

No. CORS 145/2565

July 27, 2022

Re: The Increase in the Number of Directors, Election of Additional Director, the Acquisition of Capital Nomura Securities Public Company Limited and the Summoning of 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. 7/2565 (2022) held on July 27, 2022 has passed the following resolutions:

1. Approved to summon the Electronic Extraordinary General Meeting of Shareholders (e-EGM) No.1/2565 (2022) on Thursday, September 1, 2022 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 Electronic Annual General Meeting of Shareholders No. 110 held on April 28, 2022

Agenda 2 The Increase in the Number of Directors and Election of Additional Director

This is a proposal to the e-EGM to consider and approve the increase in the number of directors by one, from the current Board of Directors comprising of 11 directors to 12 directors. After considering the qualifications that are suitable for the Bank's business operation, it was resolved to propose that the e-EGM elect Professor Dr. Sakda Thanitcul to serve as the Bank Director (Independent Director), the 12th director, in replacement of Miss Potjane Thanavarant (Independent Director) who retired by rotation on April 28, 2022. Based on the Board of Directors' consideration process, the person is qualified and has been endorsed by the Bank of Thailand.

Agenda 3 The Acquisition of Business through the Purchase totaling up to 100% of Share Capital of Capital Nomura Securities Public Company Limited which Operates Securities Business in Thailand

This is a proposal to the e-EGM to consider and approve the acquisition of business through the purchase of 99.1% of the share capital of Capital Nomura Securities Public Company Limited ("CNS") which operates securities business in Thailand, from Nomura Asia Investment (Singapore) Pte Ltd. ("NAIS") with intention to offer to purchase up to 0.9% of the share capital of CNS from minority shareholders of CNS totaling up to 100% of the share capital of CNS (collectively the "Transaction"), which requires the approval from the Bank of Thailand ("BoT") and / or other related regulatory agencies, with total consideration of up to approximately USD 155.3 million or approximately THB 5,501 million\*. The Transaction will involve two groups of selling shareholders of CNS as follows:

1) The purchase of 99.1% of the share capital of CNS from NAIS ("The First Purchase"), which is subject to approval from the Bank's shareholders, the BoT and / or other related regulatory agencies, for a consideration of approximately USD 153.9 million or approximately THB 5,450 million\*.

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 USD 1.4 million or approximately THB 51 million\*.

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, signing of any relevant documents, and other relevant matters necessary for the completion of the Transaction.

*\* Exchange rate of USD 1 to THB 35.416 as of June 27, 2022*

The purpose of the Transaction is to grow the Bank's securities business, increase competitive advantage and expand service capabilities of the Bank's securities business in the long run. This Transaction is also subject to satisfactory regulatory approvals from the BoT and / or other related regulatory agencies.

The Transaction does not require approval of the Bank's 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 the approval from the Bank's shareholders.

Agenda 4 Other (If any)

2. Approved to determine the list of shareholders who are entitled to attend the e-EGM No. 1/2565 (2022) (Record Date) on Wednesday, August 10, 2022.

The shareholders are able to download the Notification of the e-EGM No. 1/2565 (2022) and the meeting documents from the Bank's website: [www.krungsri.com](http://www.krungsri.com) from Thursday, August 11, 2022 onwards.

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

Kindly be informed accordingly.

Yours sincerely,

- Signature -

(Mr. Seiichiro Akita)

President and Chief Executive Officer

Information Memorandum regarding the Acquisition of Business through the Purchase totaling up to 100% of Share Capital of Capital Nomura Securities Public Company Limited which Operates Securities Business in Thailand

**1. Date of Transaction**

The acquisition of business through the purchase of 99.1% of the share capital of Capital Nomura Securities Public Company Limited ("CNS") which operates securities business in Thailand, from Nomura Asia Investment (Singapore) Pte Ltd. ("NAIS") with intention to offer to purchase up to 0.9% of the share capital of CNS from minority shareholders of CNS totaling up to 100% of the share capital of CNS (collectively the "Transaction"), which requires the approval from the shareholders of Bank of Ayudhya Public Company Limited (the "Bank"), the Bank of Thailand ("BoT") and / or other related regulatory agencies. The Transaction will involve two groups of selling shareholders of CNS as follows:

1. The purchase of the 99.1% of the share capital of CNS from NAIS ("The First Purchase"): As soon as practical, subject to approval from the Bank's shareholders, the BoT and/or other relevant regulators.
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 ("The Second Purchase"), after the completion of The First Purchase whereby the amount of share capital of CNS acquired would depend on how many minority shareholders participate in The Second Purchase.

**2. Related Parties and Relationship to the Bank (The First Purchase)**

Purchaser	:	Bank of Ayudhya Public Company Limited (the "Bank")
Seller	:	Nomura Asia Investment (Singapore) Pte Ltd ("NAIS")
Company	:	Capital Nomura Securities Public Company Limited ("CNS")
Relationship to the Bank	:	- None -

**3. Nature of Transaction**

The Board of Directors of the Bank has endorsed to propose to the Bank's shareholders to consider and approve the acquisition of business through the purchase of 99.1% of the share capital of CNS, which operates securities business in Thailand, from NAIS with intention to offer to purchase up to 0.9% of the share capital of CNS from minority shareholders of CNS totaling up to 100% of the share capital of CNS, which requires the approval from shareholders of the Bank, the BoT and / or related regulatory agencies, with total consideration of up to approximately USD 155.3 million or approximately THB 5,501 million\*. The Transaction will involve two groups of selling shareholders of CNS as follows:

1. The purchase of 99.1% of the share capital of CNS from NAIS ("The First Purchase"), which is subject to approval from the Bank's shareholders, the BoT and / or other related regulatory agencies, for a consideration of approximately USD 153.9 million or approximately THB 5,450 million\*.
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 USD 1.4 million or approximately THB 51 million\*.

\* 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.

#### Brief Financial Summary of CNS

Unit: THB million

	31 December 2019 (Audited)	31 December 2020 (Audited)	31 December 2021 (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 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's securities 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. As a result, it was endorsed to propose to the Bank's shareholders to consider and approve the Transaction.

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