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No. AEC019/2021

August 25, 2021

Re: Interim Dividend Payment, The Acquisition of Business through the Purchase and Receipt the Transfer of 100% of Charter Capital in SHBank Finance Company Limited and the Electronic Extraordinary General Meeting of Shareholders (e-EGM)

To: The President
The Stock Exchange of Thailand

The Board of Directors of Bank of Ayudhya PCL (the "Bank") no. 8/2564 (2021) held on August 25, 2021 has passed the following resolutions:

1. Approved the interim dividend payment from the Operating Result for six-month period ended June 30, 2021 to the holders of 7,355,761,773 ordinary shares at the rate of THB 0.40 per share, which is in accordance with the Bank of Thailand's circular letter No. BoT.ForNorSor. 1 Wor. 552/2564 Re: Dividend Payment Policy to Strengthen Capital Funds for supporting the risk of the corona virus situation, dated June 10, 2021.

In this regard, the interim dividend payment was made from the retained earnings subject to the Corporate Income Tax rate of 23%. As a result, an individual shareholder may apply for tax credit at the rate of 23/77 of the dividend amount.

Thailand Securities Depository Company Limited, which is the Bank's Registrar, will be the paying agent for this dividend payment.

2. Approved to propose to the Extraordinary General Meeting of Shareholders to consider and approve the acquisition of business through the purchase and receipt the transfer of 100% of charter capital in SHBank Finance Company Limited ("SHB Finance"), which operates consumer finance business in Vietnam, from Saigon-Hanoi Commercial Joint Stock Bank ("SHB Bank") ("Transaction"), which requires the approval from Bank of Thailand ("BOT"), State Bank of Vietnam ("SBV") and Japanese Financial Services Agency ("JFSA"), with total consideration up to approximately VND 3,590.3 billion (or equivalent to THB 5,184.4 million). The Transaction will be divided into 2 phases.

1. The purchase and receipt the transfer of the 50% of charter capital in SHB Finance (“The First Purchase and Receipt the Transfer of Charter Capital”), which is subject to approval from Bank of Ayudhya Public Company Limited’s shareholders, the BOT and the SBV, for a consideration up to approximately VND 1,573.4 billion (or equivalent to THB 2,272.0 million). In which, the consideration of The First Purchase and Receipt the Transfer of Charter Capital is based on the estimated minimum equity book value of VND 1,168.9 billion (or equivalent to THB 1,687.8 million). The consideration of The First Purchase and Receipt the Transfer of Charter Capital may decrease if the actual equity book value as of the closing date of The First Purchase and Receipt the Transfer of Charter Capital is less than the estimated equity book value.
2. The purchase and receipt the transfer of the 50% of charter capital remaining from The First Purchase and Receipt the Transfer of Charter Capital (“The Second Purchase and Receipt the Transfer of Charter Capital”), which will be entered in the next 3 years after the completion of The First Purchase and Receipt the Transfer of Charter Capital, and subject to approval from the SBV and the JFSA, for a consideration up to approximately VND 2,016.9 billion (or equivalent to THB 2,912.4 million). The consideration of The Second Purchase and Receipt the Transfer of Charter Capital will depend on the equity book value as of the closing date of The Second Purchase and Receipt the Transfer of Charter Capital and may be adjusted with amount of capital injection or capital decrease occurred during period of 3 years from the closing date of The First Purchase and Receipt the Transfer of Charter Capital to the closing date of The Second Purchase and Receipt the Transfer of Charter Capital.

In addition, it was resolved to delegate approval authority to President & CEO and Chief Financial Officer or the persons whom these to delegate to determine and/or modify the process, timing, and other relevant matters necessary for the completion of the Transaction.

Note: - Exchange rate of THB 1 to VND 692.5 as of August 3, 2021
- Since SHB Finance is registered as a limited liability company in Vietnam, which does not have any shares as limited company or public company in Thailand. In this regard, this transaction will be the purchase and receipt the transfer of the charter capital.

The purposes of the Transaction are to grow the Bank’s business outside Thailand, to increase competitive advantage and to expand customer base in Southeast Asia. This Transaction is also subject to satisfactory regulatory approvals from the BOT, and/or other relevant regulators in Thailand and other countries.

This Transaction is not classified as an asset acquisition transaction that requires the Bank to report the information memorandum thereon to the Stock Exchange of Thailand or to seek approval thereof from the shareholders meeting pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets, and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets, 2004. The Transaction is also not classified as a connected transaction of assets or services. The Bank is, therefore, not required to disclose the information

memorandum to the SET nor to seek approval from shareholders pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions, 2003. Nonetheless, to comply with Section 107 of the Public Limited Company Act B.E. 2535 (1992) and Section 43 of the Financial Institution Business Act B.E. 2551 (2008), the Bank is obliged to submit this matter to the shareholders meeting for approval.

3. Approved to summon the e-EGM No.1/2564 (2021) on Friday, October 29 2021 at 10.00 hrs. according to laws and regulations relating to electronic meeting, to consider the following agendas:

Agenda 1 To adopt the Minutes of the Annual General Meeting of Shareholders No. 109 held on April 29, 2021

Agenda 2 To acknowledge the payment of interim dividend for six-month period ended June 30, 2021

Agenda 3 To consider and approve the acquisition of business through the purchase and receipt the transfer of 100% of charter capital in SHB Finance which operates consumer finance business in Vietnam

Agenda 4 Other Business (if any)

4. Approved to determine the list of shareholders who are entitled to attend the e-EGM No. 1/2564 (2021) and receive dividend payment (Record Date) on Wednesday, September 8, 2021 with the scheduled interim dividend payment by Wednesday, September 22, 2021.

The shareholders are able to download the Notification of the e-EGM No.1/2564 (2021) and the meeting documents from the Bank's website: www.krungsri.com from Wednesday, September 15, 2021 onwards.

For the shareholders who wish to attend e-EGM, please thoroughly study registration procedures and granting of proxy to attend the e-EGM, which will be delivered to the shareholders together with Notice of Meeting.

Please be informed accordingly.

Yours sincerely,



(Mr. Seiichiro Akita)

President and Chief Executive Officer

Information Memorandum regarding the Acquisition of Business through the Purchase and Receipt the
Transfer of 100% of Charter Capital in SHBank Finance Company Limited Which Operates Consumer Finance
Business in Vietnam

1. Date of Transaction

The acquisition of business through the purchase and receipt the transfer of 100% of charter capital in SHBank Finance Company Limited (“SHB Finance”), which operates consumer finance business in Vietnam, from Saigon-Hanoi Commercial Joint Stock Bank (“SHB Bank”) (“Transaction”), which requires the approval from Bank of Thailand (“BOT”), State Bank of Vietnam (“SBV”) and Japanese Financial Services Agency (“JFSA”). The date of the transaction will be divided into 2 phases:

1. **The purchase and receipt the transfer of the 50% of charter capital in SHB Finance** (“The First Purchase and Receipt the Transfer of Charter Capital”): As soon as practical, subject to approval from Bank of Ayudhya Public Company Limited’s shareholders, the BOT and the SBV.
2. **The purchase and receipt the transfer of the 50% of charter capital remaining from The First Purchase and Receipt the Transfer of Charter Capital** (“The Second Purchase and Receipt the Transfer of Charter Capital”): 3 years after the completion of The First Purchase and Receipt the Transfer of Charter Capital, subject to approval from the SBV and Japanese Financial Services Agency.

2. Related Parties and Relationship to the Bank

Purchaser : Bank of Ayudhya Public Company Limited or its affiliate (the “Bank”)
Seller : Saigon-Hanoi Commercial Joint Stock Bank
Company : SHBank Finance Company Limited
Relationship to the Bank : - None -

3. Nature of Transaction

The Board of Directors of the Bank has endorsed to propose to the Extraordinary General Meeting of Shareholders to consider and approve the acquisition of business through the purchase and receipt the transfer of 100% of charter capital in SHB Finance, which operates consumer finance business in Vietnam, from SHB Bank, which requires the approval from the BOT, the SBV and the JFSA, with total consideration up to approximately VND 3,590.3 billion (or equivalent to THB 5,184.4 million). The Transaction will be divided into 2 phases.

1. The purchase and receipt the transfer of the 50% of charter capital in SHB Finance, which is subject to approval from Bank of Ayudhya Public Company Limited’s shareholders, the BOT and the SBV, for a consideration up to approximately VND 1,573.4 billion (or equivalent to THB 2,272.0 million). In which, the consideration of The First Purchase and Receipt the Transfer of Charter Capital is based on the estimated minimum equity book value of VND 1,168.9 billion (or equivalent to THB 1,687.8 million). The consideration of The First Purchase and Receipt the Transfer of Charter Capital may decrease if the actual equity book value as of the closing date of The First Purchase and Receipt the Transfer of Charter Capital is less than the estimated equity book value.

2. The purchase and receipt the transfer of the 50% of charter capital remaining from The First Purchase and Receipt the Transfer of Charter Capital, which will be entered in the next 3 years after the completion of The First Purchase and Receipt the Transfer of Charter Capital, and subject to approval from the SBV and the JFSA, for a consideration up to approximately VND 2,016.9 billion (or equivalent to THB 2,912.4 million). The consideration of The Second Purchase and Receipt the Transfer of Charter Capital will depend on the equity book value as of the closing date of The Second Purchase and Receipt the Transfer of Charter Capital and may be adjusted with amount of capital injection or capital decrease occurred during period of 3 years from the closing date of The First Purchase and Receipt the Transfer of Charter Capital to the closing date of The Second Purchase and Receipt the Transfer of Charter Capital.

Note: - Exchange rate of THB 1 to VND 692.5 as of August 3, 2021

- Since SHB Finance is registered as a limited liability company in Vietnam, which does not have any shares as limited company or public company in Thailand. In this regard, this transaction will be the purchase and receipt the transfer of the charter capital.

4. Details of Asset Acquired

SHB Finance, one of players in the consumer finance industry in Vietnam, was established in Vietnam in December 2016 with the charter capital of VND 1,000.0 billion (or equivalent to THB 1,444.0 million). SHB Finance is engaged in the business of non-collateral personal loan to consumers in the mass market and lower mass market since 2018. Currently, SHB Finance has expanded its coverage to 46 cities in Vietnam with the total asset of VND 4,269.3 billion (equivalent to THB 6,164.8 million) and the net loan to customer of VND 3,656.8 billion (or equivalent to THB 5,280.5 million) as of 30 June 2021.

Note: Exchange rate of THB 1 to VND 692.5 as of August 3, 2021

4.3 Summary of SHB Finance Financial Position

Unit: THB million

	December 31, 2018 (Audited)	December 31, 2019 (Audited)	December 31, 2020 (Audited)	June 30, 2021 (Reviewed)
Assets				
Cash and cash equivalent	19.9	563.8	89.4	229.5
Loans to customers net	1,016.7	3,821.7	5,168.3	5,280.5
Fixed assets net	30.3	38.3	49.0	56.6
Intangible assets net	0.1	8.0	11.2	11.2
Other assets	654.7	316.6	449.3	587.0
Total assets	1,721.7	4,748.4	5,767.2	6,164.8
Liabilities and Shareholders' Equity				
Borrowing debt	198.6	2,861.3	3,878.9	4,334.5

Unit: THB million

	December 31, 2018 (Audited)	December 31, 2019 (Audited)	December 31, 2020 (Audited)	June 30, 2021 (Reviewed)
Other liabilities	65.6	317.4	341.7	299.8
Total liabilities	264.2	3,178.7	4,220.6	4,634.3
Charter Capital	1,444.0	1,444.0	1,444.0	1,444.0
Retained earnings	13.5	125.7	102.6	86.5
Total shareholders' equity	1,457.5	1,569.7	1,546.6	1,530.5

Note: - Figures are rounded;

- Exchange rate of THB 1 to VND 692.5 as of August 3, 2021

5. Rule to Determine Value of Consideration

For the fair value valuation of SHB Finance, the Bank and the advisor determined the fair value through various methodologies which are residual income valuation, comparable companies approach, and precedent transaction. In addition, the final purchase price is determined through the negotiation price between the purchaser and the sellers. Kiatnakin Phatra Securities Public Company Limited acts as the Bank's financial advisor.

6. Benefits to the Bank

6.1 Opportunity to grow its business in Vietnam

SHB Finance is one of players in the consumer finance industry in Vietnam with a strong growth with loan CAGR 2018 to 2nd quarter of 2021 of 93.3%. Thus, the acquisition will enable the Bank to capture the growth outside Thailand which is in line with the Bank's growth strategy.

Note: CAGR = Compound Annual Growth Rate

6.2 Expanding customer base to be increase its potential in becoming a resilient bank in Vietnam

The Bank will be able to expand customer base in Vietnam which would allow the Bank to capture long-term growth. As of 30 June 2021, SHB Finance has more than 200,000 borrowers.

6.3 Strengthening the Bank's image and reputation in neighboring countries

Acquiring SHB Finance will enable the Bank to participate in the development of Vietnam's financial landscape. The Bank believes that with its knowledge and experience in consumer finance business, the Bank will be able to help develop the financial sector of Vietnam and strengthen its reputation in Vietnam.

7. Sources of Financing

All investments for the acquisition will be made using the Bank's internal funds.

8. The Board of Directors' Resolution

The Board of Directors meeting of the Bank no. 8/2021 held on 25 August 2021 has considered and opined that the Transaction is deemed as being for the benefits of the Bank and the shareholders, as the investment in SHB will help growing the Bank's business outside Thailand, increase competitive advantage and expanding customer based in SEA. Additionally, the purchase price which has been evaluated by the Bank's financial advisor using various valuation methodologies in accordance with international standards, is deemed reasonable. As a result, the Board of Directors Meeting has endorsed to propose to the Extraordinary General Meeting of Shareholders to consider and approve the transaction.
