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No. AEC 007/2022

June 30, 2022

Re: The Acquisition of Capital Nomura Securities Public Company Limited
To: The President
The Stock Exchange of Thailand

On June 30, 2022, the Board of Directors of Bank of Ayudhya Public Company Limited (“Bank”) acknowledged that an agreement have been reached for the acquisition of business through the purchase of 99.1% of the share capital of Capital Nomura Securities Public Company Limited (“CNS”) from Nomura Asia Investment (Singapore) Pte Ltd. (“NAIS”) with the Bank’s intention to offer to purchase up to 0.9% of the share capital of CNS from minority shareholders of CNS (collectively the “Transaction”) totaling up to 100% of the share capital of CNS with total consideration of up to approximately USD 155.3 million or approximately THB 5,501 million (Note: Exchange rate of USD 1 to THB 35.416 as of June 27, 2022).

The aforesaid investment does not require approval of the shareholders pursuant to regulations of the Capital Market Supervisory Board and the Stock Exchange of Thailand in view of its size and type of transaction. Nonetheless, to comply with Section 107 of the Public Limited Companies ACT B.E. 1992 and Section 43 of the Financial Institution Business Act B.E. 2008, the Bank will have to submit this matter to the Board of Directors to obtain shareholders’ approval. This transaction is subject to approval from the Bank of Thailand and/or other relevant regulators.

Kindly be informed accordingly,

Yours Sincerely,

- Signature -

Mr. Seiichiro Akita

President and Chief Executive Officer

2. The offer to purchase the remaining share capital of CNS after The First Purchase of up to 0.9% of the share capital of CNS from minority shareholders of CNS, for a consideration of approximately THB 51 million or approximately USD 1.4 million (Note :Exchange rate of USD 1 to THB 35.416 as of June 27, 2022)

4. Details of Asset Acquired

CNS engages in the securities business in Thailand with a long-standing reputation for its service for investors that include equity trading, derivatives trading, fixed income trading, margin loan, iFund mutual fund service, investment banking, etc.

Financial Summary of CNS

Unit: THB million

	31-Dec-19	31-Dec-20	31-Dec-21
	(Audited)	(Audited)	(Audited)
Total assets	7,973	8,365	13,412
Total liabilities	2,711	2,869	7,794
Total shareholders' equity	5,261	5,496	5,618
Total Revenue	1,283	1,520	1,906
Earnings before tax	157	438	564
Net Profit	129	353	452

Note: - Figures are rounded

5. Rule to Determine Value of Consideration

For the fair value valuation of CNS, the Bank and the financial advisor determined the fair value through various methodologies which are dividend discount model approach, comparable companies approach, and precedent transaction. In addition, the final purchase price was determined through the negotiation price between the purchaser and the seller. Kiatnakin Phatra Securities Public Company Limited acts as the Bank's financial advisor.

6. Benefits to the Bank

The Bank expects that the acquisition of CNS to increase the Bank's competitive advantage of the Bank's securities business.

6.1 Scale the Bank's Securities Business

The acquisition of CNS will increase the Bank's securities trading value whereby the combination of CNS's and the Bank's securities trading value will allow the market position to increase to the top 15 among Thai securities companies (as measured by 2021 securities trading value). The increased scale would potentially allow economies of scale leading to better cost management capabilities and better margins for the Bank's securities business in the long run.

6.2 Increase Competitive Advantage through More Diverse Service and Product Offerings

CNS has a diverse and comprehensive suite of service and product offerings including equity trading, derivatives trading, fixed income trading, iFund mutual fund service, margin loan, offshore investment service, stock borrowing and lending service (SBL), and investment banking. Additionally, CNS's iFund mutual fund service is one of the leading open architecture mutual fund platforms. Therefore, the acquisition of CNS will increase the Bank's securities business ability to offer services and products to cover the demands of customers, leading to increased competitive advantage for the Bank's securities business in the long run.

6.3 Increase Growth for the Bank's Capital Markets Business

Combining the Bank's current and CNS's capital markets service capabilities, which includes financial advisory and underwriting service for securities, debentures, warrants, and unit investments would allow the Bank to have a more comprehensive suite of products and services to cater to the demands of corporate clients of the Bank that will help accelerate the growth of the Bank's capital markets business.

6.4 Enhance Research Capabilities

The Bank will benefit from the addition of CNS research team, allowing the Bank to leverage expertise of the research team of the Bank and CNS to enhance research capabilities.

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 of the Bank has considered and opined that the Transaction is deemed as being for the benefits of the Bank and the shareholders, as the Transaction will help growing the Bank's securities business, increase competitive advantage and expand service capabilities of the Bank's securities business in the long run. In time, the Bank will submit this matter to the Board of Directors to obtain shareholders' approval.
