

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