

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)

Information Memorandum in respect of the Connected Transactions and Disposition of the Bank's Assets

The Board of Directors meeting of the CIMB Thai Bank Public Company Limited ("**CIMB Thai**" or the "**Bank**") No. 5/2010 held on 25 March 2010 has approved the following;

- 1) the sale of the Bank's entire equity interest in BT Asset Management Company Limited ("**BTAM**") comprising up to 23,499,993 ordinary shares in BTAM at the par value of Baht 10 each, representing 99.99% of the registered capital of BTAM for a total cash consideration of Baht 249,999,930 to CIMB-Principal Asset Management Berhad ("**CPAM**") (the "**Sale of BTAM's shares**");
- 2) the sale of CIMB Thai's 760,000 shares of Worldclass Rent a Car Company Limited ("**Worldclass**"), at the par value of Baht 100 each, representing 20% of the registered capital of Worldclass, for a total cash consideration of Baht 73,852,978.53 (selling price may vary if the book value from audited financial statement is different from unaudited financial report as prepared by Worldclass), to CIMB Bank Berhad ("**CIMB Bank**") (the "**Sale of Worldclass**"); and
- 3) Restructuring of the Bad Bank of CIMB Thai:
 - 3.1 Sale of the CIMB Thai's 2,499,993 ordinary shares held in Sathorn Asset Management Co., Ltd. ("**STAMC**"), at the par value of Baht 10 each representing 99.99% of the registered capital of STAMC, for a total cash consideration of up to Baht 229,149,954 to CIMB Group Sdn Bhd ("**CIMB Group**") and/or its nominated subsidiary ("**Proposed Purchaser**") ("**Sale of STAMC**");
 - 3.2 Upon completion of the Sale of STAMC, the sale of an identified non-performing loan ("**NPL**") portfolio of CIMB Thai encompassing corporate, SME and retail secured NPLs with a net book value of Baht 3,160,530,190.71 ("**Sale Portfolio**") as at 31 December 2009 to STAMC for a total cash consideration of Baht 3,160,530,190.71 ("**Sale of NPLs**"); and
 - 3.3 Pursuant to the Sale of NPLs, CIMB Thai shall enter into a loan agreement with STAMC for the lending of up to Baht 3 billion which is to be fully guaranteed by CIMB Group Holdings Berhad for the partial financing of the Sale of NPLs, representing approximately 24% of the capital fund of CIMB Thai as at 31 December 2009 ("**CIMB Thai Loan**").

The above mentioned transactions (excluding 3.3) are considered connected transactions pursuant to the Notification of Capital Market Supervisory Board No. TorJor. 21/2551 re: Rules of Entering into Connected Transactions and the Notification of the Board of Governors of the Stock Exchange of Thailand: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546 (2003) ("**Notification of Connected Transactions**"). Furthermore, the transactions are also considered as a disposition of assets pursuant to the Notification of the Capital Market Supervision Board No. Tor Jor. 20/2551 re: Rules for Significant Transactions Constituting an Acquisition or Disposal of Assets and the Notification of the Stock Exchange of Thailand re: Disclosure of Information and Practice of Listed Companies Concerning the Acquisition and Disposition of Assets B.E. 2547 (2004) ("**Notification of Acquisition and Disposal Transactions**").

In addition, the BOD Meeting No. 12/2009, held on 25 November 2009, and the BOD Meeting No. 5/2010, held on 25 March 2010, approved the Bank's loan principle as prescribed in (3.3) which is considered as a transaction with general business terms and conditions as the Bank offers a loan to an outsider, and is thus considered an exemption to the Notification of Connected Transactions as a transaction in the ordinary course of business of the Bank, and shall not require shareholders' approval in a shareholders' meeting.

In this regard, the Bank would like to further disclose the details of the connected transactions, which requires shareholders' approval as follows:

1. Date of Transaction:

1) Sale of BTAM's shares	To occur after the Annual General Meeting of Shareholders No.16, to be held on 29 April 2010 and, subsequent approvals granted by the Bank of Thailand (" BOT "), the Office of Securities and Exchange Commission (the " SEC ") and/or any other agencies
2) Sale of Worldclass	
3) Restructuring of the Bad Bank of CIMB Thai	

- Sale of STAMC - Sale of NPLs	whose authority relates to the transaction (as applicable).
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2. Parties Involved:

2.1 Sale of BTAM's shares

Seller : The Bank

Purchaser : CPAM

2.2 Sale of Worldclass

Seller : The Bank

Purchaser : CIMB Bank

2.3 Restructuring of the Bad Bank of the Bank

(i) Sale of STAMC

Seller : The Bank

Purchaser : CIMB Group or its nominated subsidiary

(ii) Sale of NPLs

Seller : The Bank

Purchaser : STAMC (post-sale of STAMC)

3. Relationship:

- CIMB Bank is a major shareholder of the Bank, holding 93.15% of the Bank's total issued and paid-up capital;
- CIMB Group is a 99.99% shareholder of CIMB Bank and a 60.00% shareholder of CPAM; and
- As such, CIMB Group is the ultimate major shareholder of CIMB Thai, CIMB Bank, CPAM and STAMC (after sale of STAMC, CIMB Group will be a direct or indirect major shareholder of the bank and STAMC).

4. Characteristics of Transaction:

4.1 Sale of BTAM's shares

The Board of Directors has resolved to sell the Bank's entire equity interest in BTAM comprising up to 23,499,993 ordinary shares representing 99.99% of the registered capital of BTAM, for a total cash consideration of Baht 249,999,930 to CPAM.

BTAM has been loss making since its inception in December 2004 and requires capital injection from the Bank from time to time in order to comply with the minimum capital requirements as prescribed by the Securities and Exchange Commission of Thailand. As such, the BTAM Transaction would:

- (1) insulate the Bank from potential future losses of BTAM and the requirement for further capital injection as well as to realise gains from the sale;

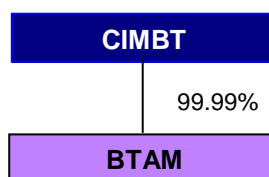
- (2) enable the Bank to focus on its core business, optimise its distribution network and maximise fee income from product distribution; and
- (3) improve the range and depth of products for the Bank to distribute arising from BTAM's direct access to CPAM's existing regional product suite.

CPAM is currently the second largest asset management company in Malaysia by size with assets under management (“AUM”) of approximately Baht 230 billion as at 31 December 2009. The principal activities of CPAM are the management of unit trusts and fund management activities for both institutions and corporates. Since its establishment in 1995, CPAM has grown from strength to strength by expanding its local reach in Malaysia and establishing regional presence in Singapore and Indonesia. CPAM is a joint venture between CIMB Group and Principal Financial Group, a leading Fortune 500 diversified global financial services group.

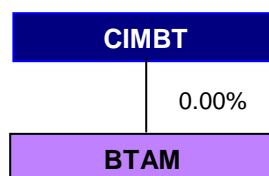
Sale of BTAM's shares is a transaction between the Bank and the connected persons of the Bank (as CPAM is 60.00% owned by CIMB Group and CIMB Group is also a 99.99% shareholder of CIMB Bank, which in turn holds 93.15% of the shares of the Bank) and the size of the Sale of BTAM's shares as described represents 3.36% which is more than 3% of the consolidated net tangible assets of the Bank, including its subsidiaries, according to the audited consolidated financial statements of the Bank as at 31 December 2009.

In this regard, the Sale of BTAM's shares is considered a disposition of assets as prescribed in Notification of Acquisitions and Disposal Transactions. The size of the transaction, on a net asset basis, is equal to 0.51%

Shareholder Structure of CIMBT (Before the Transaction)



Shareholder Structure of CIMBT(After the Transaction)



4.2 Sale of Worldclass

Sale of Worldclass was approved at the Board of Directors meeting No. 1/2553 on 28 January 2010, the details of Assets to Be Sold and the Offering Price as follows:

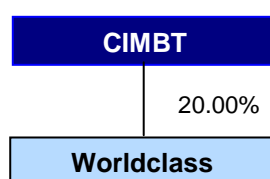
Details of assets	No. of shares (shares)	% of WCRC's issued and paid-up capital (%)	Par value (THB per share)	Offering price (THB per share)	Offering value (THB)	% of CIMBT's share holding stake in WCRC after the transaction
1. Common share	100,001	2.63	100.00	78.53*	7,853,078.53	0.00%
2. Preferred share	659,999	17.37	100.00	100.00	65,999,900.00	0.00%
Total	760,000	20.00			73,852,978.53	0.00%

Remark: The offering price for common stocks is subject to change according to the any changes in WCRC's audited financial statement for the year ended December 31st, 2009.

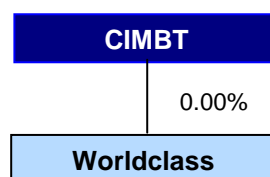
According to the resolutions of the said Board of Directors meeting, after offering the said shares to all existing shareholders and in the event that no other shareholders accept the offer within the period as prescribed in the Joint Venture Agreement between all shareholders of Worldclass dated 1 January 2001 (the offering process will take around 45 days), the sale of Worldclass is considered a disposition of assets as prescribed in the Notification of Acquisitions and Disposal Transactions. The size of the transaction, on a net profit basis, is equal to 135.46%.

Therefore, if no other shareholders accept the offer within the period as prescribed in such agreement and the Bank will offer the Worldclass shares to CIMB Bank, this causes the Sale of Worldclass to be considered a connected transaction as prescribed in the Notification of Connected Transactions, of which size of the transaction is equal to 0.99%, which is in excess of 0.03% but not more than 3% of the consolidated net tangible assets of the Bank, including its subsidiaries, according to the audited financial statements of the Bank as at 31 December 2009.

Shareholder Structure of CIMBT (Before the Transaction)



Shareholder Structure of CIMBT(After the Transaction)



4.3 Restructuring of the Bad Bank of CIMB Thai

The Board of Directors has resolved to:

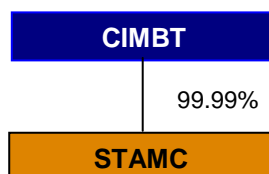
- (1) Sell CIMB Thai's 2,499,993 ordinary shares held in STAMC at the par value of Baht 10 each, representing 99.99% of the registered capital of STAMC, for a total cash consideration of Baht 229,149,954 to CIMB Group and/or its nominated direct or indirect subsidiary;
- (2) Sell an identified NPL portfolio of CIMB Thai encompassing corporate, SME and retail secured NPLs with a net book value of Baht 3,160,530,190.71 as at 31 December 2009 to the STAMC for a total cash consideration of Baht 3,160,530,190.71 upon completion of the Sale of STAMC; and
- (3) Pursuant to the Sale of NPLs and as an integral part of the proposals, CIMB Thai shall enter into a loan agreement with STAMC for the lending of up to Baht 3 billion which is to be fully guaranteed by CIMB Group Holdings Berhad for the partial financing of the Sale of NPLs, representing approximately 24% of the capital fund of CIMB Thai as at 31 December 2009.

In addition, the CIMB Thai Loan which is to be granted on an arm's length basis, on granted to the third party which have been approved by the Board of Directors No.12/2009, held on 25 November 2009, and No.5/2010, held on 25 March 2010. This transaction is considered an exemption to the Notification of Connected Transactions as a transaction in the ordinary course of business of the Bank, and shall not require shareholders' approval in a shareholders meeting.

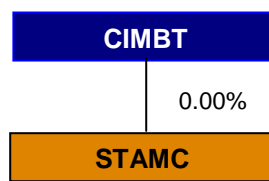
The above mentioned proposals shall positively impact the Bank, which includes:

- (1) Improves the Bank's overall asset quality and prevent the Bank from further losses on the Sale Portfolio. For illustrative purposes, based on the Bank's financial statements as at 31 December 2009, the NPL ratio of the Bank shall improve to 3.93% from 9.62% (reduction in NPL ratio by 5.69%);
- (2) Enables the Bank to focus on its core businesses and start on a clean slate for growth; and
- (3) Improves the capital position of the Bank. For illustrative purposes, based on the Bank's capital position as at 31 December 2009, the proposals shall improve the Bank's BIS ratio to 12.69% from 12.00%.

Shareholder Structure of CIMBT (Before the Transaction)



Shareholder Structure of CIMBT(After the Transaction)



Upon completion of the above mentioned proposals, CIMB Thai shall no longer hold any shares in STAMC. The Bank shall outsource its collections on existing NPLs to STAMC via a servicing agreement and it is likely that the Bank will continue to transfer future NPLs to STAMC. As such, this shall enable the Bank to leverage on a dedicated regional specialist in managing distressed assets at CIMB Group, while being able to re-allocate and focus its resources on the Bank's core banking businesses.

The transaction in items 4.3 (1) and (2) are considered connected party transactions (CIMB Group being an indirect major shareholder of the Bank), as prescribed in the Notification of Connected Transactions, the size of transactions (1) and (2) on a total consideration basis, is 45.52, which is more than 3% of the consolidated net tangible assets of the Bank, including its subsidiaries, according to the audited financial statements of the Bank as at 31 December 2009. In addition, in items 4.3 (1) and (2) are considered are considered acquisition and disposition of the Bank's assets in accordance with the Notification of regarding Acquisitions and Disposal Transactions; and based on the maximum criteria of net profit pursuant to the said notification, the asset size of all the above transactions is 1,974.48%, which is more than 50% of the profit.

The transactions in items 4.1 – 4.3 are considered connected party transactions, as prescribed in the Notification of Connected Transactions where the transaction value (which combines several connected transactions as mentioned above) is 49.87, which is more than 3% of the consolidated net tangible assets of the Bank, including its subsidiaries, according to the audited consolidated financial statements of the Bank as at 31 December 2009.

In addition, the above mentioned transactions, including any other acquisition and disposition transactions that have occurred during the past 6 months, are considered acquisition and disposition of the Bank's assets in accordance with the Notification of regarding Acquisitions and Disposal Transactions; and based on the maximum criteria of net profit pursuant to the said notification, the asset size of all the above transactions is 2,109.94%, which is more than 50% of the profit.

As such, the above mentioned transactions will be proposed for approval by the Bank's shareholders in a shareholders meeting by a vote of not less than three quarters of the votes of all shareholders who are present at the meeting and who are entitled to vote. As CIMB Bank is an interested shareholder, CIMB Bank shall abstain from voting on this agenda item at the Annual General Meeting of Shareholders No. 16 to be held on 29 April 2010.

5. Background information

5.1 Background information on BTAM

Name of company	:	BT Asset Management Company Limited
Nature of business	:	Asset management services for mutual funds, provident funds and private funds
Assets under management	:	Baht 19.2 billion as at 31 December 2009, with market share of approximately 0.8%
Registered capital	:	Baht 235 million (Par @ Baht 10)
Paid-up capital	:	Baht 235 million (Par @ Baht 10)
Loss after tax	:	For the financial year ended 2005 : Baht 54.3 million 2006 : Baht 48.1 million 2007 : Baht 36.4 million 2008 : Baht 10.7 million 2009 : Baht 44.2 million
Revenue	:	For the financial year ended 2005 : Baht 15.7 million 2006 : Baht 46.0 million 2007 : Baht 76.3 million 2008 : Baht 117.2 million 2009 : Baht 70.8 million
Total assets	:	Baht 56.2 million as at 31 December 2009
Total liabilities	:	Baht 15.2 million as at 31 December 2009
Shareholders' equity	:	Baht 41.0 million as at 31 December 2009
Commitments	:	- As at 31 December 2009, the Company has outstanding commitments under building lease and service agreement and other service agreement. The term of these agreements are 1-4 years and for which future rental and service for totaling Baht 4.2 million are payable by the Company (2008: Baht 7.5 million). - The Company has commitments in respect of the fee to be paid to the Office of the Securities and Exchange Commission for its license to manage mutual funds, private funds and provident funds. The fees are charged at the rate of 1 percent per annum of income from the aforesaid activities before deducting any expenses. The minimum and maximum levels of such fees are determined to be Baht 500,000 per annum and Baht 5,000,000 per annum, respectively.

5.2 Background information on Worldclass

Name of company	:	Worldclass Rent a Car Company Limited
Nature of business	:	Car rental and operating lease business
Registered capital	:	Baht 380 million (Par @ Baht 100)
Paid-up capital	:	Baht 380 million (Par @ Baht 100)
Net profit (loss) after tax	:	For the financial year ended 2005 : Baht 1.9million 2006 : Baht 1.5 million 2007 : Baht 14.3 million 2008 : Baht 27.5 million 2009 : Baht 29.2 million (unaudited)
Revenue	:	For the financial year ended 2005 : Baht 459.7 million 2006 : Baht 477.9 million 2007 : Baht 473.2 million 2008 : Baht 509.9 million 2009 : Baht 580.0 million (unaudited)
Total assets	:	Baht 1,469.6 million as at 31 December 2009 (unaudited)
Total liabilities	:	Baht 1,111.2 million as at 31 December 2009 (unaudited)
Shareholders' equity	:	Baht 358.4 million as at 31 December 2009 (unaudited)

Contingent Liabilities

As of 31 December 2008 and 2007 the Company had contingent liabilities from the issuance of letters of guarantee from a financial institution as the following:

Unit: Million Baht

<u>Consisting of</u>	<u>In favor of</u>	<u>2008</u>	<u>2007</u>
1. Lease agreement	MOCT PLC	0.37	0.37
2. Lease agreement	National Telecommunication Affairs Committee	1.33	1.33
3. Lease agreement	The Airports of Thailand Company Limited	1.70	1.70
4. Lease agreement	Bureau of Royal Household	2.54	-
5. Lease agreement	PTT PLC	2.54	-
6. Lease agreement	The Government Pharmaceutical Organization	-	0.26

5.3 Background information on STAMC

Name of company	:	Sathorn Asset Management Co., Ltd.
Nature of business	:	To manage distressed assets i.e. NPL and NPA; and to buy assets i.e. PL, NPL and NPA from closed financial institutes and operating financial institutes.
Registered capital	:	Baht 25 million (Par @ Baht 10)
Paid-up capital	:	Baht 25 million (Par @ Baht 10)
Net assets	:	Baht 229.15 million as at 31 December 2009
Profit (Loss) after tax	:	For the financial year ended

	2005 : Baht (0.69) million
	2006 : Baht (735.58) million
	2007 : Baht 139.35 million
	2008 : Baht 1,089.95 million
	2009 : Baht 86.12 million
Revenue	: Baht 22.79 million for the financial year ended 2009
Total assets	: Baht 313.02 million as at 31 December 2009
Total liabilities	: Baht 83.87 million as at 31 December 2009
Shareholders' equity	: Baht 229.15 million as at 31 December 2009
Commitments	- Operating lease commitments

The Company has entered into several lease agreements in respect of the lease of office building space and motor vehicles. The terms of the agreements are generally between 1 and 2 years.

As at 31 December 2009, future minimum lease payments required under these operating leases were approximately Baht 5 million. The Company is in the process of negotiating a reduction of the rental space under the operating lease contract for the office building space that was made with the parent company since the space as specified in the contract is not fully utilised.

- Service commitments

As at 31 December 2009, the Company has commitments to its parent company under an agreement whereby it is to pay service fees for loan collection agent and non-performing asset management services at the rate of 20 percent of cash proceeds from the management of non-performing assets.

5.4 Background information on NPLs

<i>Baht mil</i>	Outstanding Balance	Provision	Net Book Value	Disposal Price
Corporate & SME	4,964.1	(2,266.1)	2,698.1	2,698.1
Corporate & SME (CIMB Thai Investment)	71.3	(34.8)	36.5	36.5
Retail Secured	586.2	(160.2)	426.0	426.0
TOTAL	5,621.6	(2,461.1)	3,160.5	3,160.5

6. Basis used to determine the value of consideration:

6.1 Sale of BTAM's shares

The consideration of Baht 249,999,930 was determined on a willing buyer-willing seller basis, after taking into consideration, inter alia, the following:

- (1) Assets under management ("**AUM**") of BTAM of Baht 19.2 billion as at 31 December 2009. Based on the AUM size, the disposal consideration represents a price-to-AUM ("**P/AUM**") multiple of 1.3%;
- (2) Losses made by BTAM over the past 5 years;

- (3) Net assets of Baht 41.0 million as at 31 December 2009. Based on the size of net assets, the disposal consideration represents a price-to-net assets (“P/B”) multiple of 6.10 times;
- i. Previous transactions involving the sale and purchase of asset management companies in Thailand with average P/AUM multiple of 0.92% and P/B multiple of 1.87 times; and
- ii. Projected financial performance of BTAM.

6.2 Sale of Worldclass

Rationale of the transaction

- (i) Compliance with the Financial Institution Business Act B.E. 2551

CIMB Thai needs to comply with the Financial Institution Business Act B.E. 2551 which prohibits a commercial bank to invest and hold shares in any company in excess of 10% of total issued shares of the company. The consideration of Baht 73,852,978.53 was determined by using the book value approach, using the latest available unaudited financial report as at 30 September 2009. Nevertheless, the actual selling price will be based on audited financial statements of Worldclass as at 31 December 2009. Therefore, upon the audited financial statements becoming available, the Bank will calculate the selling price using the same approach, and as such, there is a possibility that the actual selling price might differ from Baht 73,852,978.53.

- (ii) To align with the Bank investment policy

As CIMB Thai’s investment policy is to invest only in businesses related banking financial services and has intention to divest all other current investment in companies (if possible) that are not relevant or supporting financial businesses.

6.3 Restructuring of the Bad Bank of CIMB Thai

- (i) **Sale of STAMC**

The consideration of Baht 229,149,954 was determined on a willing buyer-willing seller basis, after taking into consideration the following:

- (1) Projected cash flows from the existing portfolio of assets at STAMC;
- (2) The audited net book value of STAMC as at 31 December 2009. Based on the size of the net book value, the disposal consideration represents a P/B multiple of 1 time.

- (ii) **Sale of NPLs**

The consideration of Baht Baht 3,160,530,190.71 was determined on a willing buyer-willing seller basis, after taking into consideration the following:

- (1) Projected cash flows from the existing Sale Portfolio;
- (2) The audited net book value of the Sale Portfolio as at 31 December 2009. Based on the size of the net book value, the disposal consideration represents a P/B multiple of 1 time.

7. The conditions of the transaction:

- 7.1 The transactions require the approvals of the Bank's shareholders and the requisite regulatory authorities, which includes, amongst others the SEC and the BOT (as applicable); and
- 7.2 The transactions are considered connected transactions and a disposition of assets, and must be approved by the Bank's shareholders at a shareholders' meeting by a vote of not less than three quarters of the votes of all shareholders who are present at the meeting and entitled to vote in the Annual General Meeting of Shareholders No.16 to be held on 29 April 2010. As CIMB Bank is an interested shareholder, CIMB Bank shall abstain from voting in these agenda items at the Annual General Meeting of Shareholders.

8. Opinions of Board of Directors:

8.1 Sale of BTAM's shares

The Board of Directors (excluding CIMB Bank's representatives on the Board of Directors who had abstained from participating in consideration of voting on this matter at the Board of Directors' meeting) deliberated and concluded that the transaction is in the best interest of the Bank, after taking into consideration the benefits to the Bank.

8.2 Sale of Worldclass

The Board of Directors (excluding CIMB Bank's representatives on the Board of Directors who had abstained from voting on this matter at the Board of Directors' meeting) deliberated and concluded that the transaction is in the best interest of the Bank, after taking into consideration the benefits to the Bank.

8.3 Sale of STAMC and Sale of NPLs

The Board of Directors (excluding CIMB Bank's representatives on the Board of Directors who had abstained from voting on this matter at the Board of Directors' meeting) deliberated and concluded that the transaction is in the best interest of the Bank, after taking into consideration the benefits to the Bank.

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

All opinions are in accordance with the opinion of the Board of Directors.

10. Directors with special interest:

Mr. Kenny Kim and Dato' Robert Cheim, the representative directors from CIMB Bank, as well as Ms. Watanan Petersik, a director of CIMB Group, who may be deemed to have interest shall not be entitled to consider to vote.

11. Submission of Invitation to Shareholders:

The Bank will submit to the SEC and the Stock Exchange of Thailand ("**SET**") for perusal the invitation letter and other attachments before the invitation is sent to all shareholders. The 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

Company Name	:	CIMB Thai Bank Public Company Limited
Registration No.	:	0107537002338 (former Bor. Mor. Jor. 480)
Business Type	:	Commercial Banking
Head Office	:	Langsuan Building 44 Langsuan Road, Lumpini, Patumwan, Bangkok 10330
Telephone	:	0-2638-8000, 0-2626-7000
CIMB Thai Care Center	:	(66)-2-626-7777 Press 0
Facsimile	:	(66)-2-633-9026
Website:	:	www.cimbthai.com

1. **Background and key developments**

CIMB Thai¹ was established through the amalgamation of the Union Bank of Bangkok Public Company Limited, the 12 state-intervened finance companies² and Krungthai Thanakit Finance Public Company Limited³ 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 BOT issued an order to the Union Bank of Bangkok Public Company Limited to reduce its registered capital via a par value reduction from THB 10 per share to THB 0.01 per share, resulting in a decrease of the registered capital from THB 1,800 million to THB 1.8 million. The BOT then ordered Union Bank to increase its registered capital from THB 1.8 million to THB 12,334 million through the issuance of increased ordinary shares totaling 1,233,220 million shares at 0.01 THB per share, all of which were allotted to the FIDF. As a result, the Bank’s registered and paid-up capital was THB 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:

- (i) transfer of all assets and liabilities of 12 finance companies to Krungthai Thanakit Finance Public Company Limited; and
- (ii) 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 surrendered 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 To registered the name change to CIMB THAI Bank Public Company Limited on 1 May 2009.

² 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>

³ Previously named Krungthai Thanakit Finance and Securities Public Company Limited

In 1999, the Bank changed the par value of its ordinary shares from THB 0.01 per share to THB 10 per share and increased capital amounting to THB 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 THB 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. THB 10 per share. The FIDF paid for 3,706.80 million shares at the price of 10 THB per share, totaling THB 37,068 million. As a result, the Bank's registered capital increased to THB 52,334 million and the issued shares to THB 49,402 million, with the FIDF holding 100%.

Subsequently in 2000, the Bank reduced its registered capital by THB 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 THB 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 THB 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 THB 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 THB 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 THB 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 THB 15,068 million of the promissory notes in cash, and the remaining THB 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 THB 10 per share. The Bank increased its registered preferred share capital by 3,706.80 million shares at THB 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 THB 52,002.50 million, consisting of 1,493.45 million ordinary shares with a par value of THB 10 per share and 3,706.80 million preferred shares with a par value of THB 10 per share. The Bank's issued shares stood at THB 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 THB 300 million to the FIDF for its reacquisition rights.

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 THB 1,034.46 million plus interest of THB

111.18 million (a total of THB 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 THB 1,162 million (inclusive of interest calculated from 1 January 2007 – 30 May 2007 of THB 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 THB 4.17 per share, for a total amount of THB 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 THB 4.17 per share, for a total amount of THB 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 THB 10 per share to THB 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 2,811.86 million shares in the Bank (equivalent to 42.13% of the total and paid up shares of the Bank) at the price of THB 2.10 per share, totaling of THB 5,904.91 million.

On 5 November 2008, upon receiving the necessary approvals from the BOT, the Ministry of Finance and other regulatory authorities, CIMB Bank completed its purchase of ordinary shares from the FIDF, and as a result, emerged as the largest shareholder of the Bank with a shareholding of 42.13%. On 17 November 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 (3,862.83 million shares or 57.87% of the total issued and paid-up shares of the Bank) at the price of THB 2.10 per share, which is equivalent to a total consideration of THB 8,111.95 million. Upon completion of the tender offer on 6 January 2009, CIMB Bank's shareholding in the Bank had increased to 6,143.54 million shares, representing 92.04% of the total issued and paid-up shares of the Bank

On 3 September 2008, the Extraordinary General Meeting of Shareholders No.2/2008 approved an increase in the registered capital, from THB 25,030.12 million to THB 50,060.25 million by issuing 6,674.70 million new ordinary shares with a par value of THB 3.75 each.

On 20 February 2009, the Extraordinary General Meeting of Shareholder No. 1/2009 had approved to make an amendment on the resolution of Extraordinary General Meeting of Shareholders No. 2/2009 subjected to the previous stipulated offering price not lower than THB 0.66 per share amended to THB 0.38 per shares and approved a capital reduction via the reduction of par value from THB 3.75 per share to THB 0.50 per share. Upon completion of the share offering on 18 March 2009 which was fully subscribed by existing shareholders of the Bank totaling THB 2,536.38 million, CIMB Bank held 12,435.06 of the Bank's million shares which represents 93.15% of the total shares issued and paid up shares of the Bank, and registered the name change from BankThai Public Company Limited to CIMB THAI Bank Public Company Limited on 1 May 2009, with "CIMBT" designated as its stock trading sign.

CIMB Group is Malaysia's second largest financial services provider and one of Southeast Asia's leading universal banking groups. It offers consumer banking, investment banking, Islamic banking, asset management and insurance products and services. Headquartered in Kuala Lumpur, its key regional offices are located in Singapore, Indonesia and Thailand.

CIMB Group operates its business through three main brand entities, CIMB Bank, CIMB Investment Bank and CIMB Islamic. CIMB Group is also the majority shareholder of Bank CIMB Niaga in Indonesia, and the single largest shareholder of CIMB Thai in Thailand.

CIMB Group is listed on Bursa Malaysia via CIMB Group Holdings Berhad (formerly known as Bumiputra-Commerce Holdings Bhd) with market capitalisation of THB490 billion (USD15.1 billion) as of 31 March 2010. The Group has over 36,000 employees located in 9 countries.

2. Type of Business and Business Activities

The Bank is licensed by the Ministry of Finance and related authorities to engage in commercial banking, which constitutes the primary business of the Bank. In commercial banking, the Bank focuses on innovative and value-added products and services, particularly fee-based products and services such as to cash management, financial advisory and treasury.

The main business areas of the Bank can be summarised as follows:

- (i) Commercial banking: 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: life and non-life insurance brokerage as licensed by Office of Insurance Commission, 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) Bondholders' representative;
 - (e) Brokerage, dealing and underwriting of investment unit trusts;
 - (f) Custodian services;
 - (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.

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 2009, the Bank operated 27 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 465 ATM terminals across the country.

C) **List of Management and list of 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 31 March 2010 is as follows:

No.	Name	Title
1.	Mr. Chakramon Phasukavanich	Chairman
2.	Dato' Robert Cheim Dau Meng	Vice Chairman
3.	Mr. Sukont Kanjana-Huttakit	Independent Director/Chairman of Audit Committee
4.	Dato' Shaarani Bin Ibrahim	Independent Director/Member of Audit Committee
5.	Mr. Chatchawal Eimsiri	Independent Director/Member of Audit Committee
6.	Mrs. Watanan Petersik	Independent Director
7.	Mr. Preecha Oonchitti	Director
8.	Mr. Kenny Kim	Director
9.	Mr. Chin Yuen Yin	Director
10.	Mr. Subhak Siwaraksa	President and Chief Executive Officer

Note: Additional Information relating to Directors

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

2. **Executive Management**

The Executive Management Committee of the Bank as at 31 March 2010 is as follows:

No.	Name	Title
1.	Mr. Subhak Siwaraksa	President and Chief Executive Officer
2.	Mrs. Duangphorn Sucharittanuwat	Senior Executive Vice President Corporate Banking Group
3.	Mr. Surachai Chitratsenee	Senior Executive Vice President SME Banking Group and Acting Retail Banking Group
4.	Mr. Lee Teck Seng	Senior Executive Vice President Treasury Group
5.	Mr. Ekajai Tivutanond	Senior Executive Vice President Legal & Recovery Group
6.	Mr. Narongchai Wongthanavimok	Senior Executive Vice President Strategy & Finance Group
7.	Mrs. Panute Na Chiangmai	Executive Vice President Risk Management Group
8.	Mr. Wee Kim Peng	Senior Executive Vice President Group Information and Operations Division
9.	Mr. Kongpob Watanasin	Executive Vice President Human Resources Management Division

Note: 1. "Executive Management" means 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. <i>Illegal Record</i>	: None
B. <i>Debt on Bank or subsidiary companies</i>	: None
C. <i>Conflict of Interest</i>	: None

3. Shareholders

The top 10 shareholders of the Bank as at 12 March 2010 are as follows:

No.	Name of shareholders	Number of Shares	% of Total
1.	CIMB BANK BERHARD	12,435,069,760	93.15
2.	BARCLAYS BANK PLC, SINGAPORE	529,733,488	3.97
3.	Thai NVDR Co., Ltd.	55,934,510	0.42
4.	Mr. Pisit Prukpaiboon	17,488,600	0.13
5.	Mrs. Jaroonluk Panitchchiva	5,150,085	0.04
6.	SCBSET Index Fund.	4,835,300	0.04
7.	Mrs. Ranee Auetaweekul	4,300,000	0.03
8.	Mr. Preecha Sujinantakul	3,450,000	0.03
9.	Mr. Phairoj Charoenwisuttiwong	3,426,500	0.03
10.	Mr. Songchai Atcharyahiranchai	3,396,500	0.03
	Other shareholders	286,616,421	2.15
	Total 5,911 shareholders	13,349,401,164	100.00

(8 April 2010 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 8 April 2010) to the all shareholders present at the Annual General Meeting of Shareholders No. 16)

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 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). 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 is as follows (as disclosed in the financial note Item 34):

- (i) As at 31 December 2008, loans and contingent liabilities associated with one executive from the level of vice president upwards amounted to THB 1 million; and
- (ii) As at 31 December 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:

(Unit: Million THB)

Company Name	Obligations	Outstanding loan / Investments in receivables	Interest rate	Deposits	Nature of relationship
					% shareholding Joint Management

Subsidiary companies

Company Name	Obligations	Outstanding loan / Investments in receivables	Interest rate	Deposits	Nature of relationship	
					% share-holding	Joint Management
BT Securities Co., Ltd.	-	86	MLR - 1.5%, 9%	51	99.99	Directors with delegated signature authority: Mrs. Duangphorn Sucharittanuwat, Mrs. Panute Na Chiangmai
BT Leasing Co., Ltd.	-	2,259	MOR- 2%,3.6%, 4.2%	11	99.99	Directors with delegated signature authority: Mr. Surachai Chitratsenee, Mr. Tada Charukitphaisan
BT Asset Management Co., Ltd.	-	-	-	7	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.	-	-	-	51	99.99	Directors with delegated signature authority: Mr. Preecha Oonchitti, Mr. Phirasilp Subhapholsiri, Mr. Ekajai Tivutanond, Mr. Surachai Chitratsenee
Sathorn Asset Management Co., Ltd.	-	1,224	3.5%, 3.53%, 3.55%	153	99.99	Directors with delegated signature authority: Mr. Ekachai Tivutanond, Mr. Prasert Wangrattanapranee Mr. Songwud Buakhem, Mr. Thaphop Kleesuwan
Krungthai Thanakit Finance Plc.*	-	-	-	147	99.10	None of directors and executives are related by blood.

Company Name	Obligations	Outstanding loan / Investments in receivables	Interest rate	Deposits	Nature of relationship	
					% share-holding	Joint Management
BT WorldLease Co., Ltd.	310	488	MLR, 2% of obligations	46	75.04	Directors with delegated signature authority: Mr. Surachai Chitratsenee, Mr. Tada Charukitphaisan *The other shareholders are not related persons
<u>Subsidiary held by the Bank's subsidiary (BT WorldLease Co., Ltd.)</u>						
Asset Liability Management Co., Ltd.	-	-	-	1	-	Subsidiary held by the Bank's subsidiary (BT WorldLease Co., Ltd.)
<u>Associate Companies</u>						
Worldclass Rent A Car Co., Ltd.	4	-	MLR, %2 of obligations	4		None of directors and executives are related by blood.
<u>Related Companies</u>						
Millea Life Insurance (Thailand) Public Co., Ltd.	-	-	-	59	15.26	Director: Mr. Chamnarn Wangtal, Mr. Tada Charukitphaisan
Senju Metal (Thailand) Co., Ltd.	-	-	-	12	10.00	None of directors and executives are related by blood.
Cenmetal (Thailand) Co., Ltd.	-	-	-	12	10.00	None of directors and executives are related by blood.
Wongpaitoon Group Plc.	-	89	0.1%	-	11.33	None of directors and executives are related by blood.
Energy Complex Co., Ltd.	-	-	-	6	-	Mr. Chatchawal Eimsiri

*** Currently undergoing liquidation process**

The Bank pays interests on deposits made by related parties at the normal rates granted to general depositors.

In year 2009, the Bank recorded significant business transactions with its subsidiary, associated and affiliated 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 have been concluded under commercial terms and based on the mutually agreed upon criteria in the ordinary course of business between the Bank and its subsidiary, associated and affiliated companies. Details are as disclosed in the Notes to Financial Statements item 32.

Connected Transactions with persons who may have conflicts of interest are as follows:

Name and relationship	Transaction characteristics and value	Conditions of transaction	Necessity and reasonableness with Audit Committee's opinion
CIMB Bank (L) Ltd., a company 99.99% held by CIMB Bank, which in turn owns 93.15% in the Bank	Issuance and offering of hybrid debt capital instruments which is regarded by the BOT as tier 2 capital (hybrid tier 2 debt capital) amounting to THB 2,500 million	The effective yield rate of the hybrid tier 2 debt capital is determined subject to the prevailing market conditions and under the terms at the time of issuance	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

Loans, deposits and contingent liabilities

- 1) 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:

(Unit: Million THB)

Company name	Contingent liabilities	Outstanding loans / Investments in receivables	Deposits	% Share-holding	Joint management
<u>Subsidiary companies</u>					
CIMB Securities (Thailand) Co., Ltd. (Formerly known as "BT Securities Co., Ltd.")	-	55	109	99.99	Director with delegated signature authority: Mr. Lee Teck Seng
BT Leasing Co., Ltd.	-	2,260	31	99.99	Directors with delegated signature authority: Mr. Surachai Chitratsenee Mr. Tada Charukitphaisan
BTAM	-	-	17	99.99	Director with delegated signature authority: Mr. Ekajai Tivutanond
BT Business Consulting Co., Ltd.	-	4	1	99.99	Directors with delegated signature authority: Mr. Chirawat Chaiyawat, Mr. Arnon Limmongkol

Company name	Contingent liabilities	Outstanding loans / Investments in receivables	Deposits	% Shareholding	Joint management
BT Insurance Co., Ltd.	-	-	57	99.99	Directors with delegated signature authority: Mr. Preecha Oonchitti, Mr. Ekajai Tivutanond, Mr. Surachai Chitratsenee, Mr. Tada Charukitphaisan
STAMC	-	-	30	99.99	Directors with delegated signature authority: Mr. Ekajai Tivutanond, Mr. Thaphop Kleesuwan
Krungthai Thanakit Finance Plc.*	-	-	254	99.10	None of directors and executives are related by blood.
BT WorldLease Co., Ltd.	200	528	37	75.04 * The other share holders are ont related persons	Directors with delegated signature authority: Mr. Surachai Chitratsenee, Mr. Tada Charukitpaisarn
<u>Associated company</u>	3	-	-	-	None of directors and executives are related by blood.
<u>Related companies</u>					
CIMB Bank (L) Ltd.	-	-	-	-	CIMB Bank (L) Ltd., a company 99.99% held by CIMB Bank, which in turn owns 93.15% in the Bank
Other Companies	-	125	340	-	None of directors and executives are related by blood.
<u>Related persons</u>	-	-	64	-	None of directors and executives are related by blood.

* Currently undergoing liquidation process

The Bank pays interests on deposits made by related parties at the normal rates applicable to general depositors.

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

Summary of Financial Statements and Ratios of CIMB Thai for the year ended December 31, 2009, 2008 and 2007

(THB : million)

	AUDITED		
	2009	2008 (Restated)	2007 (Restated)
	Amount	Amount	Amount
Financial Position			
Total Assets	138,902.99	212,719.74	204,153.76
Interbank and money market items	14,809.06	43,000.97	8,474.01
Investment – net	21,628.14	46,228.49	75,527.07
Loans and accrued interest receivables - net	77,131.96	82,610.24	88,372.44
Total Liabilities	131,279.53	207,684.87	202,739.72
Deposits	88,424.24	160,005.58	166,183.23
Interbank and money market items	9,872.93	9,985.68	7,736.62
Borrowings	15,047.87	6,598.14	8,088.75
Shareholders' equity	7,623.46	5,034.87	1,414.04
Issued and paid-up share capital	6,674.70	25,030.13	8,343.38
share discount	-	(10,606.99)	-
Retained earnings (Deficit) and other reserve	948.76	(9,388.27)	(6,929.34)
Operating results			
Total Income	8,851.15	9,963.48	8,886.09
Interest and dividend income	7,390.81	10,974.93	13,935.92
Non-interest income	1,460.34	(1,011.45)	(5,049.83)
Total Expenses	8,782.44	12,750.62	16,312.96
Interest expenses	2,985.15	5,424.82	7,651.84
Bad debt and doubtful accounts	1,145.00	2,196.00	3,563.00
Non-interest expenses	4,652.29	5,129.80	5,098.12
Net income (loss) for the years	68.71	(2,787.14)	(7,426.87)
Net income (loss) attributable to equity holders of the Bank *(THB)	0.01	(0.43)	(3.72)
Financial Ratios			
Yield Rate (%)	5.54	7.05	8.27
Cost Rate (%)	2.06	3.02	4.01
Spread (%)	3.48	4.02	4.26
Net Profit (%)	0.78	(27.97)	(83.58)
Return on Equity (%)	1.09	(86.44)	(215.13)
Return on Assets (%)	0.04	(1.34)	(3.50)
Allowance for Doubtful Accounts per Total Loan (%)	5.21	5.97	7.66
Bad Debt per Total Loan (%)	2.87	2.11	0.02
Dividend Paid (%)	-	-	-
Capital Fund per Risk Assets (%)	11.99	5.80	1.48
1st Tier Capital Funds per Risk Assets (%)	6.00	3.57	0.81

Source: Audited financial statements of the Bank of the year ended December 31, 2009, 2008 and 2007

Summary of Financial Statements and Ratios of CIMB Thai and its subsidiaries for the year ended December 31, 2009, 2008 and 2007

(THB : million)

	Audited		
	2009	2008 (Restated)	2007 (Restated)
	Amount	Amount	Amount
Financial Position			
Total Assets	140,341.56	214,051.03	205,752.98
Interbank and money market items	15,369.55	43,367.15	8,741.49
Investment – net	20,714.60	45,520.19	76,957.44
Loans and accrued interest receivables – net	78,298.63	83,656.89	88,096.75
Total Liabilities	132,397.43	208,915.80	205,041.96
Deposits	88,398.76	159,777.02	166,028.94
Interbank and money market items	9,947.37	10,249.75	7,698.81

	Audited		
	2009	2008 (Restated)	2007 (Restated)
	Amount	Amount	Amount
Borrowings	15,143.44	7,069.13	9,715.09
Shareholders' equity	7,944.13	5,135.23	711.02
Issued and paid-up share capital	6,674.70	25,030.13	8,343.38
share discount	-	(10,606.99)	-
Retained earnings (Deficit) and other reserve	1,269.43	(8,827.53)	(7,165.15)
Operating results			
Total Income	9,885.09	12,017.45	10,350.60
Interest and dividend income	7,754.18	11,366.84	14,469.38
Non-interest income	2,130.91	650.61	(4,118.78)
Total Expenses	9,880.77	14,001.07	17,277.56
Interest expenses	2,997.72	5,484.23	7,704.80
Bad debt and doubtful accounts	1,160.87	2,315.36	3,478.26
Non-interest expenses	5,671.61	6,141.53	6,084.62
Net income (loss) for the years	4.32	(1,983.62)	(6,926.96)
Equity holders of the Bank	1.67	(1,989.79)	(6,928.73)
Net income (loss) attributable to equity holders of *(Baht)	0.00	(0.31)	(3.70)
Financial Ratios			
Yield Rate (%)	5.77	7.24	8.43
Cost Rate (%)	2.06	3.04	4.02
Spread (%)	3.71	4.20	4.41
Net Profit (%)	0.02	(16.56)	(66.94)
Return on Equity (%)	0.03	(68.07)	(277.45)
Return on Assets (%)	0.00	(0.95)	(3.26)
Allowance for Doubtful Accounts per Total Loan (%)	9.21	9.68	11.15
Bad Debt per Total Loan (%)	2.77	2.12	0.09
Dividend Paid (%)	-	-	-
Capital Fund per Risk Assets (%)	-	-	-
1st Tier Capital Funds per Risk Assets (%)	-	-	-

Source: Audited consolidated financial statements of the Bank for the year ended December 31, 2009 2008 and 2007

ANALYSIS OF FINANCIAL STANDING AND OPERATING PERFORMANCE

1. Performance Results

Consolidated operating results

For the financial year ended 31 December 2009, the Bank and its subsidiaries (“**CIMB Thai Group**”) reported a net profit of THB 1.7 million compared to a net loss of THB 1,990 million for 2008. This marked a significant turnaround amounting to THB 1,991 million. The turnaround was mainly driven by the 228% expansion in Non Interest Income primarily due to gain on sale of investments as well as there were no marked-to-market losses for Collateralised Debt Obligation (“**CDO**”) as there had been in 2008 since all the CDO’s were disposed in 2008. The Group’s total gross loans shrank 7% year-on-year as the Bank’s capital positioning the first quarter did not allow the loan book to grow. Soon after the recapitalisation was completed in April 2009, the loan book grew steadily especially during the second half of 2009.

(A) A summary of CIMB Thai Group’s income

CIMB Thai Group’s total income as presented in the consolidated financial statements as at 31 December 2009 was THB 10 billion. This represented a decrease of THB 2.1 billion or 18% compared to the same period of 2008. Interest and Dividend Income was THB 7.8 billion showing a decline of THB 3.6 billion or 32% from 2008. Interest from loans

dropped by THB 1.4 billion while interest from money market dropped by THB 0.4 billion together with a drop of THB 1.9 billion in Investments Income in 2009.

CIMB Thai Group's Non Interest Income for 2009 was THB 2.1 billion showing a substantial improvement of THB 1.5 billion or 228% compared to 2008. It was mainly attributed to gains from sale of investments. Non Interest Income represented 22% of the total income in 2009.

(B) Cost of Funds and Operating Expenses

CIMB Thai Group's interest and operating expenses (including bad and doubtful debts and corporate income tax) for 2009 was THB 9.9 billion. This was a decline of THB 4.1 billion or 29% from 2008. The decrease was largely due to the drop in interest expense declining by THB 2.5 billion or 45% compared to that of 2008. This large drop in interest expense was mainly from the rightsizing of the Group's deposit structure following better balance sheet management.

Non interest expense (including bad and doubtful debts and corporate income tax) was THB 6.9 billion showing a decrease of THB 1.6 billion or 19% from the same period last year. The reduction was mainly due to the decrease of bad debts and doubtful accounts of THB 1.2 billion or 50% from 2008, coupled with 8% drop in operating expenses or THB 0.5 billion year-on-year.

(C) Net Profit / (Loss)

CIMB Thai Group's net profit for 2009 was THB 1.7 million compared to a net loss of THB 1,990 million the previous year. The increase in the profit were largely due to the absence of marked-to-market losses in from CDOs in 2009 as such investments were disposed in 2008, lower loan loss provisioning from a better and more streamlined collection process especially in retail banking and lower non interest expense from better cost management but offset by one-off write off of assets in 2009.

(D) Return on Equity

For the year ending 2009, CIMB Thai Group showed a return on equity of 0.03% compared to negative 68.1% in 2008. For the Bank only figures, the return on equity was 1.09% compared to negative 86.44% for the same period last year. The ratio reflected the turnaround of the Bank in 2009. However, those turnaround activities only materialised in the second half of 2009 as the Bank was very much involved in the recapitalisation during the first half of the year.

2. CIMB Thai Group's financial position

Assets

CIMB Thai Group's primary assets consist of loans, investments, interbank and money market items. As at 31 December 2009, CIMB Thai Group had total assets of THB 140 billion showing a decrease of THB 74 billion or 34% as compared to the end of 2008. Net loans outstanding amounted to THB 78 billion, a decrease of THB 5.4 billion or 6% year-on-year as a result of capital constraints in the first quarter of 2009. Investments were at THB 21 billion, a decrease of THB 25 billion or 54% following the disposal of THB 19 billion available-for-sales securities and THB 5 billion held-to-maturity debt securities during 2009. The interbank and money market items were THB 15 billion, a decrease of THB 28 billion or 65% as a result of deposit rightsizing in reducing excess liquidity especially high cost deposits thus leaving lesser funds to place out in the interbank and money market.

Asset Quality

- (a) Loans and loan concentration

As at 31 December 2009, CIMB Thai Group's net outstanding loans was THB 78 billion showing a decline of THB 5 billion or 6% compared to THB 84 billion at the end of 2008. Repayments of loans were higher than extensions of the loans during the year especially during the first quarter of 2009 as the weakened capital position did not allow the Bank to disburse loans. Loans (excluding loans to financial institutions) were mainly extended to the retail consumer sector and manufacturing sector. These two sectors made up 26% each of total loans granted in 2009. Loans granted to the retail consumer sector amounted to THB 23 billion, a decrease of THB 2 billion or 8.1%, while loans granted to manufacturing sector totalled THB 22 billion representing a decrease of 1.7 billion or 7% year-on-year. The remaining loan disbursements were made to the commercial, real estate and construction, public utilities and service sectors.

To avoid concentration risk in any particular industry, the Bank continued to diversify the proportion of loans granted to various business sectors, which was in compliance with its credit policy to extend loans to customers of vital business sectors with good growth potential and customers from all categories of large, medium, small and retail sectors. Lending continued to focus on customers who are manufacturers in high-potential sectors and on increasing the valued retail customer portfolio.

(b) Classification of assets

As at 31 December 2009, the Bank's gross loans (including accrued interest receivables, but excluding loans to financial institutions) stood at THB 81 billion whereas allowance for bad and doubtful debts was THB 4 billion. For the Bank only basis, the ratio of non-performing loans to total loans (including money market and Repo) was at 9.6% while the loan loss coverage was 47% as compared to 8.2% and 53% in 2008 respectively. On the CIMB Thai Group consolidated basis, the non-performing loans to total loans ratio (including money market and Repo) was 12.8%, with loan loss coverage of 62% compared to 10.8% and 66% respectively in 2008.

The Bank has closely monitored the status of each loan by maintaining a database of loans with outstanding balances ageing by segregating 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) over 12 months past due which is in line with loan classification rules imposed by the BOT. Based on such information, the Bank reviews repayment records together with account history for debt reclassification, the collection process and forecasting trends for non-performing loans.

(c) Non-performing loans (substandard loans)

As at 31 December 2009, CIMB Thai Group's non-performing loans (before allowance for doubtful debts) amounted to THB 12.8 billion or 13% of the outstanding loan portfolio. In the same period last year, the non-performing loans were to THB 13.6 billion or 11%. Such loan classification was made in accordance with the BOT notification dated 3 August 2008 which classifies non-performing loans into substandard, doubtful, doubtful or loss and doubtful loans written off.

(d) Criteria for income recognition

Revenue is recognised on accrual basis based on the outstanding principal amount. With respect to defaulted loans where the last payment of principal or interest was more than three months overdue, interest accrual will no longer be recognised while already-accrued interest during the past three months will be reversed. This interest reversal is made in compliance to the directive of the BOT. Any subsequent interest received after this period will be recognised on a cash basis.

The interest income on restructured loans is recognised on an accrual basis except for loans that have yet to comply with the restructuring agreement. In this respect, the interest is recorded as income on a cash basis until the borrower is able to comply with the restructuring conditions for at least three consecutive months or at least by three consecutive instalments, whichever is longer.

The interest on investments is recognised on accrual basis based on the effective rate. The dividend from securities is recognised when the right to receive the dividends is established.

The gain or loss on sale of investment is recognised as income or expense on the transaction date.

Liabilities and Shareholders' Equity

As at 31 December 2009, CIMB Thai Group had the total liabilities of THB 132 billion representing a decrease of THB 77 billion or 37% from 31 December 2008. The major component contributing to the decline was the total deposits which was declined by THB 71 billion or 45% to THB 88 billion. This large reduction resulted from the deposit rightsizing initiative which reduced high cost/excess deposits. Interbank and money market liabilities decreased by THB 0.3 billion or 3% to THB 10 billion while the borrowings increased by THB 8 billion or 114% to THB 15 billion following the issuance of subordinated debt as part of the Bank's recapitalisation program in April 2009.

As at 31 December 2009, the shareholders' equity was THB 7.9 billion representing an increase of THB 2.8 billion or 55% compared to 2008. The major movements included the capital injection of THB 25 billion followed by a capital reduction of THB 43 billion from a par value reduction from THB 3.75 to THB 0.50 per share. This capital reduction was made in offsetting the accumulated retained losses and the share discount account.

With the current capital position together with relatively small profits, CIMB Thai Group did not declare any dividends for its shareholders in 2009. The Board of Directors also approved to appropriate THB 3.5 million of the current year profit of THB 68.7 million into statutory reserve and to carry the remaining net profit forward into retained earnings.

Liquidity

The cash and cash-equivalent items, as indicated in the cash flow statement of the Bank and its subsidiaries at the end of 2009, were THB 2.8 billion, showing a decrease of THB 1.8 billion from that of 2008. Details of the changes are as follows:

Net cash used in operations in 2009 was THB 39 billion. The losses from operations before changes in operating assets and liabilities was THB 3.2 billion including THB 55 million the net profits for the year while the remaining deficit of THB 3.3 billion resulted from adjustments of non-cash items to net profit, mainly from bad debts and doubtful accounts and interest expenses.

Operating assets for the year decreased by THB 32 billion due to the decrease in interbank and money market items, securities purchased under resale agreement and investments held for trading. Meanwhile, operating liabilities decreased by THB 72 billion resulting from the decline in deposits as above mentioned.

Net cash from investing activities was THB 26 billion mainly due to the decrease in investment securities. The net cash from financing activities was THB 10 billion as a result of an increase in cash received from capital injection coupled with the increase in short-term and long-term borrowings/

Relationships between Sources and Uses of Funds

Two major sources of funds for the Bank were deposits and borrowings while the uses of funds covered the extension of loans. As at 31 December 2009, the Bank had deposits, borrowings and loans classified by maturities as follows:

(THB : million)

Maturities	Credits ^{a/}	%	Deposits ^{a/}	%	Borrowings ^{a/}	%
Payable on demand	9,858	10.38	25,146	27.91	548	2.36
Up to one year	41,949	44.18	58,123	64.51	17,192	73.97

Over one year	43,139	45.44	6,834	7.58	5,503	23.67
Total	94,946	100.00	90,103	100.00	23,243	100.00

^{a/} Including interbank and money market items.

The Bank derived its funds from customer deposits which can be categorised as follows:

(THB: million)

Categories of Deposit	2009		2008		2007	
	Amount	%	Amount	%	Amount	%
Current and savings deposits	25,146	27.91	24,023	14.22	28,462	16.56
Fixed deposits	64,957	72.09	144,913	85.78	143,422	83.44
Total	90,103	100.00	168,936	100.00	171,884	100.00

Ratios

Capital funds and Capital adequacy ratio

As at 31 December 2008, the Bank's assets were THB 5 billion in excess of its liabilities. Though the remaining represented the positive shareholders' equity balance of the Bank's capital funds adequacy ratio (BIS ratio) was less than the regulatory requirement at 5.8%.

In 1Q09, the Bank raised capital via a 1:1 rights issue to its existing shareholders at an offering price of THB 0.38 per share which helped increase the paid up capital by THB 2.5 billion followed by a capital reduction exercise by decreasing the par value per share from THB 3.75 to THB 0.50 per share, which offset the share discount and retained losses. This improved the capital adequacy ratio to 9.8%.

The Bank had also in 1Q09 issued and offered THB 2.5 billion cumulative hybrid tier-2 debt capital securities with a face value of THB 1,000 each for the total amount of THB 2.5 billion with a tenor of 10 years maturing 27 March 2019 to CIMB Bank (L) Ltd, which has CIMB Bank Berhad (Major Company of the Bank) as a major shareholder, all of which was approved by the BOT to be included as Tier-2 capital which further improved the capital adequacy ratio to 12.4%, which is higher than 8.5% ratio prescribed in the BOT's notification.

As at 31 December 2009, the Bank's total capital funds was THB 7.9 billion while the capital adequacy ratio was 12.0%. This was calculated in line with the Basel II directives in relation to the calculation of capital funds.

Liquid assets ratio

The BOT requires all commercial banks to maintain a minimum liquid assets ratio of not less than 6% of total deposits and offshore borrowings with less than one-year maturity. At the end of 2009, the Bank's total liquid assets were THB 23.6 billion, while its loan-to-deposit ratio stood at 105%. The liquid assets to total assets ratio was 17% and liquid assets to total deposits was 26%. All of these ratios were within the regulatory minimum requirement.

Investment in subsidiaries

In 2009, CIMB Thai had injected additional capital of THB 45 million and THB 75 million in the form of common share capital into its subsidiaries, BTAM and BT Leasing Co., Ltd. respectively. BT Asset Management provides asset management and investment services while BT Leasing provides hire purchase and leasing services to its customers.

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, the major shareholder of the Bank, holds 12,435,069,760 shares of the Bank, which represents 93.15% 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 connected transactions and Disposition of the Bank's Assets in the Annual General Meeting of Shareholders No. 16 to be held on 29 April 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.

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

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