

Ref. No. ES. 237/1999

8 July 1999

To : The President
The Stock Exchange of Thailand

Subject : Notice of Resolutions of the Board of Directors' Meeting of
Thai Farmers Bank Public Company Limited No. 7/2542

The Board of Directors' Meeting of the Bank No. 7/2542 which was held on 8 July 1999 had resolved the following significant matters:

1. Approval is given to reducing the registered capital of the Bank from 13,570,000,000 Baht (Thirteen thousand five hundred and seventy million Baht) to 13,565,473,450 Baht (Thirteen thousand five hundred and sixty-five million four hundred and seventy-three thousand four hundred and fifty Baht) by removing 452,655 un-issued Class A preferred shares.
2. Approval is given to amending Clause 4 of the Memorandum of Association with respect to the registered capital so as to conform to the reduction of the registered capital. Clause 4 shall be replaced by:

"Clause 4. The registered capital is 13,565,473,450 Baht (Thirteen thousand five hundred and sixty-five million four hundred and seventy-three thousand four hundred and fifty Baht) divided into 1,356,547,345 shares (One thousand three hundred and fifty-six million five hundred and forty-seven thousand three hundred and forty-five shares) with a par value of 10 Baht (Ten Baht) each, consisting of 1,356,000,000 ordinary shares (One thousand three hundred and fifty-six million shares) and 547,345 Class A preferred shares (Five hundred and forty-seven thousand three hundred and forty-five shares)."
3. Approval is given to increasing the registered capital from 13,565,473,450 Baht (Thirteen thousand five hundred and sixty-five million four hundred and seventy-three thousand four hundred and fifty Baht) to 26,900,946,900 Baht (Twenty-six thousand and nine hundred million nine hundred and forty-six thousand and nine hundred Baht) by an issue of 1,333,547,345 ordinary shares (One thousand three hundred and thirty three million five hundred and forty-seven thousand three hundred and forty-five shares) with a par value of 10 Baht (Ten Baht) each.

- 2 -

4. Approval is given to amending Clause 4 of the Memorandum of Association with respect to the registered capital so as to conform to the increase of the registered capital. Clause 4 shall be replaced by:

"Clause 4. The registered capital is 26,900,946,900 Baht (Twenty-six thousand and nine hundred million nine hundred and forty-six thousand and nine hundred Baht) divided into 2,690,094,690 shares (Two thousand six hundred and ninety million ninety-four thousand six hundred and ninety shares) with a par value of 10 Baht (Ten Baht) each, consisting of 2,689,547,345 (Two thousand six hundred and eighty-nine million five hundred and forty-seven thousand three hundred and forty-five) ordinary shares and 547,345 (five hundred and forty-seven thousand three hundred and forty-five) Class A preferred shares."

5. Approval is given to an allocation of 1,176,547,345 new ordinary shares in a general public offer at the price of 20 Baht per share. The Board of Directors, the President, and any person entrusted by either of the former has the power to fix the details of the said allocation including allocation to the existing shareholders and the beneficial owners of the shares held by the custodian or by any other similar arrangements ("beneficial owners") prior to other subscribers.

In the subscription for new ordinary shares, the foregoing existing shareholders shall subscribe for the new ordinary shares and have their names appearing as shareholders of the Bank in the shareholders register on the day that is so fixed by the Board of Directors, the President and any person entrusted by either of the former ("closing date of the shareholders register"). The beneficial owners shall subscribe and be certified in the form and procedures that the Board of Directors, the President, and any person entrusted by either of the former will fix, by the custodians whose names appearing as shareholders of the Bank in the shareholders register on the closing date of the shareholders register, as truly being beneficial owners. This custodian shall not have exercised the right to subscribe for the benefit of the beneficial owners of such shares. As for the number of shares that the existing shareholders and the beneficial owners shall be allocated prior to other subscribers, the Board of Directors, the President, and any person entrusted by either of the former has the power to allocate a number not exceeding the number of shares held by such shareholders or the custodian for the benefit of the beneficial owners, as the case may be, the number held being the number appearing in the shareholders register on the closing date of the shareholders register. If they have subscribed for more than this number of shares, the allocation shall be the same as the allocation for the general public.

The Board of Directors, the President, and any person entrusted by either of the former shall have the discretion and the power not to allocate shares to any subscriber, regardless that they being the shareholders or the beneficial owners who might be prior allocated, if the allocation would make or might result in the Bank acting against a foreign law, rules or regulations, or permission or registration is required to make a general public offer in such foreign country, unless the Bank obtains exemption. They shall also have the power to apply for relaxation to have a shareholding in excess of the amounts prescribed in the Commercial Banking Act and the Securities and Exchange Act.

/3

- 3 -

This offer for sale of new ordinary shares by the Bank will not seek permission or be registered for an offer for sale of securities to the general public in a foreign country and the offer for sale of securities will not be made in a foreign country that has laws, rules or regulations that require such permission or registration in such foreign country, unless exemption is granted.

In addition, the Board of Directors, the President, and any person entrusted by either of the former has the power to fix or change the details and conditions concerning the offer for sale e.g., the offering price, the period of the offer, the allocation and offering methods, and any necessary acts as thought appropriate. They shall also have the power to appoint a financial advisor and/or underwriters and to enter into, sign, correct, and negotiate contracts, agreements and/or other documents and to contact, give information to, and file documents with the Office of the Securities and Exchange Commission, the Bank of Thailand, the Stock Exchange of Thailand and/or any other agencies concerned with this general public offer of shares.

If new ordinary shares remain after this general public offer of shares, the Board of Directors, the President, and any person entrusted by either of the former has the power to allocate them in an offer to specific investors and/or 17 types institutional investors in accordance with the relevant Notifications of the Securities and Exchange Commission, and/or to one or more existing shareholders, as appropriate.

6. Approval is given for the Bank to issue and offer for sale 50,000,000 units of warrants for ordinary shares of the Bank to the Bank employees, except for the employees who are directors, under a scheme for offering for sale of securities to the Bank employees, except for the employees who are directors. The details and conditions are given in the attachment.

The Selection Committee appointed by the shareholders has the power to fix or change the details and conditions concerning the offer for sale of warrants provided they are not material matters, and to do any necessary acts as deemed appropriate, subject to the scope of authority that the law allows. The Board of Directors, the President, and any person entrusted by either of the former has the power to appoint a financial advisor and/or underwriters, and to enter into, sign, correct, and negotiate contracts, agreements and/or other documents and to contact, give information to, and file documents with the Office of the Securities and Exchange Commission, the Bank of Thailand, the Stock Exchange of Thailand and/or any other agencies concerned with this offering for sale of warrants.

7. Approval is given to allocate 50,000,000 new ordinary shares from the increase of the registered capital, with a par value of 10 Baht each, to support the exercise of the warrants for ordinary shares of the Bank to be offered for sale to the Bank employees, except for the employees who are directors, under a scheme for offering for sale of securities to the Bank employees, except for the employees who are directors. The preliminary details are attached.

If at the end of the period for exercising of the warrants in the whole scheme some have not been exercised for whatever reason which result in there being the new ordinary shares allocated to support the exercise of the said warrants remained, it shall be proposed to the shareholders' meeting for further allocation of such remaining ordinary shares.

/4

- 4 -

8. Approval is given to allocate 107,000,000 new ordinary shares from the increase of the registered capital to support the change in the rate of exercising of the 1st and 2nd warrant issues in the case of an issue and offer for sale of the new ordinary shares to the general public and the warrants for ordinary shares of the Bank to the Bank employees, except for the employees who are directors results in such a change of the exercising rate according to the terms and conditions of those 1st and 2nd warrant issues.

9. Approval is given to set up, hold shares in, or invest in, or lend to companies or mutual funds or legal entities in any other form, for buying or accepting transfer of the Bank's assets and collateral for such assets for managing or disposing of the same, or for doing other businesses pertaining to such business. And also to register such companies with the Bank of Thailand or the Ministry of Finance, the Ministry of Commerce or any other agency concerned so as to become an assets management company under the Emergency Decree Governing Asset Management Companies, B.E. 2541 (1998). The Board of Directors, the President, and any person entrusted by either of the former has the power to fix the details concerning the setting up, administration and everything else necessary as deemed fit and shall have the power to appoint a financial advisor and to enter into, sign, correct, and negotiate agreements and/or other documents and to contact, give information to, and file documents with the Office of the Securities and Exchange Commission, the Bank of Thailand, the Stock Exchange of Thailand and any other agencies concerned.

Approval is given to the Bank to transfer assets belonging to the Bank and the collateral for such assets to an assets management company or a mutual fund or to any entity within the scope of the relevant laws and approval from government agencies. The Board of Directors, the President, and any person entrusted by either of the former shall have the power to fix the details, values and rules for the assets and collateral that will be transferred and shall have the power to appoint a financial advisor and other advisors and consultants, and the power to contact, give information to, and file documents with the Office of the

Securities and Exchange Commission, the Bank of Thailand, the Stock Exchange of Thailand and any other agencies concerned.

Approval is also is given to set up, hold shares in, or invest in, companies or mutual funds or legal entities in any other form, for providing assets management services within the scope of the relevant law and approval from government agencies. The Board of Directors, the President, and any person entrusted by either of the former has the power to fix the details concerning the setting up, administration and everything else necessary as deemed fit and shall have the power to appoint a financial advisor and to enter into, sign, correct, and negotiate, memorandum of understandings, contracts or agreements appointing the assets management servicer and/or other documents and to contact, give information to, and file documents with the Office of the Securities and Exchange Commission, the Bank of Thailand, the Stock Exchange of Thailand and any other agencies concerned.

/5

- 5 -

10. Approval is given to convening an Extraordinary Shareholders' Meeting No. 1/2542 on 11 August 1999 at 2:00 p.m. at the Bank's Head Office No. 1 Thai Farmers Bank Lane, Ratburana Road, Khwaeng Ratburana, Khet Ratburana Bangkok Metropolis, to consider the following agenda.

1. To consider adopting the Minutes of the Ordinary Shareholders' Meeting No. 87;
2. To consider reducing the registered capital of the Bank from 13,570,000,000 Baht (Thirteen thousand five hundred and seventy million Baht) to 13,565,473,450 Baht (Thirteen thousand five hundred and sixty-five million four hundred and seventy-three thousand, four hundred and fifty Baht) by removing 452,655 un-issued Class A preferred shares;
3. To consider amending Clause 4 of the Memorandum of Association with respect to the registered capital so as to conform to the reduction of the registered capital. Clause 4 shall be replaced by:

"Clause 4. The registered capital is 13,565,473,450 Baht (Thirteen thousand five hundred and sixty-five million four hundred and seventy-three thousand four hundred and fifty Baht) divided into 1,356,547,345 shares (One thousand three hundred and fifty-six million five hundred and forty-seven thousand three hundred and forty-five shares) with a par value of 10 Baht (Ten Baht) each, consisting of 1,356,000,000 ordinary shares (One thousand three hundred and fifty-six million shares) and 547,345 Class A preferred shares (Five hundred and forty-seven thousand three hundred and forty-five shares).";

4. To consider increasing the registered capital from 13,565,473,450 Baht (Thirteen thousand five hundred and sixty-five million four hundred and seventy-three thousand four hundred and fifty Baht) to 26,900,946,900 Baht (Twenty-six thousand and nine hundred million nine hundred and forty-six thousand and nine hundred Baht) by an issue of 1,333,547,345 ordinary shares (One thousand three hundred and thirty three million five hundred and forty-seven thousand three hundred and forty-five shares) with a par value of 10 Baht (Ten Baht) each.
5. To consider amending Clause 4 of the Memorandum of Association with respect to the registered capital so as to conform to the increase of the registered capital. Clause 4 shall be replaced by:

“Clause 4. The registered capital is 26,900,946,900 Baht (Twenty-six thousand and nine hundred million nine hundred and forty-six thousand and nine hundred Baht) divided into 2,690,094,690 shares (Two thousand six hundred and ninety million ninety-four thousand six hundred and ninety shares) with a par value of 10 Baht (Ten Baht) each, consisting of 2,689,547,345 (Two thousand six hundred and eighty-nine million five hundred and forty-seven thousand three hundred and forty-five) ordinary shares and 547,345 (five hundred and forty-seven thousand three hundred and forty-five) Class A preferred shares.”

/6

- 6 -

6. To consider allocating 1,176,547,345 new ordinary shares in a general public offer at the price of 20 Baht per share. The Board of Directors, the President, and any person entrusted by either of the former has the power to fix the details of the said allocation including allocation to the existing shareholders and the beneficial owners of the shares held by the custodian or by any other similar arrangements (“beneficial owners”) prior to other subscribers;
7. To consider issuing and offering for sale of 50,000,000 units of warrants for ordinary shares of the Bank to the Bank employees, except for the employees who are directors, under a scheme for offering for sale of securities to the Bank employees, except for the employees who are directors, and to consider appointing the Selection Committee appointed by the shareholders;
8. To consider allocating 50,000,000 new ordinary shares from the increase of the registered capital, with a par value of 10 Baht each, to support the exercise of the warrants for ordinary shares of the Bank to be offered for sale to the Bank employees, except for the employees who are directors, under a scheme for offering for sale of securities to the Bank employees, except for the employees who are directors;

9. To consider allocating 107,000,000 new ordinary shares from the increase of the registered capital to support the change in the rate of exercising of the 1st and 2nd warrant issues; and
10. To consider setting up, holding shares in, or investing in, or lend to companies or mutual funds or legal entities in any other form, for buying or accepting transfer of the Bank's assets and collateral for such assets for managing or disposing of the same, or for doing other businesses pertaining to such business, and to register such companies with the Bank of Thailand or the Ministry of Finance, the Ministry of Commerce or any other agency concerned so as to become an asset administration company under the Emergency Decree Governing Asset Management Companies, B.E. 2541 (1998). To consider the transfer of the Bank's assets and collateral for such assets to an assets management company or a mutual fund or to any entity within the scope of the relevant laws and approval from government agencies. To consider setting up, holding shares in, or investing in, or lend to companies or mutual funds and legal entities in any other form, for providing assets management service.

/7

- 7 -

The closing date of the shareholders register for determining the right to be present at the Extraordinary Shareholders' Meeting No. 1/2542 is as from 22 July 1999 at 12:00 noon onward until the Extraordinary Shareholders' Meeting is concluded.

Please consider accordingly and distribute this to investors.

Yours sincerely,

Attachment

Details of the Warrants for Ordinary Shares to be Issued and Offered for Sale to the Bank Employees Except for the Employees Who are Directors

Type of securities	:	Non-negotiable warrants for ordinary shares, bearing the holder's name
Number of warrants offered for sale	:	50,000,000 units
Offer for sale	:	Offer for sale under a three-year scheme, not through intermediaries. The first offer shall be proceeded immediately upon obtaining an approval from the shareholders' meeting and a permission from the Office of the Securities and Exchange Commission.
Allocation	:	A Selection Committee appointed by the shareholders or persons entrusted by the Selection Committee appointed by the shareholders shall consider the allocation to the employees in the scheme to whom the warrants are allocated, by considering the ability and potential of each employee. The employees who are entitled to each allocation must, on the July 2nd of the year of allocation, have the status as employees and must still be the employees on the date of allocation. The number of allocations in each scheme shall be considered by the Selection Committee appointed by the shareholders or persons so entrusted.
Warrant term	:	About 5 years
Offering price	:	0 Baht (Zero Baht) per unit
Offer method	:	Offered for sale to the employees, except for the employees who are directors
Right to purchase the ordinary share	:	One warrant unit gives the right to purchase one ordinary share
Exercise price	:	30 Baht (Thirty Baht only) per share
Number of shares supporting	:	50,000,000 shares

the warrants

Employees entitled to allocation : None
at more than 5% of the
warrants

Bank assistance in finding : None
funds for the employee

Dilution effect : None on the shareholders at the time of issue. The dilution effect will occur when the rights are exercised. If all 50,000,000 units are exercised, the shareholding ratio will be reduced by 4.25% calculated from the issued and paid-up capital of the Bank for 1,176,547,345 shares.

Any other material information : None
which affects the holder's
decision making