

- Translation -

No. CORS 122 / 2022

June 23, 2022

Re: Notification of the Bank Board of Directors' Resolution regarding Connected Transaction

To: The President  
The Stock Exchange of Thailand

The Board of Directors Meeting of Bank of Ayudhya PCL (the "Bank") No. 6/2565 (2022) held on Wednesday, June 22, 2022 has passed the following resolutions:

1. Approved the Bank to sell their NPL Portfolio to Bangkok Commercial Asset Management Public Company Limited ("BAM") who is the highest bidder in sealed bid public auction. The transaction consists of 404 customers and the outstanding balance as of the cut-off date, January 31, 2022, is THB 1,438.17 million (Detail of Information Memorandum is as per attachment 1).

2. Approved the Purchase of Corporate Salary Loan portfolio between SB Finance Company, Inc. (SBF), for which the Bank holds 50% of shares, and Security Bank Corporation (SBC) by July, 2022, total transaction value PHP 565 million or approximately THB 356 million, under a discounted cash flow (DCF) method (Detail of Information Memorandum is as per attachment 2).

Both transactions are considered connected transactions in accordance with the Notification of the Capital Market Supervisory Board. The total transaction value size is greater than 0.03% but less than 3% of the net tangible assets of the Bank as at March 31, 2022. In addition, accordance with the Notification of the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Act of Listed Companies Concerning the Connected Transaction (No.2), 2004, the transaction size does not require seeking an approval from the Shareholders' Meeting but requires Board of Directors' approval and disclosure to The Stock Exchange of Thailand.

Please be informed accordingly.

Yours sincerely,

- Signature -

(Mr. Seiichiro Akita)

President and Chief Executive Officer

## Information Memorandum on the Connected Transaction of Bank of Ayudhya Public Company Limited

### 1. Transaction Date

- The Board of Directors' Approval: 22 June 2022
- Expected Signing Date: 27 June 2022
- Expected Closing Date: 22 July 2022

### 2. Parties

Relevant Parties

- Purchaser: Bangkok Commercial Asset Management Public Company Limited ("BAM")
- Seller: Bank of Ayudhya Public Company Limited (the "Bank")
- Parties who are Connected Persons and Relationship: The Purchaser has a Chairperson who is the Bank's Independent Director and Chairperson of Audit Committee (Mrs. Tongurai Limpiti).

### 3. General Characteristics of Connected Transactions

The NPL portfolio sale Project no.1/2022 is the sealed bid public auction conducted by outsourced well-known Financial Advisor. The process is in line with market conduct that holds to transparency principle and equally fair to all bidders in the bidding process. There were 6 bidders in this project and BAM is 1 of the 2 winning bidders.

The sale of NPL portfolio to BAM consists of the medium enterprises and retail customers in Thailand. The transaction consists of 404 customers with the outstanding balance as of 31 January 2022 of THB 1,438.17 million.

### 4. Relationship between the parties

Shareholders Structure that BAM's Chairperson is the Bank's Independent Director and Chairperson of the Audit Committee.

- Bank of Ayudhya Public Company Limited

List of the Bank's directors as of 17 June 2022;

No.	Name	Position
1.	Mr. KARUN KITTISATAPORN	CHAIRPERSON OF THE BOARD OF DIRECTORS
2.	Mr. TAKANORI SAZAKI	VICE CHAIRPERSON
3.	Mr. SEIICHIRO AKITA	PRESIDENT & CHIEF EXECUTIVE OFFICER DIRECTOR
4.	Miss NOPPORN TIRAWATTANAGOOL	DIRECTOR
5.	Mr. PORNSANONG TUCHINDA	DIRECTOR
6.	Miss DUANGDAO WONGPANITKRIT	DIRECTOR

7. Mr. HISASHI KANAMORI	DIRECTOR
8. Mr. VIRAT PHAIRATPHIBOON	DIRECTOR
9. Mr. JAMLONG ATIKUL	INDEPENDENT DIRECTOR AUDIT COMMITTEE
10. Mrs. TONGURAI LIMPITI	INDEPENDENT DIRECTOR CHAIRPERSON OF THE AUDIT COMMITTEE
11. Mr. WITTAYA WATCHARAWITTAYAKUL	INDEPENDENT DIRECTOR AUDIT COMMITTEE

Source: Website of the Stock Exchange of Thailand

- Bangkok Commercial Asset Management Public Company Limited

List of the BAM's directors as of 17 June 2022;

No.	Name	Position
1.	Mrs. TONGURAI LIMPITI	CHAIRPERSON
2.	Mr. BUNYONG VISATEMONGKOLCHAI	CHAIRPERSON OF THE EXECUTIVE BOARD VICE CHAIRPERSON OF THE BOARD OF DIRECTORS
3.	Mr. BUNDIT ANANTAMONGKOL	CHIEF EXECUTIVE OFFICE DIRECTOR
4.	Mr. SATORN TOPOTHAI	DIRECTOR
5.	Mr. PISIT SEREWIWATTANA	DIRECTOR
6.	Mr. TIBORDEE WATTANAKUL	DIRECTOR
7.	Mr. THAKORN PIYAPAN	DIRECTOR
8.	Mr. VASANT THIENHOM	INDEPENDENT DIRECTOR CHAIRPERSON OF THE AUDIT COMMITTEE
9.	Mr. YOS KIMSAWATDE	INDEPENDENT DIRECTOR AUDIT COMMITTEE
10.	Mrs. MANEERAT SRISAOVAJATI	INDEPENDENT DIRECTOR AUDIT COMMITTEE
11.	Mr. SONGPOL CHEVAPANYAROJ	INDEPENDENT DIRECTOR AUDIT COMMITTEE

Source: Website of the Stock Exchange of Thailand

**5. Size of Connected Transaction**

The Transaction is considered a connected transaction in accordance with the Notification of the Capital Market Supervisory Board relating to Connected Transactions B.E. 2551. The total transaction value size is greater than 0.03% but less than 3% of the net tangible assets of the Bank as at 31 March 2022. Refer to the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Act of Listed Companies Concerning

the Connected Transaction (No.2), 2004, the transaction size does not require seeking an approval from the Shareholders' Meeting but requires Board of Directors' approval and disclosure to the SET.

**6. Opinion of the Bank's Board of Directors and the Bank's Audit Committee**

The Bank's Board of Directors Meeting No. 6/2022 held on June 22, 2022 approved to sell its NPL Portfolio after endorsed by the Audit Committee Special Meeting No. 1/2022 held on June 22, 2022. In this regard, the directors and the Audit Committee member who have an interest did not participate and vote on this agenda.

**Bank of Ayudhya PCL**  
**Information on connected transactions**

**1. Date Month Year**

- The Audit Committee endorsement: April 12, 2022
- The Board of Directors' Meeting approval: June 22, 2022.

**2. Parties**

Transaction related

- Buyer: SB Finance Company, Inc. (SBF) Bank of Ayudhya Co., Ltd. acquired 50% stake
- Seller: Security Bank Corporation (SBC) (Relationship with MUFG, where MUFG is a major shareholder of Bank of Ayudhya Co., Ltd.)
- Connected parties and their relationship: Bank of Ayudhya Co., Ltd. has acquired 50% stake in SB Finance Company, Inc. (SBF).

**3. Types and Details**

Purchasing a Corporate Salary Loan portfolio from Security Bank Corporation (SBC), by July, 2022, total transaction value of PHP 565 million, or approximately 356 million baht under the Discounted Cash Flow (DCF) method.

PWC is an independent consulting firm to verify the suitability of the Pricing model and its assumptions, as well as commenting on the Price Multiplier that it should be between 98.2% - 102%, which the Price Multiplier 101.5% is acceptable because In the said price range, the loan portfolio will be loans to customers who are employees of the company that SBC has assessed as having good credit status Employee loan payments through Portfolio net income (NI) per annum is estimated at 1.68%, in excess of SBF's Target ROA.

However, the purchase of such loan portfolios will proceed from the operation of SB Finance Company, Inc. (SBF).

**4. Characteristics of the relationship between the parties**

Board of Directors Structure SB Finance Company, Inc. (SBF) Counterparty in which the Bank's executives are joint directors. (Mr. K.S. Chandrashekar, Mr. Pornthep Tirasuntrakul, Ms. Pathatai Kulachan) are the Company's Chairperson.

The latest list of directors are as follows:

No.	Name	Position
1.	Mr. Alfonso Salcedo	Chairperson
2.	Ms. Maria Christina A. Tingson	Director
3.	Mr. Daniel S. Dy	Director
4.	Mr. K.S. Chandrashekar	Director

5. Mr. Pornthep Tirasuntrakul	Director
6. Ms. Pathatai Kulachan	Director
7. Ms. Abigail Marie D. Casanova	Director
8. Ms. Maria Jessica B. Banal	Independent Director
9. Ms. Rosanna Dizon Casas	Independent Director

Source: Minutes of the Board of Directors Meeting NRC. 042/2022 on February 11, 2022

#### Board of Directors Structure Security Bank Corporation (SBC)

The latest list of directors are as follows:

No.	Name	Position
1.	Alfonso L. Salcedo, Jr	Chairperson
2.	Cirilo P. Noel	Vice Chairperson
3.	Enrico S. Cruz	Independent Director
4.	Alberto S. Villarosa	Director
5.	ISanjiv Vohra	Director
6.	Daniel S, Dy	Alternate
7.	Rafael F. Simpao, Jr.	Adviser

Source: Security Bank Website 22 June, 2022

#### 5. Size of the connected transaction

It is a connected transaction. according to the criteria of the Capital Market Supervisory Board The size of such transaction is greater than 0.03% but less than 3% of the Bank's net tangible assets as of March 31, 2022 (Net Tangible Asset "NTA") according to the Notification of the Board of the Stock Exchange of Thailand Re: Disclosure of Information and Acts of Listed Companies In the Connected Transaction (No. 2) B.E. 2547, the size of the transaction does not reach the criteria that require the Bank to call a shareholders' meeting to seek approval for entering into the transaction, but must be approved by the board of directors and disclose the information to the Stock Exchange.

#### 6. Board's opinion and the Audit Committee

The Audit Committee Meeting No. 4/2022 held on April 12, 2022 resolved to approve the proposal, and the Board of Directors Meeting No. 6/2022 held on June 22, 2022 approved the acquisition of the said loan portfolio.