

INFORMATION MEMORANDUM ON THE ACQUISITION OF ASSETS AND CONNECTED TRANSACTIONS

BANK OF AYUDHYA PUBLIC COMPANY LIMITED

Pursuant to the Share Tender Agreement (“STA”) executed on 2 July 2013 between the Bank of Tokyo-Mitsubishi UFJ, Ltd. (“BTMU”) and GE Capital International Holdings Corporation (“GECIH”) to purchase GECIH’s shares in Bank of Ayudhya Public Company Limited (“Krungsri”), BTMU will launch a Voluntary Tender Offer (“VTO”) and GECIH will participate and tender its entire shareholding of 1,538,365,000 shares representing 25.33 percent of Krungsri’s total issued shares in the VTO. However, the VTO shall be launched subject to satisfactory regulatory approvals, corporate approvals and fulfillment of the following conditions;

	Approvals or Waivers Regarding the VTO	Relevant Regulatory Bodies and/or Shareholders	Status of Approvals or Waivers as at 17 October 2013
1.	Krungsri to obtain approvals or waivers in relation to the shares acquisition, the increase of Krungsri’s foreign shareholding limits, and other relevant matters.	Bank of Thailand (“BOT”) and Ministry of Finance (“MOF”)	Approvals or waivers granted
2.	Krungsri to obtain an approval in principle in relation to foreign business licenses.	Ministry of Commerce (“MOC”)	Approval in principal granted
3.	BTMU to obtain approvals to allow BTMU to have Krungsri and Krungsri Financial Group as its subsidiaries.	Financial Services Agency of Japan (“JFSA”)	In the process of obtaining approvals
4.	Krungsri to obtain approvals to amend the Articles of Association of Krungsri that are related to the shares acquisition by BTMU.	Shareholder Meeting	The Extraordinary Shareholder Meeting will be held on 31 October 2013

On 27 August 2013, the MOF and the BOT, by virtue of the Financial Institutions Business Act B.E. 2551 (“FIBA”), granted permission for BTMU to enter into transactions to purchase shares of Krungsri and permitted Krungsri to integrate the business of Krungsri and the Bank of Tokyo-Mitsubishi UFJ, Ltd., Bangkok Branch (“BTMU Bangkok Branch”) via transferring the business of BTMU Bangkok Branch into Krungsri. In return, Krungsri will compensate for BTMU Bangkok Branch’s business by issuing new ordinary shares to BTMU as per the plan previously notified. Such integration will be completed within 1 year from the date BTMU becomes a shareholder in Krungsri or within such time as may be extended by the BOT, if necessary (“Integration”). In this regards, Krungsri has been informed that BTMU intends to launch the VTO at the beginning of November 2013 and expects to complete the process in December 2013.

On 2 September 2013 Krungsri and BTMU jointly submitted a Business Integration Plan of Krungsri and BTMU Bangkok Branch to the BoT for approval whereby Krungsri and BTMU intends to integrate their businesses by transferring business, assets, and liabilities of

BTMU Bangkok Branch to Krungsri (“Business Transfer”) under the One Presence Policy. The Business Integration Application and Plan has been approved by the BOT and such approval was subsequently published in the Royal Gazette on 2 October 2013.

	Approvals or Waivers Regarding the Integration from Relevant Regulatory Bodies	Relevant Regulatory Bodies and/or Shareholders	Status of Approvals or Waivers as at 17 October 2013
1.	Approvals in relation to the business integration plan.	BOT	Approvals granted
2.	Krungsri to obtain a waiver of compliance with the conditions in relation to the required period of share offering by private placement.	the Office of Securities and Exchange Commission (“SEC”)	Waiver granted
3.	BTMU to obtain a waiver of Mandatory Tender Offer (“MTO”) in relation to the acquisition of all securities in Krungsri by BTMU.	SEC	Waiver granted
4.	BTMU to obtain approvals in relation to the Business Transfer and the closing of BTMU Bangkok Branch, required under the Banking Act of Japan (the “Japan Banking Act”).	JFSA	In the process of preliminary consultation regarding approval process
5.	BTMU to obtain approvals on having Krungsri and Krungsri Financial Group as its subsidiaries.	JFSA	subject to VTO result
6.	Krungsri to obtain favourable ruling on the payment in kind of the increased share issuance (for the business of BTMU Bangkok Branch).	MOC	In the process of obtaining approval
7.	Krungsri to obtain shareholder’s approval on the agenda regarding the Integration.	Shareholder Meeting	The Extraordinary Shareholder Meeting will be held on 31 October 2013

In order to maximize the synergy for Krungsri and BTMU under the financial laws of Japan and so as to ensure transparency in the consolidated financial statements of the Mitsubishi UFJ Financial Group in which BTMU is an affiliate, BTMU wishes to acquire more than 50 percent of the ordinary and issued shares of Krungsri as per the investment plan of BTMU approved by the MOF and the BOT which comprises of:

1. The VTO for all the ordinary shares and issued of Krungsri.
2. The receipt of new shares of Krungsri in payment for the transfer of the entire business of BTMU Bangkok Branch to Krungsri.
3. The acquisition of ordinary shares of Krungsri within 6 months from the end of the VTO period (only in the circumstance where the ordinary shares of Krungsri which BTMU acquired through the VTO under clause 1 above when added to the estimate number of shares to be issued in lieu of payment of the BTMU Bangkok Branch business transfer under clause 2 above equates to less than 50 percent of all issued shares of Krungsri). The additional acquisition of shares is to satisfy the intention of BTMU to hold a total of more than 50

percent of all issued shares of Krungsri through one or both of the following means:

(3.1) The purchase of ordinary shares by BTMU from willing shareholders at a price not more than that specified in the VTO.

(3.2) Purchase of Krungsri's shares through a private placement to BTMU.

(together referred to as "Additional Share Acquisition").

As the acquisition of shares through the VTO process under Clause 1 above and the receipt of ordinary shares of Krungsri as payment for the business purchase under Clause 2 above are of the same transaction though with different time lines, such transaction may result in BTMU becoming a shareholder up to or over 50 percent or up to 75 percent of all voting shares of Krungsri (as the case may be). Krungsri has been informed by BTMU that BTMU will not launch a MTO to the shareholders of Krungsri in any case from the receipt of shares as payment in Clause 2. In this respect, BTMU has obtained the related waiver from the SEC under Clause 4 and Clause 11 of the Capital Supervisory Board Notification No. TorChor. 12/2011.

BTMU's maximum shares in Krungsri could reach approximately 80 percent of total issued shares of Krungsri after completion of the process under investment plan of BTMU approved by the MOF and the BOT under the assumption that the shareholders holding approximately 75 percent of total issued shares of Krungsri accept the VTO.

In this respect, Krungsri is granted a waiver from the SEC on the period for private placement of the new shares for Krungsri to issue and allot to BTMU within 1 year from the date of approval by the Shareholder's meeting under Clause 27 (3) of the Capital Supervisory Board Notification TorChor. 28/2008, in lieu for the Business Transfer of BTMU Bangkok Branches approved by the BOT.

The extraordinary Board of Directors' Meeting of Krungsri No. 4/2013 held on 18 September 2013 passed the resolutions to approve the entering into relevant transactions and to propose the same for consideration of the shareholders at the Extraordinary General Meeting ("EGM") No. 1/2013 to be held on 31 October 2013, which includes the following:

1. Approved to propose in the EGM to consider the approval for the integration of the Krungsri and BTMU Bangkok Branch, whereby Krungsri will acquire and accept the transfer of the assets thereof including the entering into Conditional Branch Purchase Agreement between Krungsri (the transferee) and BTMU (the transferor) and other relevant agreements. Such transaction is considered to be an Acquisition of the Asset Transaction and Connected Transaction.

2. Approved to propose in the EGM to consider the approval for a capital decrease, a capital increase and an allotment of new shares to be issued to BTMU on a private placement consisting of no more than 1,500,000,000 shares at the par value of THB 10 per share, which is a Connected Transaction. Details of such allotment can be described as follows;

Tranche 1: Private placement of not more than 1,500,000,000 newly issued ordinary shares with the par value of THB 10 per share, in the case that the number of shares that

BTMU acquires through the VTO and any additional share purchases, combined with shares that BTMU will receive as consideration for the transfer of the business of BTMU, Bangkok Branch is less than 50 percent of total shares issued. In this respect, the Board of Directors is assigned to determine the number of shares to be allotted to BTMU in this Tranche 1 via one or more specific allocation(s) to BTMU within 6 months from the end of the VTO made by BTMU. The new ordinary shares to be issued in Tranche 1 shall be issued at the selling price of THB 39 per share and payment for these shares shall be made by cash.

Tranche 2: Allotment of newly issued shares with the par value of THB 10 per share to BTMU as consideration and/or exchange for the transfer of the business of BTMU, Bangkok Branch, in the case that there is no share allotment in Tranche 1 or there are remaining shares after share allotment in Tranche 1. BTMU will make payment for these shares in kind i.e. by transferring all assets of BTMU Bangkok Branch to Krungsri. In this respect, the Board of Directors is assigned to determine the number of shares to be allotted to BTMU in this Tranche 2.

The Board of Directors determined that the date on which the Board of Directors resolved to propose the matter to the Meeting for approval (18 September 2013) shall be the offering price date. The offering price of Tranche 1 shares and the value of Krungsri's share under Tranche 2 shall not be lower than 90 percent of the weighted-average price of Krungsri's shares traded on the Stock Exchange of Thailand (the "SET") in the past 15 consecutive business days before the offering price date as mentioned above (the weighted-average price of Krungsri's shares traded on the SET in the past 15 consecutive business days before the offering price date is THB 37.86 per share) which is in accordance with the SEC's Notification No. SorChor. 39/2008 Re: Calculation of Offering Price of Securities and Determination of Market Price for Consideration of Offer for Sale of Newly Issued Shares with Discount (the "Notification of the Determination of Market Price for Newly Issued Shares with Discount")

Nevertheless, the Business Transfer and the allotment of new shares issued to BTMU as a consideration for the Business Transfer are conditional to the satisfactory of conditions precedent as set out in Section 8: Conditions Precedent of this Information Memorandum.

The above processes must comply with the following relevant laws and regulations:

- Section 73 and section 74 of FIBA, which prescribe that upon the announcement of the approval of the BOT in the Royal Gazette, Krungsri shall make an arrangement to hold a shareholders' meeting to consider and accept the business transfer. In such event, provisions related to the shareholders' meeting for the merger, transfer or acquisition of business under the Civil and Commercial Code or the laws on public limited company, as the case may be, shall not be applied. Upon receiving votes of not less than three-fourths of the number of votes of the shareholders attending the meeting, such transfer of the business shall be deemed lawful.

- Under the Notification of the Capital Market Supervisory Board No. TorChor. 21/2008, Re: Rules on Connected Transactions dated 31 August 2008 (As Amended), and the Notification of the Board of Governors of the Stock Exchange of Thailand, Re: Disclosure and Acts of Listed Companies on Connected Transactions B.E. 2546 (2003) dated 19 November 2003 (as amended) (the "Notification of Connected Transaction"), Krungsri has the duty to disclose an Information Memorandum, to appoint an independent financial advisor to opine on the transactions and to hold a shareholders' meeting to consider the

approval of the Connected Transactions with votes of not less than three-fourths of the total votes of shareholders attending the meeting and having the right to vote because the total value of transaction exceeds THB 20 million and/or exceeds 3 percent of Krungsri net tangible assets as at 31 March 2013.

- The Notification of Capital Market Supervisory Board No. TorChor. 20/2008, Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets dated 31 August 2008 (as amended) and the Notification of the Board of Governors of the Stock Exchange of Thailand No. Bor.Jor. / Por 21-01, Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets B.E. 2547 (2004) dated 29 October 2004 (as amended) (the “Acquisition and Disposition of Assets Notifications”), require Krungsri to disclose the information, without the need to propose to shareholders for consideration and approval because the Business Transfer is considered as Class 2 Transaction. However, Krungsri believes that it is appropriate to propose to the shareholder’s meeting for consideration and approval under the above notification.

Therefore, Krungsri would like to disclose this Information Memorandum concerning the Connected Transaction and Acquisition of Assets with the following details;

1. Transaction Date

Krungsri will accept the Business Transfer of BTMU Bangkok Branch and allot new ordinary shares to be issued as consideration for and/or as an exchange for the Business Transfer after the completion of the VTO and after BTMU becomes a shareholder of Krungsri as well as after the conditions precedent stipulated in the Conditional Branch Purchase Agreement have been fulfilled. The transaction is expected to be completed within 1 year after the end of the VTO period or within the specified timeframe set by BOT (the “Allotment of New Shares to be Issued as a Consideration for the Business Transfer”).

If the total number of Krungsri’s shares acquired by BTMU from the VTO and issuance and allotment of new shares expected to receive as a consideration of the Business Transfer is less than 50 percent of total issued shares, Krungsri may issue and allot new shares on a private placement basis to BTMU within 6 months after the end of the VTO period in the amount and extent that will allow BTMU’s aggregate shareholding in Krungsri to cross 50 percent threshold of the total issued shares of Krungsri (the “New Shares Issuance and Allotment on a Private Placement Basis to BTMU”) in accordance with BTMU’s intention as previously disclosed.

2. The Parties Involved, Relationship between the Parties Involved and Characteristic and Scope of Parties Involved

Transaction 1: The Business Transfer and the Allotment of New Shares to be Issued as a Consideration for the Business Transfer

Transferee: Krungsri

Transferor: BTMU

Transaction 2: The New Shares Issuance and Allotment on a Private Placement Basis to BTMU

Issuer: Krungsri

Subscriber: BTMU

Currently, BTMU is not a shareholder of Krungsri and has no representatives as management or directors in Krungsri. Krungsri has no common management or directors with BTMU. However, after the completion of the VTO, BTMU may become a major shareholder of Krungsri, with a shareholding of 25.33 percent up to approximately 75 percent of the total issued shares of Krungsri. Assuming the percentage of the shareholders accepting the VTO offer of approximately 75 percent of Krungsri's issued shares, BTMU's maximum shares in Krungsri could reach approximately 80 percent of the total issued shares of Krungsri after the execution of BTMU's investment plan as approved by the MOF and the BOT.

3. General Characteristics of the Transaction

3.1 The Business Transfer and the Allotment of New Shares to be Issued as a Consideration for the Business Transfer

In order to comply with Business Integration Application of Krungsri and BTMU Bangkok Branch under One Presence Policy, which have been submitted to the BOT. Krungsri will proceed with the Business Transfer after BTMU completes the VTO and after BTMU becomes a shareholder of Krungsri, which will follow the procedures and conditions stipulated in the mentioned Business Integration Application.

With regards to the Business Transfer, besides the Conditional Branch Purchase Agreement, Krungsri and BTMU entered into related agreements which are discussed below, with an objective of ensuring the continuity of the services to be provided to the customers transferred from BTMU Bangkok Branch. The summary of material information of the Conditional Branch Purchase Agreement and other related agreements is as follows;

1. Conditional Branch Purchase Agreement

Conditions Precedent

Please see Section 8: Conditions Precedent to the Transaction

Business Transfer

On the completion date, subject to the Conditions Precedent of the Conditional Branch Purchase Agreement being satisfied or, where applicable, waived, the BTMU will transfer right, title, and interest in assets and liabilities of BTMU Bangkok Branch to Krungsri and Krungsri will accept the transfer of right, title, and interest in assets and liabilities of BTMU Bangkok Branch.

Consideration

Krungsri will make a payment for the Business Transfer under the Conditional Branch Purchase Agreement by issuing and allotting new ordinary shares of Krungsri to BTMU.

The number and Allotment of New Shares to be Issued as a Consideration for the Business Transfer will depend on the value of BTMU Bangkok Branch and the value of Krungsri's shares on the completion date or on the latest offering price date as agreed between both parties (The weighted average price of Krungsri's ordinary shares trading on the SET for 15 consecutive trading days prior to the offering price date on 18 September 2013 being the meeting day of the Board of Directors to call and propose in the EGM to consider the approval is THB 37.86 per share). The number of shares to be issued and allotted to BTMU as a consideration for the Business Transfer combined with the New Shares Issuance and Allotment on a Private Placement Basis to BTMU(as stated in section 3.2) will not exceed 1,500,000,000 shares.

Effective period

Krungsri expects that the acquisition of business, assets and liabilities of BTMU Bangkok Branch including share issuance and allotment as a consideration for the Business Transfer will be completed within 1 year after the end of VTO period or within such time as may be extended by the BOT, if necessary.

2. Master Service Agreement

Services

From the date of the transfer for the business, assets and liabilities of BTMU Bangkok Branch under the Conditional Branch Purchase Agreement, BTMU shall provide various services to Krungsri as agreed between Krungsri and BTMU prior to the transfer. Such services shall include existing services provided by BTMU to BTMU Bangkok Branch and other services as necessary and appropriate to ensure continued service of BTMU Bangkok Branch's customers after the transfer of the assets. Krungsri and BTMU will also enter into a Master Service Agreement to provide various services to Krungsri which will include and not be limited to:

- (a) General Services Agreement.
- (b) Trademark License Agreement.
- (c) Software License Agreement.
- (d) Other ancillary agreements as may be agreed between the parties under the Master Service Agreement.

Service fees

Service fees shall be under the terms and conditions as agreed between Krungsri and BTMU under normal commercial terms and shall take into account the benefit of both parties. Such fees shall be on an Arm's Length Basis but shall not exceed a total of THB 1,500 million, including the Trademark License Agreement for which service fees shall be substantially the same as service fees for comparable services provided by BTMU to its affiliates.

Effective period

5 years from the date of the transfer of the assets under the Conditional Branch Purchase Agreement.

3. Funding Support Agreement

Funding Support

From the date of the business transfer under the Conditional Branch Purchase Agreement until (1) the lapse of 10 years from the date of the transfer or (2) the date BTMU holds shares in Krungsri less than 50 percent of all issued shares (whichever occurs later), Krungsri may request for BTMU to provide funding assistance to Krungsri and BTMU shall use its best efforts to provide such funding assistance after confirming that:

- (a) the price and condition for the Funding assistance is on an Arm's Length Basis and is beneficial to both parties;
- (b) Such funding assistance is aligned with Krungsri's Asset and Liability Policy and Funding Policy;
- (c) Such funding assistance complies with the legal requirements.

If BTMU agrees to provide funding assistance as requested by Krungsri, the parties shall further agree on the type, amount, tenure and interest rate of such assistance.

Consideration

As to be agreed between Krungsri and BTMU under Arm's Length Basis

Effective period

From the date of the business transfer under the Conditional Branch Purchase Agreement until (1) the lapse of 10 years from the date of the transfer or (2) the date BTMU holds shares in Krungsri less than 50 percent of all issued shares (whichever occurs later).

The execution of such transaction shall be in line with normal business practice with no transfer pricing benefit to subsidiaries, related companies and shareholders so as to comply with regulations of the SET, the Capital Supervisory Board and the SEC based on an Arm's Length Basis and subject to approval processes for related party transactions under related rules of the SET, the Capital Supervisory Board and the SEC.

3.2 The New Shares Issuance and Allotment on a Private Placement Basis to BTMU

If the total number of Krungsri's shares acquired by BTMU from the VTO and issuance and allotment of new shares expected to receive as consideration of the Business Transfer is less than 50 percent of total issued shares after BTMU receives newly issued shares as a consideration of the Business Transfer, Krungsri may issue and allot new shares on a private placement basis to BTMU in accordance with BTMU's intention as previously disclosed. Therefore, for the determination of the amount of issued and allotted shares,

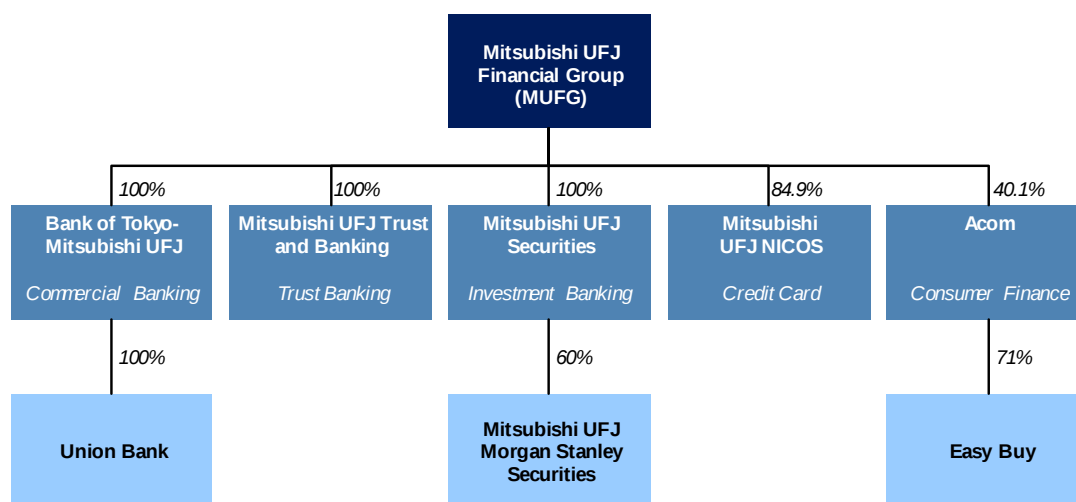
Krungsri will strictly adhere to BTMU's intention by issuing and allocating new shares to BTMU on a private placement basis (if any) and when combined with the allotment of new shares as a consideration of the Business Transfer, will not exceed 1,500,000,000 shares.

If BTMU holds shares in Krungsri more than 50 percent of all issued shares after the completion of the VTO, Krungsri will not issue and allot new shares on a private placement basis to BTMU as per clause 3.2.

4. Details of Business, Assets, and Liabilities Transferred

4.1 General Business Description

BTMU is a subsidiary of MUFG, the largest financial group in Japan and one of the world's largest diversified financial groups. MUFG is listed in the New York Stock Exchange and the Stock Exchanges in Japan. Information of MUFG, including its major shareholder list can be found at www.mufg.jp/english. As at 30 June 2013, MUFG has approximate market capitalization value of JPY 8,665,158 million. The group structure of MUFG is as follows.



BTMU

BTMU is registered as a commercial bank operating the commercial banking business and other financial business in many countries worldwide. BTMU is the largest bank in Japan in terms of total asset and one of the largest banks in the world, with network throughout Japan and 40 other countries. As at 31 March 2013, BTMU's network consisted of 1,034 domestic branches and offices and 540 foreign branches and offices, including 434 branches and offices of Union Bank, N.A., a subsidiary of BTMU.

From the latest consolidated financial statements year-ended 31 March 2013, BTMU recorded a consolidated net income of JPY 673.5 billion, an increase of 23.74 percent compared to the consolidated net income of JPY 544.3 billion from the previous fiscal year-ended 31 March 2012.

BTMU has no quarterly reviewed financial statements.

BTMU Bangkok Branch

BTMU operates its business in Thailand as a branch of a foreign bank (full branch). It has been providing financial services and products to client with determination to improve the quality of customer services for more than 50 years.

Type of Business	A branch of a foreign bank
Head Office	54 Harindhorn tower, North Sathorn Road, Silom, Bangrak, Bangkok, 10500
Branch Number	0100547000021
Homepage	http://www.th.bk.mufig.jp

4.2 Business Operation in Thailand

The business scope of BTMU Bangkok Branch includes taking deposits, providing commercial loans, buying discount bills, money transfer, foreign currency exchange, trade service, trade finance, cash management, supply chain finance, derivatives, etc. Moreover, it has also been operating other related businesses, i.e. bill collections, issuance letter of guarantee, acceptance letter of credit, e-banking business and investment banking business. The diverse banking businesses of BTMU Bangkok Branch have been supported by BTMU's network and MUFG, which has offices and branches network worldwide. BTMU Bangkok Branch is an integral part of BTMU incorporated in Japan and is not a separate legal entity.

At present, BTMU Bangkok Branch is ranked #8 of all Thai banks and #1 of all foreign banks operating in Thailand by total assets. BTMU Bangkok Branch is providing service to 1,218 credit customers, a total of 5,865 customers and has 3 ATMs as at 31 March 2013.

4.3 Management of BTMU Bangkok Branch

No.	Director Name	Position
1.	Motoi Mitsuishi	General Manager
2.	Tadahiro Miyamoto	Deputy General Manager
3.	Masashi Nimura	Deputy General Manager
4.	Tsuyoshi Emoto	Deputy General Manager
5.	SupachaiSaengcharnchai	Deputy General Manager
6.	SaowaneeSankhavanija	Deputy General Manager
7.	Yoichiro Tsukamoto	Deputy General Manager

Source: BTMU as at 17 September 2013

4.4 Financial Position

The key financial information of BTMU Bangkok Branch from the audited financial statements of BTMU Bangkok Branch for the fiscal year ended 31 March 2011, 2012, and 2013 are as follows;

Unit: THB Million	For the Fiscal Year Ended 31 March		
	2011	2012	2013
Statement of Comprehensive Income			
Interest Income	7,125	12,849	13,853
Fees and Service Income	296	316	343
Other Income	1,817	(482)	(948)
Total Income	9,238	12,683	13,248
Interest Expense	3,246	5,737	5,702
Fees and Service Expense	26	36	54
Other Expense	1,536	2,358	2,204
Total Expense	4,807	8,131	7,960
Operating Profit	4,570	5,036	5,553
Net Income	3,095	3,168	4,093
Statement of Financial Position			
Interbank and Money Market Items (Assets), Net	232,488	219,256	255,675
Investments, Net	46,862	85,715	102,190
Loans and Accrued Interest Receivable	158,555	183,094	208,532
Other Assets	11,362	12,152	17,046
Total Assets	449,267	500,217	583,443
Deposits	111,134	125,958	121,081
Interbank and Money Market Items (Liabilities), Net	2,795	40,426	36,804
Debt Issued and Borrowings	124,552	57,254	83,383
Other Liabilities	16,361	15,972	33,816
Total Liabilities	254,843	239,610	275,084
Head Office and Other Branches of the Same Juristic Person's Equity	194,424	260,607	308,359
Financial Ratio (Unit: Percentage)			
Total Revenue Growth (YoY)	-	77.3	8.6
Net Income Growth (YoY)	-	2.4	29.2
Gross Profit Margin	54.3	54.8	58.2
Operating Profit Margin	59.7	34.6	37.0

Unit: THB Million	For the Fiscal Year Ended 31 March		
	2011	2012	2013
Net Profit Margin	41.7	24.1	28.6
Return on Asset	0.8	0.7	0.8
Return on Equity	-	9.2 ⁽¹⁾	10.9 ⁽¹⁾

Note: ⁽¹⁾ The shareholders' equity calculation is adjusted by inter-office loans from BTMU

5. Total Transaction Value, Criteria Applied to Determine the Total Transaction Value, and Transaction Size Calculation

5.1 Total Transaction Value and Criteria to Determine the Total Transaction Value

5.1.1 The Business Transfer and the Allotment of New Shares to be Issued as Consideration for the Business Transfer

The preliminary value of BTMU Bangkok Branch (Reference Branch Value) is THB 44,586 million, implied price to book value ratio of 1.15 times based on BTMU Bangkok Branch's audited financial statements as at 31 March 2013, which is calculated into the number of new ordinary shares to be issued of 1,143,221,782 shares, based on the assumption that Krungsri's share price is THB 39 per share. The number of shares could change, subject to the price adjustment mechanism as mentioned below. The Consideration of Business Transfer was negotiated on an arm's length basis between Krungsri and BTMU.

The Board of Directors determined that the date on which the Board of Directors resolved to propose the matter to the Meeting for approval (18 September 2013) shall be the offering price date. The offering price of Tranche 1 shares and the value of Krungsri's share under Tranche 2 shall not be lower than 90 percent of the weighted-average price of Krungsri's shares traded on the SET in the past 15 consecutive business days before the offering price date as mentioned above which is in accordance with the Notification of the Determination of Market Price for Newly Issued Shares with Discount (the weighted-average price of Krungsri's shares traded on the SET in the past 15 consecutive business days before the offering price date is THB 37.86 per share).

Krungsri conducted a preliminary valuation of the Reference Branch Value using several methods, including the book value approach based on BTMU Bangkok Branch's audited financial statements as at 31 March 2013, Dividend Discount Model, Comparable Acquisition Methodology and Trading Comparable Methodology to obtain the fair value.

When combining with the number of shares to be issued and allotted on a private placement basis to BTMU in clause 3.2, the total number of shares to be issued and allotted will not exceed 1,500,000,000 shares.

The price adjustment mechanism for BTMU Bangkok Branch

The Conditional Branch Purchase Agreement provided a price adjustment mechanism whereby the final purchase price and number of shares issued for payment thereof may be adjusted as a result in the change in the net asset value of BTMU Bangkok Branch and Krungsri on the date of transfer. The price adjustment mechanism will be determined and agreed between Krungsri and BTMU, as a result of such adjustment, the final share price shall not be lower than 90 percent of the market price of the ordinary share of Krungsri as calculated under the Notification on the determination of Market Price for Offer of Newly Issued Shares With Discount. In any case, the total number of shares issued under this private placement and in payment for the transfer of asset for integration shall not exceed 1,500,000,000 shares.

5.1.2 The New Shares Issuance and Allotment on a Private Placement Basis to BTMU

Krungsri will issue and allocate ordinary shares of no more than 1,500,000,000 shares at par value of THB 10 per share and with an offering price of THB 39 per share. Krungsri's Board of Directors will determine the number of shares to be issued and allotted and the date of the shares to be issued, within 6 months after the end of the VTO period, with the payment for such issuance and allotment in cash.

5.2 Transaction Size Calculation

5.2.1 The Business Transfer and the Allotment of New Shares to be issued as Consideration for the Business Transfer

In considering the Connected Transaction, Krungsri considered the total preliminary value of the Reference Branch Value and the maximum payment to be made to BTMU under the Master Service Agreement of THB 1,500 million and found that the Transaction value exceeds THB 20 million and exceeds 3 percent of Krungsri's net tangible assets (as at 31 March 2013, Krungsri's net tangible assets is THB 95,937 million). Therefore, by entering into this transaction, Krungsri has the duty to disclose an Information Memorandum, to appoint an independent financial advisor to opine on the transactions and to hold a shareholders' meeting to consider the approval of the Connected Transactions with a vote of not less than three-fourths of the total votes of shareholders attending the meeting and having the right to vote.

In addition, the transaction size is calculated based on the criteria stipulated in Acquisition and Disposition of Assets Notifications using the information from the consolidated financial statements of Krungsri and financial statements of BTMU Bangkok Branch as at 31 March 2013, as follows;

(Unit: THB Million)

1. Net Tangible Assets (NTA)	Percentage of NTA of <u>BTMU Bangkok Branch (in proportion to the acquisition)</u> NTA of Krungsri	=	<u>38,510</u> ⁽¹⁾ 95,937 40.1%
2. Net Income	Percentage of Net Income of <u>BTMU Bangkok Branch (in proportion to the acquisition)</u> Net Income of Krungsri	=	<u>4,093</u> 15,299 26.8%
3. Total Consideration Value Compared to Total Assets	<u>Total Consideration</u> Total Assets of Krungsri	=	<u>58,500</u> ⁽²⁾ 1,102,777 5.3%
4. Total Value of Securities Issued as a Consideration Compared to the Market Value	<u>Value of Securities Issued to BTMU</u> Market Capitalization of Krungsri	=	<u>58,500</u> 229,299 ⁽³⁾ 25.5%

Note:

- (1) The NTA calculation is adjusted by inter-office loans from BTMU totaling of THB 269,589 million as at 31 March 2013
- (2) Total consideration is calculated from the maximum number of shares to be issued of 1,500,000,000 shares times the offering price of THB 39 per share assuming, excluding further price adjustment in the future
- (3) Krungsri's market capitalization as at 17 September 2013

In addition, in case that the maximum payment to be made to BTMU under the Master Service Agreement of THB 1,500 million is considered as part of the Business Transfer, the transaction size according to Class 3 Total Consideration Value would be 5.4%.

As the transaction size calculated based on criteria of the net tangible assets (in proportion to the acquisition) compared to the net tangible assets of Krungsri results in the highest value, this criteria is used in the transaction size calculation. Thus, this transaction is considered as Class 2 Transaction of the acquisition of assets, which requires Krungsri to disclose the information, without the need to propose to shareholders for consideration and approval. However, Krungsri will propose the transaction to the EGM for approval under Acquisition and Disposition of Assets Notifications

5.2.2. The New Shares Issuance and Allotment on a Private Placement Basis to BTMU

Krungsri will issue and allocate ordinary shares of no more than 1,500,000,000 shares at par value of THB 10 per share and a price of THB 39 per share, which implies the transaction size of THB 58,500 million. The total value of transaction exceeds THB 20 million and/or exceeds 3 percent of Krungsri's net tangible assets (as at 31 March 2013, Krungsri's net tangible assets is THB 95,937 million).

Therefore, Krungsri has the duty to disclose an Information Memorandum, to appoint an independent financial advisor to opine on the transactions, and to hold a shareholders' meeting to consider the approval of the Connected Transactions with the vote of not less than three-fourths of the total votes of shareholders attending the meeting and having the right to vote.

6. Potential Benefits to Krungsri

In addition to complying with FIBA and the BOT's One Presence Policy aiming to improve the efficiency of Thai banking sector, Krungsri will benefit in several ways which could help increase Krungsri's long-term value including the following benefits;

1. Expanding Customer Base

The business integration combines the strength of small and medium sized enterprise ("SME") and retail business of Krungsri with BTMU's strength of corporate business and premier global network. Moreover, Krungsri will benefit from expanding regional customer base through BTMU network and presence in Greater Mekong.

2. Strengthening Capital Base

The business consolidation with BTMU Bangkok Branch will allow Krungsri to gain access to funding sources with a lower cost. In addition, Krungsri can leverage the strong capital base and working capital of BTMU to expand branch networks, improve level of customer services and achieve a more appropriate capital structure.

3. Access to International Banking Business Practices

Krungsri will receive support from BTMU and MUFG, for example, international banking business practices, risk management process and new product development capabilities.

7. Source of Funds

7.1 The Business Transfer and the Allotment of New Shares to be Issued as a Consideration for the Business Transfer

As consideration for the Business Transfer of BTMU Bangkok Branch, Krungsri will issue, on a private placement basis, new ordinary shares of no more than 1,500,000,000 shares which includes the new ordinary shares to be issued and allotted to BTMU on a private placement basis as per clause 3.2 above (if any), at a par value of THB 10 per share and with an offering price of THB 39 per share. The price of newly issued share is not less than 90 percent of the market price of Krungsri's share, which is calculated based on the criteria stipulated in the Notification of Newly Issued Shares with Discount.

7.2 The New Shares Issuance and Allotment on a private placement Basis to BTMU is as per Clause 3.2

-

8. Conditions Precedent to the Transaction

8.1 The Business Transfer and the Allotment of New Shares to be Issued as a Consideration for the Business Transfer

The conditions to the acquisition of business, assets and liabilities of BTMU Bangkok Branch will be in accordance with the conditions precedent of Conditional Branch Purchase Agreement of BTMU Bangkok Branch which includes the following conditions;

- (a) The completion of the VTO provided that upon completion of the VTO, the BTMU has become a shareholder holding more than 25 percent of the total issued and outstanding shares in Krungsri;
- (b) The approval by the BOT of the Business Integration Application and the Integration Plan pursuant to sections 73 and 74 of FIBA having been obtained, and not revoked, on substantially the terms and conditions acceptable to the parties acting reasonably;
- (c) BTMU (and any of its Affiliates) having consulted with the JFSA and obtained the approval required under the Japan Banking Act:
 - i.) Under Article 30(3) of the Japan Banking Act in relation to the Business Transfer; and
 - ii.) Under Article 8(2) of the Japan Banking Act in relation to the closure of BTMU Bangkok branch;
- (d) The following approvals from governmental authorities required for the BTMU (and any of its affiliates) in respect of the Business Transfer and transactions contemplated by the Conditional Branch Purchase Agreement having been obtained. In the case where the BTMU holding not more than 50 percent of the total number of voting rights in Krungsri at the time immediately prior to the completion of the Business Transfer and later becomes a shareholder holding more than 50 percent of the total number of voting rights in the Krungsri at the time of the completion of the Business Transfer and if the same approvals that have been obtained in relation to the VTO lapse prior to the completion of the Business Transfer, BTMU is required to obtain approvals required under Articles 16-2(4) and 52-23(3) of the Japan Banking Act in relation to the holding of shares in Krungsri and in the Krungsri's financial group as subsidiaries;
- (e) All conditions required under approvals in (b), (c) and (d) above having been complied with;
- (f) Krungsri has obtained a favourable ruling from the MOC, on the terms and conditions acceptable to the parties, with regard to the payment in kind of the

share issuance by the Business Transfer being in compliance with section 37 of the Public Limited Companies Act;

- (g) The passing at duly convened meetings of the shareholders of Krungsri of such resolutions as may be necessary (including, but not limited to, the approval required pursuant to section 74 of FIBA) to approve, implement and effect the Business Transfer, including but not limited to approval of the Krungsri's shareholders for:
 - i.) the Business Transfer and acquisition of assets pursuant to the Conditional Branch Purchase Agreement and the entry into of the initial services agreements as connected party transactions, as required by the Capital Market Supervisory Board's relevant notifications;
 - ii.) the reduction of authorized but unissued registered capital;
 - iii.) any increase of registered capital and amendment to the memorandum of association of Krungsri to reflect the increase of registered capital in connection with the share issuance; and
 - iv.) the issuance and allocation of new shares to BTMU in connection with the share issuance and any additional share issuance requested by BTMU as connected transactions, as required by the Capital Market Supervisory Board's relevant notifications;
- (h) the absence of any applicable law that prohibits completion or would render completion unlawful;
- (i) no material adverse change having occurred between the date of the Conditional Branch Purchase Agreement and completion.

8.2 The New Shares Issuance and Allotment on a private placement Basis to BTMU

If the total number of Krungsri's shares acquired by BTMU from VTO and issuance and allotment of new shares expected to receive as consideration of the Business Transfer is less than 50 percent of total issued shares, Krungsri may issue and allot new shares on a private placement basis to BTMU in the amount and extent that will allow BTMU's aggregate shareholding in Krungsri to cross 50 percent threshold of the total issued shares of Krungsri.

9. Summary of Krungsri's Operation

9.1 General Business Description

Bank of Ayudhya Public Company Limited was founded on 27 January 1945 with paid-up capital of THB 1 million. Krungsri started its operations on 1 April 1945 and was listed in the SET on 26 September 1977. On 3 January 2007, Krungsri and GECIH reached an agreement to become strategic partners.

9.2 Business Operation

Krungsri operates a commercial banking business in accordance with FIBA and is permitted to operate businesses in connection with or related to the commercial banking or other businesses that are customary to the commercial banks. Krungsri provides its services to customers through Krungsri's nationwide and overseas network. Currently, Krungsri is the 5th largest commercial bank in Thailand in terms of asset size. The details of Krungsri's branches and service centers as at 31 July 2013 are as follow:

Branch and Financial Service Center	Number (Places)
Domestic Branch	604
• Bangkok and Greater Bangkok	273
• Regional	331
Foreign Branch	4
Exchange Booth	80
Exclusive Banking Service	11
• Krungsri Exclusive Center	3
• Krungsri Exclusive Corner	8

9.3 Top 10 Major Shareholders

Krungsri has a registered capital of THB 70,894 million, of which THB 60,741 million is paid-up. Krungsri's capital comprises common shares of 6,074,143,747 shares with a par value of THB 10. Krungsri's top ten major shareholders as at 12 September 2013 are as follows;

No.	Shareholder Name	No. of Shares	Percentage of Shareholding
1.	GE Capital International Holdings Corporation	1,538,365,000	25.33
2.	Thai NVDR Company Limited	804,960,500	13.25
3.	Morgan Stanley & Co. International Plc	246,206,355	4.05
4.	State Street Bank Europe Limited	219,583,990	3.62
5.	HSBC (Singapore) Nominees Pte Ltd.	195,060,900	3.21
6.	Stronghold Asset Company Limited	166,536,980	2.74
7.	The Great Luck Equity Company Limited	166,478,940	2.74
8.	GL Asset Company Limited	166,414,640	2.74
9.	BBTV Sattlevision Company Limited	166,151,114	2.74
10.	BBTV Asset Management Company Limited	163,112,900	2.69
Total shares from top 10 major shareholders		3,832,871,319	63.11

9.4 Board of Directors Structure of Krungsri

No.	Director Name	Position
1.	Mr. Veraphan Teepsuwan	Chairman of The Board
2.	Mrs. Janice Rae Van Ekeren	Chief Executive Officer
3.	Mr. Philip Tan Chen Chong	President
4.	Mr. Pornsanong Tuchinda	Director
5.	Mr. Pongpinit Tejagupta	Director
6.	Mr. Virojn Srethapramotaya	Director
7.	Miss Nopporn Tirawattanagool	Director
8.	Mr. Xavier Pascal Durand	Director
9.	Miss Potjanee Thanavaranit	Independent Director, Chairman of the Audit Committee
10.	Mr. Virat Phairatphiboon	Independent Director, Audit Committee
11.	Mr. Phong-Adul Kristnaraj	Independent Director, Audit Committee
12.	Mr. Karun Kittisataporn	Independent Director

Note: Data as at 12 September 2013

9.5 Connected Transaction During the Past Year and Present Year until the Latest Quarter

Krungsri has business transactions with subsidiaries, associates and related companies that have shareholding and/or major shareholders and/or joint directors with Krungsri and with related persons. For loans to related party, Krungsri has a policy to set up an allowance for doubtful accounts, which complies with the BOT regulations, similar to loans granted to other debtors.

According to the BOT's Notification No. SorNorSor 19/2012 regarding the guideline on Consolidated Supervision (No.2) dated 17 December 2012, and SorNorSor 6/2010 regarding the Guideline on Consolidated Supervision dated 28 June 2010, commercial banks are required to disclose policy regarding the Inter-Group Transactions in the Financial Business Group and the policy regarding the Risk Management for Inter-Group Transactions in the Financial Business Group. Krungsri's key policies are as follow:

The Risk Management for Inter-Group Transactions in the Financial Business Group Policy

The inter-group transactions shall be on the same conditions or criteria, including interest rate or service fee charged, as applied when Krungsri conducts the transactions with general customers with similar risk profile and Krungsri does not have policy to allow Krungsri's subsidiaries in the Financial Business Group to borrow from or lend to each other.

Krungsri manages risk for all inter-group transactions based on the Credit Risk Management for the Financial Business Policy which includes the key credit risk management process, such as credit risk control, credit risk measurement, and credit risk monitoring, in accordance with Krungsri's policy and the BOT's requirements.

Related party transactions are as follows:

- Loans to, deposits, borrowing and contingencies with management level ranking from Executive Vice President and higher, Vice President/equivalent positions and higher in the Finance and Accounting Functions and companies in which Krungsri's Directors and/or their related parties and/or Krungsri owned and the companies in which the Directors and/or major shareholders of Krungsri having significant voting right either direct and indirect, as at 31 December 2012 and 30 June 2013 are as follows:

Unit: THB Million	Consolidated Financial Statements							
	Ended fiscal year as at 31 December 2012				Ended quarter as at 30 June 2013			
	Loans	Deposits	Borrow- ings	Contin- gencies	Loans	Deposits	Borrow- ings	Contin- gencies
Associates								
Tesco Card Services Limited	10,073	397	-	-	10,853	303	-	-
Tesco Life Assurance Broker Limited	-	47	-	-	-	58	-	-
Tesco General Insurance Broker Limited	-	231	-	-	-	255	-	-
<u>Less</u> Allowance for doubtful accounts	(101)	-	-	-	(109)	-	-	-
Total	9,972	675	-	-	10,744	616	-	-
Related companies having joint major shareholders or directors								
	1,335	4,099	1,700	418	2,170	2,714	1,700	2,366
<u>Less</u> Allowance for doubtful accounts	(13)	-	-	-	(19)	-	-	-
Total	1,322	4,099	1,700	418	2,151	2,714	1,700	2,366
Individual and related entities⁽¹⁾								
	244	547	21	-	236	631	-	-
<u>Less</u> Allowance for doubtful accounts	(1)	-	-	-	(1)	-	-	-
Total	243	547	21	-	235	631	-	-
Total	11,537	5,321	1,721	418	13,130	3,961	1,700	2,366

Note: ⁽¹⁾ Individual and related entities according to IAS No. 24 Related Party Disclosures (Bound Volume 2009)

Unit: THB Million	Krungsri's Financial Statements (Bank Only)							
	Ended fiscal year as at 31 December 2012				Ended quarter as at 30 June 2013			
	Loans	Deposits	Borrow- ings	Contin- gencies	Loans	Deposits	Borrow- ings	Contin- gencies
Subsidiaries								
Ayudhya Development Leasing Company Limited	10,013	45	-	161	8,834	18	-	175
Ayudhya Capital Auto Lease Public Company Limited	125,441	693	-	-	132,920	353	-	-
Ayudhya Total Solutions Public Company Limited	-	2,070	-	-	-	2,078	-	-

Unit: THB Million	Consolidated Financial Statements							
	Ended fiscal year as at 31 December 2012				Ended quarter as at 30 June 2013			
	Loans	Deposits	Borrow- ings	Contin- gencies	Loans	Deposits	Borrow- ings	Contin- gencies

Associates

Tesco Card Services Limited	10,073	397	-	-	10,853	303	-	-
Tesco Life Assurance Broker Limited	-	47	-	-	-	58	-	-
Tesco General Insurance Broker Limited	-	231	-	-	-	255	-	-
CFG Services Company Limited	5,273	17	-	-	6,579	56	-	-
Ayudhya Card Services Company Limited	4,600	247	-	-	3,598	173	-	-
Ayudhya Capital Services Company Limited	21,109	738	-	3	22,580	481	-	3
General Card Services Limited	11,658	268	-	-	10,730	321	-	-
Krungsriayudhya Card Company Limited	26,471	885	-	1	25,197	575	-	1
Siam Realty and Services Company Limited	496	71	-	-	456	38	-	-
Total Services Solutions Public Company Limited	-	246	400	-	-	307	500	-
Krungsri Asset Management Company Limited	-	104	300	613	-	117	-	622
Krungsri Ayudhya AMC Limited	2,357	15	-	38	1,586	58	-	38
Krungsri Securities Public Company Limited	-	853	-	-	-	1,124	-	-
Krungsri Factoring Company Limited	1,433	177	-	-	583	96	-	-
Krungsri Life Assurance Broker Company Limited	-	137	-	-	-	261	-	-
Krungsri General Insurance Broker Company Limited	-	224	-	-	-	407	-	-
Total	208,851	6,790	700	816	213,063	6,463	500	839
<u>Less</u> Allowance for doubtful accounts	(2,088)	-	-	-	(2,130)	-	-	-
Total	206,763	6,790	700	816	210,933	6,463	500	839

Associates

Tesco Card Services Limited	10,073	397	-	-	10,853	303	-	-
Tesco Life Assurance Broker Limited	-	47	-	-	-	58	-	-

Unit: THB Million	Consolidated Financial Statements							
	Ended fiscal year as at 31 December 2012				Ended quarter as at 30 June 2013			
	Loans	Deposits	Borrow- ings	Contin- gencies	Loans	Deposits	Borrow- ings	Contin- gencies
Associates								
Tesco Card Services Limited	10,073	397	-	-	10,853	303	-	-
Tesco Life Assurance Broker Limited	-	47	-	-	-	58	-	-
Tesco General Insurance Broker Limited	-	231	-	-	-	255	-	-
Tesco General Insurance Broker Limited	-	231	-	-	-	255	-	-
<u>Less</u> Allowance for doubtful accounts	(101)	-	-	-	(109)	-	-	-
Total	9,972	675	-	-	10,744	616	-	-
Related companies having joint major shareholders or directors								
	1,335	4,099	1,700	418	2,170	2,714	1,700	2,366
<u>Less</u> Allowance for doubtful accounts	(13)	-	-	-	(19)	-	-	-
Total	1,322	4,099	1,700	418	2,151	2,714	1,700	2,366
Individual and related entities⁽¹⁾								
	196	547	21	-	206	631	-	-
Total	218,253	12,111	2,421	1,234	224,034	10,424	2,200	3,205

Note: ⁽¹⁾ Individual and related entities according to IAS No. 24 Related Party Disclosures (Bound Volume 2009)

As at 31 December 2012 and 30 June 2013, Krungsri charged interest rates to the individual and related parties at 1.00% - 18.99% per annum and 1.00% - 15.99% per annum, respectively.

As at 31 December 2012 and 30 June 2013, the allowance for doubtful accounts of loans granted to subsidiaries of THB 2,088 million and THB 2,130 million, respectively, are not eliminated but classified as surplus reserve in the consolidated financial statements.

As at 31 December 2012 and 30 June 2013, Krungsri granted loans to Krungsri Ayudhya AMC Limited in the form of short-term promissory notes of THB 2,357 million at the interest rates of 3.57% - 4.00% per annum, and as callable promissory notes of THB 1,586 million at the interest rates of 3.30% per annum, respectively.

2. Krungsri has investments in subsidiaries and associates and has investments in related companies as follows:

Unit: THB Million	Business Type	Registered Share Capital	Krungsri's Financial Statements (Bank Only)					
			Ended fiscal year as at 31 December 2012			Ended quarter as at 30 June 2013		
			Owner ship (%)	Investment Cost	Dividend Amount	Owner ship (%)	Investment Cost	Dividend Amount

Related companies

Sriyudhya Capital Insurance	Investment	250	10.92	419	14	9.72	373	10
Less Allowance for impairment				(7)	-		(6)	-
Investment in related companies, net				412	14		367	10

3. Income and expenses between Krungsri and its subsidiaries, associates and related companies for the year ended 31 December 2012 and 6-month period ended 30 June 2013, are as follows:

Unit: THB Million	Consolidated Financial Statements							
	For the fiscal year ended 31 December 2012				For the 6-month period ended 30 June 2013			
	Income		Expenses		Income		Expenses	
	Interest income	Non-interest income	Interest expenses	Non-interest expenses	Interest income	Non-interest income	Interest expenses	Non-interest expenses
Associates								
Tesco Card Services Limited	354	150	2	-	195	183	1	-
Tesco General Insurance Broker Limited	-	13	3	-	-	12	1	-
Total	354	163	5	-	195	195	2	-
Related companies having joint major shareholders or directors	41	60	131	332	36	21	50	155
Individual and related entities⁽¹⁾	6	4	13	-	4	4	6	-
Total	401	227	149	332	235	220	58	155

Note: ⁽¹⁾ Individual and related entities according to IAS No. 24 Related Party Disclosures (Bound Volume 2009)

Unit: THB Million	Krungsri's Financial Statements (Bank Only)							
	For the fiscal year ended 31 December 2012				For the 6-month period ended 30 June 2013			
	Income		Expenses		Income		Expenses	
	Interest income	Non- interest income	Interest expenses	Non- interest expenses	Interest income	Non- interest income	Interest expenses	Non- interest expenses

Subsidiaries

Ayudhya Development Leasing Company Limited	404	3	-	-	188	1	-	-
Ayudhya Auto Lease Public Company Limited	-	-	5	-	-	-	-	-
Ayudhya Capital Auto Lease Public Company Limited	4,320	62	4	1	2,507	64	3	1
Ayudhya Total Solutions Public Company Limited	-	2	42	-	-	-	23	-
CFG Services Company Limited	223	25	1	-	140	8	-	-
Ayudhya Card Services Company Limited	133	74	-	-	68	35	-	-
Ayudhya Capital Services Company Limited	791	161	2	11	427	100	1	7
General Card Services Limited	445	8	2	1	215	4	1	-
Krungsriayudhya Card Company Limited	868	92	3	1	460	42	1	-
Siam Realty and Services Company Limited	17	1	-	435	8	1	-	219
Total Services Solutions Public Company Limited	-	3	11	70	-	2	6	31
Krungsri Asset Management Company Limited	-	125	9	6	-	116	4	3
Krungsri Ayudhya AMC Limited	171	31	-	-	34	10	-	-
Krungsri Securities Public Company Limited	-	21	19	3	-	11	12	2
Krungsri Factoring Company Limited	88	5	1	-	17	3	-	-
Krungsri Life Assurance Broker Limited	-	1	1	-	-	-	1	-
Krungsri General Insurance Broker Limited	-	-	1	-	-	-	1	-
Total	7,460	614	101	528	4,064	397	53	263

Associates

Tesco Card Services Limited	354	12	2	-	195	9	1	-
Tesco General Insurance Broker Limited	-	13	3	-	-	7	1	-

Unit: THB Million	Krungsri's Financial Statements (Bank Only)							
	For the fiscal year ended 31 December 2012				For the 6-month period ended 30 June 2013			
	Income		Expenses		Income		Expenses	
	Interest income	Non- interest income	Interest expenses	Non- interest expenses	Interest income	Non- interest income	Interest expenses	Non- interest expenses
Total	354	25	5	-	195	16	2	-
Related companies having joint major shareholders or directors	41	60	131	332	36	21	50	155
Individual and related entities⁽¹⁾	6	4	13	-	4	4	6	-
Total	7,861	703	250	860	4,299	438	111	418

Note: ⁽¹⁾ Individual and related entities according to IAS No. 24 Related Party Disclosures (Bound Volume 2009)

- For the year ended 31 December 2012, Krungsri and a subsidiary entered into an agreement to sell non-performing loan ("NPLs") to a related company totaling THB 1,698 million with a book value of THB 2,353 million and a net book value of THB 1,566 million. The proceeds have been received.

For the year ended 31 December 2012, Krungsri entered into an agreement to sell non-performing loan ("NPLs") to a subsidiary totaling THB 33 million with a book value of THB 825 million and a net book value of THB 33 million. The proceeds have been received.

- For the year ended 31 December 2012 and the 6-month period ended 30 June 2013, subsidiaries entered into collection services and other service agreements of THB 826 million and THB 457 million, respectively, and office and vehicle rental and facilities service agreement of THB 51 million and THB 29 million, respectively.
- For the year ended 31 December 2012 and the 6-month periods ended 30 June 2013, subsidiaries entered into the technology and software service agreement with related parties for THB 59 million and THB 35 million, respectively.
- For the year ended 31 December 2012 and the 6-month periods ended 30 June 2013, related party transactions among subsidiaries regarding the service agreement are THB 1,053 million and THB 425 million, respectively.
- The Extraordinary Board of Directors' Meeting of Krungsri on 20 July 2009 approved Krungsri to accept the entire business transfer of Ayudhya Card Services Company Limited which operates credit card and personal loan and in which Krungsri holds 100 percent of total shares sold. The transaction was approved by the EGM No. 2/2009 on 27 August 2009.

Krungsri's Board of Directors Meeting No. 6/2012 held on 27 June 2012 resolved to adjust its operating plan whereby Krungsri will not accept the entire business transfer of Ayudhya Card Services Company Limited as previously approved by the

EGM referred above. However, Krungsriayudhya Card Company Limited which operates credit card and personal loan business and in which Krungsri holds 100 percent of the total shares sold, will consider accepting the entire business transfer of Ayudhya Card Services Company Limited.

9. On 21 April 2012, Ayudhya Total Solutions Public Company Limited (“AYTS”) has already completed the transfer of its entire business to Ayudhya Capital Auto Lease Public Company Limited (“AYCAL”) at net book value of THB 721 million, having total assets and total liabilities of THB 858 million and THB 137 million respectively on the transfer date, as approved by the EGM No. 1/2011 of AYTS as well as the annual general meeting of shareholders No. 51 of AYTS and the extraordinary meeting of shareholders No. 1/2011 of AYCAL.

Transactions between Krungsri and BTMU

Krungsri has been engaged in certain transactions with BTMU such as deposit and SWAP contracts. As at 30 June 2013, BTMU had outstanding balance of deposit of approximately THB 7 million, the total FX SWAP exposure of approximately USD 733 million and cross currency swap exposure of approximately THB 900 million.

On 18 September 2013, Krungsri’s Board of Directors approved the acquisition of business, assets, and liabilities of BTMU Bangkok Branch including the entering into the Conditional Branch Purchase Agreement and related agreements, including the Master Service Agreement, which will include and not be limited to the General Service Agreement, the Trademark License Agreement, and the Software License Agreement, in order for Krungsri to continue servicing BTMU Bangkok Branch’s businesses. In addition, Krungsri has entered into the Funding Support Agreement with BTMU. The execution of such transactions shall be in line with normal business practice with no transfer pricing benefit to subsidiaries, related companies and shareholders so as to comply with regulations of the SET, the Capital Supervisory Board and the SEC based on an Arm’s Length Basis and subject to approval processes for related party transactions under related rules of the SET, the Capital Supervisory Board and the SEC.

9.6 Pending Material Lawsuits or Claims

As at 30 June 2013, there are no lawsuits or claims between Krungsri and the third person that may adversely affect Krungsri’s assets by more than 5 percent of shareholders’ equity of the latest fiscal year, or may materially affect Krungsri’s business, or result from Krungsri’s unusual course of business.

9.7 Summary of Krungsri’s Consolidated Financial Statements

Unit: THB Million	For the fiscal year ended 31 December			For the 6-month period ended 30 June	
	2010	2011	2012	2012	2013
Statements of Comprehensive Income					
Interest Income	47,275	56,428	64,640	31,429	34,364
Fees and Service Income	12,898	13,838	16,434	7,859	9,362
Other Income	6,819	7,052	8,501	4,107	5,046
Total Income	66,992	77,318	89,574	43,395	48,772

Unit: THB Million	For the fiscal year ended 31 December			For the 6-month period ended 30 June	
	2010	2011	2012	2012	2013
Interest Expenses	12,647	18,963	24,687	11,997	12,769
Fees and Service Expenses	2,819	3,051	3,699	1,727	2,096
Other Expenses	39,187	39,690	42,183	20,354	24,932
Total Expenses	54,652	61,704	70,568	34,078	39,797
Operating Profit	12,340	15,614	19,006	9,317	8,975
Net Profit	8,816	9,304	14,669	7,157	7,148
Number of Shares (Unit: million shares)	6,074	6,074	6,074	6,074	6,074
Earnings per Share (Unit: THB)	1.45	1.53	2.41	1.18	1.18
Statements of Financial Position					
Interbank and Money Market Items (Assets), Net	74,527	81,818	79,390	99,571	109,446
Investments	78,360	81,204	78,302	88,692	77,552
Loans to Customers and Accrued Interest Receivable, Net	616,731	690,087	801,236	728,778	832,195
Other Assets	100,217	94,689	113,038	94,712	110,963
Total Assets	869,834	947,797	1,071,965	1,011,754	1,130,156
Deposits	576,479	560,540	687,159	622,391	731,731
Interbank and Money Market Items (Liabilities), Net	43,762	23,741	48,821	34,054	53,002
Debt Issued and Borrowings	99,365	208,263	154,629	197,639	159,558
Provisions	3,690	6,896	7,334	7,393	7,370
Other Liabilities	47,434	45,662	60,536	72,509	58,872
Total Liabilities	770,730	845,102	958,479	933,986	1,010,533
Non-Controlling Interest	189	207	164	150	228
Total Equity	99,104	102,696	113,486	107,947	119,622
Statements of Cash Flow					
Cash Flow from Operating Activities	10,238	(92,052)	62,659	25,366	(2,695)
Cash Flow from Investing Activities	(8,746)	(9,519)	(4,795)	(15,127)	(257)
Cash Flow from Financing Activities	158	104,502	(58,203)	(12,754)	2,487
Net Increased (Decreased) in Cash and Cash Equivalents	1,650	2,931	(339)	(2,515)	(465)
Financial Ratio (Unit: Percentage)					
Total Revenue Growth (YoY)	28.0	15.4	15.9	17.1	12.4
Net Income Growth (YoY)	32.4	5.5	57.7	23.4	(0.1)
Gross Profit Margin	71.8	66.1	62.5	62.5 ⁽¹⁾	63.6 ⁽¹⁾
Operating Profit Margin	18.4	20.2	21.2	21.5 ⁽¹⁾	18.4 ⁽¹⁾
Net Profit Margin	13.1	12.0	16.3	16.4 ⁽¹⁾	14.5 ⁽¹⁾
Return on Asset	1.1	1.0	1.5	1.4 ⁽¹⁾	1.3 ⁽¹⁾
Return on Equity	9.2	9.2	13.5	13.5 ⁽¹⁾	12.2 ⁽¹⁾
<i>Note: ⁽¹⁾ annualized basis for comparison purpose</i>					

9.8 Management Discussion and Analysis (MD&A)

For 6 months periods, ended 30 June 2013

For the first half of 2013, gross loans grew at 4.1 percent, representing an additional THB 34,333 million in new loans compared to the balance as at December 2012 (Net loans to customers and accrued interest receivable grew at 3.9 percent, representing an additional THB 30,959 million in new loans compared to the balance as at December 2012). Retail loans grew by 9.1 percent, driven by demand for auto hire purchase and mortgage. Meanwhile, SME recorded 1.6 percent growth, attributed to growth from all key SME segments. Corporate loans contracted 2.8 percent due to repayment in working capital related loans in the first quarter.

For the first half of 2013, core profit registered at THB 9,190 million or an increase of 28.4 percent year-on-year. Including the one-off impact of countercyclical reserve of THB 2,552 million, net profits recorded at THB 7,148 million, a slight decrease of THB 9 million, or 0.1 percent year-on-year. As a result, earnings per share (EPS) was THB 1.18 for the first half of 2013. As a result of the countercyclical reserve, excess reserves over the BOT's reserve requirement increased to THB 15,661 million from THB 12,286 million as at December 2012.

As at 30 June 2013, asset quality remained sound with non-performing loans representing 2.4 percent of total loans, unchanged from December 2012.

Deposits totaled THB 731,731 million, an increase of THB 44,572 million, or 6.5 percent from December 2012. The strong growth in deposits, in part, reflected the successful launch of the "9-months Step Up Time Deposit" introduced in March 2013.

On 2 July 2013, BTMU announced its plan to acquire a majority stake in Krungsri. Krungsri believes that this development will support Krungsri moving into a leading position in the Thai banking industry, particularly in the SME and corporate banking platforms as well as improve the Group's regional footprint and global connectivity. This move will complement Krungsri's already leading position in retail banking. Following BTMU's announcement, Moody's Investors Service adjusted the outlook of Krungsri's deposit rating to "positive", while Standard & Poor's and Fitch Ratings placed Krungsri on "Credit Watch Positive" and "Rating Watch Positive", respectively.

For 1 year period, ended 31 December 2012

On a gross loan basis, total loans stood at THB 830,008 million, an increase of THB 110,501 million, or 15.4 percent from last year. (Net loans to customers and accrued interest receivable stood at THB 801,236 million, an increase of THB 111,149 million, or 16.1 percent from last year). The robust loan growth in 2012 was broad-based covering retail, SME and corporate segments. In particular, the retail segments recorded growth at 24.2 percent, followed by SME and corporate segments at 12.6 percent and 3.7 percent, respectively. With this momentum, the retail segment now represents 48.8 percent of our loan portfolio, moving it closer to Krungsri Group's 50 percent retail loan mix aspiration.

In 2012, net profit rose 57.7 percent, on a year-on-year basis, to THB 14,669 million from THB 9,304 million in the prior year. Key drivers are attributed to higher net interest income resulting from strong loan growth and healthy fees and service income growth. Fees

and service income grew 18.8 percent year-on-year resulting from sustained performance in Bancassurance and credit card businesses. Earnings per share (EPS) rose to THB 2.41 in 2012 from THB 1.53 for the last year, an impressive 57.5 percent increase.

In 2012, non-performing loans was sharply reduced by 27.9 percent from December 2011, representing 2.4 percent of total loans at the end of year, compared to 3.7 percent in December 2011.

Overall funding for Krungsri including deposits, bill of exchange and debentures increased THB 64,227 million, or 8.6 percent, from December 2011. The notable increase in deposits, against the planned contraction in bills of exchange, highlights our active management of funding for growth and reflects our ability to successfully mobilize deposits through the “Big Bang” products – “Mee Tae Dai and JadHai” – introduced in June and August 2012, respectively.

9.9 Total Amount of Debt Instruments Having been Issued and Those Not Having been Issued Pursuant to the Resolution of the Shareholders Meeting Which Authorizes the Board of Directors of the Listed Company to Consider Issuing Them For Sale as It Deems Appropriate

The resolution of EGM No. 1/2012 on 20 March 2012 granted an approval for issuing debenture in total value of THB 300,000 million and for issuing short-term debenture of THB 80,000 million (no more than 270 days). The unredeemed amount ended June 2013 is THB 16,933 million. On 28 June 2013, Krungsri issued long-term debenture of THB 7,000 million with 2-year and 3-year maturity and offered the same to institution investors. The remaining unredeemed value for the subordinated debenture is THB 14,844 million. The details of the unredeemed outstanding debenture, totaling THB 37,840 million, are as follow:

Securities Type	Interest Rate (Per annum)	Maturity Date	Other Conditions	Unredeemed amount and value as at 30 June 2013 (THB Million)
Long-Term Bonds (Non-Collaterals)				
1. Subordinated Debenture No. 1/2010 (BAY206A) Amount: THB 20,000 million Issue Date: 23 June 2010 Debenture Rating (Fitch/TRIS): A+/A+ Agent: TMB Bank PCL.	1-3 year: 4.35% 4-6 year: 4.75% 7-10 year: 5.50%	23 June 2020 (10 years)	Krungsri has the right to call option on 5 th year maturity, counting from the issue date or from the date of interest payment after the 5 th year maturity, with prior approval from the BOT	20,000
2. Debenture No. 1/2012 Series 1 (BAY142A) Amount: THB 3,000 million Issue Date: 24 February 2012 Debenture Rating (Fitch): AA- Agent: Thanachart Bank PCL.	1-6 month: 3.20% 7-12 month: 3.44% 13-18 month: 4.00% 19-24 month: 4.20%	24 February 2014 (2 years)	-	3,000

Securities Type	Interest Rate (Per annum)	Maturity Date	Other Conditions	Unredeemed amount and value as at 30 June 2013 (THB Million)
3. Debenture No. 1/2012 Series 2 (BAY152A) Amount: THB 4,340 million Issue Date: 24 February 2012 Debenture Rating (Fitch): AA- Agent: Thanachart Bank PCL.	1 year: 3.30% 2 year: 3.65% 3 year: 4.50%	24 February 2015 (3 years)	-	4,340
4. Debenture No. 1/2012 Series 3 (BAY142B) Amount: THB 8,600 million Issue Date: 24 February 2012 Debenture Rating (Fitch): AA- Agent: Thanachart Bank PCL.	3.70%	24 February 2014 (2 years)	-	8,600
5. Debenture No. 1/2012 Series 4 (BAY152B) Amount: THB 1,900 million Issue Date: 24 February 2012 Debenture Rating (Fitch): AA- Agent: Thanachart Bank PCL.	3.80%	24 February 2015 (3 years)	-	1,900
6. Subordinated Debenture No. 1/2012 (BAY22NA) Amount: THB 14,844 million Issue Date: 7 November 2012 Debenture Rating (Fitch): A+ Agent: TMB Bank PCL.	4.70%	7 November 2020 (10 years)	-	14,844
7. Debenture No. 1/2013 Series 1 (BAY166A) Amount: THB 6,000 million Issue Date: 28 June 2013 Debenture Rating (Fitch): AA- Agent: None	3.48%	28 June 2015 (3 years)	-	6,000
8. Debenture No. 1/2013 Series 2 (BAY166A) Amount: THB 1,000 million Issue Date: 28 June 2013 Debenture Rating (Fitch): AA- Agent: None	3.59%	28 June 2016 (3 years)	-	1,000
Other Debt Instruments (Non-Collaterals)				
1. Short-Term Debenture (Issue in 2012 until 30 June 2013) Issue Date: 29 February 2012 – 30 June 2013 Debenture Rating (Fitch): AA Agent: None	2.50% - 3.15%	Depending on the date of purchase (not over 270 days)	-	16,933
2. Bill of Exchange (Issue in 2012 until 30 June 2013) Issue Date: 4 January 2012 – 30 June 2013 Debenture Rating (Fitch/TRIS): None Agent: None	1.82% - 3.22%	Depending on the date of purchase (3 days to 270 days)	- Early redemption is not allowed - Non-negotiable Bearer B/E	5,303
3. Bill of Exchange (Issue in 2012 until 30 June 2013) Issue Date: 4 January 2012 – 30 June 2013 Debenture Rating (Fitch/TRIS): None Agent: None	2.20% - 3.37%	Depending on the date of purchase (7 days to 36 months)	- Early redemption is not allowed - Non-negotiable Bearer B/E	11,103

9.10 Total Amount of Loans with Specified Repayment Period, Including the Securities as Collateral

Interbank and money market items, net (Liability)

Interbank and money market items, net (liability) as at 31 December 2012 and 30 June 2013 are as follows:

Unit: THB Million	Consolidated Financial Statements					
	Ended fiscal year as at 31 December 2012			Ended quarter as at 30 June 2013		
	At Call	Time	Total	At Call	Time	Total
Domestic items						
Bank of Thailand and Financial Institution Development Fund	-	9,265	9,265	-	9,470	9,470
Commercial banks	1,358	24,120	25,478	2,018	17,530	19,611
Specialized financial institutions	181	6,026	6,207	118	11,270	11,388
Other financial institutions	5,558	688	6,246	3,823	2,174	5,997
Total domestic items	7,097	40,099	47,196	6,022	40,444	46,466
Foreign items						
US Dollar	56	1,532	1,588	173	6,225	6,398
Yen	-	-	-	126	-	126
Other currencies	37	-	37	12	-	12
Total foreign items	93	1,532	1,625	311	6,225	6,536
Total domestic and foreign items	7,190	41,631	48,821	6,333	46,669	53,002

Additional information on Interbank and money market items, net (liability) is as follows:

- As at 31 December 2012 and 30 June 2013, the outstanding balance of borrowing from the BOT is THB 9,265 million and THB 9,470 million respectively. The loan bears interest rate at 0.01 percent per annum. The loan is restricted for soft loan program for flood relief in year 2011 provided to small and medium enterprises (SME) and individuals at the interest rate of not over 3 percent per annum for a duration of 5 years, and will end on 31 December 2018.
- On 25 October 2012, Krungsri entered into a loan agreement facility of USD 200 million with International Finance Corporation, a member of the World Bank, which composed of a 36-month term loan of USD 100 million, a 48-month term loan of USD 50 million and a 60-month term loan of USD 50 million at the interest rate of 3-month LIBOR plus applicable spreads. The purpose of this facility is to provide Krungsri funding for financing to small or medium enterprises directly and indirectly impacted by flooding in Thailand.

Debt issued and borrowings

Debt issued and borrowings as at 31 December 2012 and 30 June 2013 are as follows:

Unit: THB Million				Consolidated Financial Statements					
				Ended fiscal year as at 31 December 2012			Ended quarter as at 30 June 2013		
	Currency	Interest rate (%)	Maturity	Domestic	Foreign	Total	Domestic	Foreign	Total
Subordinated Debenture	THB	4.75-5.50	2020-2022	34,844	-	34,844	34,844	-	34,844
Senior securities	THB	2.68-4.50	2013-2016	71,170	-	71,170	81,240	-	81,240
Bill of exchange	THB	1.82-4.15	2013-2014	48,523	-	48,523	43,402	-	43,402
Other borrowings	THB	0.00-0.50	2013-2017	92	-	92	72	-	72
Total				154,629	-	154,629	159,558	-	159,558

Additional information on debts issued and borrowings is as follows:

- On 23 June 2010, Krungsri issued subordinated debentures No. 1/2010 in the amount of THB 20,000 million with maturity on 23 June 2020 at the fixed interest rates of 4.35 percent per annum for the years 1-3, 4.75 percent per annum for the years 4-6 and 5.50 percent per annum for the years 7-10, payable quarterly on the 23rd of March, June, September and December of each year. Krungsri has the right to redeem such debentures before the maturity date subject to the approval of the BOT. Krungsri may redeem the debentures prior to the fifth anniversary of the issue date if Krungsri is notified by the BOT that the debentures shall not be treated as tier 2 capital or the debentures shall be treated as tier 2 capital less than 50 percent of tier 1 capital of Krungsri.
- On 7 November 2012, Krungsri issued subordinated debentures No. 1/2012 in the amount of THB 14,844 million for a 10-year tenor at the fixed interest rate of 4.70 percent per annum, payable quarterly in February, May, August and November of each year. Krungsri has the right to redeem such debentures on the fifth anniversary of the issue date or on any interest payment date after the fifth anniversary.

9.11 Total Value of Debts in Other Categories, Including Overdrafts, and the Securities as Collateral

Liabilities	As at 30 June 2013 (THB million)	Asset with obligations
Deposits	731,731	
Interbank and money market items, net	53,002	Government bond THB 8,133 million
Liability payable on demand	4,548	
Liability to deliver security	11,725	
Derivatives liabilities	5,348	
Debt issued and borrowings	159,558	
Bank's liabilities under acceptance	815	

Liabilities	As at 30 June 2013 (THB million)	Asset with obligations
Provisions	7,370	
Deferred tax liabilities	2,822	
Accounts payable for investments	4,391	
Other Liabilities	29,224	
Total liabilities	1,010,533	

9.12 Indebtedness to be Incurred in the Future

Contingencies as of 31 December 2012 and 30 June 2013 are as follows:

Unit: THB Million	Consolidated Financial Statements		Krungsri's Financial Statements	
	31 December 2012	30 June 2013	31 December 2012	30 June 2013
Avals to bills	977	1,121	977	1,121
Guarantees of loans	90	46	90	46
Liability under unmatured import bills	1,548	1,575	1,548	1,575
Letters of credit	8,043	8,886	8,043	8,886
Other contingencies				
- Unused overdraft limit	59,049	58,282	59,181	58,432
- Other guarantees	35,172	44,424	35,172	44,424
- Others	506	550	506	550
Total	105,385	114,884	105,517	115,034

Krungsri and its subsidiaries have entered into a long-term information technology service agreement, which will expire in 2019, with a local company. As at 31 December 2012 and 30 June 2013, Krungsri and its subsidiaries have a commitment to pay in the amounts of THB 4,386 million and THB 4,056 million, respectively.

As at 31 December 2012 and 30 June 2013, Krungsri has future commitments to pay regarding the information technology services in the amounts of THB 86 million and THB10 million, respectively.

9.13 Summary of Material Contracts During the Past Two Years

Acquisition of the retail banking business in Thailand from the Hong Kong and Shanghai Banking Corporation Limited, Bangkok Branch ("HSBC")

The EGM No. 1/2012, held on 20 March 2012, approved Krungsri and/or its subsidiaries' acquisition of the retail banking business in Thailand from HSBC, which operates credit card, personal loan and mortgage businesses and raising deposits and bills of exchange funding, under a foreign bank branch license and the BOT's supervision. This acquisition was successfully completed on 31 March 2012.

Consolidated financial statements

Fair value of assets and liabilities of HSBC's retail banking business and book value of each item are as follows:

Unit: THB Million	Book Value	Fair Value
Assets		
Receivable and loans	13,042	13,889
Others	454	1,314
Total	13,496	15,203
Liabilities		
Deposit and borrowings	9,557	9,557
Others	233	633
Total	9,790	10,190
Net assets	3,706	5,013
Goodwill		2,426
Purchase price		7,439

As at 31 December 2012, the determination of final fair values for assets and liabilities of acquired HSBC's retail banking business were completed, and there were retrospective adjustments to those provisional values as at the acquisition date.

Loan agreement with International Finance Corporation

On 25 October 2012, Krungsri entered into a loan agreement facility of USD 200 million with International Finance Corporation, a member of the World Bank, which composed of a 36-month term loan of USD 100 million, a 48-month term loan of USD 50 million and a 60-month term loan of USD 50 million at the interest rate of 3-month LIBOR plus applicable spreads. The purpose of this facility is to provide Krungsri funding for financing to small or medium enterprises directly and indirectly impacted by flooding in Thailand.

Transfer of sub-quality assets to Thai Asset Management Corporation

On 12 October 2001, Krungsri and a subsidiary entered into Assets Transfer Agreements with the Thai Asset Management Corporation ("TAMC") in order to transfer sub-quality assets including rights over the collateral as specified in the agreements. The sub-quality assets to be transferred should be those which have outstanding balances as at 31 December 2000 and possess certain characteristics as specified in the Emergency Decree on TAMC B.E. 2544 ("TAMC Decree"). The price of the sub-quality assets shall equal the value of the collateral which should not exceed the loan value less allowance for doubtful accounts, as determined based on the BOT guidelines. Krungsri and its subsidiary will receive non-negotiable promissory notes when TAMC confirms the price. The notes mature in 10 years and bear the interest rate calculated based on the average rate of deposits, payable annually. The notes are availed by the Financial Institutions Development Fund.

Krungsri, its subsidiary and TAMC agreed to allocate any profit or loss from managing the sub-quality assets at the end of the fifth and the tenth year starting from 1 July 2001. In addition, pursuant to the TAMC Decree, when profits are realized, the first portion of the profits, not exceeding 20 percent of the transfer price of the sub-quality assets

transferred to TAMC will be allocated equally between TAMC and Krungsri/subsidiary. The second portion of the profit will be allocated in full to Krungsri/subsidiary. The two portions of the profits combined together shall not exceed the difference between the book value and the transfer price of the sub-quality assets transferred to TAMC. The residual amount of the profits after allocation of the second portion will be given to TAMC. In case when losses are realized, this will be shared between TAMC and Krungsri/subsidiary. Krungsri and its subsidiary will absorb the first portion of the losses, not exceeding 20 percent of the transfer price of the sub-quality assets transferred to TAMC. For the second portion of losses which is the residual amount of the first portion, an amount not exceeding 20 percent of the transfer price of the sub-quality assets transferred to TAMC will be shared equally between Krungsri and its subsidiary. The residual amount of the losses after allocation of the second portion will be absorbed by TAMC. The calculation of such profits and losses by TAMC is based on the fully repaid assets or the process of assets transfer has been completed in case of transfer of assets for repayment purposes.

On 9 June 2011, TAMC has liquidated and consequently Krungsri and its subsidiary have confirmed the profit and loss calculation report received from TAMC on 30 April 2013. As a result, as at 30 June 2013 and 31 December 2012, the provisions for possible losses were set up in the amounts of THB 1,006 million and THB 2,131 million respectively for the consolidated financial statements and THB 1,003 million and THB 2,070 million respectively for Krungsri's financial statements. During the 6-month period ended 30 June 2013, Krungsri and its subsidiary recorded reversal on provision for possible losses in the consolidated and Krungsri's financial statements of THB 1,125 million and THB 1,067 million respectively, which presented negative amount in other operating expenses.

On 8 June 2013, TAMC was dissolved and transferred its assets and liabilities to the MOF for further processing.

10. Connected Persons and/or Shareholders Having Interests Shall Have No Right to Vote

BTMU will become a major shareholder of Krungsri and will become a connected person of Krungsri post-VTO. At present, BTMU does not hold any shares of Krungsri. Therefore, Krungsri has no shareholder having interests with no voting rights.

11. The Statement Relating to the Responsibility of Directors with Respect to the Information in Documents Sent to the Shareholders

Krungsri's Board of Directors has carefully examined the information in this Information Memorandum and found no reasonable ground to believe that the information is not true, incomplete and false, misleading or omits any fact that should have been expressly disclosed in material respects.

12. Directors having interest and/or directors being connected person did not attend the meeting and did not have right to vote in the meeting

-

13. Opinion of Krungsri's Board of Directors and Audit Committee

Opinion of Krungsri's Board of Directors

In the opinion of Krungsri's Board of Directors, the integration of the Krungsri and BTMU Bangkok Branch, which Krungsri will acquire and accept the transfer thereof including the entering into Conditional Branch Purchase Agreement between Krungsri (the transferee) and BTMU (the transferor) and other relevant agreements, is considered to be an Acquisition of the Asset Transaction and Connected Transaction and the issuance of new shares not exceeding 1,500,000,000 shares to BTMU, which is the Connected Transaction, are reasonable and beneficial to Krungsri. Krungsri's Board of Directors has approved to call and propose in the EGM to consider the approval for the above transactions, by empowering the Board of Directors or the person appointed by the Board of Directors to determine the appropriate period for the integration, negotiate on the determination and/or amendment in conditions, process relevant matters and undertake any actions necessary for the completion of the integration, including contacting with government agencies and others relevant regulatory bodies.

Opinion of Krungsri's Audit Committee

The Audit Committee does not have a different opinion from that of the other Directors of the Board.

Krungsri hereby certifies that the information contained in this report form is true and complete in all respects.

Yours sincerely,



(Mrs. Janice Rae Van Ekeren)

Chief Executive Officer