

Ref. CIMBT.OFP. 124/2012

**Notice Convening Annual General Meeting of Shareholders No. 18  
CIMB Thai Bank Public Company Limited**

27 March 2012

Subject: Invitation to the Annual General Meeting of Shareholders No. 18

To: Shareholders

The Board of Directors of CIMB Thai Bank Public Company Limited (“**CIMB Thai**” or the “**Bank**”) resolved to convene the Annual General Meeting of Shareholders No. 18 (“**AGM**”) on Thursday, 12 April 2012, at 2.00 p.m. at the Auditorium Room, 9<sup>th</sup> Floor, CIMB Thai Bank Public Company Limited, 44 Langsuan Road, Lumpini, Patumwan, Bangkok, to consider the following agenda items together with the Board of Directors’ opinions:

**Agenda item 1**                      **To certify the minutes of Annual General Meeting of Shareholders No. 17 held on 20 April 2011**

Objective and reason: The Annual General Meeting of Shareholders No. 17 was held on 20 April 2011, a copy of the minutes of which is attached in Enclosure No.1.

Board of Directors’ opinion: It is deemed appropriate for the shareholders to certify that the minutes of the Annual General Meeting of Shareholders No. 17 held on 20 April 2011 have been properly recorded.

**Agenda item 2**                      **To acknowledge the Bank’s operating results for the year 2011**

Objective and reason: The Bank’s 2011 operating results are presented to the AGM as shown in the enclosed 2011 Annual Report (Enclosure No. 2).

Board of Directors’ opinion: The Board deems it appropriate for the meeting to acknowledge the 2011 operating results of the Bank.

**Agenda item 3**                      **To consider and approve the statements of financial position and the statements of comprehensive income for the fiscal year ended 31 December 2011**

Objective and reason: To comply with the Public Limited Companies Act which stipulates that a public limited company shall prepare its statements of financial position and the statements of comprehensive income as of the end of the fiscal period and shall submit the same to the AGM to consider and approve the statements of financial position and the statements of comprehensive income for the fiscal year ended 31 December 2011, as shown in the 2011 Annual Report and in the Summary of the Financial Information as audited and certified by PricewaterhouseCoopers ABAS Ltd., the auditor of the Bank. Salient points are as follows:

	Statements of financial position and Statements of comprehensive income		
	Consolidated	Bank only	
Total assets	168,023	166,551	THB million
Total liabilities	154,612	153,316	THB million
Total income	7,772	6,541	THB million
Net profit	1,325	1,346	THB million
Profit per share	0.08	0.08	THB

Details are shown in Enclosure No. 2.

**Board of Directors' opinion:** The Board deems it appropriate for the AGM to approve the statements of financial position and the statements of comprehensive income for the fiscal year ended 31 December 2011, both of which have been audited and certified by the auditor of the Bank.

**Agenda item 4 To consider and approve the appropriation of profit for the year 2011 and no payment of dividend**

**Objective and reason:** For the year ended 2011, the Bank reported financial statements as at 31 December 2011 audited by a certified public accountant showing a net profit of THB 1,345,960,079. The Board of Directors has considered it proper for the AGM to approve the appropriation of profit for the year 2011 to the statutory reserve of THB 67,500,000 and the remaining net profit after appropriation of THB 1,278,460,079 as retained earnings. After the appropriation of profit, the Bank has cumulative retained earnings of THB 2,090,075,421.

The Board of Directors may consider from time to time and as appropriate and according to the Bank's Articles of Association distributing dividends to its shareholders if its operations are profitable, and provided that it has sufficient funds to support its business and legal reserve requirements. Pursuant to the Public Limited Companies Act B.E. 2535 (1992), dividends shall be paid only when all accumulated losses have been cleared. The Bank's policy is to allocate dividends to shareholders at not over 40% of its net profit (after corporate income tax) for the respective year. However, the Bank plans to grow its loans aggressively in a bid to increase its asset size, boost profitability capability and suit the Bank's current business structure. In addition, the capital so appropriated can be used for future business expansion and preparation for the upcoming Basel III directive which largely emphasizes on Tier 1 capital. Therefore, it is considered appropriate not to make dividend payment for the fiscal year ended 31 December 2011.

**Dividend payment for 2011 and 2010**

	Year 2011	Year 2010
Dividend payment	No payment	No payment

**Board of Directors' opinion:** It is deemed appropriate for the AGM to approve the appropriation of 2011 profit and no payment of dividend for the year 2011 as proposed.

**Agenda item 5 To consider and approve directors' remuneration for the year 2012**

**Objective and reason:** The Board of Directors has a policy and criteria in place to determine remuneration for the Board and Board Committee members under the recommendation of the Nomination and Remuneration Committee to ensure that the remuneration is at appropriate rate commensurate with the duties and responsibilities of the Board and Board Committee members, and comparable with those of its peers in the industry. As the best practice in line with corporate governance principles, the Bank has disclosed information on the roles and responsibilities as well as remuneration rate of the Board and Board Committee members in the 2011 Annual Report, pages 69 - 87 and page 89, to support the meeting's consideration.

**Board of Directors' opinion:** The Board considers it proper as recommended by the Nomination and Remuneration Committee for the AGM to approve the remuneration for the Board and Board Committee members for 2012, which would remain unchanged, as shown below:

1. **Meeting and entertainment allowances for Board members:**

Remuneration	Year 2012 (Proposed year)	Year 2011
1. Monthly meeting allowance		
• Chairman	130,000 THB/person	130,000 THB/person
• Vice Chairman	88,000 THB/person	88,000 THB/person
• Director	44,000 THB/person	44,000 THB/person
2. Monthly entertainment allowance		
• Chairman	70,000 THB/person	70,000 THB/person

(Directors are responsible for paying their own income tax.)

2. Remuneration for Board Committee members: Directors who are required to serve on other Board committees are entitled to receive additional monthly meeting allowances as follows:

Monthly meeting allowance	Year 2012 (Proposed year)	Year 2011
1. Audit Committee		
• Chairman	52,000 THB/person	52,000 THB/person
• Committee member	40,000 THB/person	40,000 THB/person
2. Nomination and Remuneration Committee		
• Chairman	52,000 THB/person	52,000 THB/person
• Committee member	40,000 THB/person	40,000 THB/person
3. Credit Committee Level 2		
• Chairman	52,000 THB/person	52,000 THB/person
• Committee member	40,000 THB/person	40,000 THB/person

Remark: Most of the committees are chaired by the President or have the President as member. Nevertheless, the President has declared his intention not to receive the meeting allowances in those committees. In addition, Dato' Robert Cheim Dau Meng and Mr. Kenny Kim have declared their intention not to receive the meeting allowance in those committees.

**Agenda item 6**                      **To appoint the auditor and determine the auditor's remuneration for the year 2012**

Objective and reason: The Public Limited Companies Act states that the AGM shall appoint an auditor and determine the auditing fee of the company annually, and the former auditor may be reappointed. The Audit Committee has accordingly selected and presented to the Board of Directors to seek further approval from the AGM for the appointment of PricewaterhouseCoopers ABAS Ltd. ("**PWC**") as the Bank's auditor for the year 2012. Any of the following three CPA holders shall be empowered to audit, perform and sign off on the Auditor's report.

	<u>CPA License number</u>	<u>Number of years as the Bank's auditor</u>	<u>Bank's auditor since</u>
1. Mr. Boonlert Kamolchanokkul	5339	2	Since 2010
2. Mrs. Unakorn Phruithithada	3257	-	-
3. Mrs. Anothai Leekijwattana	3442	-	-

PWC is a well-known and independent audit firm with expertise in the banking sector by providing good project management support to the Bank finance function in improving initiatives and managing other projects of the Bank. The above CPA holders and PWC have no relationships or any interests or any transactions which may bring about conflict of interests with the Bank, subsidiaries, executives, major shareholders or other related persons. In this regard, the appointment of PWC has duly been approved by the Bank of Thailand ("**BOT**").

The Board also deems it proper to propose an audit fee and other fees totaling THB 10,010,942 consisting of:

	2012 THB	2011 THB	% increase/ (decrease)
- Review of financial statement for Q1 and Q3	2,274,360	2,200,000	3
- Audit of Bank's financial statement for periods ended June & December	5,413,116,	5,878,000	(8)

- Special audit for the Bank of Thailand	537,576	520,000	3
Audit fees	8,225,052	8,598,000	(4)
- CIMB Group reporting fee*	1,165,610	1,127,500	3
- BOT IT audit	620,280	600,000	3
Other fees	1,785,890	1,727,500	3
Total audit and other fees	10,010,942	10,325,500	(3)

\* Half year and full year Group reporting for 2012

Moreover, PWC is the auditor of four subsidiary companies of the Bank, namely:

- |   |                         |
|---|-------------------------|
| 1. CIMB Securities (Thailand) Co., Ltd. | 3. CT COLL Co., Ltd.    |
| 2. Center Auto Lease Co., Ltd.          | 4. Worldlease Co., Ltd. |

The annual audit fee of four subsidiaries by PWC for year 2012 totaled THB 2,330,086, up from year 2011 at THB 2,208,500 by 6% or THB 121,586. CIMB Group reporting fees for subsidiaries will be THB 93,042, up from year 2011 of THB 90,000 by 3% or THB 3,042. Overall CIMB Thai Group audit and other fees for 2012 totaled THB 12,434,070, down 1.5% as compared with 2011 of THB 12,624,000. In the previous fiscal period, the Bank and a subsidiary obtained services from the audit firm for which the auditors were working as well as persons or businesses related to the auditors and the audit firm for which the auditors were working amounting to THB 1,515,000 and THB 450,000 respectively.

Board of Directors' opinion: It is deemed appropriate for the AGM to appoint PriceWaterhouseCoopers ABAS Ltd., represented by Mr. Boonlert Kamolchanokkul (CPA License No. 5339) and/or Mrs. Unakorn Phruithithada (CPA License No. 3257) and/or Mrs. Anothai Leekijwattana (CPA License No. 3442), as CIMB Thai Group auditor for the year 2012 and to determine the auditing fee and other fees for 2012 of THB 10,010,942 for the Bank and THB 2,423,128 for the subsidiaries, making up the total auditing fees and other fees of the CIMB Thai Group for the year 2012 of THB 12,434,070.

#### **Agenda item 7                      To consider the election of directors to replace those due to retire by rotation**

Objective and reason: To comply with the Public Limited Companies Act and the Articles of Association of the Bank No. 18, which state that at every annual general meeting of shareholders, one-third of the directors shall vacate office. The director who has held office longest shall retire. Moreover, the retiring director is eligible for re-election. At this AGM, three directors who shall retire by rotation are as follows:

- |                                |                      |
|--------------------------------|----------------------|
| 1. Dato' Robert Cheim Dau Meng | Director             |
| 2. Dato' Shaarani Bin Ibrahim  | Independent Director |
| 3. Mr. Subhak Siwaraksa        | Director             |

Pursuant to the good corporate governance, the Bank has allowed shareholders to propose qualified persons without any prohibited characteristics for the election of directors according to the nomination criteria and process notified via the Stock Exchange of Thailand and the Bank's website. It has turned out that no shareholder has proposed any names to the Bank.

To re-elect the three directors who have completed their terms to serve for another term of office, no proposal for consideration was made via the Nomination and Remuneration Committee since the retiring directors no. 1 and no. 2 above are members of the Committee, and thus have beneficial interest therein. The matter was accordingly submitted directly to the Board for endorsement.

Board of Directors' opinion: The Board (excluding directors with beneficial interest) considered it appropriate for the AGM to re-elect the three members of the Board of Directors due to retire by rotation as the Bank's Directors for another term. The Board view that the three members of the Board of Directors are fully qualified and have no prohibited characteristics under the criteria of the regulatory authorities and the relevant laws. In addition, they possess the required qualifications, skills, knowledge, capabilities and experience in the specific fields essential to the Bank, with dedication to the Bank's operations and adherence to code of ethics, work profile transparency and independence in expression of viewpoints. The appointment of the three directors to serve on the Board for another term has duly received approval from the Bank of Thailand. Therefore, the AGM is requested to elect the

three members of the Board, i.e. (1) Dato' Robert Cheim Dau Meng, (2) Dato' Shaarani Bin Ibrahim, and (3) Mr. Subhak Siwaraksa, as directors for another term. Profiles of the directors so proposed are detailed in Enclosure No. 3.

**Agenda item 8**                      **To consider and approve the increase in registered capital of the Bank by THB 4,894,780,426.00 from THB 8,157,967,378.00 to THB 13,052,747,804.00 via the issuance of 9,789,560,852 new ordinary shares with a par value of THB 0.50 per share**

**Objective and reason:** To strengthen the Bank's position with the increase in tier 1 capital and support its business growth, the Board of Directors resolved to increase the Bank's registered capital by THB 4,894,780,426.00 from THB 8,157,967,378.00 to THB 13,052,747,804.00 via (i) Rights Offering (as defined in Agenda item 10); and (ii) General Mandate Rights Offering (as defined in Agenda item 11), which entails the potential issuance and offering of an aggregate of 9,789,560,852 new ordinary shares of the Bank with a par value of THB 0.50 per share to its existing shareholders in proportion to their shareholding.

**Board of Directors' opinion:** The Board deems it appropriate to seek the AGM's approval of the increase in the registered capital of the Bank by THB 4,894,780,426.00 from THB 8,157,967,378.00 to THB 13,052,747,804.00 via the issuance of 9,789,560,852 new ordinary shares of the Bank with a par value of THB 0.50 per share.

**Agenda item 9**                      **To consider and approve an amendment to Clause 4 of the Memorandum of Association of the Bank to correspond with the increase in registered capital**

**Objective and reason:** In order to be consistent with the registered capital increase of the Bank as earlier proposed in Agenda item 8, the existing clause shall be repealed and replaced with the following:

"Clause 4	Registered capital	THB 13,052,747,804.00	<i>(Thirteen billion fifty two million seven hundred and forty seven thousand eight hundred and four baht only)</i>
	Divided into	26,105,495,608 shares	<i>(Twenty six billion one hundred and five million four hundred and ninety five thousand six hundred and eight ordinary shares)</i>
	Par value per share	THB 0.50	<i>(fifty satang)</i>
	Divided into		
	Ordinary shares	26,105,495,608 shares	<i>(Twenty six billion one hundred and five million four hundred and ninety five thousand six hundred and eight ordinary shares)</i>
	Preferred shares	- shares	<i>- shares"</i>

**Board of Directors' opinion:** It is deemed appropriate for the AGM to consider and approve an amendment to Clause 4 of the Memorandum of Association of the Bank to correspond with the increase in registered capital as proposed in Agenda item 8, and authorization of the person appointed by the Board of Directors or the President to register the amendment of the Memorandum of Association with the Department of Business Development, the Ministry of Commerce, and to amend or add information as ordered by the registrar.

**Agenda item 10**

**To consider and approve the offering and allocation of 4,894,780,426 new ordinary shares with a par value of THB 0.50 per share, totaling THB 2,447,390,213.00 ("Rights Shares") to existing shareholders in proportion to their shareholding at the ratio of 3 new shares for every 10 existing CIMB Thai shares held, at a price of THB 1 per share ("Offering Price") ("Rights Offering"), and to determine the terms of allotment of the Rights Shares**

**Objective and reason:** The AGM is requested to consider and approve the allocation of the Rights Shares of 4,894,780,426 shares each of THB 0.50 par value, totaling THB 2,447,390,213.00 to existing shareholders whose names appear in the register book on the record date, to be set by the Board of Directors or the President or any director of the Bank, in proportion to their shareholding at the Offering Price of THB 1 per share and at the ratio of 3 new shares for 10 existing CIMB Thai shares.

The increase in the Bank's registered capital and the Rights Offering are subject to the approval from the shareholders and the relevant regulatory authorities to enable all shareholders of the Bank to participate in the Rights Offering on an equitable basis.

**Board of Directors' opinion:** It is deemed appropriate for the AGM to consider and approve as follows:

- (1) An allocation of 4,894,780,426 Rights Shares with a par value of THB 0.50 per share, totaling THB 2,447,390,213.00 to existing shareholders in proportion to their shareholding ("Rights Offering") at the Offering Price of THB 1 per share and at the ratio of 3 new shares for every 10 existing CIMB Thai shares.
- (2) Any Rights Shares remaining after the Rights Offering shall be allocated to any shareholders who have indicated an intention to subscribe in excess of their rights pursuant to their entitlement in the Rights Offering until all Rights Shares are fully subscribed;
- (3) Any fraction of the allocated shares that arises as a result of the re-allotment shall be discarded;
- (4) The issuance, offering and allocation of the Rights Shares shall only take place after the Bank has obtained the relevant regulatory approvals and consents, which include the Bank of Thailand and the Ministry of Finance, to enable all shareholders of the Bank to have the opportunity to participate in the Rights Offering on an equitable basis; and
- (5) Authorization of the Board of Directors or the President or any director of the Bank to (1) consider and approve other terms and conditions relating to the Rights Offering, including the closing date of the shareholders' register book and the record date for the subscription rights to the Rights Shares; and (2) execute any relevant documents, and do all acts, deeds and things necessary for and expedient in relation to the Rights Offering and the increase in registered capital of the Bank, as well as give information and file any documents and evidence to the Stock Exchange of Thailand, the Bank of Thailand, the Ministry of Commerce and any other regulatory authorities.

At the Offering Price, the total amount to be raised under the Rights Offering would be THB 4,894,780,426. Upon the Rights Offering, the Bank's BIS ratio based on the audited financial statements as of 31 December 2011 would increase from approximately 13.2% to 16.6 %.

**Agenda item 11**

**To consider and approve the offering and allocation of 4,894,780,426 new ordinary shares with a par value of THB 0.50 per share under general mandate ("General Mandate Rights Shares"), totaling THB 2,447,390,213.00 to existing shareholders in proportion to their shareholding and determination of the terms of allotment of the General Mandate Rights Shares**

**Objective and reason:** The Stock Exchange of Thailand has issued criteria concerning the capital increase under general mandate. By this method, a listed company may seek approval from the shareholders' meeting the capital increase framework (number of shares and types of allotment) in advance, with the company's board of directors authorized to decide on the details of issuance and allotment as deemed appropriate under such

framework and to enhance flexibility in the business operations and ensure adequate capital funds for the business expansion of the Bank.

Board of Directors' opinion: It is deemed appropriate to seek consideration and approval from the AGM for the following:

1. An allocation of 4,894,780,426 new ordinary shares with a par value of THB 0.50 per share, totaling THB 2,447,390,213.00 to the existing shareholders in proportion to their shareholding under general mandate ("**General Mandate Rights Offering**") which will not exceed 30% of the paid-up capital as of the date the Board of Directors has passed the resolution thereon. As of 6 March 2012, the Bank's paid-up registered capital was THB 8,157,967,378.00.
2. Authorization of the Board of Directors or the President or any person designated by the Board of Directors to consider and determine the objective for the issuance and allotment of the new shares, either in one whole amount or in several times; to fix the offering price, date and time of the allotment of the shares, and other terms and conditions relating to the General Mandate Rights Offering, including the closing date of the shareholders' register book and the record date for the subscription rights to the General Mandate Rights Shares; and to execute any relevant documents, and do all acts, deeds and things necessary for and expedient in relation to the General Mandate Rights Offering and the increase in registered capital of the Bank, as well as give information and file any documents and evidence to the Stock Exchange of Thailand, the Bank of Thailand, the Ministry of Finance, the Ministry of Commerce and any other regulatory authorities.
3. The said capital increase shall be valid until the next AGM in 2013 or by the date required by law for the next AGM, whichever is earlier, and shall take place after an approval has been given by relevant regulatory authorities including the Bank of Thailand and the Ministry of Finance, and the registration of the capital increase and amendment to Memorandum of Association has been made with the Department of Business Development, the Ministry of Commerce.

**Agenda item 12**

**To consider and approve an amendment of the Resolution of Annual General Meeting of Shareholders No. 17 held on 20 April 2011 regarding the issuance and offering of debentures of the Bank (Agenda No. 8)**

Objective and reason: In Agenda item no. 8 of Annual General Meeting of Shareholders No. 17, held on 20 April 2011, the meeting approved the Bank's mobilization of funds for use in its business, by way of the Bank and/or its branches issuing and offering debenture of all types and all forms within the limit of THB 30 billion, including debentures issued but not yet redeemed at any time (the "**Old Resolution**").

To enhance the flexibility in managing the Bank's capital structure and the efficiency of its strategic plans, respond to customers' demand, and develop the country's capital market as a whole; as well as to clarify the Old Resolution on revolving debenture issuance, it is considered appropriate to request the AGM's approval of an amendment of the Old Resolution allowing the Bank to expand the issuance limit and issue the revolving debenture of all types. The rationales are:

- (1) To align with the new regulatory criteria on issuance and offering of bill of exchange (BE) which aims to control commercial banks' issuance of BE as has formerly been made flexibly, necessitating the Bank to consider raising fund via debenture issue as an alternative.
- (2) In the near future, commercial banks can only issue embedded debt in form of debenture.

The key amendments are regarding the total issue size of the debentures, from not exceeding THB 30 billion to not exceeding THB 40 billion with revolving condition thereby the Bank can issue and offer any types of debentures. It is thus requested that the Old Resolution be amended to read as follows:

"Approval for the Bank to raise funds for use in business operations thereby the Bank and/or any branches of the Bank can issue and offer all types and all forms of debentures, within the limit of THB 40 billion or other equivalent foreign currencies, including debentures issued but not yet redeemed at any time. This shall be at the Bank's discretion and subject to the need to utilize such funds, as well as the following conditions:

- Types : All types and forms of debentures (including but not limited to subordinated debentures, unsubordinated debentures, hybrid capital debentures, convertible debentures, securitized debentures, secured debentures, unsecured debentures and/or derivatives debentures) depending on market condition at such time the debentures are to be offered.
- Amount and Currency : Principal amount of debentures, including debentures issued but not redeemed, at any time shall not exceed THB 40 billion. Debentures may be issued in THB or other currency in equivalent amount as applied by the exchange rate prevailing at such time the debentures are issued and offered.
- Offer for Sale : The debentures shall be offered in Thailand and/or overseas to the public and/or on a limited offering or private placement basis, and/or to institutional investors/high net-worth investors according to notifications of Capital Market Supervisory Board (“CMSB”), the Bank of Thailand, the Securities and Exchange Commission (“SEC”) and/or the Office of the SEC and/or other related notification, rules and regulations in force at the time that the debentures are offered. Debentures may be offered to investors in all types and also be offered in whole or in part, and/or as a program, and/or in revolving nature. The debentures may be issued and offered separately from, in combination with, or together with other securities.
- Interest Rate or Yield : Interest and yield shall depend on market condition at such time the debentures are issued and offered or under terms and conditions of the debentures issued at such time. This shall be subject to notifications of CMSB, BOT, SEC and/or the Office of the SEC and/or other related notifications, rules and regulations in force at such time the debentures are issued and offered.
- Redemption Period : Redemption period shall depend on market condition at such time the debentures are issued and offered.
- Early Redemption : Debenture holders may or may not have the right to request the Bank to redeem any debentures issued prior to the redemption period. The Bank may or may not have the right to make early redemption. This shall be subject to terms and conditions of the debentures issued at such time.

Furthermore, the meeting is requested to entrust the Board of Directors, the President or a person or group of persons, to determine the condition in offering debt securities, e.g. interest rate, subscription period, offering value in each time of offering, person acting as registrar and debenture holders’ representative, including proceeding with other acts and conducts as necessary and executing the debenture issue-related documents as deemed necessary and appropriate, as well as to delegate power to a person or group of persons to undertake the same.

Board of Directors’ opinion: The Board deems it appropriate to seek consideration and approval from the AGM for an amendment of the Resolution of Annual General Meeting of Shareholders No. 17, held on 20 April 2011, regarding the Issuance and Sale of Debentures of the Bank (Agenda No. 8) as proposed.



**Agenda item 13**

**To consider and approve sale of 109,999,993 ordinary shares held by the Bank in CIMB Securities (Thailand) Co., Ltd. (“CIMBS”) with a par value of THB 10 each, representing 99.99% of the registered capital of CIMBS, for a total cash consideration in the range of THB 1,066,800,000 - 1,117,600,000 to CIMB Securities International Pte Ltd. (“CIMBSI”), a wholly owned subsidiary of CIMB Group Sdn Bhd (“Sale of CIMBS”)**

**Objective and reason:** The Annual General Meeting of Shareholders No. 17 of the Bank held on 20 April 2011 passed a resolution disapproving the proposed sale of 49,999,993 ordinary shares held by CIMB Thai in CIMB Securities (Thailand) Co., Ltd. (“**CIMBS**”) with a par value of THB 10 each, representing 99.99% of CIMBS’s registered capital, to CIMB Securities International Pte Ltd. (“**CIMBSI**”), a wholly owned subsidiary of CIMB Group Sdn Bhd (“**CIMB Group**”). Later, on 7 September 2011, the Bank was required to make additional equity investment in CIMBS in the amount of THB 600 million to serve the increase in its securities brokerage volume. After such capital increase, the Bank now owns 109,999,993 ordinary shares in CIMBS. To accommodate future securities brokerage transactions which are expected to increase, the securities company has planned to raise capital by another THB 700 million. Even with the Bank’s further funding of the capital increase, CIMBS still has consecutive operating losses to be resolved. Therefore, to relieve the Bank’s burden of funding CIMBS’s future recapitalization amid the intensifying competition in face of Thailand’s liberalization of securities business in 2012, to mitigate risks associated with securities business undertakings, and most importantly, to restructure the financial advisory service in relation to corporate banking and treasury business of the Bank to ensure higher efficiency, while refocusing its resources (especially capital fund) to its existing core businesses, the Board of Directors meeting of CIMB Thai No. 3/2012 held on 6 March 2012 has approved the Sale of CIMBS, totaling 109,999,993 ordinary shares held in CIMBS, with a par value of THB 10 each, representing 99.99% of the registered capital of CIMBS, for a total cash consideration in the range of THB 1,066,800,000 - 1,117,600,000 to CIMBSI, or THB 9.70 – 10.16 per share. This represents a price-to-book multiple of 1.05 – 1.10 times the audited book value of CIMBS as at 31 December 2011. In this regard, the exact transaction price will be determined upon the approval of the transaction by the Bank’s Annual General Meeting of Shareholders No. 18 to be held on 12 April 2012 (the “**Sale of CIMBS**”).

(Please see details of the Sale of CIMBS in Enclosure No. 4 - Information Memorandum in respect of the Connected Transactions of the Bank)

The aforementioned transaction is considered as a connected transaction as prescribed in the Notification of the Capital Market Supervisory Board TorJor 21/2551 re: Related Party Transactions and the Notification of the Board of Governors of the Stock Exchange of Thailand re: Disclosure of Information and Acts of Listed Companies Concerning the Connected Transactions B.E. 2546 (2003) as well as the amendments thereof (“**Notification of Connected Transactions**”), since the size of the transaction of the Sale of CIMBS is 8.30% – 8.70%, which is more than 3% of the net tangible assets (“**NTA**”) of the Bank and its subsidiaries, based on the audited consolidated financial statements as at 31 December 2011, which amounts to THB 12,851.02 million.

There are also other connected transactions previously approved by the Board that have taken place in the past six months, i.e. the Bank has provided back office and other services (Insourcing) to Sathorn Asset Management Co., Ltd. (“**STAMC**”) valued at THB 32 million. The aggregate size of these connected transactions computed according to the Notification of Connected Transactions is 8.55% – 8.95% of the NTA of the Bank and its subsidiaries, based on the audited consolidated financial statements as at 31 December 2011 (inclusive of back office and other services provided to STAMC above (Insourcing))

As such, the Sale of CIMBS shall be proposed for approval 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 who are entitled to vote. As CIMB Bank Berhad (“**CIMB Bank**”) is an interested shareholder, CIMB Bank shall abstain from voting on this Agenda item at the AGM No.18 to be held on 12 April 2012.

In addition, the aforementioned transaction is considered a disposition of the Bank’s assets in accordance with the Notification of the Capital Market Supervisory Board No. TorJor. 20/2551 re: Rules for Significant Transactions Constituting an Acquisition or Disposal of Assets and the Notification of the Board of Governors of the Stock Exchange of Thailand re: Disclosure and Procedures of Acquisition and Disposition of Assets of Listed Companies B.E. 2547 (2004) (“**Notification of Acquisition and Disposal Transactions**”); and based on the maximum criteria of net asset value, the value of the transaction is 7.74% of the NTA (Transaction size cannot be calculated according to net profit criteria as CIMBS posted operating losses), which is lower than 15%. As such, disclosure of the transaction and the approval from a shareholders’ meeting are not required pursuant to the Notification of Acquisition and Disposal Transactions.

The Bank has appointed Jaydee Partner Limited as the independent financial adviser to opine on the Sale of CIMBS for the AGM's consideration as prescribed in the aforementioned Notification of Connected Transactions.

(Please see the opinion of the independent financial adviser in Enclosure No. 5.)

Board of Directors' opinion: The Board (excluding CIMB Bank's representatives on the Board who abstained from participating in consideration of and voting on this Agenda item) deems it appropriate to seek consideration and approval from the AGM for the proposed Sale of CIMBS, and authorization of the President or any director of the Bank to consider the execution of the Sale of CIMBS in the proposed price range, and do all acts, deeds and things necessary for and expedient in relation to the transaction including, among others, the negotiation and execution of definitive agreements with the proposed purchaser, CIMBSI, and with CIMBS, as well as to proceed with the filings to any relevant regulatory authorities (if required).

**Agenda item 14**                      **Other matters (if any)**

We hereby invite you to attend the AGM on the date, time and at the place specified above. If you have any question regarding the Agenda items, please submit your question in advance to the e-mail address of the Bank, i.e. shareholders.services1@cimbthai.com. The questions can be submitted from 29 March 2012 to 4 April 2012.

In order to expedite and facilitate the registration for the attendance of the AGM, each shareholder and/or proxy shall present to the registrar on the meeting date or deliver to the Bank secretary prior to the meeting the named shareholder certificate or the proxy containing barcode as in the form attached, as well as an evidence showing identification in attending the meeting. The Bank specified the names of the shareholders who have the right to attend the AGM on Tuesday, 20 March 2012 (Record Date), and closed the share register book to suspend the share transfer for the purpose of collecting the names of shareholders in accordance with Section 225 of the Securities and Exchange Act on Wednesday, 21 March 2012.

Sincerely yours,



Subhak Siwaraksa  
President and Chief Executive Officer  
CIMB Thai Bank Public Company Limited