB Bank or its nominated party(ies) were to participate in the issuance of the Hybrid Tier 2, CIMB Bank or its nominated party(ies) will receive the same coupon rate that has been determined by a the demand of other investors who are not related to CIMB Bank or its nominated proxy(ies). However, if the economic situation and market conditions changes from its current state, or if the market survey of the Hybrid Tier 2 capital shows that the average yield required by investors are above the approved range by the Shareholders' meeting, the Board of Directors including the person or the group of persons assigned by the shareholders shall have the authorization to determine the details of the issuance and other terms and conditions of Hybrid Tier 2 capital as necessary in order to successfully issue the Hybrid Tier 2 capital as assigned.

The Financial Advisor is of the opinion that the shareholders should vote in favor for this Transaction. Nevertheless, the final decision is at the discretion of the shareholders. The opinion of the Financial Advisor is base on the assumption that information and documents received from interviews with the Bank's managements and employees are reliable, complete, and accurate. Moreover, in order

to make an informed decision, the shareholder should carefully study and understand the characteristics of Hybrid Tier 2 capital together with other documents attached in this letter in details as well as attend the meeting to receive details on the Issuance of the Hybrid Tier 2 capital and the economic and capital market situations that may have changed since the date of this opinion is rendered, which may cause affects on the average yield that the Bank expects to pay CIMB Bank or its nominated party(ies).

The Financial Advisor, hereby, warrants that this report is prudently and professionally evaluated for the beneficiaries of the Company's shareholders.

The details of the opinion of the Financial Advisor are as follows:

1. Background of BankThai Public Company Limited

1.1 Background

BankThai Public Company Limited was established on 21 December 1998 as a commercial bank through the amalgamation of the Union Bank of Bangkok Public Company Limited, Krung Thai Tanakij Finance Public Company Limited, and 12 other finance companies (namely Nava Finance and Securities Public Company Limited, Thai Summit Finance and Securities Company Limited, Mahatun Finance Company Limited, Bangkok Asian Finance Company Limited, Vajiradhanathun Finance Company Limited, Erawan Trust Company Limited, Progressive Finance Company Limited, Dhana Siam Finance and Securities Public Company Limited, First City Investment Public Company Limited, KSIT Finance and Securities Public Company Limited, Union Asia Finance Public Company Limited, and IFCT Finance and Securities Public Company Limited).

After the amalgamation, several capital and business restructuring plans were implemented, which resulted in the Financial Institutions Development Fund (the "FIDF") holding 100% of the Company's outstanding issued and paid-up share capital and warrants. As part of the plan to privatize the Bank, FIDF offered its shares to the public and on 30 March 2001, the Company was listed on the SET. Post-offering, FIDF's stake was reduced to approximately 48.98%. To further strengthen the Bank's capital position and enhance its competitiveness, the Bank raised additional capital and placed new capital to global private investment firm, Texas Pacific Group and its co-investors ("TPG Consortium") (which comprises Newbridge Sukhothai Netherlands B.V., Blum Strategic III BT Hong Kong Limited and MSOF Hong Kong BT Limited), in April 2007 of 731,450,194 shares equaling to 32.88% of the paid up capital of the Bank.

On June 20, 2008, FIDF informed the Bank that it has entered into a Share Purchase Agreement with CIMB Bank to divest its shareholding of 2,811,862,559 ordinary shares (per value of

Baht 3.75 per share) in the Bank, representing approximately 42.13% of the total issued shares capital of the Bank, at a price of THB 2.10 per share for a total consideration of approximately THB 5,904.9 million. The Bank had requested permission from the Ministry of Finance, with concurrence of the BOT to allow foreign shareholders to hold an aggregate of more than 49% to 100% of the total issued shares, so that the new investor can purchase the Bank's shares from FIDF. However, the Bank also plans to increase its share capital to resolve the Bank's capital fund issue.

On October 9, 2008, the BOT informed the Bank that the Ministry of Finance, with the concurrence of the BOT, had approved holding of the Bank's shares by CIMB Bank, and approved foreign shareholding in an aggregate of more than 49 percent of the total shares of the Bank. The Ministry of Finance also approved non-Thai directors holding more than one half of the total directorships of the Bank, in proportion to the shareholdings acquired from the FIDF and from the tender offer, including from the recapitalization in the first quarter of 2009.

On November 5, 2008, CIMB Bank purchased ordinary shares of the Bank from FIDF who is existing shareholder of the Bank holding 2,811,862,559 shares or 42.13% of the total issued and paid-up shares of the Bank at the stated price. On November 17, 2008, the Bank received a copy of tender offer to purchase all the remaining shares of the Bank, which the CIMB Bank is not currently holding, of 3,862,838,023 shares or 57.87% of the total issued and paid-up shares of the Bank at the price of THB 2.10 per share for the total value of approximately THB 8,112.0 million. After the closing of the tender offer, CIMB Bank currently holds 6,143,544,532 shares equaling 92.04% of the total paid-up shares of the bank.

Recently, the Bank had been making constant loss due the loss on investments in CDOs, resulting in inadequate Capital Adequacy ratio as required by law, thus affecting the Banks capability to expand its business. With CIMB Bank coming in as the majority shareholder, it proceeds to implement initiatives to reinforce the financial status, increase the Capital Adequacy ratio, and improve the ability to expand the business of the Bank. The Bank has proposed the recapitalization plan to the BOT for the objective to ensure that the Capital Adequacy Ratio of the Bank will meet the minimum required level by law and to optimize the capital structure of the Bank for supporting ongoing business of the Bank. The proposed recapitalization plan proposed to the BOT comprises of three approaches:

(1) Proposed rights offering

The Extraordinary General Meeting of Shareholders No. 2/2008, held on September 3, 2008, of the Bank had resolved to approve a capital increase by issuing by right offering to existing shareholders to offer the right offering shares at a price lower than its par value of THB 3.75 each, at the offering price but not lower than THB 0.66 per share to existing shareholders in proportion to each shareholding (rights offering) at the ratio of 1 existing share to 1 new share. Subsequently, the Board of Directors' Meeting resolved to approve the amendment on the offering price of not lower than THB

0.66 per share to the offering price of THB 0.38 per share, which will result in an approximately THB 2,536 million increase in the Bank's capital funds. The amendment on the offering price of not lower than THB 0.38 per share is subjected to the approval of the Extraordinary General Meeting of the Bank No. 1/2009 to be held on February 20, 2009.

The decrease in the right offering price enables the opportunity for all existing shareholders to participate in the development and growth of the Bank.

This right offering to existing shareholders will result in an increase in the Capital Adequacy ratio to 9.19%¹ with the Tier 1 Capital of 5.84%. The Bank plans to offer the right offering during the middle of March 2009.

(2) Proposed Issuance of Hybrid Tier 2 capital

The Board of Directors' Meeting No. 1/2009, held on January 14, 2009, and The Board of Directors' Meeting No. 2/2009, held on January 22, 2009 have passed a resolution to approve the Issuance of Hybrid Tier 2 capital with the opinion by the Financial Advisor rendered to the minority shareholders with regards to this Transaction. The Issuance of Hybrid Tier 2 capital will have to receive approval from the Shareholders' approval in the Extraordinary General Meeting of Shareholders No. 1/2009 to be held on February 20, 2009. Subsequent to receiving the approval from the Bank's shareholders in the Issuance of the Hybrid Tier 2 capital, the proposed Issuance of Hybrid Tier 2 capital is subjected to the approval of the SEC, and the inclusion of the Hybrid Tier 2 capital as capital fund by the BOT. If the Bank is able to proceed according to the recapitalization plan and issue and offer the Hybrid Tier 2 up to THB 2,500 million, the Capital Adequacy ratio will increase to approximately 11.34%². The Bank plans to finish the issuance of the Hybrid Tier 2 capital by the end of March 2009.

The reason that the Bank did not choose to issue debenture or subordinate debenture is because according to the BOT's regulation, the proceeds from the issuance and offering of debenture is not regarded as the capital fund. Therefore, the fund raising by issuing debenture will not help the Bank to improve its Capital Adequacy ratio to meet the minimum level require by law.

In addition, according to the BOT's Regulations on the Inclusion of Hybrid Debt Capital Instruments, the subordinated debenture can be included as Tier 2 Capital with its full paid-up amount but not exceed 50% of the Tier 1 Capital of the Bank. According to the Bank's financial statement as of September 30, 2008, the Bank's had outstanding subordinate debenture of THB 2,055, which is approximately 49.94% of the Bank's Capital Tier 1. Given the current financial status, the Bank will not

¹ Source: The Bank with the calculation from the Capital Adequacy ratio as of 31 December 2008

² Source: The Bank with the calculation from the Capital Adequacy ratio as of 31 December 2008

be able to raise the Tier 2 Capital by additional issuance of subordinate debenture base on the current Capital Tier 1 if the Bank does not implement its right offering first, or in the event that the right offering is delayed or unsuccessful, in order to raise the Capital Adequacy ratio to meet the minimum level require by law as stated in the recapitalization plan to the BOT.

The issuing and offering of debentures or subordinate debenture requires the offering company to be rated by the rating agencies. The rating agency usually requires approximately 2 – 3 months to conduct the credit rating assuming that the company is operationally and financially strong. The current financial difficulties and the recent changes in the shareholder structure do not make the Bank suitable to be rated by the rating agency. The Bank might have to undergo the capital recapitalization plan prior to applying for credit rating. In addition, the time required for the Bank to be prepared for credit rating, the time the credit agency requires to conduct the credit rating, and the time required to issue the debenture might take longer than the time frame to improve the capital requirement of the Bank.

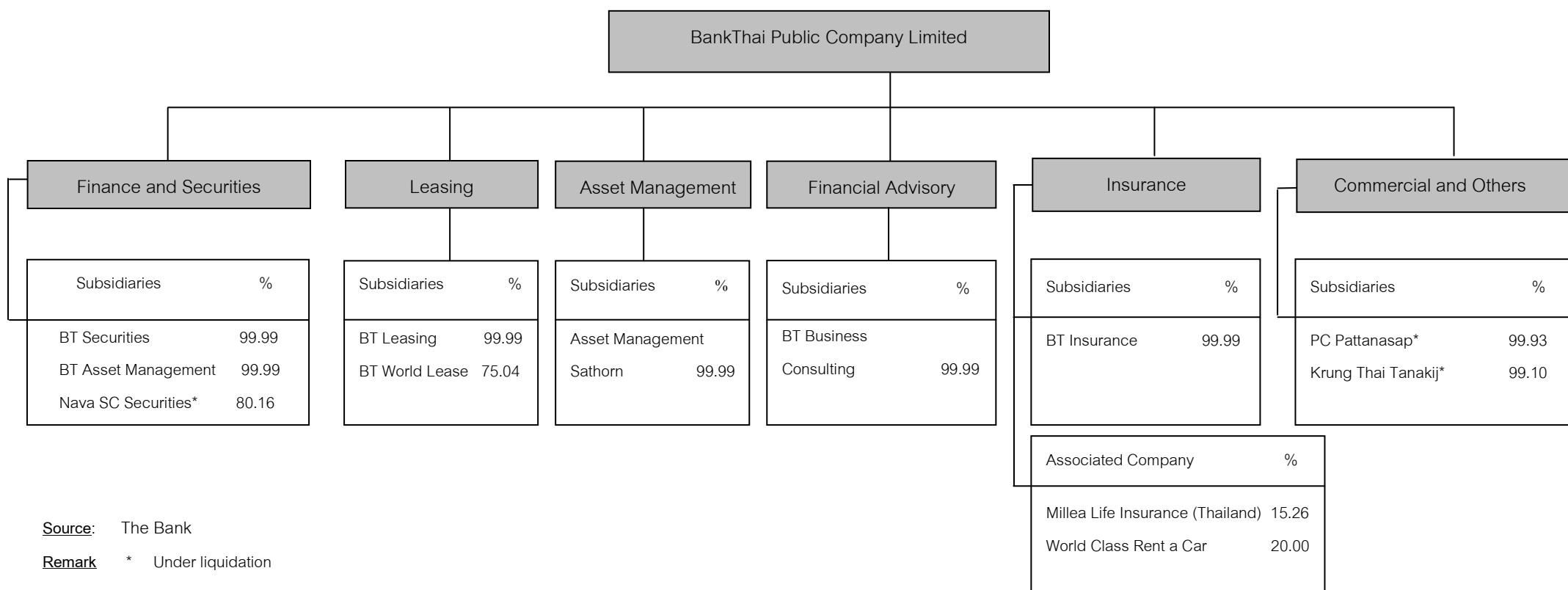
(3) Other initiatives plans

The Bank has proposed to the BOT on the other initiatives plans that the Bank will execute to enhance its business operation and as part of the recapitalization plan.

Moreover, in order to proceed with the recapitalization plan, the Board of Directors' Meeting No. 1/2009, held on January 14, 2008, passed a resolution to approve the transfer of the Bank's reserve funds to compensate for the accumulated loss, and the decrease of registered capital by way of lowering the par value from THB 3.75 per share to THB 0.50 per share, of which the premium arising from the capital reduction exercise shall be used to credit the share discount account in order to offset the share discount amount and subsequently, the retained earnings account in order to offset the accumulated loss amount. However, the capital reduction of the Bank will not affect the Capital Adequacy ratio and Tier 1 capital under the Basel 1 and Basel 2. The capital reduction exercise shall only take place upon the completion of the rights offering and after obtaining the approval from the BOT. The Bank plans to complete the capital reduction process within the end of March 2009.

1.2 Overview of Business Operation

The Corporate Structure of the Bank, its Subsidiaries and Affiliates as of January 12, 2009



The Bank was given a license by the Ministry of Finance and related authorities to engage in commercial banking business, with loans and deposits constituting the primary business of the Bank. In addition the Bank has also focused on innovated and value-added products and services, especially those that can contribute to its fee based incomes; such as to assist the customers in relation to cash management, financial advisory service, services and treasury products. The main businesses of the Bank can be summarized as follows:

1. Commercial banking business: the Bank provides all kind of commercial banking business, such as deposits, loans, discounting, aval/acceptance of bills of exchange, letters of guarantee, foreign exchange trading, letters of credit, tele-banking and ATM services;

2. Insurance business: the Bank has obtain life and non-life insurance brokerage, as licensed by the Department of Insurance, the Ministry of Commerce; and

3. Securities businesses and other related businesses, which are:

3.1 On June 26, 2000, the Bank obtained approval from the Office of the SEC to act as type 1 financial advisor. The Bank is also a type A financial advisor registered at the Thai Consultants Database Center of the Ministry of Finance;

3.2 On May 12, 2000, the Bank was granted a license by the SEC to act as a securities registrar;

3.3 On August 8, 2002, the Bank was granted a license by the Ministry of Finance to act as a debt securities dealer and underwriter;

3.4 On July 5, 2004, the Bank obtained approval from the SEC to act as bondholder's representative;

3.5 On March 21, 2005, the Bank obtained a license from the Minister of Finance to serve as broker, dealer and underwriter of investment units;

3.6 On March 29, 2005, the Bank obtained approval from the SEC to act as a custodian; and

3.7 From July 28, 2006, the Bank is a derivatives dealer registered with the SEC.

The Bank has invested in a number of companies, including those transferred from 13 state-intervened financial institutions, resulting in the holding of equity shares and/or the Bank's representation on the Board of Directors of each of the subsidiaries and associate companies engaged in 7 following key business areas as follows:

1. Securities;
2. Hire purchase and leasing;
3. Business consultancy;
4. Life and non-life insurance;
5. Fund management;
6. Asset management; and
7. Commercial and other businesses.

In all cases, the Bank holds a stake in businesses that contribute, either directly or indirectly, towards promoting its growth, with some having been transferred to the Bank under the amalgamation process. The Bank's policy remains focused on building synergies between its strategic business units and its subsidiary and associate companies. The Bank intends to retain only those companies with growth potential and which are able to generate good investment returns.

The Bank's strength lies in its well-established and extensive network of domestic branches. As at 30 September 2008, the Bank operated 36 main offices with credit facilities and 147 branches, all of them equipped with foreign exchange facilities. In addition, the Bank has 1,123 Automatic teller Machines (ATM) terminals nationwide. At the branches, the Bank also has 23 Cash Deposit Machines (CDMs) and 30 Passbook Update Machines.

1.3 Registered and paid-up capital

As at January 12, 2009, the Bank's registered capital is THB 50,060,254,365 comprising of 13,349,401,164.5 shares at par value of THB 3.75, of which THB 25,030,127,182.5 is paid-up comprising of 6,674,700,582 shares at par value of THB 3.75.

1.4 Shareholder structure

The top 10 major shareholders of the Bank as at January 12, 2009, were as follows:

<u>Name</u>	<u>No. of Shares</u>	<u>% Shareholding</u>
1. CIMB Bank Berhad	6,143,544,532	92.04%
2. BARCLAYS BANK PLC, SINGAPORE-WEALTH MGT	264,866,744	3.97%
3. Pannasub Co., Ltd.	118,790,100	1.78%
4. Thai NVDR Co., Ltd.	34,209,795	0.51%
5. Mr. Pisit Phruekpaiboon	9,604,300	0.14%
6. Clearstream Nominees Ltd.	2,644,655	0.04%
7. Mrs. Charoonlak Panitchiwa	2,544,400	0.04%
8. Mrs. Suwanna Supachardkaisorn	2,000,000	0.03%
9. Mr. Reunphet Sethapiyanon	2,000,000	0.03%
10. Mr. Pairoj Charoenwisuttiwong	1,826,500	0.03%
Other Shareholders	92,669,556	1.39%
Total	6,674,700,582	100.00%

Source: The Bank

1.5 Board of Directors

The Bank's Board of Directors as at February 3, 2009 is composed of 12 directors as follows:

<u>Name</u>	<u>Position</u>
1. Mr. Tawee Butsunton	Chairman
2. Mr. Chin Yuen Yin	Acting President
3. Mr. Techapit Sangsingkeo	Independent Director / Chairman of Audit Committee
4. Mr. Dharin Divari	Independent Director / Member of Audit Committee
5. Mr. Chatchawal Eimsiri	Independent Director / Member of Audit Committee
6. Dato' Shaarani Bin Ibrahim	Independent Director
7. Mr. Preecha Oonchitti	Director
8. Mr. Ranvir Dewan	Director
9. Mrs. Watanan Petersik	Director
10. Dato' Robert Cheim Dau Meng	Director
11. Mr. Kenny Kim	Director
12. Mr. Phirasilp Subhapholsiri	Director

Source: The Bank

1.6 Financial status and financial results

1.6.1 Summary of financial status of the Bank and its Subsidiaries

Unit: THB million (Unless stated otherwise)

	Audited		Reviewed	
	2005	2006	2007	30 Sep 2008
<u>Balance Sheet Summary</u>				
Total Assets	269,837.8	219,469.6	205,697.0	183,875.4
Interbank and Money Market Items	12,829.5	13,326.9	8,741.5	25,091.2
Investments - Net Loans and Accrued Interest	64,328.9	79,407.3	76,957.4	48,395.6
Receivables - Net	119,657.0	96,072.9	88,096.8	83,132.3
Total Liabilities	261,272.8	215,186.1	204,986.0	178,278.2
Deposits	194,446.9	181,219.4	166,028.9	147,104.1
Interbank and Money Market Items	50,762.7	10,781.3	7,698.8	5,680.3
Borrowings	3,414.2	7,298.6	9,715.1	7,170.9
Total Shareholder's Equity	8,565.0	4,283.5	711.0	5,597.2
Issued and Paid-Up Share Capital	14,934.5	14,934.5	8,343.4	25,030.1
Share Discounts	-1,123.6	-1,123.6	-	-10,607.0
Retained Earnings and Unrealized Operating Performance	-3,194.7	-8,265.9	-7,165.2	-8,365.6
<u>Income Statement Summary</u>				
Total Income	10,420.4	15,809.6	10,350.6	9,212.0
Interest and Dividend Income	8,839.3	13,795.8	14,469.4	8,687.0
Non-Interest Income	1,581.1	2,013.9	-4,118.8	525.0
Gain (Loss) From Investments	268.6	313.8	-5,497.9	-705.3
Fees and Charges	821.8	951.7	954.8	725.5
Other Income	490.7	748.4	424.4	504.8
Total Expenses	9,812.6	20,253.1	17,277.6	10,180.1
Interest Expenses	5,022.1	8,092.3	7,704.8	3,953.4
Bad Debt and Doubtful Accounts	238.0	2,115.5	3,478.3	1,685.9
Non-Interest Expense	4,528.3	10,028.8	6,084.6	4,488.5
Net Income (Losses) for the Period	607.8	-4,443.4	-6,927.0	-968.1
Net Income (Loss) Attributable to Equity Holders	611.3	-4,423.0	-6,928.7	-974.2
Income (Loss) per Share Attributable to Equity Holders (THB)	0.48	-3.32	-3.70	-0.15

	Audited		Reviewed	
	2005	2006	2007	30 Sep 2008
<u>Financial Ratio Summary</u>				
Yield Rate (%)	4.58	6.76	8.43	5.71
Cost Rate (%)	2.14	3.59	3.86	2.24
Spread (%)	2.44	3.18	4.57	3.46
Net Profit (%)	5.83	-28.11	-66.92	-10.51
Return on Equity (%)	7.49	-69.17	-277.38	-30.69
Return on Assets (%)	0.24	-1.82	-3.26	-0.50
Allowance for Doubtful Accounts per Total Loan (%)	17.14	7.29	11.15	10.67
Bad Debt per Total Loan (%)	1.18	0.62	0.09	0.33
Dividend Paid (%)	-	-	-	-
Capital Fund per Risk Assets (%)	8.56	5.95	1.48	6.93
1 st Tier Capital Funds per Risk Assets (%)	8.45	4.12	0.81	4.24

Sources: Consolidated financial statements for the years ended 2005, 2006 and 2007 audited by certified public accountants (Thailand). Consolidated financial statements for the nine-month period ended September 30, 2008 reviewed by certified public accountants (Thailand).

* Earnings per share calculated from net income (loss) for the period, to be divided by the weighted average number of ordinary shares issued and paid-up to holders of third persons for the period (net from treasury stock holders by subsidiary companies)

1.6.2 Management's discussion and analysis

1.6.2.1 Consolidated operating results

The Bank remains committed to its strategy of achieving sustainable growth through time by improving its flexibility and ability to adapt to a constantly changing environment. The Bank brought a new and tighter focus to facilitate financing access for corporate customers, especially small and medium sized enterprises ("SMEs"), which aims to facilitate financing access for SMEs that are not only one of the country's major economic drivers, but also exhibit a strong potential to contribute to the Bank's own business growth. In parallel with this, continued emphasis has been given to developing new products and services to help meet the changing needs of large corporate customers and maintaining close customer relationships. As of December 31, 2007 and for the nine-month period ended September 30, 2008, the Bank reported a net loss of THB 6,929 million and THB 974 million, respectively, resulting from the impact of the financial crisis on the global economy as evidenced by

various declines, the sub prime mortgage crisis in the United States, the political crisis within the country, and allowances for bad and doubtful debts and loss valuation of investment in foreign debts instruments.

Revenue of the Bank and its subsidiaries

The Bank and its subsidiaries have an income structure derived from Interest and Dividend Income and Non-Interest Income, where Interest and Dividend Income accounted for the major income stream. As at December, 31 2007, interest and dividend income was THB 14,469 million, which represented an increase THB 673 million, or 4.88% from the same period in 2006, which was THB 13,796 million. Of this amount, only interest from loans decreased by THB 124 million against the increase in interest from interbank and money market items of THB 279 million, from hire purchase and financial leases of THB 118 million, and from investments totaling THB 400 million.

The Bank's non-interest income comprised gains (losses) on investments, fees and charges (for example, acceptances, aval and guarantees) as the major generators of this category of income. The Bank's non-interest income for 2007 comprised losses of THB 4,119 million, a 304.52% decrease of THB 6,133 million compared to the same period in 2006, which was THB 2,014 million, reflected the Bank's reclassification of Collateralized Debt Obligations ("CDOs") and Structure Notes from held-to-maturity investments, which are presented at acquisition cost less provision for impairment, to trading investments, which are presented at fair value, with gains or losses from revaluation recognized as income/expenses in the income statements, in compliance with the new criteria in a recent BOT notification.

Total income for the nine-month period ended September 30, 2008 as presented in the consolidated financial statements was THB 9,212 million, a 14.20% decrease of THB 1,525 million compared to the same period in 2007. Interest and dividend income for the Bank and its subsidiaries for the nine-month period ended September 30, 2007 and 2008 was THB 11,129 million and THB 8,687 million, respectively, which represented a decrease of THB 2,442 million or 21.95%, attributed to a decrease in interest from loans of THB 509 million, from interbank and money market items of THB 268 million, and from investments of THB 1,678 million.

Non-interest Income of the Bank and its subsidiaries as presented in the consolidated financial report for the nine-month period ended September 30, 2008 was THB 525 million, a 233.66% increase of THB 918 million compared to the same period in 2007 with the loss of THB 393 million. This reflected a subsidiary's gain from sale of investments of THB 1,145 million and the Bank's unrealized losses caused by the mark-to-market of CDOs of THB 2,943 million. However, on 29 July 2008, the Bank sold all of its CDOs and realized again on the sale of THB 970 million.

Capital funds and operating expenses

The capital funds structure and operating expenses comprised both interest expenses and non-interest expenses, wherein interest expenses represented the largest component. As at 31 December 2007, the Bank and its subsidiaries' interest expenses were equivalent to 44.59% of total expenses, which were THB 7,705 million, a decrease of THB 387 million or 4.79% from 2006's figures of THB 8,092 million. This was a consequence of the decrease in expenses from deposits of THB 754 million and an increase in expenses from borrowings of THB 465 million.

Non-interest expenses (including allowances for doubtful debts, corporate income tax and minority interests of subsidiaries) in 2006 and 2007 were THB 12,140 million and THB 9,574 million, respectively, a decrease by THB 2,566 million or 21.13% from the previous year, whereby in 2006 the Bank and its subsidiaries recorded losses from the settlement of the Gain/Loss sharing and Yield Maintenance Agreement of THB 2,196 million and uncollected yield maintenance income of THB 1,691 million in 2006.

Interest expense in the consolidated financial statements for the nine-month period ended September 30, 2008 accounted for 38.81% of total expenses. For the nine-month period ended September 30, 2007 and 2008, this figure was THB 6,234 million and THB 3,953 million, respectively, which represented a decrease of THB 2,281 million, or 36.58%, owing to the decrease in expenses from deposit and interest rates for the first half of 2008.

Non-interest expenses (including allowances for doubtful debts, corporate income tax and minority interests of subsidiaries) as presented in the consolidated financial statements as at September 30, 2008 were equivalent to 61.19% of total expenses. Non-interest expenses for the nine-month period ended September 30, 2007 and 2008 were THB 7,495 million and THB 6,233 million, respectively, a decrease of THB 1,262 million or 16.84%. In aggregate, the principal categories of non-interest expenses for the nine-month period ended September 30, 2008 were personnel expenses at 27.78%, and bad debts and doubtful accounts at 27.05%.

Net Profit (Loss)

The Bank and its subsidiaries registered a net loss in the years 2006 and 2007 of THB 4,423 million and THB 6,929 million, respectively. The loss in 2007 increased to THB 2,506 million, or 56.65% over 2006, due to allowances for bad and doubtful debts allocated for loans and investments in receivables corresponding to the guideline on non-performing assets as notified by the BOT, and equivalent to THB 1,376 million; a specific provision for President Agri Trading Group for THB 1,419 million; and losses from the valuation of investment in foreign debts instruments in the form of CDOs for THB 7,315 million.

Operating Results for the nine-month period ended September 30, 2007 and 2008, for the Bank and its subsidiaries recorded a net loss of THB 2,992 million and THB 974 million, respectively. This was attributed to the Bank's unrealized losses caused by the mark-to-market of CDOs in 2006 and the first half of 2008, and the realization of a gain on the sale CDOs in the third quarter of 2008.

1.6.2.2 Financial position

Assets

Primary Assets contributed to business operations in the form of loans, money market items and investments. As at December 31, 2006 and 2007, the Bank and its subsidiaries had total assets of THB 219,470 million and THB 205,697 million, respectively, a decrease of THB 13,773 million or 6.28% as compared to 2006, resulting from the decreased in interbank and money market items of THB 4,585 million; from loan and accrued interest receivables by THB 7,976 million, resulting from the Bank's decreased loans and provided as an allowance for doubtful debt, which together with net investments decreased by THB 2,450 million.

The total assets of the Bank and its subsidiaries as at September 30, 2008 amounted to THB 183,875 million, a decrease by THB 21,822 million or 10.61% from 2007, resulting from an increased in interbank and money market items of THB 16,350 million; from accounts receivables from the sale of investments of THB 851 million; against a decrease in investments of THB 28,561 million, and of loans and accrued interest receivables of THB 4,965 million.

Assets Quality

(a) Loan concentration

As at December 30, 2007, the Bank and its subsidiaries net outstanding loans of THB 88,097 million decreased from the same period in 2006, which had a value of THB 96,073 million, by THB 7,976 million or 8.30%, the repayment of the loans was higher than the extension of the loans during this period.

As at September 30, 2008, the Bank and its subsidiaries' net outstanding loans of THB 83,132 million decreased by THB 4,965 million from the end of 2007, or by 5.64%, as the repayment of the loans was higher than the extension of the loans during this period, such bank loans were mainly extended to the manufacturing sector, followed by loans for consumer goods and banking and finance businesses at the percentage of 22.65%, 22.02% and 20.84% of total loans, respectively. Loans extended to the manufacturing sector amounting to THB 24,735 million decreased by THB 3,956 million or 13.79%, as compared to the same period last year, while loans to the consumer goods sector

totaling THB 24,051 million increased by THB 4,528 million or 23.19%. Loan extended to the banking and finance businesses sector of THB 22,759 million increased by THB 15,185 million or 200.49%.

The Bank continued to diversify the proportion of loans granted to various business sectors to avoid over-concentration in any particular industry, in compliance with a credit policy whereby credit is extended to customers of vital business sectors with good growth potential and customers from all categories of large, medium, small and retail sectors. In addition, lending continues to focus on customers who are manufacturers in potential sectors and on increasing the valued retail customer portfolio.

The majority of loans carried maturities of more than one year, totaling THB 67,571 million or 61.86% of the total loans portfolio. Loan accounts exceeding THB 10 million totaled THB 82,461 million, or 75.50% of the total loans portfolio.

(b) Classification of assets

As at September 30, 2008, the Bank's classification of assets (including accrued interest receivables, but excluding loans to financial institutions) totaled THB 89,949 million, against an allowance for bad and doubtful debts of THB 8,012 million. The non-consolidated financial statements of the Bank as at September 30, 2008 then showed a ratio of loan-loss reserves to total loans (including accrued interest receivables, but excluding loans to financial institutions) at 8.91%, as compared to 6.97% in 2007. The consolidated financial statements as at September 30, 2008 indicated a ratio of the Bank's loan-loss provisions to total loans (including accrued interest receivables, but excluding loans to financial institutions) at 10.67%, as compared to 10.48% in 2007.

The Bank has closely monitored the status of each loan by maintaining a database of loans with outstanding balances ageing at each month's end and by dividing loan balances into 4 categories, namely: (1) 1-3 months past due; (2) 3-6 months past due; (3) 6-12 months past due; and (4) more than 12 months past due. Based on such information, the Bank reviews repayment records together with accounts history for debts reclassification, the collection process and forecasting trends for non performing loans.

(c) Non-performing loans (substandard loans)

As at December 30, 2007, the Bank and its subsidiaries' non-performing loans amounted to THB 13,854 million or 13.55% of the outstanding loan portfolio (only with respect to principal plus loans to financial institutions). As at September 30, 2008, the Bank and its subsidiaries' non-performing loans amounted to THB 13,507 million or 12.02% of the outstanding loan portfolio, which were classified according to the BOT's notification dated December 21, 2006 defining non-performing loans as substandard, doubtful and lost, and including doubtful loans written off and subsequently reversed for booking.

Liabilities and Shareholders' equity

The Bank and its subsidiaries had total liabilities as at December 31, 2006 and 2007 of THB 215,186 million and THB 204,986 million, respectively, which represented a decrease of THB 10,200 million or 4.74% from the last year. This was due to a decrease in deposits of THB 15,190 million as a result of compensation for a decrease in the deposit interest rate, while interbank and money market items decreased by THB 3,082 million, borrowings decreased by THB 2,416 million and accounts payable for purchases of investments decreased by THB 8,474 million.

As presented in the consolidated financial statements as at September 30, 2008, total liabilities were THB 178,278 million, a decrease of THB 26,708 million or 13.03% compared to 2007. This was due to compensation for a decrease in the deposit interest rate in the first half of the year, interbank and money market items decreasing by THB 2,019 million and borrowings decreasing by THB 2,544 million.

Shareholders' equity as at December 31, 2006 and 2007 was THB 711 million and THB 4,284 million, respectively. The decrease in shareholders' equity reflected the impact of losses of THB 6,929 million incurred from the allowance for bad and doubtful debts and loss in investments as mentioned above.

As presented in the consolidated financial statements as at September 30, 2008, shareholders' equity totaled THB 5,597 million, an increase of THB 4,886 million, or 687.21% compared to 2007. This demonstrated the effect of the capital increase by THB 6,079 million in January 2008 and unrealized net losses of THB 1,980 million.

1.6.2.3 Liquidity

The details of the Bank and its subsidiaries' cash flows for the year ended 31 December 2007 are as follows:

- The Bank's net cash flow received from operational activities was THB 10,175 million. This was a result of an increase in operating asset outpacing operating liabilities, and income from operating activities before changes in operating assets and liabilities.
- The Bank's net cash flow used in investment activities was THB 15,743 million due to an increase in investments held for trading.
- The Bank's net cash flow received from financing activities was THB 5,662 million, and was the result of a increase in cash received from capital and short-term borrowings, as well as long-term borrowings.

As presented in the consolidated financial statements for the nine-month period ended September 30, 2008, the Bank's cash flow had the details as follows:

- The Bank's net cash flows used in operating activities was THB 32,550 million. This reflected decreases in interbank and money market items.
- The Bank's net cash flow received from investment activities was THB 28,863 million, due to a decrease in investments held for trading.
- The Bank's net cash flow received from financing activities was THB 3,508 million, and was the result of an increase in cash received from capital, short-term borrowings and a decrease in long-term borrowings.

The difference between the Bank's net cash flows received from (or used in) operating activities and net cash flow received from (or used in) investment activities and financing activities did not have any material impact on the Bank's cash position and liquidity situation at the end of the accounting period, both of which were maintained at the minimum level required by the Bank of Thailand.

1.6.2.4 Maintenance of ratios

Non-compliance with capital fund maintenance provisions

As at September 30, 2008, the Bank's assets exceeded its liabilities by THB 5,365 million (a positive shareholders' equity balance). However, the Bank's Tier 1 capital funds and Capital Adequacy ratio, which as of September 30, 2008 is at 4.24% and 6.93%, respectively which was less than the level required by law. The Bank has requested a waiver from the BOT and proposed a plan to increase its capital funds, which was supported by a letter of intent issued by its potential investor. The BOT has ordered the Bank to report the BOT on the progress to ratify the non-compliance with capital funds maintenance provision towards a resolution of the issue of maintenance of capital funds and increases in capital on a monthly basis, as from the end of July 2008.

Liquid assets ratio

The BOT requires all commercial banks to maintain a minimum liquid assets ratio at not less than 6% of total deposits and offshore borrowings with a maturity of less than one year. For the nine-month period ended September 30, 2008, the Bank's total liquid assets were THB 51,672 million, while its loan-to-deposit ratio stood at 60.74%. The liquid assets to total assets ratio was 28.34% and liquid assets to total deposits stood at 35.02%, all of which were covered by the regulatory minimum.

1.6.3 Future Prospects

The US financial crisis has slowed down global economies and may lead to a recession in the year 2009. Further, the local political situation is still uncertain. The Bank projects that the interest rates may lower during the next 1-2 years period. After that, the interest rates may be higher. However, after CIMB Bank has a plan to make the Bank become a first rate and universal bank in Thailand which the Bank projects that the entry of CIMB Group will help develop the management and operation of the Bank, also the expansion of the service for the Bank to be able to fully satisfy the needs of its customers. The regional alliance network of CIMB Group throughout South East Asia would help the Bank achieve better operational results. In addition, the expansion of loan extensions would be focused on more corporate and retail customers. However, with the slowing down of the global economy, the Bank may still incur a loss from operations during the year 2009 even with the capital increase in the first quarter of 2009, but will undergo a significant turnaround in its operations. The main reason is from the loss in the Bank's investments in foreign instruments i.e. CDOs which have been sold and structured notes which the Bank decreasingly holds while the profits from loan interests are unable to sufficiently expand.

However, after the recapitalization plan by the Bank which is expected to be completed by March 2009, the financial standing of the Bank will be improved and the Bank will resolve its insufficient capital funds to risk-weighted assets ratio (CAR ratio).

Since the tender offer, there have been no changes in the business plans moving forward and business direction since stated in the tender offer (Form 247-4). CIMB has no present intention of making any material changes to the Bank's objectives and business direction, and has no present intention to dispose of the Bank's core assets. However, regarding its future business direction, CIMB Bank is in the process of conducting a comprehensive review of the bank which is expected to be completed in the first half of 2009.

2. Nature and details of the connected transaction

2.1 Date, month, year to enter into the Transaction

After the Extraordinary General Meeting of the Shareholders No. 1/2009, to be held on February 20, 2009 resolve to approve the Issuance of Hybrid Tier 2 capital and, subsequently, the proposed Issuance of Hybrid Tier 2 capital is subjected to the approval of the SEC and the inclusion of the Hybrid Tier 2 capital reduction is subjected to the approval of the BOT. The Bank expects that it will be able to issue and offer the sale of the Hybrid Tier 2 capital to be approximately in March 2009.

2.2 Type and size of the Transaction

The potential subscription of the Issuance of Hybrid Tier 2 capital by CIMB Bank or its nominated party(ies) is a connected transaction for receipt of financial assistance in accordance with the Notification of Capital Market Supervisory Board Tor Jor 21/2551 re: Regulations for a Connected Transaction.

The Bank expects that the value and size of the Transaction will exceed 3.0% of the net tangible assets of the Bank and its subsidiaries as of 30 September 2008. In order to comply with the Notification of Capital Market Supervisory Board Tor Jor 21/2551 re: Regulations for a Connected Transaction, a disclosure of transaction details to the SET, the approval from the Bank's Board of Directors, and the resolution from the shareholders meeting voting in favor of the Transaction from at least three fourth of the attending shareholders who are eligible to vote, excluding the shareholder who are connected party that is CIMB Bank.

The size of the Issuance of Hybrid Tier 2 capital, the portion that CIMB Bank would subscribe, the interest rate offered may not yet be able to be determined at the date of the Extraordinary General Meeting of the shareholders No. 1/2009 to be held on February 20, 2009. Hence, for the purpose of determining a size of the transaction, the Financial Advisor would assume the followings:

- The size of the issuance and offering for sale of the Hybrid Tier 2 is THB 2,500 million.
- CIMB Bank or its nominated party(ies) would subscribe the whole amount of the Hybrid Tier 2 capital offered which is THB 2,500 million.
- The average yield offered is 6.50% per annum (10-year Government Bond yield of 3.4% plus credit spread of 2.1% to 3.1%).
- The maturity of the Hybrid Tier 2 is 10 years without redemption until year 10.
- The Bank is able to pay all the interest payments due or all the accrued interest payments.

The value of the Transaction when calculated according to the guideline for calculation of receipt of financial assistance, which takes into account the interest and/or benefits which the Bank expects to pay CIMB Bank or its nominated party(ies), is approximately THB 1,625,000,000. The details of the calculation are as follows:

$$\begin{aligned}\text{Value of Transaction} &= (\text{Maximum issuance of Hybrid Tier 2 capital}) \times (\text{Maximum average yield}) \times \\ &\quad (\text{Maximum terms of Hybrid Tier 2 capital}) \\ &= \text{THB } 2,500,000,000 \times 6.50\% \text{ per annum} \times 10 \text{ years} \\ &= \text{THB } 1,625,000,000\end{aligned}$$

Based on the Bank's unaudited but reviewed consolidated financial statements as of the September 30, 2008, the size of the transaction is 32.30% when calculated by comparing the value of the Transaction.

Net Tangible Assets = Total assets – Total liabilities – Intangible assets – Minority shareholders

(Unit THB '000) = 183,875,361 – 178,278,188 – 497,800 – 67,686

= 5,031,687

Size of Transaction = Value of Transaction / Net Tangible Assets

(Unit THB '000) = 1,625,000 / 5,031,687

= 32.30%

The calculation indicates that the value of the Transaction exceeds 3.0 of the net tangible assets of the Bank and its subsidiaries as of 30 September 2008, therefore to comply with the Notification of Capital Market Supervisory Board Tor Jor 21/2551 re: Regulations for a Connected Transaction, The Bank is required to disclosure the transaction details to the SET, the approval from the Bank's Board of Directors, and the resolution from the shareholders meeting voting in favor of the Transaction from at least three fourth of the attending shareholders who are eligible to vote, excluding the shareholder who are connected party that is CIMB Bank.

2.3 Explanation of the connected transaction

The indicative terms and conditions of the Hybrid Tier 2 capital can be summarized as follows:

Type of connected transaction : Receipt of financial assistance

Issuer : BankThai Public Company Limited

Facility Description : Cumulative Hybrid Tier 2 Capital Securities ("Securities")

(Please see *Appendix 2: The Announcement of the BOT on Regulations on the Inclusion of Hybrid Debt Capital Instruments* for the information of the facility description of the Hybrid Tier 2 capital regarded by the BOT.)

Issue size : Up to THB 2,500 million

Use of proceed : The proceed from the issuance of the Hybrid Tier 2 will be used by the Bank for general corporate purpose and to provide the Bank with Hybrid Tier 2 capital in order to strengthen its capital base

Interest / distribution rate	: To be determined closer to issuance date, depending on the prevailing market conditions at the time of issuance of the Securities, and under the agreements and conditions of the Securities issued at that time, and to be under the SEC's notification and/or the SET and/ or the notification or regulations of any government agencies concerned which are still in effect at the time of issuance and offering of the Securities (if more than one issue)
	<i>(The interest payment is referred to as "Distribution" and each payment date is referred to as "Distribution Payment Date". The Interest / Distribution Rate may also include step up rate)</i>
Maturity date	: 10 years from the issue date
Optional Redemption Date	: A date falling no earlier than the fifth anniversary (5 th) of the relevant Issue Date, and any Distribution Payment Date thereafter.
Redemption amount	: In the case of an Optional Redemption, a Tax Redemption or a Regulatory Redemption, an amount equal to 100% of the face value together with accrued but unpaid Distributions (if any) relating to the then current Distribution period (if any) up to (and excluding) the date on which the Securities are Redeemed
Mode of issue	: Private Placements
Listing Status	: The Securities will not be listed
Events of Default	: There are no events of default under the Securities.
Limitation on Payment of Distribution	: If any of the following is satisfied: <ul style="list-style-type: none"> (A) If the capital adequacy ratio ("BIS Ratio") of the Issuer is, on a Distribution Payment Date, lower than 0% or; (B) If the Issuer would, immediately after a Distribution Payment Date, cause the Issuer's BIS Ratio to be lower than 0% ; (C) If the Bank of Thailand has intervened by ordering a capital increase or decrease of the Issuer and such increase or decrease has not been completed; <p>then the Issuer shall defer paying Distribution on such Distribution Payment Date, by giving not less than 5 nor more than fifteen (15) business days' notice to the Facility Agent /Paying Agent / and the Trustee (whichever applicable) (which notice shall be irrevocable and shall oblige the Issuer to defer payment of the interest amount</p>

which, but for the Payment Limitation Condition, was payable on such Distribution Payment Date).

To the extent that the above clause does not apply, if the Payment Limitation Condition (see below) is met, the Issuer may, at its option, defer the Distribution which would otherwise have been payable on such Distribution Payment Date.

Any such deferral pursuant to the above paragraphs will not constitute or be deemed a default by the Issuer for any purpose whatsoever.

For the avoidance of doubt all Deferred Distribution Amount shall be cumulative.

Dividend and Capital Stopper : In the event that the Issuer has not made a full payment of any Distribution or Deferred Distribution Amount on a Distribution Payment Date then (A) the Issuer shall not pay any dividends to its shareholders or make any interest payment or distribution on any security or instruments ranking pari passu with or junior to the Securities (the **Dividend Stopper**); and (B) the Issuer shall not redeem, purchase, reduce or otherwise acquire any of its ordinary shares, preference shares, securities or instruments ranking pari passu with or junior to the Securities, or any securities of any of its subsidiary undertakings benefiting from a guarantee from the Issuer, ranking, as to the right of redemption of principal, or in the case of any such guarantee, as to the payment of sums under such guarantee, pari passu with or junior to the Securities (the **Capital Stopper**).

Ranking : The Securities are direct and unsecured obligations of the Issuer.

Voting rights : Holders will not be entitled to receive notice of or attend or vote at a meeting of the ordinary shareholders of the Issuer or to participate in the management of the Issuer.

The Bank is unable to determine the definite average yield of the Hybrid Tier 2 capital at the moment. Based on current market conditions and recent comparable transactions, the indicative average yield range for the Issuance of Hybrid Tier 2 capital, on the assumption that the issuance of Hybrid Tier 2 takes place in the end of January 2009 under the current market conditions, is the 10-year

Government Bond yield of 3.4% plus credit spread of 2.1% to 3.1%, which translates to an average yield of 5.5% to 6.5% per annum.

The Bank will determine the actual average yield in the period of the Issuance the Hybrid Tier 2 capital. The definite average yield will depend on the market conditions, and be under the agreements and condition of the Hybrid Tier 2 capital issued at that time, and to be under notifications of the SEC and the SET and/or regulations of any government agencies concerned which are still in effect at the time of Issuance of Hybrid Tier 2 capital and the offers (if more than one issue).

The Issuance of Hybrid Tier 2 capital will be on a market-driven basis. The method of placement of the Hybrid Tier 2 will be on the Private Placement basis. The Bank will seek for potential investors and conduct the market sounding / book building process to measure the demand of potential investors on the Issuance of Hybrid Tier 2 capital and to determine the average yield based on guideline approved by the shareholder meeting of the Bank. If CIMB Bank or its nominated party(ies) were to participate in the issuance of the Hybrid Tier 2, CIMB Bank or its nominated party(ies) will receive the same coupon rate that has been determined by a the demand of other investors who are not related to CIMB Bank or its nominated proxy(ies). However, if the economic situation and market conditions changes from its current state, or if the market survey of the Hybrid Tier 2 capital shows that the average yield required by investors are above the approved range by the Shareholders' meeting, the Board of Directors including the person or the group of persons assigned by the shareholders shall have the authorization to determine the details of the issuance and other terms and conditions of Hybrid Tier 2 capital as necessary in order to successfully issue the Hybrid Tier 2 capital as assigned.

2.4 Total value of considerations

The value that the Bank have to pay to CIMB Bank or its nominated party(ies) is the value of interest paid which is calculated by multiplying the proposed indicative average yield with the size that CIMB Bank or its nominated party(ies) invest in and the maturities of the Hybrid Tier 2 capital. The calculation is based on the assumption that the Issuance of Hybrid Tier 2 capital is offered at the end of January with indicative range of average yield of 5.5% to 6.5% per annum, the issuance size of THB 2,500 million and CIMB Bank or its nominated proxy(ies) would subscribe the whole amount with the maturity of 10 years, and that the interest payments due or accrued are fully paid. The approximate total interest payments to CIMB Bank or its nominated party(ies) will be THB 1,625 million.

2.5 Name of the connected persons and their relationship

Name of the receiver of the financial assistance : BankThai Public Company Limited

Name of the offeror of the financial assistance : CIMB Bank* or its nominated party(ies)

Note: * The holding proportion of CIMB Bank in the Bank is 92.04% of paid-up capital of the Bank according to the Tender Offer Result Report Form (Form 256 – 2) as of January 13, 2009.

There are two directors of the Bank that have a relationship with CIMB Bank as follows:

<u>Name</u>	<u>Position in the Bank</u>	<u>Position in CIMB Bank</u>	<u>Holding proportion in the Bank*</u>
1. Dato Robert Cheim Dau Meng	Director and Member of Executive Committee / Not authorized to sign on behalf of the Bank	Director of Bumiputra – Commence Holdings Berhad (BCHB) / CIMB Group	-
2. Mr. Kenny Kim	Director / Not authorized sign on behalf of the Bank	Head, Group Strategy	-

Note: * The holding proportion of the two directors in the Bank according to the Tender Offer Result Report Form (Form 256 – 2) as of January 13, 2009.

On the agenda for considering the Issuance of Hybrid Tier 2 capital and the receipt of the financial assistance from CIMB Bank and/or nominated party(ies) during the Board of Directors' meeting No. 1/2009 held on January 14, 2009 and No. 2/2009 held on January 22, 2009, the two directors of the Bank that have a relationship with CIMB Bank, which are (1) Dato Robert Cheim Dau Meng and (2) Mr. Kenny Kim abstained in voting for this particular agenda in the Board of Directors' meeting No. 1/2009 and did not attend the Board of Directors' meeting No. 2/2009.

3. Reasonableness of the Transaction

3.1 Objectives and necessity of the Transaction

On June 20, 2008 CIMB Bank entered into a sale and purchase agreement of shares (the "SPA") with FIDF and eventually, on November 5, 2008, purchased 2,811.86 million shares or 42.13% of total issued and paid-up shares from FIDF in accordance with the SPA. Subsequently, on November 5, 2008, CIMB Bank made a Tender Offer in respect to the all the Bank's ordinary shares which are not held by CIMB Bank. The Tender Offer for the ordinary shares caused CIMB Bank to currently hold 6,143.54 million shares or 92.04% of total issued and paid-up shares.

As during the past period the global financial and economic downturn as well as domestic political uncertainties have caused negative effects on the Bank's operation performance which

affected the Capital Adequacy ratio to be lower than the level required by law, and its ability to expand its business, therefore subsequent to gaining majority control of the Bank, CIMB Bank is proceeding to implement initiatives to reinforce the financial status, increase the Capital Adequacy ratio, and improve the ability to expand the business of the Bank. As a result, on January 14, 2008 and 22 January 2009, the Board of Directors' meeting No. 1/2009 and No. 2/2009 resolved to approve a number resolutions to issue and offer for sale of the Hybrid Tier 2 capital.

The proceeds from the issuance and offering for sale of the Hybrid Tier 2 with an amount up to THB 2,500 million will be used for general purpose of the Bank and are regarded by the BOT as being eligible to be Tier 2 capital. As a result, the proceeds from the issuance and offering will improve the Bank's Tier 1 capital funds and Capital Adequacy ratio, which as of September 30, 2008 is at 4.24% and 6.93%, respectively, which is lower than level required ratio by law³.

3.2 Advantages and disadvantages of the Transaction

The proceeds from the issuance and offering for sale of the Hybrid Tier 2 capital will reinforce the financial status, increase the Capital Adequacy ratio, and improve the ability to expand the business of the Bank. The Transaction will cause the following effects to the Bank:

3.2.1 Advantages of the Transaction

- (1) The Bank's Capital Adequacy ratio will increase and meet the minimum level required ratio by law

The law requires commercial banks to maintain the minimum Capital Adequacy ratio at 8.50%. However, international and domestic economic slowdown in the past year affected the Bank's operating performance and caused the Bank's Capital Adequacy ratio to be less than the level required by law. The Bank has requested a waiver from the BOT and proposed a recapitalization plan to the BOT. Thus, the BOT has ordered the Bank to report the progress towards resolution of the maintenance of capital funds and the recapitalization plan on a monthly basis from the end of July 2008 onward. As at September 30, 2008, the Bank's Capital Adequacy ratio was at 6.9%.

As the proceeds from the Hybrid Tier 2 capital are eligible to be Tier 2 capital by the BOT's criteria, the Bank will be able to carry out the plan to increase its capital funds as stated to the BOT. For illustration purpose, if the Bank is able to proceed according to the recapitalization plan and issue and offer the Hybrid Tier 2 up to THB 2,500 million, the Capital Adequacy ratio will increase to

³ The law requires the commercial banks to maintain a minimum Tier 1 capital funds and Capital Adequacy ratio of 4.25% and 8.50%, respectively.

approximately 11.34%⁴. Such level will make the Capital Adequacy ratio increase to meet the minimum level required by law.

(2) Support the recapitalization plan and improve its financial structure

In addition to the issuance and offering for sale of the Hybrid Tier 2 capital, the Bank has planned to issue common share right offering and proposed initiatives as part of the recapitalization plan that the Bank proposed to the BOT. The issuance and offering for sale of the Hybrid Tier 2 plays an integral part in the recapitalization plan. If the issuance and offering for sale of the Hybrid Tier 2 is not successful, the Bank will not be able to complete its proposed recapitalization plan which plays an important role to support the development and growth of the Bank's business in both the short and long run.

(3) The Bank will have more financial flexibility

The Hybrid Tier 2 will provide the Bank an option to defer the coupon payments to investors if, on or immediately after the interest payment date, the Capital Adequacy ratio of the Bank is lower than the than 0%. In addition, such deferral of coupon payments will not constitute or be deemed as default by the Bank for any purpose as according to the terms and conditions of the Hybrid Tier 2 capital. The issuance and offering of sale of the Hybrid Tier 2 capital provides the greater flexibility than other capital instruments for the Bank to continue its operation even though it is unable to make the coupon payments.

(4) There will be no dilution effect to existing shareholders

The issuance and offering for sale of the Hybrid Tier 2 capital will enable the Bank to raise capital fund without imposing dilution effects to existing shareholders unlike in case of equity offering to new investors. The offering of the Hybrid Tier 2 capital will not increase the equity base but the Bank is still able to use the funds received from the issuance to develop and expand its business which will increase the level of Returns on Average Equity (ROAE) of the Bank in the future.

(5) The Bank will be able to raise funds with relatively low cost of funds

The proposed indicative coupon rate of the Hybrid Tier 2 capital with the indicative average yield of 5.5% - 6.5% per annum is relatively lower, compare to issuing the shareholders other available source of funds. Given the current situation of the Bank, the probable alternative source of fund is through common shares offering.

When compared with the cost of common shares offering, the required rate of return on equity (k_e) is estimated using the Capital Asset Pricing Model (CAPM), k_e to equity investors would be approximately 9.97%. The Bank can obtain a relatively lower cost of funds by issuing the Hybrid Tier

⁴ Source: The Bank with the calculation from the Capital Adequacy ratio as of 31 December 2008

2 capital. However, the above calculation is based on theoretical reference while in practice the result may differ due to investors preference and the return of other investment alternatives.

The rate of return on equity (k_e) is based on the following assumptions:

- r_f = Risk free rate referred to the government 10-year Treasury Bond as of January 21, 2009, which is 3.41% (source from Thai Bond Market Association)
- β = The Bank's Beta of 0.711 (source from Bloomberg as of January 21, 2009).
- r_m = Expected market return, calculated from return from the SET as of January 21, 2009, which is 12.63% (source from Bloomberg as of January 21, 2009). The Financial Advisor uses the market risk premium of the SET to match with the beta figure used in this calculation, which is derived from the comparison with the SET index.

$$\text{■ } k_e = r_f + \beta(r_m - r_f) = 3.41\% + 0.711(12.63\% - 3.41\%) \approx 9.97\%$$

3.2.2 Disadvantages of the Transaction

- (1) The Bank's debt-to-equity ratio will increase

The issuance and offering for sale of the Hybrid Tier 2 capital will increase the Bank's debt-to-equity ratio, which is already at a significantly high level. As at September 30, 2008, the total liabilities and total shareholders' equity are THB 178,278.19 million and THB 5,597.17 million, respectively. The Bank's debt-to-equity ratio is at 31.85 times. For illustration purpose, if the Bank is able to issue and offer the Hybrid Tier 2 capital up to THB 2,500 million, based on the financial information as at September 30, 2008, the total liabilities will slightly increase to THB 180,778.19 million and the debt-to-equity ratio will increase to 32.30 times.

3.3 Comparison of the advantages and disadvantages for entering into the Transaction with the connected parties and entering into the Transaction with external parties

3.3.1 Advantages and disadvantages of entering into the Transaction with the connected parties

3.3.1.1 *Advantages of entering into the Transaction with connected parties*

Having CIMB Bank showing interests in participating in the issuance of the Hybrid Tier 2 capital plays an important role not only to the success of the Issuance Hybrid Tier 2 capital but also to the improvement on the Bank's financial status.

- (1) Provide confidence to external parties interested in subscribing to the Hybrid Tier 2 capital

As CIMB Bank is a major shareholder of the Bank, holding 92.04% of paid-up capital of the Bank, having CIMB Bank showing interest to participate in the Issuance of the Hybrid Tier 2 capital will lend support and credence to the Issuance. The Bank believes that non-related investors

would be more receptive if the major shareholder of the Bank takes part in the Issuance. On the other hand, the Bank might face a risk that the proposed Issuance of the Hybrid Tier 2 capital may not be successful if CIMB Bank does not participate in this Issuance. Thus having CIMB Bank indicating interest in subscribing the Hybrid Tier 2 capital will be a key driver to the success of the Issuance, and consequently, to the success to the Bank's recapitalization plan.

- (2) The Bank will be assured to receive sufficient capital to help the Bank meet the Capital Adequacy ratio level required by law

The Bank is currently in need of additional capital as its Capital Adequacy ratio as of September 30, 2008, is at 6.93% that is lower than the level required by law at 8.50%. The proceeds from the Issuance of the Hybrid Tier 2 are vital for the Bank to increase the Capital Adequacy ratio to the required level. CIMB Bank intends to participate in the Hybrid Tier 2 capital to a certain level to ensure that the Bank will receive adequate amount of capital to meet the required Capital Adequacy ratio. Therefore, such financial assistance from CIMB Bank is critical to help the Bank to improve its financial status and be able to implement the proposed recapitalization plan, which is submitted to the BOT.

3.3.1.2 Disadvantages of entering into the Transaction with connected parties

- (1) Increase dependency on major shareholder

Holding 92.04% of the paid-up capital of the Bank, the Bank is already dependent on CIMB Bank as a major equity provider. If CIMB Bank participates in the Issuance of the Hybrid Tier 2 capital, the Bank will increase its dependency on CIMB Bank as both debt and equity provider.

3.3.2 Advantages and disadvantages of entering into the Transaction only to external parties

3.3.2.1 Advantages of issuing and offering Hybrid Tier 2 capital only to external parties

- (1) Expand investors base

If the capital market at the time of Issuance of the proposed Hybrid Tier 2 capital is favorable for the Bank to raise up to THB 2,500 million from non-related investors, the Bank will be able to expand its investors base to various institutional investors. This diversification of sources of fund will enable the Bank to decrease the dependency on CIMB Bank, its major shareholder, as capital provider. This will also lessen the level of dependency of the Bank's future financial status on that of CIMB Bank.

3.3.2.2 Disadvantages of issuing and offering Hybrid Tier 2 capital only to external parties

- (1) The Bank might not be able to attain sufficient Capital Adequacy Ratio

The Bank might face the risk of not being to issue and offer of the sale of the Hybrid Tier 2 capital if it plans to rely only on external parties. Given current financial status of the Bank, it incurred net loss of THB 968.08 million for the first nine months of 2008 and having accumulated retained loss of THB 8,693.92 million, external investors might not be confident on the ability of the Bank to make the interest and principal payment. Moreover, the fact that the Bank is not rated by the credit agency further lessens the confidence of external investors on the Hybrid Tier 2 capital.

In this regards, if the Bank plans to place the proposed Issuance of the proposed Hybrid Tier 2 capital only to external investors and not having CIMB Bank participate, the Bank may not be able to raise the level of capital of the Bank to increase its Capital Adequacy ratio as required by law as well as the success of the proposed recapitalization plan.

3.3.3 Advantages and disadvantages of entering into the Transaction with external parties through issuance and offering of ordinary shares through public offerings and/or private placement

The Extraordinary General Meeting of Shareholders had resolved to approve the issuing of new ordinary shares to existing shareholders in proportion to each shareholding (rights offering). Hence, the comparison in this section is made to assess the advantages and disadvantages of entering into the Transaction and the offering of capital increase share to new investors by means of public offerings and/or private placement.

3.3.3.1 Advantages of issuance and offering of capital increase shares

- (1) The Bank does not have commitment to pay interest payment therefore enhancing the flexibility

The Bank can choose to pay out dividend depending on its capability at the time, therefore the Bank will have more flexibility compared to interest payments.

- (2) Issuance and offering of capital increase shares will reduce the debt-to-equity ratio

The issuance and offering of capital increase shares will raise the Bank's shareholders' equity and hence reduce the debt-to-equity ratio. Thus the Bank will be able to have more capacity to increase debts to support the business operations in the future.

- (3) Issuance and offering of capital increase shares will increase the free float

As a listed company in the SET, the Bank is required to maintain its free float proportion having not less 150 minority shareholders with the aggregate shareholding not less than

15.00% of the paid-up capital. Subsequent to the tender offer, CIMB Bank holds 92.04% of total issued and paid-up shares of the Bank, which makes the aggregate shareholder less than 15.00% of the paid-up capital. The issuance and offering of capital increase shares to new shareholders will increase the number of aggregate shareholders to meet the requirement of the SET.

3.3.3.2 Disadvantages of issuance and offering of capital increase shares

- (1) Issuance and offering of capital increase shares will cause dilution effects to existing shareholders

The issuance and offering of capital increase shares to new investors via public offering and/or private placement will increase the number of paid-up shares and will have dilution effects on existing shareholders such as control, price, and earnings per share. The capital increase will also reduce the level Returns on Average Equity (ROAE) to current shareholders.

- (2) Equity markets are unfavorable for new issuance resulting in low valuations

The success of the issuance and offering of the capital increase shares significantly depends on favorable capital market environment. Unfortunately, due to unfavorable capital market condition, there were only 10 new listed companies in the SET and the Market of Alternative Investment ("MAI") in 2008, which indicated that there were less appetite on common share offerings. Therefore the issuance and offering of the capital of the Bank might not receive sufficient demand from the general public to provide the Bank with favorable pricing of its shares.

- (3) Issuance and offering of capital increase shares required higher rate of return than that of the Hybrid Tier 2 capital

As previously mentioned in 3.2.1 (5) The advantage that the Bank will be able to raise relatively low cost of funds given available funding alternative, the cost of equity of the Bank calculated using CAPM model of 9.97% is higher than that of the indicative average yield of 5.5% - 6.5% per annum of the Hybrid Tier 2 capital.

- (4) The Bank may not be able to obtain sufficient funding to maintain the Capital Adequacy ratio as required by law

The Bank may face the risk that the issuance and offering of the capital increase shares may not receive enough interests from external investors due to low confidence in its financial status and structure, resulting from its THB 968.08 million loss during the 9 months of 2008 and its THB 8,693.92 million retained loss as at September 30, 2008.

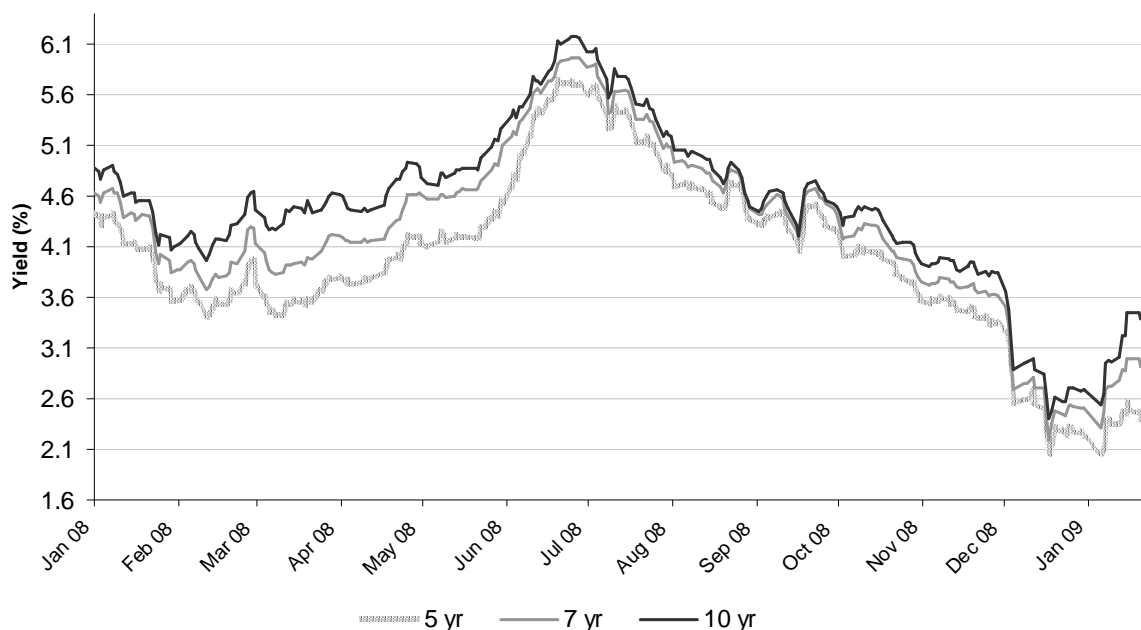
4. Reasonableness of price and terms and conditions of the Transaction

4.1 Reasonableness of price and terms and conditions of the Hybrid Tier 2 capital

In normal practice, coupons of debentures are benchmarked with the government bond with corresponding maturities because such bond represents a credit-risk free investment with the same investment duration. The credit spread will depend on the credit risk represented by the credit rating of the company and of the issuance as well as the capital market situation at that time. If the debenture is considered to have higher risks profile, investors will require higher return which is compensated by the credit spread over the credit-risk free rate of the government bond yield.

Therefore, the coupon setting of a debenture issuance cannot always be determined in advance since the coupon will be determined by the government bond yield and the credit spread required to compensate a company's risk profile at the book building or subscription period.

Government Yield Curve Movement

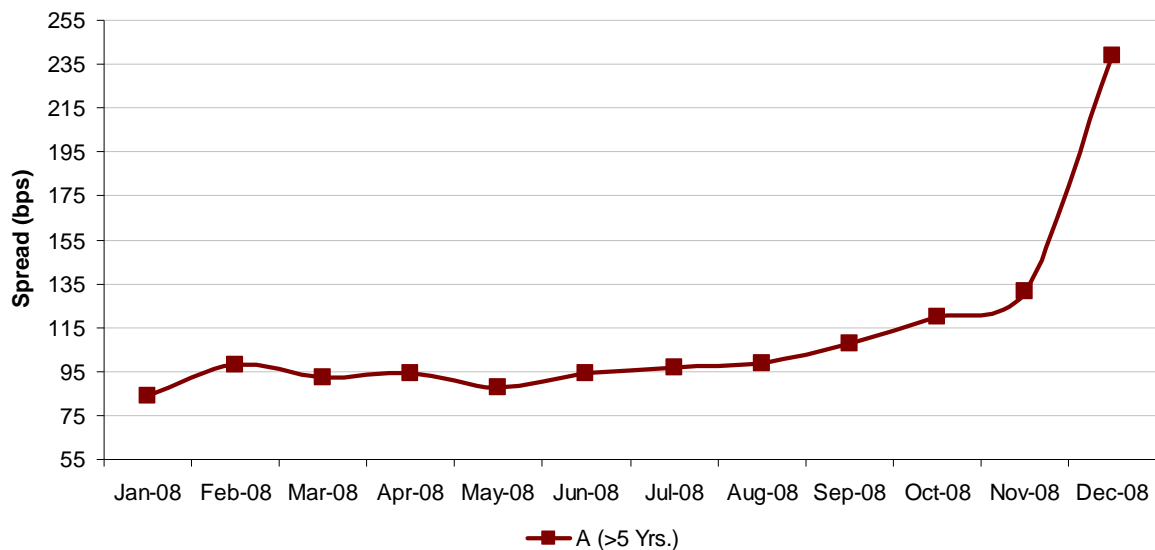


Source: The Thai Bond Market Association (as of January 21, 2009)

The above graph shows 5 year, 7 year, and 10 year government bond yield movement from January 2008 to January 2009. During the first half of 2008, there was an upward trend in the government bond yield due to inflationary pressure; however, during the second half of 2008, the government bond yield decreased because government bonds are viewed as safe heaven, having the lowest risk compared to other investments, during the global financial market turmoil economic crisis. In addition, the Monetary Policy Committee ("MPC") has aggressively cut the policy rate from 3.75% to a

total of 1.75% since December 3, 2008 to the present date to boost the economy resulting in a sharp drop in government bond yield, the current rate of which is at 2.00%.

“A” Rated Debenture Average Credit Spread Movement



Source: The Thai Bond Market Association (as of January 21, 2009)

The above graph shows the average credit spread movement of A rated debentures with more than 5 years until maturity. The reason the Financial Advisor choose to show the movement of the A rated debenture credit spread is due to the fact that the majority of debentures are debentures with the rating of A or above and represents the majority of the debentures traded in the secondary market. However, there are few debentures with the rating below A, such as BBB, in the secondary market and are not liquid, therefore the Financial Advisor did not include in the comparison.

In a normal market situation, timing of a debenture issuance will not have significant impact on the difference of the credit spread given debentures' equivalent rating as can be seen during the period of January 2008 to August 2008. However, after the global financial markets turmoil during the second half of 2008, the credit spread has increased significantly. The increase in credit spread is an effect from the decrease in government bond yield due to the policy rate cut while investors still require a high return in absolute terms that justify the additional investment risk in the current market condition.

Summary of Selected Comparable Recent Debenture Issuance

Issuer	Siam Commercial Bank Public Company Limited	Thanachart Capital Public Company Limited	PTT Chemical Public Company Limited	Kasikorn Bank Public Company Limited	TISCO Bank Public Company Limited ¹
First Subscription Date	12 May 2008	10 November 2008	1 December 2008	11 December 2008	5 January 2009
Type of Debenture	Subordinated, Unsecured Debenture with Debentureholders' Representative	Senior, Unsecured Debenture with Debentureholders' Representative	Senior, Unsecured Debenture with Debentureholders' Representative	Subordinated, Unsecured Debenture with Debentureholders' Representative	Subordinated, Unsecured Debenture with Debentureholders' Representative
Name of Debenture	Subordinated Debenture of Siam Commercial Bank Public Company Limited No. 1/2008 Due 2018, With the Issuer's Early Redemption Right	Senior Debenture of Thanachart Capital Public Company Limited No. 1/2008 Tranche 2 Due 2011	Senior Debenture of PTT Chemical Public Company Limited No. 2/2008 Due 2015	Subordinated Debenture of Kasikorn Bank Public Company Limited No. 1/2008 Due 2018, With the Issuer's Early Redemption Right	Subordinated Debenture of TISCO Bank Public Company Limited No. 1/2009 Due 2019, With the Issuer's Early Redemption Right
Offering Type	Public Offering	Public Offering	Public Offering	Public Offering	Public Offering
Issue Size	THB 20,000.00 million	THB 1,500.00 million	THB 4,000.00 million	THB 17,000.00 million	Up to THB 2,000.00 million

Issuer	Siam Commercial Bank Public Company Limited	Thanachart Capital Public Company Limited	PTT Chemical Public Company Limited	Kasikorn Bank Public Company Limited	TISCO Bank Public Company Limited ^{/1}
Tenor	10 years from Issue Date The issuer has early redemption option after 5 years from Issue Date and every coupon payment date (semi-annually) after 5 years from Issue Date. The Issuer will send notice at least 30 days but not exceed 60 days before Early Redemption date	3 years from Issue Date	7 years from Issue Date	10 years from Issue Date The issuer has early redemption option after 5 years from Issue Date and every coupon payment date (quarterly) after 5 years from Issue Date. The Issuer will send notice at least 30 days but not exceed 60 days before Early Redemption date	10 years from Issue Date The issuer has early redemption option after 5 years from Issue Date and every coupon payment date (quarterly) after 5 years from Issue Date. The Issuer will send notice at least 30 days but not exceed 60 days before Early Redemption date
Credit Rating	AA- (tha) by Fitch Ratings	A by TRIS Rating	A+ (tha) by Fitch Ratings	AA- (tha) by Fitch Ratings	A- (tha) by Fitch Ratings
Coupon	- Year 1-2: 4.25 % p.a. - Year 3-6: 5.25 % p.a. - Year 7-10: 6.25 % p.a.	5.25 % p.a.	- Year 1-3: 5.30 % p.a. - Year 4-5: 6.00 % p.a. - Year 6-7: 6.45 % p.a.	- Year 1-3: 5.25 % p.a. - Year 4-7: 5.75 % p.a. - Year 8-10: 6.50 % p.a.	- Year 1-3: 5.50 % p.a. - Year 4-7: 6.00 % p.a. - Year 8-10: 6.50 % p.a.
Coupon Payment	Semi-annually	Semi-annually	Quarterly	Quarterly	Quarterly
IRR of Coupon	5.42%	5.32%	5.90%	5.88%	6.07%
Credit Spread ^{/2}	0.58%	1.94%	2.40%	2.88%	3.54%

^{/1} The Subordinated Debenture of TISCO Bank Public Company Limited No. 1/2009 Due 2019, with the Issuer's Early Redemption Right is currently in the subscription period with the issue date on February 17, 2009.

^{/2} The Credit Spread is calculated from the difference between Internal Rate of Return (IRR) of the investment in the debenture and the yield of government bonds with corresponding maturity at the first day of subscription period.

The above table shows the summary of key terms and pricing of the debenture issuances during each time period and with different issue ratings. The comparable issuances are selected by recent issuance of subordinate debentures and unsubordinated debentures with long tenors.

The difference in credit spread can be seen when comparing the subordinate debenture issued by Siam Commercial Bank Public Company Limited ("SCB") in May 2008 with the subordinate debenture issued by Kasikorn Bank Public Company Limited ("KBANK") in December 2008 with the same credit rating of AA- (tha) from Fitch Ratings (Thailand) Co., Ltd. ("Fitch Ratings") The SCB issuance was issued in a relatively stable market condition and was able to issue with a coupon that result in an average yield of 5.42% per annum which equaled a credit spread of 0.58% over the 10 year government bond yield on the first subscription date. In contrast, the government bond yield and interest rates has already dropped sharply at the time of the issuance of KBANK subordinate debenture, but with the highly uncertain financial market and economic environment investors required a high credit spread of 2.88% over the 10 year government bond yield on the first subscription date, resulting in a coupon rate that equals an average yield of 5.88% per annum.

As the Bank does not have a credit rating, in order to compare the average yield of the Hybrid Tier 2 capital with the coupon rate of the issuance of debentures and/or subordinate debentures in the local market, the Financial Advisor has attempted to estimated the range of credit rating of the Bank and the Hybrid Tier 2 capital through the following approaches.

4.1.1 Top-Down Approach

In general market practice, if a parent company or other companies provide guarantee for the issuer and the debenture, that issuance will receive the rating of the issue that reflects the credit of the guarantor. If the guarantor provides unconditional and irrevocable guarantee on the principle and interest payment, the issuance will receive a credit rating equivalent to the guarantor. However if it is only a partial guarantee, the rating will be less, accordingly.

With this approach, since CIMB Bank is the major shareholder of the Bank, it can be seen that the major shareholder would be in its best interest to support its subsidiary. However, since CIMB Bank does not provide full or partial guarantee for the Hybrid Tier 2 capital in any legal or enforceable way, the Financial Advisor views that the credit rating of CIMB Bank cannot be fully comparable.

4.1.2 Bottom-Up Approach

The Financial Advisor has compared the asset size, financial performance, and financial strength of other Thai banks which have issued debentures and/or subordinate debentures in order to estimate credit rating of the Bank.

Financial Summary and Ratios Comparison (For the 9 months period ending September 30, 2008)

Unit: THB million (Unless stated otherwise)

Company	The Bank	Siam Commercial Bank Public Company Limited	Kasikorn Bank Public Company Limited	TMB Bank Public Company Limited	Thanachart Capital Public Company Limited	TISCO Bank Public Company Limited	Kiatnakin Bank Public Company Limited
Issuer Default Rating (Domestic Rating)	Not rated	AA (tha) by Fitch	AA by Fitch	A+ by Fitch A+ by TRIS	A by Fitch A- by TRIS	A by Fitch	BBB+ by Fitch A- by TRIS
Total Deposit	147,104.1	895,732.0	872,216.9	433,499.5	252,228.1	42,660.8	55,915.7
Total Assets	183,875.4	1,196,777.6	1,124,935.3	592,987.0	368,694.3	116,059.5	106,565.7
Gross Loan	92,733.9	889,326.2	871,971.8	427,484.2	271,071.5	98,304.6	79,215.5
Total Liabilities	178,278.2	1,075,321.5	1,015,855.5	544,499.3	336,296.1	104,704.3	89,751.4
Total Equity	5,597.2	121,456.1	109,079.7	48,487.8	32,398.2	11,355.2	16,814.3
Total Interest and Dividend Income	8,687.0	47,131.1	43,927.5	21,931.2	15,675.1	5,620.7	5,574.3
Net Profit*	(974.2)	17,430.8	12,543.6	4,414.2	2,352.9	1,328.3	1,532.0

Company	The Bank	Siam Commercial Bank Public Company Limited	Kasikorn Bank Public Company Limited	TMB Bank Public Company Limited	Thanachart Capital Public Company Limited	TISCO Bank Public Company Limited	Kiatnakin Bank Public Company Limited
Net Interest Spread (%)	2.44%	4.53%	4.12%	3.20%	4.1%	3.7%	4.6%
Gross Non-Performing Loan to Total Loans (%)	12.02%	5.20%	4.05%	15.4%	4.4%	3.9%	12.02%
ROAE (%)**	-41.18%	19.93%	16.00%	12.66%	9.70%	14.93%	11.53%
ROAA (%)**	-0.67%	1.97%	1.58%	0.97%	0.91%	1.65%	2.09%
Tier-1 Capital (%)	4.24%	12.30%	10.76%	12.78%	8.95%	9.94%	14.74%
Capital Adequacy Ratio (%)	6.93%	17.10%	14.44%	17.30%	12.75%	9.90%	15.34%

Source: Companies' Reported Financial Statement, Companies' MD&A

Note: * Net Profit is based on Net Income (Loss) Attributable To Equity Holder of the Bank (after minority interest)

** Return on Average Equity (ROAE) and Return on Average Asset (ROAA) is calculated by annualizing the 9 months net income

Please see Appendix C: Fitch Ratings Definitions for more details on the information on credit rating classifications

From the above table comparing the company rating of Thai banks, it can be seen that large banks with sound financial strength such as SCB and KBANK received a rating of AA (tha) from Fitch Ratings. Smaller banks such as TISCO Bank Public Company Limited (“TISCO”) and Kiatnakin Bank Public Company Limited (“KK”) with less financial strengths than the large banks received a lower rating accordingly to reflect the higher credit risks. TISCO received a rating of A (tha) from Fitch Ratings while KK received a rating of BBB+ (tha) from Fitch Ratings and A- from TRIS Rating.

Comparing with its peers, the Bank’s asset size both in terms of deposit and total asset is larger than those of TISCO and KK, but its profitability in recent years has been making a constant loss due the loss on investments in CDOs, resulting in insufficient capital, weak financial position, and inadequate Capital Adequacy ratio as required by law. With CIMB Bank involving as a majority shareholder and providing support to the Bank and implement initiatives to reinforce the financial status, as well as its recapitalization plan including the right offering to existing shareholders which will result in an increase in the Capital Adequacy ratio to 9.19%⁵ with the Tier 1 Capital of 5.84%, the prospect of the Bank in the future may be better than its past performance. Therefore, the Financial Advisor views that with these factors the indicative company rating of the Bank with the Bottom-Up approach could be estimated to be in the range of those of TISCO and KK or lower.

From the above comparison, the proposed credit spread of 2.1% to 3.1% over the 10 year government yield for the Hybrid Tier 2 capital is therefore even lower compared with TISCO’s subordinate debenture issuance which received a rating of A- (tha) which has a credit spread of 3.54% at the first subscription date (Please see the credit spread of TISCO subordinate debenture in the Summary of Recent Selected Comparable Debenture Issuance table) despite the fact that the Hybrid Tier 2 capital is unrated and has features that are junior to the subordinate debenture. Therefore, in the current market situation, the proposed credit spread is reasonable and beneficial to the Bank and to its minority shareholders. However, in the time of highly uncertain market conditions, the proposed credit spread may not be reasonable from the investor’s point of view if the market conditions significantly change during the issuance period. Therefore, the Financial Advisor views that it is reasonable for the Bank to have the flexibility in adjusting the credit spread if the market significantly changes in order to be able to successfully market the Hybrid Tier 2 capital.

The Financial Advisor has reviewed the proposed terms and condition of the Hybrid Tier 2 capital and found that the terms and conditions are in accordance with the BOT guideline, and normal market practice, and found that there are no terms and conditions which are unfavorable to the Bank and its minority shareholders. The Financial Advisor opines that the terms and conditions of the Hybrid Tier 2 are reasonable and beneficial to the Bank.

⁴ Source: The Bank with the calculation from the Capital Adequacy ratio as of 31 December 2008

4.2 Reasonableness of the Transaction

The Bank will be able to issue the Hybrid Tier 2 capital once approved by the Shareholders' meeting, approved the Issuance of Hybrid Tier 2 capital from the SEC, and the inclusion of the Hybrid Tier 2 capital as capital fund by the BOT, which the Bank expects to be able to issue the Hybrid Tier 2 capital approximately in March 2009. However, since at present and in the near future the market condition is volatile, therefore, the Bank cannot yet determine the coupon rate that investors will be interested in investing in Hybrid Tier 2 capital. Hence, the Bank cannot determine the amount that CIMB Bank or its nominated party(ies) will be investing in.

The Bank intends to issue the Hybrid Tier 2 capital on a market-driven basis and the method of placement of the Hybrid Tier 2 capital will be on the Private Placement basis. The Bank will seek for potential investors and conduct the a book building process to measure the demand of potential investors on the Issuance of the Hybrid Tier 2 capital to determine the average yield based on the approved guideline by the shareholders of the Bank. If CIMB Bank or its nominated party(ies) were to participate in investing in the Hybrid Tier 2 capital, CIMB Bank or its nominated party(ies) will receive the same average yield that was determined on a market-driven basis through the book building process from other investors which are not related to CIMB Bank or its nominated party(ies).

If the market condition is favorable at the time that the Hybrid Tier 2 capital is issued and the non-related potential investors fully subscribe the Hybrid Tier 2 amounting THB 2,500.00 million, CIMB Bank or its nominated party(ies) participation in the subscription will not be critical to the success of the Issuance of the Hybrid Tier 2 capital. However, if at the time of the Issuance of the Hybrid Tier 2 capital, the market is not as favorable as initially expected and the non-related potential investors do not fully subscribe to the whole amount of the Hybrid Tier 2 capital being issued, CIMB Bank or its nominated party(ies) will be able to step in to take the remaining amount not taken by the non-related potential investors.

If the economic situation changes from its current situation or of the book building process of the Hybrid Tier 2 capital indicates that the average yield by investors is higher than the approved indicative range of average yield by the shareholders of the Bank, then, the Board of Directors including the person or the group of persons assigned by the Shareholders' meeting to be authorized to determine the details of the issuance and other terms and conditions as necessary to successfully issue the Hybrid Tier 2 capital as assigned.

In this respect, at the time of the Shareholders' meeting on the Issuance of the Hybrid Tier 2 capital, the portion invested by CIMB Bank or its nominated party(ies) and the average yield that CIMB Bank or its nominated party(ies) will receive from this investment is subjected to the market conditions at the issue period and cannot yet be determined at this time as previously stated.

5. Summary of opinion of the Financial Advisor

Since the beginning of 2008, the global financial and economic downturn as well as domestic political uncertainties have caused negative effects on the Bank's operation performance which affected the Capital Adequacy ratio to be lower than the level required by law. Subsequently to gaining majority control of the Bank, CIMB Bank is proceeding to reinforce the financial status, increase the Capital Adequacy ratio, and improve the ability to expand the business of the Bank by proposing the recapitalization plan to the BOT together with other plans for its approval. The Issuance of Hybrid Tier 2 capital is one of recapitalization plan.

The Board of Directors of the Bank has proposed to the Shareholders' meeting of the Bank to approve the Issuance of Hybrid Tier 2 capital up to an amount of THB 2,500,000,000. The Bank has been informed that CIMB Bank, the major shareholder of the Bank, or its nominated party(ies) will be participating in the Issuance of Hybrid Tier 2 capital to the level that the capital funds of the Bank will meet the minimum Capital Adequacy Ratio requirements of the BOT. The transaction will be considered a connected transaction of listed companies for receipt of financial assistance.

In rendering the opinion, the Financial Advisor has considered the current financial status of the Bank, the necessity of the Transaction, the benefits and disadvantages that the Bank will receive from entering into the Transaction, the structure of the Transaction, the reasonableness of the average yield that the Bank expects to pay CIMB Bank or its nominated party(ies) if they invest in Hybrid Tier 2 capital, and the reasonableness of the Bank entering into the Transaction.

The advantages of entering into the Transaction will be as follows:

- The Bank's Capital Adequacy ratio will increase and meet the minimum level of required by law
- Provide support to the recapitalization plan of the Bank
- According to the indicative terms and conditions of Hybrid Tier 2 capital, the Bank will have more financial flexibility as it can deferred the interest payments and such deferral will not constitute or be deemed as default by the Bank
- There will be no dilution effects to existing shareholders
- The Bank will be able to raise relatively low cost of funds given funding alternatives

However, the disadvantage of entering into the Transaction is as follow:

- The Bank's debt-to-equity ratio will increase

The acceptance of the financial assistance from CIMB Bank or its nominated party(ies) as opposed to entering into the Transaction with external parties will provide the following benefits to the Bank:

- Provide confidence to external parties interested in subscribing Hybrid Tier 2 capital
- CIMB Bank will be able to participate in the Issuance of Hybrid Tier 2 capital and as such the Bank will meet the minimum Capital Adequacy Ratio requirements of the BOT
- Assure that the Bank will receive sufficient capital to help the Bank meet the minimum Capital Adequacy ratio required by law

However, the disadvantages of entering into the Transaction with CIMB Bank as opposed to with the external parties is:

- The Bank will increase the dependency on the major shareholder, CIMB Bank, as capital provider

The Bank will be able to issue the Hybrid Tier 2 capital once approved by the Shareholders' meeting, approved of the Issuance of Hybrid Tier 2 by the SEC, and the inclusion of the Hybrid Tier 2 capital as capital fund by the BOT, which the Bank expects to be able to issue the Hybrid Tier 2 capital approximately in March 2009. However, since at present and in the near future the market condition is volatile, therefore, the Bank cannot yet determine the coupon rate that investors will be interested in investing in Hybrid Tier 2 capital. Hence, the Bank cannot determine the amount that CIMB Bank or its nominated party(ies) will be investing in. Nevertheless, the Bank has determined the range of the appropriate credit spread of the Issuance of Hybrid Tier 2 capital base on the 10-year Government Bond yield. The use of the 10-year Government Bond yield as a base in determining the appropriate average yield is used by the issuers and the investors on a normal practice basis. Moreover, the reason that the Bank use the 10-year Government Bond yield to determine the average yield of the Issuance of Hybrid Tier 2 capital is because both have equivalent tenures.

The Financial Advisor has considered the credit spread range of the Hybrid Tier 2 capital by comparing the credit spread to those recent issuance of debentures and/or subordinate debentures by domestic commercial banks in the local market. The Financial Advisor has estimated the credit rating of the Bank and of the Issuance of the Hybrid Tier 2 capital by comparing to those of other commercial banks to compare the credit rating and, consequently, the credit spread

Under the Top-down approach, since CIMB Bank is the major shareholder of the Bank, it can be seen that the major shareholder will be in its best interest to support its subsidiary and may be viewed as a guarantee provider on the financial status of the Bank. However, since CIMB Bank does

not neither provide full or partial guarantee for the Hybrid Tier 2 capital in any legal or enforceable way, the Financial Advisor views that the credit rating of CIMB Bank cannot be fully comparable.

According to the Bottom-up approach, the Financial Advisor estimates the credit rating of the Bank by comparing the Bank's financial status and operating performance with those of the small banks. Although, the Bank's asset size and total asset is larger than those of TISCO and KK, but its profitability in recent years has been making a constant loss due the loss on investments in CDOs resulting in insufficient capital and weak financial position and inadequate Capital Adequacy ratio as required by law. However, since CIMB Bank has become the majority shareholder and provide support to the Bank, including the recapitalization plan, it may strengthen the Bank's financial position and financial performance. Therefore, the Financial Advisor views that with these factors the indicative company rating of the Bank with the Bottom-Up approach could be estimated to be in the range of those of TISCO and KK or lower.

From the above comparison and given the fact that the Hybrid Tier 2 capital is unrated and has features that are junior to the subordinate debenture and the current financial status of the Bank, the Financial Advisor views that the proposed credit spread range of 2.1% to 3.1%, which is equivalent to the average yield of Hybrid Tier 2 capital of 5.5% per annum to 6.5% per annum, is reasonable and beneficial to the Bank and its minority shareholders.

The Bank intends to have Issuance of Hybrid Tier 2 capital to be on a market-driven basis. The method of placement of the Hybrid Tier 2 will be on the Private Placement basis. The Bank will seek for potential investors and conduct the market sounding / book building process to measure the demand of potential investors on the Issuance of Hybrid Tier 2 capital and to determine the average yield based on guideline approved by the shareholder meeting of the Bank. If CIMB Bank or its nominated party(ies) were to participate in the issuance of the Hybrid Tier 2, CIMB Bank or its nominated party(ies) will receive the same coupon rate that has been determined by a the demand of other investors who are not related to CIMB Bank or its nominated proxy(ies). However, if the economic situation and market conditions changes from its current state, or if the market survey of the Hybrid Tier 2 capital shows that the average yield required by investors are above the approved range by the Shareholders' meeting, the Board of Directors including the person or the group of persons assigned by the shareholders shall have the authorization to determine the details of the issuance and other terms and conditions of Hybrid Tier 2 capital as necessary in order to successfully issue the Hybrid Tier 2 capital as assigned.

The Financial Advisor is of an opinion that the shareholders should vote in favor for this Transaction. Nevertheless, the final decision is at the discretion of the shareholders. The opinion of the Financial Advisor is base on the assumption that information and documents received from interviews with the Bank's managements and employees are reliable, complete, and accurate. Moreover, in order

to make an informed decision, the shareholder should carefully study and understand the characteristics of Hybrid Tier 2 capital together with other documents attached in this letter in details as well as attend the meeting to receive details on the Issuance of the Hybrid Tier 2 capital and the economic and capital market situations that may have changed since the date of this opinion is rendered, which may cause affects on the average yield that the Bank expects to pay CIMB Bank or its nominated party(ies).

We, the Financial Advisor, hereby undertake that our opinions in this report have been rendered with circumspect consideration according to the professional standard for the benefits of the shareholders.

Yours sincerely,

(Mr. Suradech Kietthanakorn)

Executive Director

TISCO Securities Company Limited

Cumulative Hybrid Tier 2 Capital Securities

Indicative Principal Terms and Conditions

<i>Issuer</i>	:	BankThai Public Company Limited
<i>Facility Description</i>	:	Cumulative Hybrid Tier 2 Capital Securities ("Securities")
<i>Issue Size</i>	:	Up to Baht 2,500 million
<i>Issue Price</i>	:	Par to the nominal value of the Securities
<i>Use of Proceed</i>	:	The proceeds from the issuance of the Securities will be used by the Issuer for general corporate purpose and to provide the Issuer with Hybrid Tier 2 capital in order to strengthen its capital base.
<i>Maturity Date</i>	:	10 years from the issue date
<i>Interest / Distribution Rate</i>	:	<p>To be determined closer to issuance date, depending on the prevailing market conditions at the time of issuance of the Securities, and under the agreements and conditions of the Securities issued at that time, and to be under the SEC's notification and/or the SET and/ or the notification or regulations of any government agencies concerned which are still in effect at the time of issuance and offering of the Securities (if more than one issue)</p> <p>(The interest payment is referred to as "Distribution" and each payment date is referred to as "Distribution Payment Date". The Interest / Distribution Rate may also include step up rate)</p>
<i>Mode of Issue</i>	:	Private Placements
<i>Listing Status</i>	:	The Securities will not be listed.
<i>Events of Default</i>	:	<p>There are no events of default under the Securities.</p> <p>Upon occurrence of any of the following events (Enforcement Events):</p> <p>(a) a default made in the payment of any nominal value of the Securities on the due date for payment thereof; or</p> <p>(b) a default made in the payment of Distribution amounts</p>

(including any additional amounts) on the Securities on the due date for payment thereof, which default continues for 14 days consecutively (other than non-payment of Distribution under the item “limitation on payment of distributions”)

the holders of the Securities may, at their discretion and without further notice, institute proceedings against the Issuer in Thailand (but not elsewhere) provided that, such holders shall have no right to accelerate payment of such Securities in the case of non-payment of Distribution on, or other amounts owing under, such Securities.

If a Winding Up Proceeding (see below) commences in respect of the Issuer, or an effective resolution of the shareholders of the Issuer is passed for a Winding Up Proceeding in respect of the Issuer, the holders of the Securities may, at such holders' option, declare the principal of and any Distribution amounts on the Securities to be due and payable immediately, by a notice in writing to the Issuer. Upon such a declaration, such nominal value and any Distribution amounts shall become immediately due and payable.

Winding Up Proceeding means the occurrence of any of the following:

- (a) a court or agency or supervisory authority in Thailand having jurisdiction in respect thereof shall have instituted a proceeding or entered a decree or order for the appointment of a receiver or liquidator in any insolvency, rehabilitation, readjustment of debt, marshalling of assets and liabilities, or similar arrangements involving the Issuer or all or substantially all of its properties, or for the winding up of or liquidation of its affairs and such proceeding, decree or order shall not have been vacated or shall have remained in force undischarged or unstayed for a period of 60 days; or
- (b) The Issuer files a petition to take advantage of any insolvency statute.

Limitation on Payment of Distribution : If any of the following is satisfied:

- (A) If the capital adequacy ratio ("BIS Ratio") of the Issuer is, on a Distribution Payment Date, lower than 0% or;
- (B) If the Issuer would, immediately after a Distribution Payment Date, cause the Issuer's BIS Ratio to be lower than 0% ;
- (C) If the Bank of Thailand has intervened by ordering a capital increase or decrease of the Issuer and such increase or decrease has not been completed;

then the Issuer shall defer paying Distribution on such Distribution Payment Date, by giving not less than 5 nor more than fifteen (15) business days' notice to the Facility Agent /Paying Agent / and the Trustee (whichever applicable) (which notice shall be irrevocable and shall oblige the Issuer to defer payment of the interest amount which, but for the Payment Limitation Condition, was payable on such Distribution Payment Date).

To the extent that the above clause does not apply, if the Payment Limitation Condition (see below) is met, the Issuer may, at its option, defer the Distribution which would otherwise have been payable on such Distribution Payment Date.

Any such deferral pursuant to the above paragraphs will not constitute or be deemed a default by the Issuer for any purpose whatsoever.

Payment Limitation Condition means that during the [12] month period immediately preceding any Distribution Payment Date, the Issuer did not declare and/or pay any dividend to its shareholders, or make any interest payment or distribution, on any securities or instruments ranking junior to the Securities, and that the Issuer expects that the net profit for the current fiscal year is expected to be zero or less.

"Deferred Distribution Amount" means any Distribution amount which is deferred by the Issuer pursuant to the Limitation on Payment of Distribution clause herein.

For the avoidance of doubt all Deferred Distribution Amount shall be cumulative.

Dividend and Capital Stopper : In the event that the Issuer has not made a full payment of any Distribution or Deferred Distribution Amount on a Distribution Payment Date then (A) the Issuer shall not pay any dividends to its shareholders or make any interest payment or distribution on any security or instruments ranking pari passu with or junior to the Securities (the Dividend Stopper); and (B) the Issuer shall not redeem, purchase, reduce or otherwise acquire any of its ordinary shares, preference shares, securities or instruments ranking pari passu with or junior to the Securities, or any securities of any of its subsidiary undertakings benefiting from a guarantee from the Issuer, ranking, as to the right of redemption of principal, or in the case of any such guarantee, as to the payment of sums under such guarantee, pari passu with or junior to the Securities (the Capital Stopper).

Optional Redemption The Issuer may, at its option and subject to the Redemption Conditions (see below) being satisfied, Redeem (see below) the Securities (in whole but not in part) on any Optional Redemption Date.

Redemption Conditions means:

- (1) The Issuer is solvent at the time of any Redemption (see below) of the Securities and immediately thereafter;
- (2) The Issuer is not in breach of BOT's minimum capital adequacy ratio requirements applicable to the Issuer; and
- (3) The Issuer has obtained the written approval of BOT prior to Redemption of the Securities.

Redeem means:

- (1) redeem the Securities for the Redemption Amount (see 7. redemption amount below)

"Redemption" and "Redeemed" have the corresponding meanings.

- Optional Redemption Date* : A date falling no earlier than the fifth anniversary (5th) of the relevant Issue Date, and any Distribution Payment Date thereafter.
- Tax Redemption* : If there is more than an insubstantial risk that:
- (1) The Issuer would no longer obtain tax deductions for the purposes of Thailand corporation tax for any payment in respect of the Securities;
- as a result of a change in, or amendment to, the laws or regulations of Thailand or any political subdivision or any authority thereof or therein having power to tax, or change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date of first issue and the Issuer cannot, by taking reasonable measures available to it, avoid such obligations, then the Issuer may, at its option, Redeem the Securities (in whole, but not in part) at the Redemption Amount, subject to the Redemption Conditions being satisfied on any Optional Redemption Date.
- Regulatory Redemption* : If the Securities no longer qualify as Tier 2 capital of the Issuer for the purposes of BOT's capital adequacy requirements under any regulations applicable to the Issuer, then the Issuer may, at its option, Redeem the Securities (in whole, but not in part) at the Redemption Amount, subject to the Redemption Conditions being satisfied on any Optional Redemption Date.
- Redemption Amount* : In the case of an Optional Redemption, a Tax Redemption or a Regulatory Redemption, an amount equal to 100% of the face value together with accrued but unpaid Distributions (if any) relating to the then current Distribution period (if any) up to (and excluding) the date on which the Securities are Redeemed.
- Ranking* : The Securities are direct and unsecured obligations of the Issuer.
- Amounts payable on the Securities will be subordinated in right of payment upon the occurrence of any winding up proceeding to the prior payment in full of all deposit liabilities and all other liabilities of the Issuer (including liabilities of all offices and branches of the Issuer wherever located and any debt securities (whether

subordinated or unsubordinated) of the Issuer that rank senior to the Securities) except, in each case, to those liabilities which by their terms rank equal with or junior to the Securities.

Claims in respect of the Securities will rank pari passu and without preference among themselves, but in priority to the rights and claims of holders of tier 1 capitals of the Issuer and the preference shares (if any) of the Issuer as well as ordinary equity shares of the Issuer.

Voting Rights

Holders will not be entitled to receive notice of or attend or vote at a meeting of the ordinary shareholders of the Issuer or to participate in the management of the Issuer.

Governing Laws

: The Securities will be governed by, and shall be construed in accordance with Law of the Kingdom of Thailand.

The Announcement of the BOT No. Sor Nor Sor 88/2551 on the Regulations on the Inclusion of Hybrid Debt Capital Instruments (Attachment 3)

Domestic registered commercial banks may include the proceeds obtained from the issuance of two types of instruments, which are subordinated to depositors and general creditors, i.e. (1) Hybrid Debt Capital Instruments (the Capital Securities is classified into this category) or (2) Subordinated Debt as Tier 2 Capital by applying for approval from the Bank of Thailand to include such proceeds from the issuance of the aforementioned capital instruments as Tier 2 Capital. The money shall be included in Tier 2 Capital only when permission has been granted and the applicant shall comply with the following requirements:

1. Hybrid Debt Capital Instrument which can be included as Tier 2 Capital with its full paid-up amount must have the following characteristics:

- 1.1 They must not be secured by any person or any property as a pledge or mortgage;
- 1.2 They must have maturity of at least 10 years, and during the final 5 years, an amortization factor of 20% per annum must be applied
- 1.3 They cannot be redeemed prior to maturity, except with prior approval from the BOT;
- 1.4 They must be subordinated to all depositors and general creditors
- 1.5 Domestic registered commercial banks have the right to defer interest payments if there is no current-year profit and they are unable to make dividend payments to common and preferred shareholders;
- 1.6 Principal and interest payments on hybrid debt capital instrument must be deferred if such payments will result in negative capital of the issuing bank, or if the BOT has intervened by ordering a capital decrease or increase.

With regard to the deferral of the interest payments of these hybrid debt capital instruments by Domestic registered commercial bank, subject to the applicable law, wishes to pay interest on the deferred interest, the payment can be made at a rate not exceeding the original coupon rate.

2. Subordinated debts which can be included as Tier 2 Capital with its full paid-up amount but not exceeding 50% of the Tier 1 Capital of a Domestic registered commercial bank, must have the following characteristics:

- 2.1 They must not be secured by any person or any property as a pledge or mortgage;
- 2.2 They must have maturity of at least 5 years, and during the final 5 years, an amortization factor of 20% per annum must be applied;
- 2.3 They cannot be redeemed prior to maturity, except with prior approval from the BOT;
- 2.4 They must be subordinated to all depositors and general creditors, but ranked senior to the hybrid debt capital instruments holders, as specified in 1.

3. Procedure of redemption of hybrid debt capital instrument or subordinated debt which is included as Tier 2 Capital prior to its maturity

The Domestic registered commercial bank wishing to redeem the instrument included in Tier 2 Capital prior to its maturity shall apply for approval from the BOT and the BOT will consider and grant approval under the following conditions:

- 3.1 Such Domestic registered commercial bank shall immediately increase its Tier 1 Capital or Tier 2 Capital to replace the redeemed debt instrument was redeemed;
or
- 3.2 Assuming that there will not be any capital increase, the BOT will consider the following three factors: (1) projected profit and loss from business operation (2) projected expansion of risk-weighted assets and (3) projected reserve for classified assets under the Notification of the BOT re: Requirements of Asset Classification and Reserves of Financial Institutions, which may have impact upon the status of capital funds of financial institutions within a period of 3 years, so that such earlier redemption will not result in a decrease to lower than 9% of the ratio of capital to risk-weighted assets.
- 3.3 The earlier redemption of hybrid debt capital instrument can be made only after the 5th year of the issuance of such instrument.
- 3.4 With regard to subordinated debt which is not approved to be included as Tier 2 Capital, domestic registered commercial banks may redeem or buy back prior to the maturity of such instrument and shall notify the BOT of such redemption within 7 days from the date of redemption or buy-back.

Fitch Ratings Definitions

Long-term debt rating symbols for Thailand

Fitch Ratings (Thailand) Co., Ltd. ("Fitch") uses the symbol starting from "AAA" which is the highest rating to D which is lowest rating according to the issuer's ability to repay debt and interest payments of its long-term debts.

AAA(tha)

'AAA' national ratings denote the highest rating assigned in its national rating scale for that country. This rating is assigned to the "best" credit risk relative to all other issuers or issues in the same country and will normally be assigned to all financial commitments issued or guaranteed by the sovereign state.

AA(tha)

'AA' national ratings denote a very strong credit risk relative to other issuers or issues in the same country. The credit risk inherent in these financial commitments differs only slightly from the country's highest rated issuers or issues.

A(tha)

'A' national ratings denote a strong credit risk relative to other issuers or issues in the same country. However, changes in circumstances or economic conditions may affect the capacity for timely repayment of these financial commitments to a greater degree than for financial commitments denoted by a higher rated category.

BBB(tha)

'BBB' national ratings denote an adequate credit risk relative to other issuers or issues in the same country. However, changes in circumstances or economic conditions are more likely to affect the capacity for timely repayment of these financial commitments than for financial commitments denoted by a higher rated category.

BB(tha)

'BB' national ratings denote a fairly weak credit risk relative to other issuers or issues in the same country. Within the context of the country, payment of these financial commitments is uncertain to some degree and capacity for timely repayment remains more vulnerable to adverse economic change over time.

B(tha)

'B' national ratings denote a significantly weak credit risk relative to other issuers or issues in the same country. Financial commitments are currently being met but a limited margin of safety remains and capacity for continued timely payments is contingent upon a sustained, favorable business and economic environment.

CCC(tha), CC(tha), C(tha)

These categories of national ratings denote an extremely weak credit risk relative to other issuers or issues in the same country. Capacity for meeting financial commitments is solely reliant upon sustained, favorable business or economic developments.

DDD(tha), DD(tha), D(tha)

These categories of national ratings are assigned to entities or financial commitments which are currently in default.

A special identifier "tha" is added to the end of each symbol to differentiate the Thailand national scale from the international scale.

The modifiers "+" or "-" may be appended to a rating to denote relative status within major rating categories. Such suffixes are not added to the 'AAA' Long-term rating category, to categories below 'CCC', or to Short-term ratings other than 'F1'.

Rating Watch: Ratings are placed on Rating Watch to notify investors that there is a reasonable probability of a rating change and the likely direction of such change. These are designated as "Positive", indicating a potential upgrade, "Negative", for a potential downgrade, or "Evolving", if ratings may be raised, lowered or maintained. Rating Watch is typically resolved over a relatively short period.

Source: Fitch Ratings

Accompanying Documents for the Meeting

- 1. Guidelines for Registration, Vote, Proxy Appointment and Identification Documents Required to Attend in the Extraordinary Shareholders Meeting**
- 2. Proxy Form B**
- 3. Profiles of independent director to be appointed as a proxy**
- 4. Definition of the Independent Directors**
- 5. Articles of Association relating to the Shareholders**
- 6. Steps for Attending the Extraordinary General Meeting of Shareholders No. 1/2009**
- 7. Map for the location of the Meeting Room**

Guidelines for Registration, Vote, Proxy Appointment and Identification Documents Required to Attend in the Extraordinary Shareholders' Meeting

Meeting Registration

1. The shareholders shall register for the meeting attendance from 2.00 p.m. onwards, at 1st floor, in the Head Office of BankThai Public Company Limited, 44 North Sathorn Road, Silom Sub-district, Bangrak District, Bangkok
2. In this connection, a barcode system for the registration is to be applied by the Bank. Therefore, the notice for calling the meeting and other documents delivered to each of the shareholders together with such notice on which the relevant barcode is printed should be brought and presented to the Bank for meeting registration purpose.

Voting Procedure

The Articles of Association of the Bank state No.33, 34 and 35 required that;

Article 33. At general meeting of shareholders, shareholders or proxy-holder (if any) must present of not less than twenty-five shareholders or not less than half of the total number of shareholders holding not less than one-third of the total number of the Company's shares to constitute the quorum, unless otherwise specified under the law.

If no quorum is formed after one hour has lapsed, if it is an extraordinary meeting summoned upon the request of shareholders, it shall be dissolved; but if it is an extraordinary meeting did not summon upon the request of shareholders, another meeting shall be summoned. Notices of such a new meeting shall be sent to the shareholders at least seven days in advance and the quorum for the next meeting is not required.

Article 34. Any shareholder may appoint in writing any person as his proxy-holder to attend and vote on his behalf at such meeting. The proxy-holder shall submit the proxy to the Chairman of the Board of Directors or the person designated by the chairman of the board of directors at the place of the meeting before the proxy-holder attends the meeting. The proxy must be in accordance with the form as determined by the Registrar.

Article 35. In casting votes, each shareholder shall have voting rights equal to the number of shares held, one vote for each share of which he is holder. Any shareholder who has in resolution, a special interest in any matter, shall not be entitled to vote on such matter, except voting for the election of directors.

In casting votes, as prescribed in the above paragraph, which relating to one vote for each share of which he is holder shall not apply when the Company has issued the preference

shares and has determined that the preference shares has the voting rights less than the ordinary shares.

Unless otherwise specified under this Articles of Association or under the law, the decision or resolution of the shareholders' meeting, whether on the show of hand or on a poll, shall require to be passed by the following affirmative votes:

(1) In an ordinary event, the majority votes of the shareholders present and vote at the meeting. In case of an equality of votes, the chairman in the meeting shall have a casting vote.

(2) In case of the Company decides to enter into a connected transaction and/or a transaction which cause an acquisition or disposition of the essential assets and/or the right to acquire or dispose of the essential assets of the Company, provided that the entering into such transaction(s) is requires the consent of shareholders of the Company pursuant to the notifications, regulations or announcements of The Stock Exchange of Thailand and/or the Office of the Securities and Exchange Commission, an affirmative vote shall not be less than three-fourth of the total number of votes of shareholders present and have the right to vote.

If the Company decides to enter into any transaction which is deemed as the connected transaction and/or a transaction which cause an acquisition or disposition of the essential assets and/or the right to acquire or dispose of the essential assets of the Company pursuant to the notifications, regulations or announcements of The Stock Exchange of Thailand and/or the Office of the Securities and Exchange Commission, the Company shall comply with such regulations or notifications of The Stock Exchange of Thailand and/or the Office of the Securities and Exchange Commission relating of the criteria, procedures, and disclosure of the connected transactions of the listed company, and/or the criteria, procedures and the disclosure of the acquisition or disposition of the assets of the listed company.

Appointment of Proxy

The Bank has dispatched Proxy Form B, as specified by the Department of Business Development, Ministry of Commerce, with clear details, to any shareholders unable to attend the Meeting themselves, in order to appoint other persons or any of the Bank's directors (specified by the Bank) as a proxy of such shareholder.

In the event that a shareholder is desirous to appoint a proxy in general, such a shareholder may apply the Proxy Form A. Should a shareholder be a foreign investor for which a custodian in Thailand is appointed, such a shareholder may down load and use the Proxy Form C available at website: <http://www.bankthai.co.th>

1. Appointment of another person as a proxy:

- A proxy grantor must appoint and authorize only one proxy to attend the meeting and cast the votes on his/her/its behalf and the number of shares held by such a proxy grantor may not be split for more than one proxy in order to separate the votes.
- A proxy grantor must fill in information in the proxy form and the signatures of both the proxy grantor and the proxy must be correctly placed therein.
- A proxy must present and deliver the completed proxy form to the officer of the Bank at the place of meeting prior to attending the meeting.

2. Appointment of the Bank's director(s) as a proxy

- A proxy grantor must fill in the following names and information of the Bank's directors in order to appoint a proxy:
 1. Mr. Techapit Sangsingkeo
Independent Director and Chairman of the Audit Committee Age 64 years
842 Wongsawang Road, Bangsue Sub-district, Bangsue District, Bangkok
 2. Mr. Dharin Divari
Independent Director and Member of the Audit Committee Age 66 years
70/1 Soi Sukhumvit 26, Sukhumvit Road, Klongton Sub-district, Klong Toey District, Bangkok
 3. Mr. Chatchawal Eimsiri
Independent Director and Member of the Audit Committee Age 49 years
1005/6 Soi Prachachuen 30, Prachachuen Road, Bangsue Sub-district, Bangsue District, Bangkok
 4. Dato Shaarni bin Ibrahim
Independent Director Age 59 years
Jalan SS5B/5 KelanaJaya, Petaling Jaya Selangor Darul Ehsan Malaysia

- Names and information of both 4 directors of the Bank must be specified in the proxy form in order for either one of such directors to be able to attend and vote in the meeting on your behalf such that if one of such 2 directors is not available, another director will then be able to do so.
- A proxy grantor must fill in information in and place his/her/its signature(s) on the proxy form.

Documents Verifying Eligibility to Attend the Meeting

Any person who wishes to attend the meeting must present the following documents (as the case may be) for registration prior to attending the meeting:

1. In the event that the shareholder is a natural person:

1.1 Attendance in person: A valid official ID card in where a photograph is shown, e.g. personal ID card, driver license, or passport.

1.2 Attendance by proxy:

- a proxy form, the form of which is attached hereto together with the notice for calling the annual general meeting of the shareholders, that is completely filled, signed by the proxy grantor (the shareholder) and the proxy, and together with Baht 20 of stamp duty affixed;
- a copy of the proxy grantor's official ID card as referred to in 1.1 certified true and correct by the proxy grantor; and
- an original of the proxy's official ID card as referred to in 1.1.

2. In the event that the shareholder is a juristic person:

2.1 Attendance in person by an authorized representative of the shareholder:

- an original of such authorized representative's official ID card as referred to in 1.1; and
- a copy of the Affidavit or Certificate of Incorporation of the shareholder showing the name of such authorized representative as a person having power and authority to act on the shareholder's behalf and such copy of the Affidavit or Certificate of Incorporation must be certified true and correct by such authorized representative.

2.2 Attendance by proxy:

- a proxy form, the form of which is attached hereto together with the notice for calling the annual general meeting of the shareholders, that is completely filled, signed by the proxy grantor (the shareholder) and the proxy, and together with Baht 20 of stamp duty affixed;

- a copy of the Affidavit or Certificate of Incorporation of the shareholder showing that the name of the person who signs in the proxy form as the proxy grantor is an authorized representative of the shareholder having power and authority to act on the shareholder's behalf and such copy of the Affidavit or Certificate of Incorporation must be certified true and correct by such authorized representative;
- a copy of valid official ID card containing detail and information as referred to in 1.1 of the authorized representative who signs in the proxy form as the proxy grantor, certified true and correct by such authorized representative; and
- an original of the proxy's official ID card as referred to in 1.1.

3. In the event that the shareholder is a non-Thai shareholder or is a juristic person incorporated under foreign laws:

Provisions specified in paragraphs nos.1 and 2 above shall be applied mutatis mutandis to a non-Thai shareholder or, as the case may, be a shareholder which is juristic person incorporated under foreign laws subject to the following conditions:

- Affidavit or Certificate of Incorporation of such juristic person may be issued by either the governmental authority of the country in where such juristic person is situated or by an officer of such juristic person, provided that such an Affidavit or Certificate of Incorporation must contain the name of the juristic person, the address of the head office of the juristic person, and the name(s) of the person(s) having authority to sign on behalf of the juristic person together with any restrictions or conditions of the power of such person(s); and
- English translation is required to be attached for any original document which is not made in English and such translation must be certified by the authorized representative(s) of such juristic person.

Profiles of independent director to be appointed as a proxy

Mr. Techapit Sangsingkeo



Proposed Position	Independent Director	
Age	64 years	
Nationality	Thai	
Appointed on	25 April 2007	
Years in director position	1 year 8 months	
Education	<ul style="list-style-type: none"> - M.A. (Economics), Keio University, Tokyo Japan - B.A. (Economics), Hitotsubashi University, Tokyo Japan 	
Director Training Program	<ul style="list-style-type: none"> - Director Accreditation Program (DAP) by Thai Institute of Directors Association (IOD) 	
Shareholding in BT	<ul style="list-style-type: none"> - None (as at 31 January 2009) 	equal to 0.00 %
Legal dispute	<ul style="list-style-type: none"> - None (Over the past 5 years) 	
Current Position	<ul style="list-style-type: none"> - Independent Director - Chairman of the Audit Committee 	
Positions in other listed companies	<ul style="list-style-type: none"> - None 	
Positions in non - listed companies (4 companies)	<ul style="list-style-type: none"> - Chairman, Sukhumvit Asset Management Co., Ltd. - Chairman of the Audit Committee, Star Sabitary Ware Co., Ltd. - Chairman of the Audit Committee, Thai Tap Water Co., Ltd. - Executive Director, Thai Asset Management Corporation (TAMC) 	
Positions in rival companies/ bank - related companies	<ul style="list-style-type: none"> - None 	
Work Experience	<ul style="list-style-type: none"> - Chairman of the Audit Committee, Professional West Technology Co., Ltd. - Deputy Governor, Bank of Thailand 	
Interest in any agendas	<ul style="list-style-type: none"> - None 	

Profiles of independent director to be appointed as a proxy

Mr. Dharin Divari



Proposed Position	Independent Director
Age	66 years
Nationality	Thai
Appointed on	21 July 2000
Years in director position	8 years 5 months
Education	<ul style="list-style-type: none"> - Diploma, Sasin - Senior Executive Program - Diploma (Banking), State School of Trade and Economy (Humburg)
Director Training Program	<ul style="list-style-type: none"> - Director Certification Program (DCP) by Thai Institute of Directors Association (IOD)
Shareholding in BT	<ul style="list-style-type: none"> - None (as at 31 January 2009) equal to 0.00 %
Legal dispute	<ul style="list-style-type: none"> - None (Over the past 5 years)
Current Position	<ul style="list-style-type: none"> - Independent Director - Member of the Audit Committee - Chairman of the Nomination and Compensation Committee
Positions in other listed companies	<ul style="list-style-type: none"> - None
Positions in non - listed companies	<ul style="list-style-type: none"> - None
Positions in rival companies/ bank - related companies	<ul style="list-style-type: none"> - None
Work Experience	<ul style="list-style-type: none"> - Chairman of the Audit Committee, Asia Fiber Co., Ltd. - Executive Vice President, Kasikorn Bank Public Co., Ltd.
Interest in any agendas	<ul style="list-style-type: none"> - None

Profiles of independent director to be appointed as a proxy



Mr.Chatchawal Eimsiri

Proposed Position	Independent Director	
Age	49 years	
Nationality	Thai	
Appointed on	19 July 2007	
Years in director position	1 year 5 months	
Education	<ul style="list-style-type: none"> - M.Sc. in Operation Research, London School of Economics and Political Science, University of London - B.Sc. in Mathematics, Imperial College of Science and Technology, University of London 	
Director Training Program	<ul style="list-style-type: none"> - Director Certification Program (DCP) by Thai Institute of Directors Association (IOD) 	
Shareholding in BT	<ul style="list-style-type: none"> - None (as at 31 January 2009) 	equal to 0.00 %
Legal dispute	<ul style="list-style-type: none"> - None (Over the past 5 years) 	
Current Position	<ul style="list-style-type: none"> - Independent Director - Member of the Audit Committee 	
Positions in other listed companies (1 companies)	<ul style="list-style-type: none"> - Vice President, Finance & Accounting PTT Exploration & Production Public Co., Ltd. 	
Positions in non - listed companies (1 companies)	<ul style="list-style-type: none"> - Director, Energy Complex Co., Ltd. 	
Positions in rival companies/ bank - related companies	<ul style="list-style-type: none"> - None 	
Work Experience	<ul style="list-style-type: none"> - Senior Manager, Finance, PTT Exploration & Production Public Co., Ltd. - Finance Manager, National Petrochemical Corporation 	
Interest in any agendas	<ul style="list-style-type: none"> - None 	

Profiles of independent director to be appointed as a proxy



Data Shaarani Bin Ibrahim

Proposed Position	Independent Director	
Age	59 years	
Nationality	Malaysian	
Appointed on	20 January 2009	
Years in director position	1 month	
Education	- B.A.(Hons) in International Relations, Universiti Malaya	
Director Training Program	- None	
Shareholding in BT	- None (as at 31 January 2009)	equal to 0.00 %
Legal dispute	- None (Over the past 5 years)	
Current Position	- Independent Director	
Positions in other listed companies (- companies)	- None	
Positions in non - listed companies (- companies)	- None	
Positions in rival companies/ bank - related companies	- None	
Work Experience	- Ambassador of Malaysia to the Kingdom of Thailand. - Ambassador of Malaysia to the Kingdom of Spain	
Interest in any agendas	- None	

Definition of the Independent Directors

An independent director is a director who

- (1) holding shares *not* exceeding one per cent of the total number of voting rights of the company, its parent company, subsidiary, affiliate or juristic person which may have conflicts of interest, including the shares held by related persons of the independent director;
- (2) neither being nor having been an executive director, employee, staff, or advisor who receives salary, or a controlling person of the company, its parent company, subsidiary, affiliate, same-level subsidiary or juristic person who may have conflicts of interest unless the foregoing status has ended not less than two years prior to the date of application filing with the Office;
- (3) not being a person related by blood or registration under laws, such as father, mother, spouse, sibling, and child, including spouse of the children, executives, major shareholders, controlling persons, or persons to be nominated as executive or controlling persons of the company or its subsidiary;
- (4) not having a business relationship with the company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest, in the manner which may interfere with his independent judgement, and neither being nor having been a major shareholder, non-independent director or executive of any person having business relationship with the company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest unless the foregoing relationship has ended not less than two years prior to the date of application filing with the Office.

The term 'business relationship' aforementioned under paragraph one includes any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or grant or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, including any other similar actions, which result in the applicant or his counterparty being subject to indebtedness payable to the other party in the amount of three percent or more of the net tangible assets of the applicant or twenty million Baht or more, whichever is lower. The amount of such indebtedness shall be calculated according to the calculation method for value of connected transactions under the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Act of Listed Companies Concerning the Connected Transactions *mutatis mutandis*. The combination of such indebtedness shall include indebtedness taking place during the course of one year prior to the date on which the business relationship with the person commences;

- (5) neither being nor having been an auditor of the company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest, and not being a major shareholder, non-independent director, executive or partner of an audit firm which employs auditors of the company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest unless the foregoing relationship has ended not less than two years from the date of application filing with the Office;

- (6) neither being nor having been any professional advisor including legal advisor or financial advisor who receives an annual service fee exceeding two million Baht from the company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest, and neither being nor having been a major shareholder, non-independent director, executive or partner of the professional advisor unless the foregoing relationship has ended not less than two years from the date of application filing with the Office;
- (7) not being a director who has been appointed as a representative of the company's director, major shareholder or shareholders who are related to the company's major shareholder;
- (8) not having any characteristics which make him incapable of expressing independent opinions with regard to the company's business affairs.

After having been appointed as independent director with qualifications complying with the criteria under (1) to (8) of paragraph one, the independent director may be assigned by the board of directors to take part in the business decision of the company, its parent company, subsidiary, affiliate, same-level subsidiary or juristic person who may have conflicts of interest on the condition that such decision must be a collective one.

Articles of Association relating to the Shareholders' Meeting

❖ BOARD OF DIRECTORS:

Article 14. The board of directors of the Company shall consist of not less than five members and not exceeding 12 members. Not less than one-half of the directors shall reside within the Kingdom of Thailand.

The board of directors shall appoint one of its members to be the chairman and, if deemed appropriate shall appoint one or more of its members to be the vice-chairman.

Article 16. Directors of the Company shall be elected by the shareholders' meeting under the following terms and conditions:

(1) each shareholder shall have a number of votes equal to the number of shares held multiplied by the number of the directors to be elected;

(2) each shareholder may exercise all the votes he or she has under (1) to elect one or several persons as director or directors. If several persons are to be elected as directors, the shareholder may allot his or her votes to any person in any number;

(3) after the vote, the candidates shall be ranked in order descending from the highest number of votes received to the lowest, and shall be appointed as directors in that order until all of the director positions are filled. Where the votes cast for candidates in descending order are tied, which would otherwise cause the number of directors to be exceeded, the remaining appointments shall be made by drawing lots.

Article 18. At every annual general meeting, the whole board of directors shall resign and be simultaneously elected at such meeting. However, the former board of directors shall remain in office to conduct the business of the Company for the time being, as necessary, until the new board of directors takes office.

A retiring director is eligible for re-election.

Article 27. The directors shall have the right to receive remuneration from the Company in the form of reward, meeting allowances, gratuity, bonus, or fringe benefit in accordance with in regulations of the Company, or the shareholders' meeting may consider under which the shareholders' meeting may specifically determine or determine as the rules and will may determine from time to time or to be in full force and effect until the change.

The provision of the preceding paragraph shall not prejudice the rights of the staffs and employees of the Company whom be elected as a director to receive remuneration, and benefits as an officer or employee of the Company.

❖ GENERAL MEETING OF SHAREHOLDERS:

Article 30. The board of directors shall convene an annual ordinary meeting of shareholders within four months from the date of fiscal year ended of the Company.

All other general meeting are called extraordinary meetings. The directors may summon extraordinary meetings whenever they think fit.

Article 31. The shareholders holding an aggregate number of shares not less than one-fifth of the total number of shares of the Company, or shareholders in a number not less than twenty-five holding an aggregate number of shares of not less than one-tenth of the total number of shares of the Company may make a request in writing to the board of directors to summon a shareholders' meeting as an extraordinary meetings by stating the reason for calling the meeting. In such a case, the Board of Directors must convene a shareholders' meeting within the time prescribed under the law.

Article 32. At general meeting of shareholders, the board of directors shall provide a notice containing place, day, time, agendas of the meeting and the subject matters to be submitted to the meeting; state clearly whether such matter is submitted for information, approval, or consideration purposes, as the case may be, and shall also include the opinion of the Board of Directors on such matters. Such notice shall be sent to the shareholders and the Registrar not less than seven days prior to the date of such meeting. Furthermore, such notice shall also be published in a newspaper for three consecutive days at least three days prior to the date of the meeting.

Article 36. The agendas of ordinary meetings shall be as follows:

- (1) to consider annual report of the board of directors relating to the business of the Company during the past year;
- (2) to approve balance sheet, and profit and loss accounts;
- (3) to approve the appropriation of profit;
- (4) to elect new directors to replace directors who retire pursuant to article 18 or other causes resulting in a vacancy of a director or to elect additional directors in the case of an increase in the number of directors;
- (5) to appoint auditor and to fix his remuneration.

Article 37. The chairman of the board of directors shall act as chairman of the shareholders' meeting. In the case that he is absent or is unable to perform the duty and if there is the vice-chairman, the vice-chairman shall act as chairman. In the absence of both the chairman of the board of directors and vice-chairman or they are unable to perform the duty, the meeting shall elect one of the shareholders present to act as chairman of the meeting.

Article 38. The duty of the chairman is to control the meeting according to the Articles of Association of the Company. The meeting shall proceed according to the agendas respectively as specified in the notice unless the shareholders' meeting resolved to change the agenda by the affirmative votes of the shareholders holding not less than two-third of the shareholders attended the meeting.

All agendas specified under the first paragraph have been considered, shareholders holding not less than one-third of the total number of distributed shares may request the meeting to consider other matters not specified in such notice.

❖ **BOOKS AND ACCOUNTS:**

Article 39. The fiscal year of the Company shall commence on the 1st day of January and end on the 31st day of December of every year.

Article 41. Balance sheets and profit and loss accounts shall be made twice a year: one for the first six month-period of the year ending in June, and another for the second six month-period of the year ending in December.

The board of directors shall arrange balance sheets as well as profit and loss accounts to be duly certified by the auditor prior or to present to the shareholders' meeting.

Article 42. The board of directors shall provide the following documents to be sent to the shareholders together with the notice of the annual general meeting:

- (1) certified copies of balance sheets and profit and loss accounts together with report of the auditor;
- (2) annual report of the board of directors.

Article 43. No dividend shall be paid otherwise than out of profits. If the Company has incurred losses, no dividend may be paid. The remaining profit from paying the dividend can be allocated as the reserve funds as the Board of Directors may think fit.

The board of directors may pay interim dividend to shareholders from time to time as it deems that the Company has enough profit to do so, and the payment of such dividend shall be reported to the shareholders in the next meeting.

The payment of dividend shall be made within the time as prescribed under the law and the notice of such payment of dividend shall be sent to the shareholders and also be published in a newspaper.

Article 44. The Company shall arrange partly of the net profit as a reserve fund at least five percent of the net annual profits less accumulated loss (if any) until the reserve fund reaches one-tenth of the registered capital.

Article 46. The auditor must not be director, staff, employee or person who retain position in the Company.

Article 47. The auditor shall be elected and his remuneration fixed every year by the annual general meeting of shareholders. The retiring auditor may be re-elected.

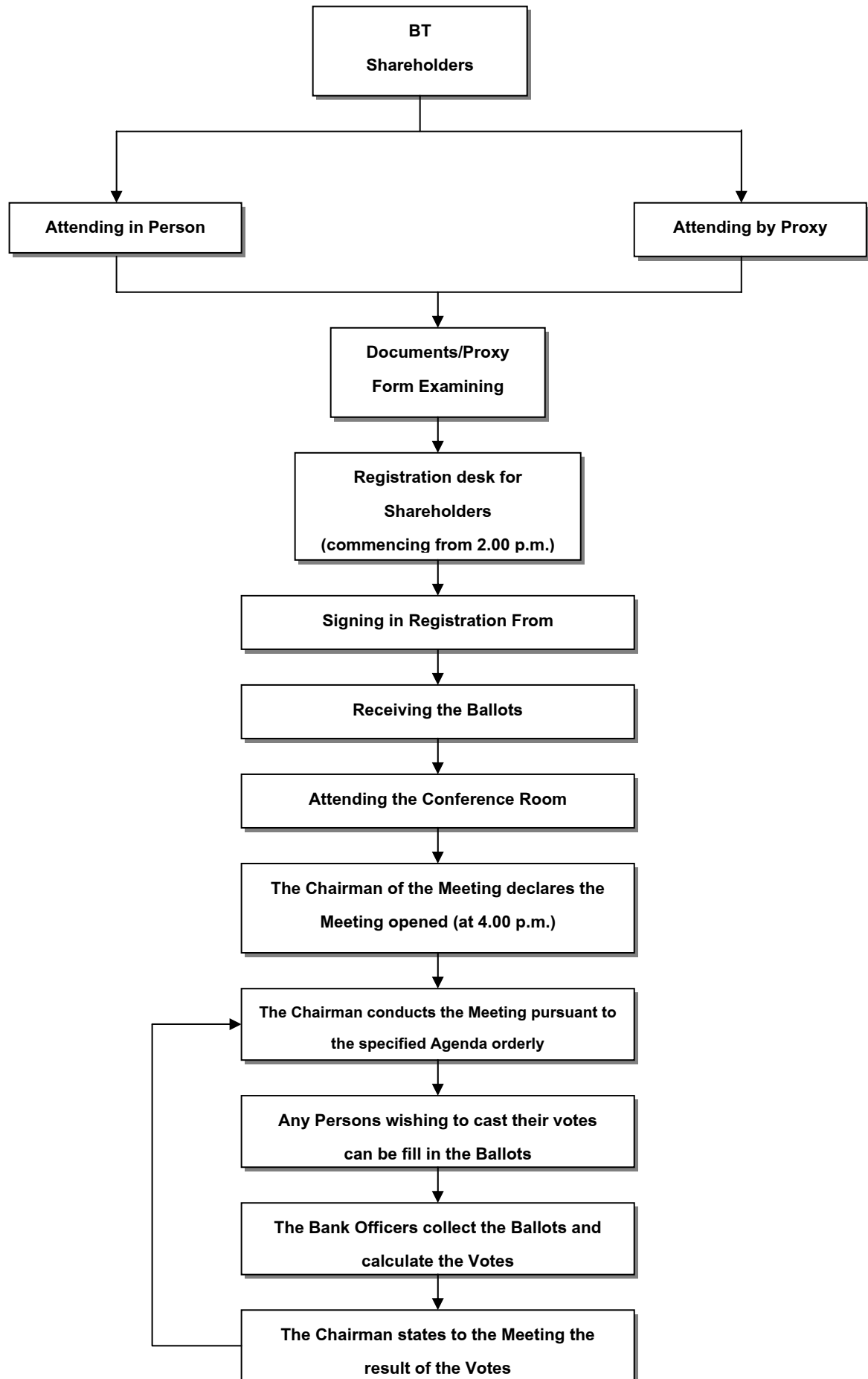
Article 48. The auditor shall attend every shareholders' meeting in which the balance sheet, profit and loss account and problem relating to the account of the Company are considered in order to clarify the access to the shareholders. The Company shall send to the auditor report and document of the Company which the shareholders may receive in the shareholders' meeting.

Article 49. The auditor shall have access to books, accounts and documents relating to income, expense including assets or liabilities of the Company during the office hour of the Company, and may enquire any director, officer, employee or person under any position of the Company and the representative of the Company for the purpose of clarifying the facts or send information in relation to the business operation of the Company.

Steps for Attending the Extraordinary General Meeting of Shareholders No. 1/2009

BankThai Public Company Limited

Friday 20 February 2009



แผนที่เส้นทางไปสำนักงานใหญ่ธนาคาร ไทยธนาคาร จำกัด (มหาชน)

