

Translation

(Disclaimer: This translation is for the convenience of those unfamiliar with the Thai language. Please refer to the Thai text for the official version.)

**Clarification of the regulations
related to holding or possession of shares in a financial institution or
a parent company of the financial institution**

To: Shareholders of Thanachart Capital Public Company Limited

Under the Financial Institution Business Act B.E. 2551, effective 3 August 2008, the following are regulations related to holding or possession of shares in a financial institution or a parent company of the financial institution.

1. In case of holding shares representing no less than five percent of the total number of shares sold

Any person holding or possessing shares of any financial institution or its parent company, either directly or indirectly, in an amount of no less than five percent of the total number of shares sold shall report the holding or possession of such shares to the Bank of Thailand (BOT) in accordance with the prescribed rules. (Reference is made to the provision of Section 17 of the Financial Institutions Business Act and the BOT's Notification Ref. SorNorSor. 57/2551 dated 3 August 2008 regarding "Regulation related to the report on the holding or possession of no less than a 5-percent equity stake in a financial institution or a parent company of a financial business group".) The amount of the shares shall include those held or possessed by related parties.

In case of the failure to report the shareholding in accordance with the above rules, the person is required to sell the number of the unreported shares to third parties within 90 days from the date of the receipt of such shares, except that the person receives an extension from the BOT. Such extension shall not exceed 90 days. In case the person does not sell the unreported shares within the specified time, the BOT may file a motion to the court to order the sale of the unreported shares. Where the court deems that the holding or possession of such shares violates the provisions under Section 17, the court shall have the power to order the sale by auction or otherwise (in line with the provisions of Sections 17 and 19 of the Financial Institution Business Act mutatis mutandis).

2. In case of holding shares representing more than ten percent of the total number of shares sold

No person shall hold or possess shares of any financial institution or parent company of a financial institution, either directly or indirectly, in an amount exceeding ten percent of the total number of shares sold unless permitted by the BOT or being in accordance with the rules as prescribed in the notification of the BOT. (Reference is made to the provision of Section 18 of the Financial Institutions Business Act and the BOT's Notification Ref. SorNorSor. 58/2551 dated 3 August 2008 regarding "Regulation on permission of the holding or possession of more than a ten percent equity stake in a financial institution".) The amount of the shares shall include those held or possessed by related parties.

In case a person holds or possesses shares of a financial institution or parent company of a financial institution in an amount exceeding ten percent of the total number of shares sold, without permission from the BOT or not in accordance with the rules as prescribed in the notification of the BOT, the person is required to sell the amount of shares that exceeds the ten percent shareholding limit within 90 days from the date of the receipt of such shares, except that the person receives an extension from the BOT. Such extension shall not exceed 90 days. If the person does not comply with the requirement, the BOT may file a motion to the court to order the sale of such amount of the shares that exceeds the limit. Where the court deems that the holding or possession of such shares violates the provision of Section 18, the court shall have the power to order the sale by auction or otherwise (in line with the provision of Section 19 of the Financial Institution Business).

Apart from the fact that the BOT may file a motion to the court to order the sale of such amount of the shares that exceeds the limit, the law stipulates that those who hold or possesses the shares cannot use such holding of the excess shares against the financial institution or the parent company, except that the shares are acquired in good faith from inheritance. If the financial institution or the parent company of the financial institution announces a dividend payment within 90 days from the date of the receipt of such shares or within the period of time extended by the BOT in the first paragraph of Section 19, the person is entitled to the dividend payment for the amount of the shares that exceeds ten percent of the total number of shares sold, in accordance with Section 18 of the Financial Institution Business Act. However, the person cannot vote at shareholders' meetings, based on the amount of the excess shares. (This is in line with the provision of Section 21 of the Financial Institution Business Act.)

However, in case a person holds or possesses shares of a financial institution or parent company of a financial institution in an amount exceeding ten percent of the total number of shares sold, the following have to be taken into account:

- 1) The person holding or possessing the shares which also include those held by related parties prior to the date of the Financial Institution Business Act coming into force whereby such holding or possession does not violate the laws enforced during such period shall be entitled to continue holding or possessing such shares. However, upon the sale of any share, such person shall be entitled to hold or possess the shares in excess of the prescribed ratio in an amount equal to the remaining shares. Such person shall take action in order that the holding or possession of the shares is in compliance with the provision of the law rapidly but no more than five years from the date of the Financial Institution Business Act coming into force. In this connection, the financial institution or the parent company of the financial institution can pay dividends or give other benefits to the person, or provide the person with the right to vote at shareholders' meetings. (This is in line with the provision of Section 162 of the Financial Institution Business Act.)
- 2) The person holding or possessing the excess shares as a result of the extension granted by the BOT is entitled to continue holding or possessing such shares for not more than another 90 days. In this connection, the BOT will take into account the facts and inform the person on a case-by-case basis whether the financial institution or the parent company of the financial institution can pay the dividend or give other benefits to the person, or provide the person with the right to vote at shareholders' meetings.

Thanachart Capital Public Company Limited ("the Company") is the parent company of Thanachart Bank Public Company Limited ("the Bank"), with the approval granted by the Bank of Thailand. As a result, the persons holding or possessing the shares of the Company are also required to comply with the regulations related to holding or possession of shares in a financial institution mutatis mutandis (in compliance with the provision of Section 55 of the Financial Institution Business Act). In consequence, the persons holding or possessing the shares of the Company for no less than five percent of the total number of shares sold and/or for more than ten percent are required to take action in line with Case 1 and/or Case 2, depending on the case.

In this connection, the Company has already uploaded into its website the collected information about the regulations related to holding or possession of shares in a financial institution or a parent company of the financial institution. You may also find additional information from the Bank of Thailand's website (www.bot.or.th) or contact the Company Secretary Office (Tel: 0-2217-8082, 0-2217-8000 Ext. 3921 or 3009).

Please be informed and take action accordingly.