

REVIEW REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE BOARD OF DIRECTORS

BANK OF AYUDHYA PUBLIC COMPANY LIMITED

We have reviewed the consolidated balance sheet of Bank of Ayudhya Public Company Limited and its subsidiaries and the separate balance sheet of Bank of Ayudhya Public Company Limited as at September 30, 2010, and the related consolidated and separate statements of income for the quarters and nine-month periods ended September 30, 2010 and 2009, and the related consolidated and separate statements of changes in shareholders' equity and cash flows for the nine-month periods ended September 30, 2010 and 2009. These financial statements are the responsibility of the Bank's management as to their correctness and completeness of the presentation. Our responsibility is to report on these financial statements based on our reviews.

We conducted our reviews in accordance with the Standard on Auditing applicable to review engagements. The Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit in accordance with generally accepted auditing standards, and accordingly, we do not express an opinion.

Based on our reviews, nothing has come to our attention that causes us to believe that the aforementioned consolidated and separate financial statements are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

We have previously audited, in accordance with generally accepted auditing standards, the consolidated and separate financial statements of the Bank for the year ended December 31, 2009 and expressed an unqualified opinion in our report dated February 11, 2010. The consolidated and separate balance sheets of the Bank as at December 31, 2009, presented herein for comparison, have been derived from such consolidated and separate financial statements which have been audited and reported on.

As discussed in Note 2.4 to the financial statements, the Bank and subsidiaries had first-time adopted an accounting policy regarding deferred tax for the consolidated and separate financial statements for the year ended December 31, 2009. As the consolidated and separate financial statements for the quarter and nine-month period ended September 30, 2009, which have previously been reviewed and reported on, have not applied such accounting policy, the comparative consolidated and separate statements of income for the quarter and nine-month period ended September 30, 2009 and consolidated and separate statements of changes in shareholders' equity and cash flows for the nine-month period ended September 30, 2009, thus have been restated to be in accordance with such new accounting policy.

BANGKOK
November 9, 2010

Dr. Suphamit Techamontrikul
Certified Public Accountant (Thailand)
Registration No. 3356
DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
BALANCE SHEETS
AS AT SEPTEMBER 30, 2010 AND DECEMBER 31, 2009

BAHT : '000

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	"UNAUDITED"		"UNAUDITED"	
	As at	As at	As at	As at
	September 30, 2010	December 31, 2009	September 30, 2010	December 31, 2009
ASSETS				
CASH	17,894,999	20,090,301	17,873,385	20,080,481
INTERBANK AND MONEY MARKET ITEMS				
Domestic items				
Interest bearing	47,490,079	43,646,440	47,215,633	41,141,565
Non-interest bearing	12,689,394	6,324,082	12,518,845	4,984,943
Foreign items				
Interest bearing	1,441,522	2,068,922	1,441,522	2,068,922
Non-interest bearing	2,607,912	1,628,381	2,540,854	1,561,415
Total interbank and money market items, net	<u>64,228,907</u>	<u>53,667,825</u>	<u>63,716,854</u>	<u>49,756,845</u>
INVESTMENTS (Note 5)				
Current investments, net	23,333,301	22,779,863	23,333,301	22,741,811
Long-term investments, net	55,578,703	44,640,303	54,409,292	44,402,357
Investments in subsidiaries and associated companies, net	<u>726,563</u>	<u>642,683</u>	<u>37,702,730</u>	<u>37,699,959</u>
Investments, net	<u>79,638,567</u>	<u>68,062,849</u>	<u>115,445,323</u>	<u>104,844,127</u>
LOANS AND ACCRUED INTEREST				
RECEIVABLES (Note 6)				
Loans	611,440,809	603,507,857	557,534,144	563,934,343
Accrued interest receivables	<u>1,809,929</u>	<u>2,210,021</u>	<u>840,222</u>	<u>1,195,345</u>
Total loans and accrued interest receivables	613,250,738	605,717,878	558,374,366	565,129,688
Less Allowance for doubtful accounts (Note 7)	(37,257,298)	(38,270,889)	(23,859,985)	(24,255,898)
Less Revaluation allowance for debt restructuring (Note 8)	<u>(604,801)</u>	<u>(328,769)</u>	<u>(43,352)</u>	<u>(328,627)</u>
Net loans and accrued interest receivables	<u>575,388,639</u>	<u>567,118,220</u>	<u>534,471,029</u>	<u>540,545,163</u>
PROPERTIES FORECLOSED, NET	15,348,866	18,016,940	7,869,877	9,557,415
CUSTOMERS' LIABILITIES UNDER ACCEPTANCES	692,899	680,865	692,899	680,865
CUSTOMERS' LIABILITIES UNDER COLLATERAL	1,010,000	7,090,000	1,010,000	7,090,000
PROPERTY, PREMISES AND EQUIPMENT, NET	16,762,719	17,369,818	16,000,041	16,597,158
INTANGIBLE ASSETS, NET	12,700,200	12,608,518	1,302,285	1,141,223
DEFERRED TAX ASSETS (Note 9)	7,788,780	7,087,903	3,208,122	2,792,128
OTHER ASSETS	<u>12,017,422</u>	<u>8,339,136</u>	<u>10,481,548</u>	<u>7,539,936</u>
TOTAL ASSETS	<u>803,471,998</u>	<u>780,132,375</u>	<u>772,071,363</u>	<u>760,625,341</u>

Notes to the financial statements form an integral part of these interim financial statements

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS (CONTINUED)

AS AT SEPTEMBER 30, 2010 AND DECEMBER 31, 2009

BAHT : '000

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	"UNAUDITED"		"UNAUDITED"	
	As at	As at	As at	As at
	September 30, 2010	December 31, 2009	September 30, 2010	December 31, 2009
LIABILITIES AND SHAREHOLDERS' EQUITY				
DEPOSITS				
Deposits in Baht	528,222,403	517,551,626	535,197,003	521,722,507
Deposits in foreign currencies	2,760,826	2,963,011	2,760,826	2,963,011
Total deposits	<u>530,983,229</u>	<u>520,514,637</u>	<u>537,957,829</u>	<u>524,685,518</u>
INTERBANK AND MONEY MARKET ITEMS				
Domestic items				
Interest bearing	18,400,244	45,056,810	16,850,076	41,176,612
Non-interest bearing	2,005,079	1,776,556	2,018,181	1,791,093
Foreign items				
Interest bearing	234,476	519,222	234,476	519,222
Non-interest bearing	49,575	62,481	49,575	62,481
Total interbank and money market items	<u>20,689,374</u>	<u>47,415,069</u>	<u>19,152,308</u>	<u>43,549,408</u>
LIABILITIES PAYABLE ON DEMAND	1,917,562	1,752,366	1,917,562	1,752,366
BORROWINGS				
Short-term borrowings (Note 10)	52,003,920	39,090,300	53,903,920	39,090,300
Long-term borrowings (Note 11)	66,922,005	45,596,442	47,622,005	40,922,442
Total borrowings	<u>118,925,925</u>	<u>84,686,742</u>	<u>101,525,925</u>	<u>80,012,742</u>
BANK'S LIABILITIES UNDER ACCEPTANCES	692,899	680,865	692,899	680,865
BANK'S LIABILITIES UNDER COLLATERAL DELIVER	1,010,000	7,090,000	1,010,000	7,090,000
PROVISION (Note 12)	400,405	287,130	400,405	287,130
DEFERRED TAX LIABILITIES (Note 13)	3,249,426	2,722,116	2,540,074	2,343,766
OTHER LIABILITIES	28,355,537	22,398,195	16,533,890	12,083,173
TOTAL LIABILITIES	<u>706,224,357</u>	<u>687,547,120</u>	<u>681,730,892</u>	<u>672,484,968</u>

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS (CONTINUED)

AS AT SEPTEMBER 30, 2010 AND DECEMBER 31, 2009

BAHT : '000

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	"UNAUDITED"		"UNAUDITED"	
	As at	As at	As at	As at
	September 30, 2010	December 31, 2009	September 30, 2010	December 31, 2009
LIABILITIES AND SHAREHOLDERS' EQUITY				
(CONTINUED)				
SHAREHOLDERS' EQUITY				
SHARE CAPITAL (Note 14)				
Authorized share capital				
7,089,392,755 ordinary shares of				
Baht 10 each	70,893,928	70,893,928	70,893,928	70,893,928
Issued and paid-up share capital				
6,074,143,747 ordinary shares of				
Baht 10 each, fully paid	60,741,437	60,741,437	60,741,437	60,741,437
PREMIUM ON ORDINARY SHARE CAPITAL, NET	13,802,216	13,802,216	13,802,216	13,802,216
LAND REVALUATION SURPLUS	3,824,098	3,824,098	3,824,098	3,824,098
PREMISES REVALUATION SURPLUS	3,130,000	3,312,387	3,130,000	3,312,387
REVALUATION SURPLUS ON INVESTMENTS	1,080,979	127,946	1,085,005	135,603
DEFERRED TAX ON LAND REVALUATION SURPLUS	(1,147,229)	(1,147,229)	(1,147,229)	(1,147,229)
DEFERRED TAX ON PREMISES				
REVALUATION SURPLUS	(939,000)	(993,716)	(939,000)	(993,716)
DEFERRED TAX ON REVALUATION ON INVESTMENT	(327,778)	(46,193)	(327,778)	(46,849)
RETAINED EARNINGS				
Appropriated				
Statutory reserve	710,500	710,500	710,500	710,500
Unappropriated	16,186,431	12,082,137	9,461,222	7,801,926
Total	97,061,654	92,413,583	90,340,471	88,140,373
MINORITY INTEREST	185,987	171,672	-	-
TOTAL SHAREHOLDERS' EQUITY	97,247,641	92,585,255	90,340,471	88,140,373
TOTAL LIABILITIES AND				
SHAREHOLDERS' EQUITY				
	803,471,998	780,132,375	772,071,363	760,625,341

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
BALANCE SHEETS (CONTINUED)
AS AT SEPTEMBER 30, 2010 AND DECEMBER 31, 2009

BAHT : '000

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	"UNAUDITED"		"UNAUDITED"	
	As at	As at	As at	As at
	September 30, 2010	December 31, 2009	September 30, 2010	December 31, 2009
OFF -BALANCE SHEET ITEMS				
– CONTINGENCIES (Note 16)				
AVALS TO BILLS AND GUARANTEES				
OF LOANS	3,655,031	3,983,345	3,655,031	3,983,345
LIABILITY UNDER UNMATURED				
IMPORT BILLS	945,138	1,379,924	945,138	1,379,924
LETTERS OF CREDIT	6,645,969	5,382,508	6,787,930	5,415,315
OTHER CONTINGENCIES	391,365,052	255,084,600	392,246,028	255,592,949

Notes to the financial statements form an integral part of these interim financial statements

(Mr. Mark John Arnold)
President and Chief Executive Officer

(Mr. Pongpinit Tejagupta)
Director

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF INCOME
FOR THE QUARTERS ENDED SEPTEMBER 30, 2010 AND 2009
"UNAUDITED"

Baht : '000

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2010	2009	2010	2009
		"Restated"		"Restated"
INTEREST AND DIVIDEND INCOME				
Interest on loans	8,042,058	5,638,341	6,686,108	6,422,848
Interest on interbank and money market items	305,223	140,424	300,937	168,740
Hire purchase and financial lease income	3,435,946	3,205,057	-	-
Investments	652,341	531,619	1,698,094	878,597
Total Interest and Dividend Income	12,435,568	9,515,441	8,685,139	7,470,185
INTEREST EXPENSES				
Interest on deposits	1,446,090	1,208,074	1,357,666	1,239,593
Interest on interbank and money market items	285,497	196,175	175,241	172,124
Interest on short-term borrowings	456,669	332,638	459,448	332,509
Interest on long-term borrowings	678,895	513,231	506,255	514,822
Total Interest Expenses	2,867,151	2,250,118	2,498,610	2,259,048
Interest and Dividend Income, net	9,568,417	7,265,323	6,186,529	5,211,137
BAD DEBT AND DOUBTFUL ACCOUNTS	3,160,773	3,074,133	1,371,915	2,035,052
LOSS ON DEBT RESTRUCTURING	(12,667)	(536,606)	28,085	(535,052)
Interest and Dividend Income after				
Bad Debt and Doubtful Accounts and Loss on				
Debt Restructuring, net	6,420,311	4,727,796	4,786,529	3,711,137
NON-INTEREST INCOME				
Gain on investments	101,102	130,989	75,597	112,847
Gain from equity interest in associated companies	18,424	25,505	-	-
Fees and service income				
Acceptances, aval and guarantees	13,781	11,652	13,801	11,664
Others	3,352,203	2,288,300	1,583,198	1,430,318
Gain on exchange	187,449	196,229	196,628	195,955
Gain on sales of properties foreclosed	268,078	307,786	171,775	192,004
Income from investments in receivables	301,403	155,724	-	-
Excess of net fair value of acquired subsidiaries				
over purchase cost	-	252,670	-	-
Other income	706,608	523,447	37,210	11,374
Total Non-Interest Income	4,949,048	3,892,302	2,078,209	1,954,162
NON-INTEREST EXPENSES				
Personnel expenses	3,074,254	2,094,407	2,117,135	1,596,109
Premises and equipment expenses	1,277,554	1,063,785	862,612	847,278
Taxes and duties	389,830	273,644	263,699	257,060
Fees and service expenses	955,690	767,932	397,768	360,029
Directors' remuneration	7,290	7,113	6,833	6,595
Contributions to Deposit Protection Agency	530,792	526,177	530,792	520,132
Other expenses	1,785,079	958,807	857,822	717,139
Total Non-Interest Expenses	8,020,489	5,691,865	5,036,661	4,304,342

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF INCOME (CONTINUED)
FOR THE QUARTERS ENDED SEPTEMBER 30, 2010 AND 2009
"UNAUDITED"

Baht : '000

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2010	2009	2010	2009
		"Restated"		"Restated"
INCOME BEFORE INCOME TAX EXPENSES	3,348,870	2,928,233	1,828,077	1,360,957
INCOME TAX EXPENSES	1,009,417	569,790	203,761	316,371
NET INCOME	<u>2,339,453</u>	<u>2,358,443</u>	<u>1,624,316</u>	<u>1,044,586</u>
ATTRIBUTABLE TO				
EQUITY HOLDERS OF THE BANK	2,331,499	2,354,288	1,624,316	1,044,586
MINORITY INTEREST	7,954	4,155	-	-
NET INCOME	<u>2,339,453</u>	<u>2,358,443</u>	<u>1,624,316</u>	<u>1,044,586</u>
BASIC EARNINGS PER SHARE	Baht			
	0.38	0.39	0.27	0.17
WEIGHTED AVERAGE NUMBER OF				
 ORDINARY SHARES	6,074,143,747	6,074,143,747	6,074,143,747	6,074,143,747

Notes to the financial statements form an integral part of these interim financial statements

(Mr. Mark John Arnold)
President and Chief Executive Officer

(Mr. Pongpinit Tejagupta)
Director

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF INCOME
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2010 AND 2009

"UNAUDITED"

Baht : '000

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2010	2009	2010	2009
		"Restated"		"Restated"
INTEREST AND DIVIDEND INCOME				
Interest on loans	23,496,394	17,326,758	19,600,304	19,835,815
Interest on interbank and money market items	731,397	758,965	722,612	772,901
Hire purchase and financial lease income	10,233,426	9,177,802	-	-
Investments	1,549,731	1,375,780	4,577,477	2,097,436
Total Interest and Dividend Income	36,010,948	28,639,305	24,900,393	22,706,152
INTEREST EXPENSES				
Interest on deposits	4,081,764	5,465,219	4,028,058	5,492,485
Interest on interbank and money market items	854,872	570,134	641,237	489,202
Interest on short-term borrowings	1,162,758	608,403	1,169,490	607,965
Interest on long-term borrowings	1,700,465	1,910,602	1,347,511	1,912,192
Total Interest Expenses	7,799,859	8,554,358	7,186,296	8,501,844
Interest and Dividend Income, net	28,211,089	20,084,947	17,714,097	14,204,308
BAD DEBT AND DOUBTFUL ACCOUNTS	8,918,370	6,503,775	3,830,458	3,981,471
LOSS ON DEBT RESTRUCTURING	316,154	547,391	357,542	548,529
Interest and Dividend Income after				
Bad Debt and Doubtful Accounts and Loss on				
Debt Restructuring, net	18,976,565	13,033,781	13,526,097	9,674,308
NON-INTEREST INCOME				
Gain on investments	291,829	291,378	283,827	246,367
Gain from equity interest in associated companies	84,027	122,154	-	-
Fees and service income				
Acceptances, aval and guarantees	42,175	35,842	42,196	35,853
Others	9,580,445	6,382,460	4,661,550	4,079,873
Gain on exchange	552,981	521,169	543,310	541,777
Gain on sales of properties foreclosed	691,006	508,988	363,285	247,170
Income from investments in receivables	605,408	300,574	-	-
Excess of net fair value of acquired subsidiaries				
over purchase cost (reversal)	(24,208)	995,605	-	-
Other income	2,041,852	835,209	138,071	85,679
Total Non-Interest Income	13,865,515	9,993,379	6,032,239	5,236,719
NON-INTEREST EXPENSES				
Personnel expenses	8,542,645	6,413,777	5,873,345	4,995,039
Premises and equipment expenses	3,767,779	3,088,547	2,525,983	2,488,430
Taxes and duties	1,131,932	824,007	781,361	784,582
Fees and service expenses	2,964,713	2,174,144	1,241,183	1,013,293
Directors' remuneration	20,808	22,360	19,422	19,236
Contributions to Deposit Protection Agency	1,596,264	1,578,224	1,596,264	1,557,472
Other expenses	5,206,255	2,517,334	2,770,821	1,699,322
Total Non-Interest Expenses	23,230,396	16,618,393	14,808,379	12,557,374

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF INCOME (CONTINUED)
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2010 AND 2009
"UNAUDITED"

Baht : '000

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2010	2009 "Restated"	2010	2009 "Restated"
INCOME BEFORE INCOME TAX EXPENSES	9,611,684	6,408,767	4,749,957	2,353,653
INCOME TAX EXPENSES (Note 15)	3,060,202	1,306,607	661,004	453,423
NET INCOME	<u>6,551,482</u>	<u>5,102,160</u>	<u>4,088,953</u>	<u>1,900,230</u>
ATTRIBUTABLE TO				
EQUITY HOLDERS OF THE BANK	6,532,476	5,097,450	4,088,953	1,900,230
MINORITY INTEREST	19,006	4,710	-	-
NET INCOME	<u>6,551,482</u>	<u>5,102,160</u>	<u>4,088,953</u>	<u>1,900,230</u>
BASIC EARNINGS PER SHARE	Baht			
	1.08	0.84	0.67	0.31
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES	6,074,143,747	6,074,143,747	6,074,143,747	6,074,143,747

Notes to the financial statements form an integral part of these interim financial statements

(Mr. Mark John Arnold)
President and Chief Executive Officer

(Mr. Pongpinit Tejagupta)
Director

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2010 AND 2009

"UNAUDITED"

Baht : '000

	CONSOLIDATED FINANCIAL STATEMENTS									
	Ordinary Share	Premium on	Asset Appraisal	Revaluation Surplus	Deferred tax on	Deferred tax on	Retained Earnings		Minority Interests	Total
	Capital	Share Capital	Surplus	(Deficit) on	assets	revaluation on	Appropriated	Unappropriated		
				Investments	appraisal surplus	Investments	Legal reserve			
"Restated"										
Balance as of December 31, 2008 as previously reported	60,741,437	13,802,216	5,441,604	(143,430)	-	-	582,500	4,845,393	97,708	85,367,428
Effects on changes in accounting policies (Notes 2.4)	-	-	-	-	(1,632,481)	38,296	-	2,529,474	11,699	946,988
Balance as of December 31, 2008 as restated	60,741,437	13,802,216	5,441,604	(143,430)	(1,632,481)	38,296	582,500	7,374,867	109,407	86,314,416
Increase in asset appraisal surplus	-	-	1,756,722	-	-	-	-	-	-	1,756,722
Increase in revaluation surplus on investments	-	-	-	174,287	-	-	-	-	3	174,290
Increase in deferred tax	-	-	-	-	(573,546)	(34,898)	-	-	-	(608,444)
Income (expenses) recognized in shareholders' equity	-	-	1,756,722	174,287	(573,546)	(34,898)	-	-	3	1,322,568
Net income	-	-	-	-	-	-	-	5,097,450	4,710	5,102,160
Total income (expenses) recognized in the period	-	-	1,756,722	174,287	(573,546)	(34,898)	-	5,097,450	4,713	6,424,728
Dividend payment (Note 14.3)	-	-	-	-	-	-	-	(1,813,842)	(1)	(1,813,843)
Decrease in shareholding in subsidiary company	-	-	-	-	-	-	-	-	62,904	62,904
Ending balance as of September 30, 2009	60,741,437	13,802,216	7,198,326	30,857	(2,206,027)	3,398	582,500	10,658,475	177,023	90,988,205

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2010 AND 2009

"UNAUDITED"

Baht : '000

	CONSOLIDATED FINANCIAL STATEMENTS									
	Ordinary Share	Premium on	Asset Appraisal	Revaluation Surplus	Deferred tax on	Deferred tax on	Retained Earnings		Minority Interests	Total
	Capital	Share Capital	Surplus	on Investments	assets	revaluation on	Appropriated	Unappropriated		
					appraisal surplus	Investments	Legal reserve			
Balance as of December 31, 2009	60,741,437	13,802,216	7,136,485	127,946	(2,140,945)	(46,193)	710,500	12,082,137	171,672	92,585,255
Decrease in asset appraisal surplus	-	-	(182,387)	-	-	-	-	-	-	(182,387)
Increase in revaluation surplus on investments	-	-	-	953,033	-	-	-	-	454	953,487
(Increase) decrease in deferred tax	-	-	-	-	54,716	(281,585)	-	-	-	(226,869)
Income (expenses) recognized in shareholders' equity	-	-	(182,387)	953,033	54,716	(281,585)	-	-	454	544,231
Net income	-	-	-	-	-	-	-	6,532,476	19,006	6,551,482
Total income (expenses) recognized in the period	-	-	(182,387)	953,033	54,716	(281,585)	-	6,532,476	19,460	7,095,713
Dividend payment (Note 14.3)	-	-	-	-	-	-	-	(2,428,182)	(1,339)	(2,429,521)
Increase in shareholding in subsidiary company	-	-	-	-	-	-	-	-	(3,806)	(3,806)
Ending balance as of September 30, 2010	60,741,437	13,802,216	6,954,098	1,080,979	(2,086,229)	(327,778)	710,500	16,186,431	185,987	97,247,641

Notes to the financial statements form an integral part of these interim financial statements

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2010 AND 2009
"UNAUDITED"

Baht : '000

	SEPARATE FINANCIAL STATEMENTS								
	Ordinary Share Capital	Premium on Share Capital	Asset Appraisal Surplus	Revaluation Surplus (Deficit) on Investments	Deferred tax on assets appraisal surplus	Deferred tax on revaluation on Investments	Retained Earnings		Total
							Appropriated Legal reserve	Unappropriated	
"Restated"									
Balance as of December 31, 2008 as previously reported	60,741,437	13,802,216	5,441,604	(127,007)	-	-	582,500	5,032,036	85,472,786
Effects on changes in accounting policies (Note 2.4)	-	-	-	-	(1,632,481)	26,632	-	2,176,563	570,714
Balance as of December 31, 2008 as restated	60,741,437	13,802,216	5,441,604	(127,007)	(1,632,481)	26,632	582,500	7,208,599	86,043,500
Increase in asset appraisal surplus	-	-	1,756,722	-	-	-	-	-	1,756,722
Increase in revaluation surplus on investments	-	-	-	166,789	-	-	-	-	166,789
Increase in deferred tax	-	-	-	-	(527,017)	(68,633)	-	-	(595,650)
Income (expenses) recognized in shareholders' equity	-	-	1,756,722	166,789	(527,017)	(68,633)	-	-	1,327,861
Net income	-	-	-	-	-	-	-	1,900,230	1,900,230
Total income (expenses) recognized in the period	-	-	1,756,722	166,789	(527,017)	(68,633)	-	1,900,230	3,228,091
Dividend payment (Note 14.3)	-	-	-	-	-	-	-	(1,813,842)	(1,813,842)
Ending balance as of September 30, 2009	60,741,437	13,802,216	7,198,326	39,782	(2,159,498)	(42,001)	582,500	7,294,987	87,457,749

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2010 AND 2009
"UNAUDITED"

Baht : '000

	SEPARATE FINANCIAL STATEMENTS								
	Ordinary Share Capital	Premium on Share Capital	Asset Appraisal Surplus	Revaluation Surplus on Investments	Deferred tax on assets appraisal surplus	Deferred tax on revaluation on Investments	Retained Earnings		Total
							Appropriated Legal reserve	Unappropriated	
Balance as of December 31, 2009	60,741,437	13,802,216	7,136,485	135,603	(2,140,945)	(46,849)	710,500	7,801,926	88,140,373
Decrease in asset appraisal surplus	-	-	(182,387)	-	-	-	-	-	(182,387)
Increase in revaluation surplus on investments	-	-	-	949,402	-	-	-	-	949,402
(Increase) decrease in deferred tax	-	-	-	-	54,716	(280,929)	-	-	(226,213)
Income (expenses) recognized in shareholders' equity	-	-	(182,387)	949,402	54,716	(280,929)	-	-	540,802
Net income	-	-	-	-	-	-	-	4,088,953	4,088,953
Total income (expenses) recognized in the period	-	-	(182,387)	949,402	54,716	(280,929)	-	4,088,953	4,629,755
Dividend payment (Note 14.3)	-	-	-	-	-	-	-	(2,429,657)	(2,429,657)
Ending balance as of September 30, 2010	60,741,437	13,802,216	6,954,098	1,085,005	(2,086,229)	(327,778)	710,500	9,461,222	90,340,471

Notes to the financial statements form an integral part of these interim financial statements

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2010 AND 2009
"UNAUDITED"

Baht : '000

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2010	2009	2010	2009
		"Restated"		"Restated"
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before tax	9,611,684	6,408,767	4,749,957	2,353,653
Adjustments to reconcile income to cash provided by (used in) operating activities:				
Depreciation and amortization	1,397,258	1,269,852	1,062,246	983,784
Deferred interest amortization	12,157	-	12,157	-
Bad debt and doubtful accounts	8,918,370	6,503,775	3,830,458	3,981,471
Loss on debt restructuring	316,154	547,391	357,542	548,529
Loss on translation in foreign currency exchange	1,610,600	189,801	1,375,894	189,801
Gain on investments	(291,829)	(291,378)	(283,827)	(246,367)
Excess of net fair value of acquired subsidiaries that over purchase cost	24,208	(995,605)	-	-
Amortization of discount on investments	55,898	(383,267)	(81,836)	(184,462)
Gain on sales of properties foreclosed	(691,006)	(508,988)	(363,285)	(247,170)
(Gain) loss on sales of property, premises and equipment	(71,563)	7,188	1,002	(3,847)
Loss on impairment of properties foreclosed	544,940	327,404	491,331	399,648
Income from equity interest in associated companies	(84,027)	(122,154)	-	-
Interest and dividend income	(36,010,948)	(28,639,305)	(24,900,393)	(22,706,152)
Interest received	36,015,148	28,724,104	21,798,765	21,979,494
Dividend received	379,103	271,891	3,395,764	969,564
Interest expenses	7,799,859	8,554,358	7,186,296	8,501,844
Increase in other accrued expenses	203,137	303,887	(51,580)	315,856
Decrease in other reserve	(344,251)	(77,468)	(344,281)	(77,468)
Interest paid	(7,578,031)	(9,259,631)	(7,048,680)	(8,859,944)
Income tax paid	(4,062,240)	(1,557,490)	(1,178,822)	(191,269)
Income from operations before changes in operating assets and liabilities	17,754,621	11,273,132	10,008,708	7,706,965
(Increase) decrease in operating assets				
Interbank and money market items	(10,723,198)	25,952,558	(14,122,246)	1,113,659
Current investments - securities for trading	(6,019,853)	6,339,046	(5,578,086)	2,383,427
Loans	(19,088,015)	18,183,402	454,645	3,401,114
Properties foreclosed	3,046,948	2,498,643	1,805,307	2,704,934
Other assets	(3,218,945)	(2,496,624)	(2,505,739)	(1,302,993)
Increase (decrease) in operating liabilities				
Deposits	10,737,211	(43,244,187)	13,514,503	(23,736,206)
Interbank and money market items	(26,684,216)	4,023,528	(24,355,621)	10,021,962
Liabilities payable on demand	165,196	596,994	165,197	631,093
Other liabilities	5,247,734	1,695,979	3,982,538	2,316,645
Net cash provided by (used in) operating activities	(28,782,517)	24,822,471	(16,630,794)	5,240,600

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2010 AND 2009
"UNAUDITED"

Baht : '000

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2010	2009	2010	2009
		"Restated"		"Restated"
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sales of investments - securities				
available-for-sale and other investments	414,104,616	114,722,560	413,759,006	114,515,897
Cash paid for purchases of investments -				
securities available-for-sale and other investments	(418,806,914)	(123,823,157)	(417,012,882)	(122,673,972)
Cash paid for purchases of subsidiaries	-	(1,360,555)	(754,298)	(1,560,160)
Proceed from sales of shares of subsidiary	-	62,590	-	62,590
Cash paid to minority shareholder for purchase of				
additional shares of subsidiary	(3,456)	-	(3,456)	-
Proceeds from sales of property,				
premises and equipment	430,651	300,792	5,465	37,846
Cash paid for purchases of property,				
premises and equipment	(485,674)	(1,176,165)	(199,261)	(1,240,188)
Cash paid for purchases of computer program	(263,076)	(277,806)	(203,303)	(270,318)
Net cash used in investing activities	<u>(5,023,853)</u>	<u>(11,551,741)</u>	<u>(4,408,729)</u>	<u>(11,128,305)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of subordinated debentures	20,000,000	-	20,000,000	-
Proceeds from issuance of bills of exchange	66,865,900	16,225,600	66,865,900	17,225,600
Proceeds from issuance of short-term debentures	2,766,700	-	2,766,700	-
Proceeds from issuance of long-term debentures	19,949,000	-	6,323,000	-
Proceeds from long-term borrowings	23,700	48,450	23,700	48,450
Cash paid for repayment of bill of exchange	(48,223,100)	(13,089,000)	(48,223,100)	(13,089,000)
Cash paid for redemption of short-term debentures	(26,188,200)	(693,039)	(26,188,200)	-
Cash paid for repayment of short-term borrowings	(907,180)	-	(7,180)	-
Cash paid for repayment of long-term borrowings	(47,638)	(17,513,523)	(47,638)	(61,500)
Cash paid for liabilities under finance lease agreement	(133,400)	-	(184,566)	-
Dividend payment	(2,428,182)	(1,813,842)	(2,429,657)	(1,813,842)
Net cash provided by (used in) financing activities	<u>31,677,600</u>	<u>(16,835,354)</u>	<u>18,898,959</u>	<u>2,309,708</u>
Total	<u>(2,128,770)</u>	<u>(3,564,624)</u>	<u>(2,140,564)</u>	<u>(3,577,997)</u>
Effect of exchange rate change on cash	<u>(66,532)</u>	<u>23,279</u>	<u>(66,532)</u>	<u>23,279</u>
Net decrease in cash and cash equivalents	(2,195,302)	(3,541,345)	(2,207,096)	(3,554,718)
Cash and cash equivalents as at January 1,	20,090,301	20,419,455	20,080,481	20,416,524
Cash and cash equivalents as at September 30,	<u><u>17,894,999</u></u>	<u><u>16,878,110</u></u>	<u><u>17,873,385</u></u>	<u><u>16,861,806</u></u>

Notes to the financial statements form an integral part of these interim financial statements

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTERS AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2010 AND 2009
“UNAUDITED”

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BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTERS AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2010 AND 2009
“UNAUDITED”

1. GENERAL INFORMATION

Bank of Ayudhya Public Company Limited (“the Bank”) is a public company registered in the Kingdom of Thailand with its head office located at 1222 Rama III Road, Bang Phongphang Subdistrict, Yannawa District, Bangkok. The Bank’s main business is commercial banking and the Bank conducts its business through a network of branches throughout Thailand and other countries. As at September 30, 2010 and December 31, 2009, the Bank has 18 subsidiaries and 19 subsidiaries, respectively (see Note 2.2), with significant changes in general information during the nine-month period ended September 30, 2010 as follows:

- 1.1 Siam Realty and Services Company Limited has changed its registered address from 550 Ploenchit Road, Lumpini Subdistrict, Patumwan District, Bangkok to 1222 Rama III Road, Bang Phongphang Subdistrict, Yannawa District, Bangkok.
- 1.2 Ayudhya Derivatives Company Limited has already registered the dissolution on March 24, 2010.
- 1.3 Ayudhya Securities Public Company Limited, has changed its registered address from 999/9 The Offices at Central World Building, Fl 12, Rama I Road, Patumwan Subdistrict, Patumwan District, Bangkok to 550 Ploenchit Offices 5th Floor, Ploenchit Road, Lumpini Subdistrict, Patumwan District, Bangkok.
- 1.4 As at September 29, 2010, the Bank purchased shares of Krungsriayudhya Card Company Limited from Ayudhya Capital Services Company Limited for adjusting its shareholding structure in Krungsriayudhya Card Company Limited from direct and indirect holding of 99.99% to direct holding of 99.99%.

2. BASIS FOR PREPARATION OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

- 2.1 The interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2007) “Interim Financial Reporting” and the regulation of The Stock Exchange of Thailand dated January 22, 2001, regarding the Preparation and Filing of Financial Statements and Reports on Financial Status and Results of Operations of Listed Companies, B.E. 2544 including the Procedures, Policies and Presentation in accordance with the Bank of Thailand (“BOT”) Notification regarding the Preparation and Announcement of Financial Statements of Commercial Banks and Holding Companies of Financial Industry dated August 3, 2008 and Thai Accounting Standard No.1 (revised 2007) “Presentation of Financial Statements”.

The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies.

The Bank prepares its interim financial statements in the Thai language in conformity with Thai Accounting Standards and the Notifications noted above. However, for convenience of readers, the Bank also prepares its interim financial statements in English language, by translating from the Thai version.

Certain financial information which is normally included in financial statements prepared in accordance with generally accepted accounting principles, but which is not required for interim reporting purposes, has been omitted. In addition, interim financial statements should be read in conjunction with the financial statements and notes thereto included in the audited financial statements for the year ended December 31, 2009.

The consolidated and separate balance sheets as at December 31, 2009, presented herein for comparison, have been derived from the consolidated and separate financial statements for the year then ended which have been audited.

The results of operations for the quarter and the nine-month period ended September 30, 2010 are not necessarily indicative of the operating results anticipated for the full year.

The preparation of financial statements in conformity with generally accepted accounting principles also requires management to exercise judgment in order to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent assets and liabilities. The actual results may differ from such estimates.

Accounting standards and Financial Reporting Standards announced but not effective in 2010

The Federation of Accounting Professions has issued the Notification of Federation of Accounting Professions No. 17/2553 dated April 9, 2010 regarding the following new and revised Thai accounting standards (TASs) and Thai Financial Reporting Standards (TFRSs) that have been announced in the Royal Gazette on May 26, 2010, but not yet effective in 2010. The TASs and TFRSs which are related to Bank and subsidiaries are as follows:

TAS/TFRS	Effective date
TASs	
TAS 1 (Revised 2009) Presentation of Financial Statements	January 1, 2011
TAS 7 (Revised 2009) Statement of Cash Flows	January 1, 2011
TAS 8 (Revised 2009) Accounting Policies, Changes in Accounting Estimates and Errors	January 1, 2011
TAS 10 (Revised 2009) Events After the Reporting Period	January 1, 2011
TAS 12 Income Taxes	January 1, 2013
TAS 17 (Revised 2009) Leases	January 1, 2011
TAS 23 (Revised 2009) Borrowing Costs	January 1, 2011
TAS 24 (Revised 2009) Related Party Disclosures	January 1, 2011
TAS 27 (Revised 2009) Consolidated and Separate Financial Statements	January 1, 2011
TAS 28 (Revised 2009) Investments in Associates	January 1, 2011
TAS 29 Financial Reporting in Hyperinflationary Economies	January 1, 2011
TAS 33 (Revised 2009) Earnings per Share	January 1, 2011
TAS 34 (Revised 2009) Interim Financial Reporting	January 1, 2011
TAS 36 (Revised 2009) Impairment of Assets	January 1, 2011
TAS 37 (Revised 2009) Provisions, Contingent Liabilities and Contingent Assets	January 1, 2011
TAS 38 (Revised 2009) Intangible Assets	January 1, 2011
TAS 40 (Revised 2009) Investment Property	January 1, 2011
TFRS	
TFRS 5 (Revised 2009) Non-current Assets Held for Sale and Discontinued Operations	January 1, 2011

In addition, the Federation of Accounting Professions has issued the Notification of Federation of Accounting Professions No. 34/2553 dated July 28, 2010 regarding the revised Thai Financial Reporting Standard No.3 (Revised 2009) “Business Combination”, which has also been announced in the Royal Gazette on August 30, 2010. The effective date is on January 1, 2011.

The Bank and subsidiaries’ managements anticipate that all of the above accounting standards and financial reporting standards will be adopted in the Bank and subsidiaries’s financial statements when they become effective except for TAS 12 Income Taxes, which the Bank and subsidiaries had early adopted.

TAS 1 (Revised 2009) Presentation of Financial Statements, TAS 7 (Revised 2009) Statement of Cash Flows, and TAS 24 (Revised 2009) Related Party Disclosures change requirements regarding presentation in financial statements and disclosure in notes to financial statements. Therefore the Bank and subsidiaries have been required to apply those standards retrospectively when they become effective.

Except the above TASs and TFRSs, the Bank and subsidiaries’ managements anticipate that the adoption of those TASs and TFRSs will have no material impact on the financial statements of the Bank and subsidiaries in the period of initial application.

- 2.2 The consolidated financial statements included the accounts of the head office and all branches of the Bank and its subsidiaries in which the Bank has control or invested over 50% of their voting rights. These subsidiaries are as follows:

	Business Type	Percentage of Holdings As at	
		September 30, 2010	December 31, 2009
Subsidiaries			
Ayudhya Development Leasing Company Limited	Leasing	99.99	99.99
Ayudhya Auto Lease Public Company Limited	Auto leasing	99.79	99.66
Ayudhya Capital Lease Company Limited ⁽¹⁾	Auto leasing	99.99	99.99
Ayudhya Capital Auto Lease Public Company Limited (formerly GE Capital Auto Lease Public Company Limited)	Hire-purchase and auto leasing	99.99	99.99
Ayudhya Total Solution Public Company Limited (formerly AIG Retail Bank Public Company Limited)	Hire-purchase	99.79	99.76
CFG Services Company Limited	Hire-purchase and motorcycle leasing	99.99	99.99
Ayudhya Card Services Company Limited (formerly AIG Card (Thailand) Company Limited)	Credit card including personal loans	99.99	99.99
Ayudhya Capital Services Company Limited (formerly GE capital (Thailand) Company Limited)	Credit card and personal loans	99.99	99.99
General Card Services Limited	Credit card and personal loans	99.99	99.99
Krungsriayudhya Card Company Limited ⁽³⁾	Credit card and personal loans	99.99	99.99
Siam Realty and Services Company Limited	Car rent and personnel services	99.99	99.99
K.S. Law Office Company Limited ⁽¹⁾	Legal advisory services	99.99	99.99
Total Service Solution Public Company Limited	Collection services	99.99	99.99
Ayudhya Fund Management Company Limited	Fund management	76.59	76.59
Ayudhya Asset Management Company Limited	Assets management	99.99	99.99
Ayudhya Securities Public Company Limited	Securities	86.33	86.33
Ayudhya Factoring Company Limited	Factoring	99.99	99.99
Ayudhya Derivatives Company Limited ⁽²⁾	Derivatives trading broker	-	86.33
PrimaVest Asset Management Company Limited ⁽⁴⁾	Fund management	76.59	76.59

⁽¹⁾ Subsidiary under the liquidation process

⁽²⁾ Subsidiary registered the completion of liquidation

⁽³⁾ Including indirectly holding via Ayudhya Capital Services Company Limited of 49.99% as at December 31, 2009

⁽⁴⁾ Indirectly holding via Ayudhya Fund Management Company Limited of 99.99%

As at December 31, 2009, Ayudhya Auto Lease Public Company Limited held 2,756,950 ordinary shares of the Bank. The acquisition cost was Baht 98 million which was presented as long-term investments-net in the consolidated balance sheets. Such investment was not deducted from shareholders' equity as the amount was immaterial.

All material intercompany transactions and balances have been eliminated.

- 2.3 The consolidated financial statements for the quarters and the nine-month periods ended September 30, 2010 and 2009, including financial statements of certain subsidiaries and gain on equity of certain associated companies, prepared by subsidiaries and associated company management which have not been audited by the auditors as follows:

		Unit: Million Baht	
		Net Profit / Gain on equity	
		For the	For the nine-month
		quarter	period
		Ended September 30, 2010	
Subsidiaries			
1. K.S. Law Office Company Limited	-	-	
2. Ayudhya Capital Lease Company Limited	4	10	
	<u>4</u>	<u>10</u>	
		Unit: Million Baht	
		Net Profit / Gain on equity	
		For the	For the nine-month
		quarter	period
		Ended September 30, 2009	
Subsidiaries			
1. K.S. Law Office Company Limited	-	-	
2. Ayudhya Capital Lease Company Limited	4	13	
3. Ayudhya Hire Purchase Company Limited	-	2	
Associated company			
1. Krungsriayudhya Card Company Limited	26	122	
	<u>30</u>	<u>137</u>	

2.4 Change in Accounting Policy

Deferred Tax

The Bank and subsidiaries had first-time adopted an accounting policy regarding deferred tax for the consolidated and separate financial statements for the year ended December 31, 2009 by applying Thai Accounting Standard No.12 “Income Taxes”. The consolidated and separate statements of income for the quarter and nine-month period ended September 30, 2009 and the consolidated and separate statements of changes in shareholders’ equity and cash flows for the nine-month period ended September 30, 2009 have been restated as follows:

	Unit : Million Baht	
	CONSOLIDATED FINANCIAL STATEMENTS 2009	SEPARATE FINANCIAL STATEMENTS 2009
<u>Deferred tax on assets appraisal surplus</u>		
Balance at January 1 before change in accounting policy	-	-
Increase of deferred tax liabilities	(1,632)	(1,632)
Balance at January 1 after change in accounting policy	<u>(1,632)</u>	<u>(1,632)</u>
<u>Deferred tax on revaluation of investment</u>		
Balance at January 1 before change in accounting policy	-	-
Decrease of deferred tax liabilities	38	27
Balance at January 1 after change in accounting policy	<u>38</u>	<u>27</u>
<u>Retained earnings - Unappropriated</u>		
Balance at January 1 before change in accounting policy	4,845	5,032
Increase of deferred tax assets	2,530	2,176
Balance at January 1 after change in accounting policy	<u>7,375</u>	<u>7,208</u>

	Unit : Million Baht			
	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the quarter ended September 30, 2009	For the nine- month period ended September 30, 2009	For the quarter ended September 30, 2009	For the nine- month period ended September 30, 2009
<u>Net Income</u>				
Net Income before change in accounting policy	2,176	4,956	1,024	1,952
Increase (decrease) of income tax expenses	26	(99)	21	(52)
Increase of gain from equity interest in associated company	46	30	-	-
Increase of excess of net fair value of acquired subsidiaries over purchase cost	110	215	-	-
Net Income after change in accounting policy	<u>2,358</u>	<u>5,102</u>	<u>1,045</u>	<u>1,900</u>
<u>Basic Earning Per Share (“EPS”)</u>				
EPS before change in accounting policy	0.36	0.82	0.17	0.32
Increase (decrease) of income tax expenses	0.01	(0.02)	-	(0.01)
Increase of gain from equity interest in associated company	0.01	0.01	-	-
Increase of excess of net fair value of acquired subsidiaries over purchase cost	0.01	0.03	-	-
EPS after change in accounting policy	<u>0.39</u>	<u>0.84</u>	<u>0.17</u>	<u>0.31</u>

3. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements have been prepared based on the basis, accounting policies and calculation method consistent with those used in the financial statements for the year ended December 31, 2009.

4. ADDITIONAL INFORMATION OF CASH FLOWS

4.1 Non-cash transactions for the nine-month periods ended September 30, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		Unit : Million Baht SEPARATE FINANCIAL STATEMENTS	
	2010	2009	2010	2009
Revaluation deficit on investments presented as item in shareholders' equity increase	953	174	949	167
Accumulated depreciation of premises appraisal deducted from premises revaluation surplus	(182)	145	(182)	145
Properties foreclosed acquired from debt settlement	26	117	26	117
Properties foreclosed transferred to be property and premises	-	30	-	30

4.2 Non-cash transactions of property, premises and equipment for the nine-month periods ended September 30, are as follows :

	CONSOLIDATED FINANCIAL STATEMENTS		Unit : Million Baht SEPARATE FINANCIAL STATEMENTS	
	2010	2009	2010	2009
Property, premises and equipment payable at the beginning of the period	105	432	105	617
Purchases of property, premises and equipment	619	838	332	710
<u>Less</u> Cash payment	<u>(486)</u>	<u>(1,176)</u>	<u>(199)</u>	<u>(1,240)</u>
Property, premises and equipment payable at the end of the period	<u>238</u>	<u>94</u>	<u>238</u>	<u>87</u>

- 4.3 Non-cash transactions of computer software for the nine-month periods ended September 30, are as follows:

	CONSOLIDATED		Unit : Million Baht SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2010	2009	2010	2009
Computer software payable				
at the beginning of the period	14	58	14	58
Purchases of computer software	403	220	343	212
<u>Less Cash payment</u>	<u>(263)</u>	<u>(278)</u>	<u>(203)</u>	<u>(270)</u>
Computer software payable				
at the end of the period	<u>154</u>	<u>-</u>	<u>154</u>	<u>-</u>

- 4.4 Acquisition of investment in subsidiaries

The Bank acquired investment in subsidiaries for the year ended December 31, 2009 and there are some changes for the nine-month period ended September 30, 2010 as follows:

- 4.4.1 On April 8, 2009, the Bank acquired Ayudhya Total Solutions Public Company Limited (formerly AIG Retail Bank Public Company Limited) and Ayudhya Card Services Company Limited (formerly AIG Card (Thailand) Company Limited) for a total purchase price in the share sale agreement amounting to Baht 1,487 million. The Bank made a payment for this purchase of subsidiaries as follows:

Consolidated financial statements

Unit : Million Baht

Cash payment to acquire shares	1,487
<u>Add</u> Additional related cost	42
<u>Less</u> Cash of subsidiary	<u>(130)</u>
Net cash payment	<u>1,399</u>

Fair value of assets, liabilities and identified contingent liabilities of subsidiaries and book value of each item are as follows:

	Unit : Million Baht	
	Book Value	Fair Value
Assets		
Cash	130	130
Deposits at financial institutions	24,779	24,779
Receivable and loans	19,935	19,563
Others	2,263	2,447
	<u>47,107</u>	<u>46,919</u>
Liabilities		
Deposits	19,197	19,437
Borrowings	20,940	20,940
Others	4,160	4,228
	<u>44,297</u>	<u>44,605</u>
Net assets	<u>2,810</u>	2,314
Other related costs		(42)
Excess of net fair value of acquired subsidiaries over purchase cost		(761)
Change in accounting policy regarding deferred tax before subsidiary acquisition		(24)
Cash payment to acquire shares		<u>1,487</u>

- 4.4.2 On September 9, 2009, the Bank acquired CFG Services Company Limited for a total purchase price in the share sale agreement amounting to Baht 18 million. The Bank made a payment for this purchase of subsidiary as follows:

Consolidated financial statements

	Unit : Million Baht
Cash payment to acquire shares	18
<u>Add</u> Additional related cost	9
<u>Less</u> Cash of subsidiary	(5)
Net cash payment	<u>22</u>

Fair value of assets, liabilities and identified contingent liabilities of subsidiaries and book value of each item are as follows:

	Unit : Million Baht	
	Book Value	Fair Value
Assets		
Cash	5	5
Deposits at financial institutions	477	477
Receivable and loans	1,253	1,190
Others	621	431
	<u>2,356</u>	<u>2,103</u>
Liabilities		
Borrowings	1,570	1,570
Others	87	92
	<u>1,657</u>	<u>1,662</u>
Net assets	<u>699</u>	441
Other related costs		(9)
Excess of net fair value of acquired subsidiary over purchase cost		(209)
Change in accounting policy regarding deferred tax before subsidiary acquisition		(205)
Cash payment to acquire shares		<u>18</u>

- 4.4.3 On November 5, 2009, the Bank acquired GE Money's businesses in Thailand which included Ayudhya Capital Services Company Limited (formerly GE Capital (Thailand) Company Limited), General Card Services Company Limited and Total Services Solution Public Company Limited for a total purchase price in the share sale agreement amounting to Baht 9,787 million. The Bank made a payment for this purchase of subsidiaries as follows:

Consolidated financial statements

	Unit : Million Baht
Cash payment to acquire shares	9,787
<u>Add</u> Additional related cost	<u>109</u>
Net cash payment	<u>9,896</u>

Fair value of assets, liabilities and identified contingent liabilities of subsidiaries and book value of each item are as follows;

	Unit : Million Baht	
	Book Value	Fair Value
Assets		
Deposits at financial institutions	1,828	1,828
Receivable and loans	33,665	33,665
Others	4,849	4,866
	<u>40,342</u>	<u>40,359</u>
Liabilities		
Borrowings	28,397	28,397
Others	2,182	2,237
	<u>30,579</u>	<u>30,634</u>
Net assets	<u>9,763</u>	<u>9,725</u>
Other related costs		(109)
Purchase price adjustment		(1,217)
Goodwill/Fair value adjustment		1,388
Cash payment to acquire shares		<u>9,787</u>

The initial accounting for the acquisition of GE Money's business in Thailand has only been provisionally determined as at September 30, 2010. At the date, the necessary market valuations and other calculations had not been finalized.

The Bank is in the process adjust the necessary fair valuations and other calculations with 12 month from purchase date.

- 4.4.4 On September 18, 2009, Ayudhya Fund Management Company Limited acquired PrimaVest Asset Management Company Limited for a total purchase price in the share sale agreement amounting to Baht 101 million. The subsidiary made a payment for this acquisition as follows:

Consolidated financial statements

	Unit : Million Baht
Cash payment to acquire shares	101
<u>Add</u> Additional related cost	<u>3</u>
Total	104
<u>Less</u> Cash paid to the Bank	<u>(10)</u>
Net cash payment	<u>94</u>

Fair value of assets, liabilities and identified contingent liabilities of subsidiaries and book value of each item are as follows:

	Unit : Million Baht	
	Book Value	Fair Value
Assets		
Cash and cash equivalent	9	9
Long-term deposits at financial institutions	38	38
Investment - net	16	16
Others	17	17
	<u>80</u>	<u>80</u>
Liabilities		
Accrued expenses	5	5
	<u>5</u>	<u>5</u>
Net assets	<u>75</u>	<u>75</u>
Goodwill		29
Other related costs		(3)
Cash paid to acquire shares		<u>101</u>

4.4.5 In the preparation of cash flows statements, realized gain (loss) on exchange is based on cash basis. Unrealized gain (loss) on foreign exchange is based on the translation difference of currency denomination of amount of debt in foreign currencies recorded in each account and amount of assets in foreign currencies as recorded in each category at the balance sheet.

5. INVESTMENTS

5.1 Current Investments

CONSOLIDATED FINANCIAL STATEMENTS								
Unit : Million Baht								
	September 30, 2010				December 31, 2009			
	Cost/Amortized	Unrealized	Unrealized	Fair	Cost/Amortized	Unrealized	Unrealized	Fair
	Cost	Gains	Losses	Value	Cost	Gains	Losses	Value
Securities for Trading								
Government and state								
enterprise securities	6,285	6	(7)	6,284	639	2	(3)	638
Foreign sector's debt securities	2,584	-	(2,014)	570	2,836	-	(2,420)	416
Domestic marketable equity								
Securities	421	26	(1)	446	413	9	(2)	420
	<u>9,290</u>	<u>32</u>	<u>(2,022)</u>	<u>7,300</u>	<u>3,888</u>	<u>11</u>	<u>(2,425)</u>	<u>1,474</u>
<u>Less</u> Revaluation allowance	(1,990)			-	(2,414)			-
<u>Less</u> Allowance for impairment	<u>(570)</u>			<u>(570)</u>	<u>(416)</u>			<u>(416)</u>
Total	<u>6,730</u>			<u>6,730</u>	<u>1,058</u>			<u>1,058</u>

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

	September 30, 2010				December 31, 2009			
	Cost/Amortized	Unrealized	Unrealized	Fair	Cost/Amortized	Unrealized	Unrealized	Fair
	Cost	Gains	Losses	Value	Cost	Gains	Losses	Value
Securities Available-for-Sale								
Government and state								
enterprise securities	15,427	-	(21)	15,406	19,644	18	-	19,662
Private sector's debt securities	663	5	-	668	745	6	-	751
Others	31	-	-	31	71	-	(2)	69
	<u>16,121</u>	<u>5</u>	<u>(21)</u>	<u>16,105</u>	<u>20,460</u>	<u>24</u>	<u>(2)</u>	<u>20,482</u>
<u>Add</u> Revaluation allowance	(16)			-	22			-
<u>Less</u> Allowance for impairment	<u>(378)</u>			<u>(378)</u>	<u>(378)</u>			<u>(378)</u>
Total	<u>15,727</u>			<u>15,727</u>	<u>20,104</u>			<u>20,104</u>
Securities Held-to-Maturity								
Government and state								
enterprise securities	548	9	-	557	1,204	16	-	1,220
Private sector's debt securities	50	-	-	50	57	-	-	57
Total	<u>598</u>	<u>9</u>	<u>-</u>	<u>607</u>	<u>1,261</u>	<u>16</u>	<u>-</u>	<u>1,277</u>
<u>Less</u> Allowance for impairment	<u>(50)</u>			<u>(50)</u>	<u>(50)</u>			<u>(50)</u>
Total	<u>548</u>			<u>557</u>	<u>1,211</u>			<u>1,227</u>
Securities for General Investments								
Investment in accounts receivable	752			752	831			831
<u>Less</u> Allowance for impairment	<u>(424)</u>			<u>(424)</u>	<u>(424)</u>			<u>(424)</u>
Total	<u>328</u>			<u>328</u>	<u>407</u>			<u>407</u>
Total Current Investments, net	<u>23,333</u>			<u>23,342</u>	<u>22,780</u>			<u>22,796</u>

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS

	September 30, 2010				December 31, 2009			
	Cost/Amortized	Unrealized	Unrealized	Fair	Cost/Amortized	Unrealized	Unrealized	Fair
	Cost	Gains	Losses	Value	Cost	Gains	Losses	Value
Securities for Trading								
Government and state								
enterprise securities	6,285	6	(7)	6,284	639	2	(3)	638
Foreign sector's debt securities	2,584	-	(2,014)	570	2,836	-	(2,420)	416
Domestic marketable equity								
securities	421	26	(1)	446	413	9	(2)	420
	9,290	32	(2,022)	7,300	3,888	11	(2,425)	1,474
<u>Less</u> Revaluation allowance	(1,990)			-	(2,414)			-
<u>Less</u> Allowance for impairment	(570)			(570)	(416)			(416)
Total	6,730			6,730	1,058			1,058
Securities Available-for-Sale								
Government and state								
enterprise securities	15,427	-	(21)	15,406	19,644	18	-	19,662
Private sector's debt securities	316	5	-	321	398	6	-	404
	15,743	5	(21)	15,727	20,042	24	-	20,066
<u>Add</u> Revaluation allowance	(16)			-	24			-
Total	15,727			15,727	20,066			20,066
Securities Held-to-Maturity								
Government and state								
enterprise securities	548	9	-	557	1,204	16	-	1,220
Private sector's debt securities	50	-	-	50	57	-	-	57
	598	9	-	607	1,261	16	-	1,277
<u>Less</u> Allowance for impairment	(50)			(50)	(50)			(50)
Total	548			557	1,211			1,227
Securities for General Investments								
Investment in accounts receivable	752			752	831			831
<u>Less</u> Allowance for impairment	(424)			(424)	(424)			(424)
Total	328			328	407			407
Total Current Investments, net	23,333			23,342	22,742			22,758

5.2 Long -Term Investments

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS								
	September 30, 2010				December 31, 2009			
	Cost/Amortized	Unrealized	Unrealized	Fair	Cost/Amortized	Unrealized	Unrealized	Fair
	Cost	Gains	Losses	Value	Cost	Gains	Losses	Value
Securities Available-for-Sale								
Government and state								
enterprise securities	33,724	567	(37)	34,254	26,279	98	(149)	26,228
Private sector's debt securities	9,213	171	(1)	9,383	5,168	46	(8)	5,206
Foreign sector's debt securities	-	-	-	-	848	43	-	891
Domestic marketable equity								
securities	2,931	458	(4)	3,385	3,216	117	(22)	3,311
	45,868	1,196	(42)	47,022	35,511	304	(179)	35,636
<u>Add</u> Revaluation allowance	1,154			-	125			-
<u>Less</u> Allowance for impairment	(82)			(82)	(241)			(241)
Total	46,940			46,940	35,395			35,395
Securities Held-to-Maturity								
Government and state								
enterprise securities	3,395	-	-	3,395	4,482	17	-	4,499
Total	3,395	-	-	3,395	4,482	17	-	4,499
Securities for General								
Investments								
Domestic non-marketable								
equity securities	3,607			3,921	3,711			3,499
Foreign non-marketable								
equity securities	26			22	27			21
Investment in accounts receivable	1,901			1,901	1,315			1,315
Total	5,534			5,844	5,053			4,835
<u>Less</u> Allowance for impairment	(290)			-	(290)			-
Total	5,244			5,844	4,763			4,835
Total Long-term Investments, net	55,579			56,179	44,640			44,729

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS								
	September 30, 2010				December 31, 2009			
	Cost/Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value	Cost/Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities Available-for-Sale								
Government and state								
enterprise securities	33,723	567	(37)	34,253	26,279	98	(149)	26,228
Private sector's debt securities	9,213	171	(1)	9,383	5,168	46	(8)	5,206
Foreign sector's debt securities	-	-	-	-	848	43	-	891
Domestic marketable equity securities	2,927	409	-	3,336	3,109	104	(2)	3,211
	<u>45,863</u>	<u>1,147</u>	<u>(38)</u>	<u>46,972</u>	<u>35,404</u>	<u>291</u>	<u>(159)</u>	<u>35,536</u>
<u>Add</u> Revaluation allowance	1,109			-	132			-
<u>Less</u> Allowance for impairment	(82)			(82)	(241)			(241)
Total	<u>46,890</u>			<u>46,890</u>	<u>35,295</u>			<u>35,295</u>
Securities Held-to-Maturity								
Government and state								
enterprise securities	<u>3,277</u>	<u>-</u>	<u>-</u>	<u>3,277</u>	<u>4,363</u>	<u>17</u>	<u>-</u>	<u>4,380</u>
Total	<u>3,277</u>	<u>-</u>	<u>-</u>	<u>3,277</u>	<u>4,363</u>	<u>17</u>	<u>-</u>	<u>4,380</u>
Securities for General								
Investments								
Domestic non-marketable								
equity securities	3,572			3,902	3,676			3,481
Foreign non-marketable								
equity securities	26			22	27			21
Investment in accounts receivable	<u>918</u>			<u>918</u>	<u>1,315</u>			<u>1,315</u>
Total	<u>4,516</u>			<u>4,842</u>	<u>5,018</u>			<u>4,817</u>
<u>Less</u> Allowance for impairment	(274)			-	(274)			-
Total	<u>4,242</u>			<u>4,842</u>	<u>4,744</u>			<u>4,817</u>
Total Long-term Investments, net	<u>54,409</u>			<u>55,009</u>	<u>44,402</u>			<u>44,492</u>

As at September 30, 2010 and December 31, 2009, long-term investments classified as debt securities held-to-maturity (government and state enterprise securities) included the 10 year-term non-negotiable promissory notes availed by the Financial Institutions Development Fund in the consolidated financial statements and separate financial statements of Baht 3,277 million and Baht 3,822 million, respectively, issued by the Thai Asset Management Corporation (TAMC) for asset transfer to TAMC. During the nine-month period ended September 30, 2010, TAMC redeemed promissory notes of the Bank of Baht 544 million, and during the year 2009, TAMC redeemed promissory notes of the Bank of Baht 201 million.

The Bank assessed the fair value of the CDO investments by using the prices calculated by arrangers. The Bank recorded unrealized losses on the mark-to-market and loss on impairment for CDO investment at 100% of these investments.

5.3 Investments in subsidiaries and associated companies

The Bank's investments in companies in which the Bank holds more than 20% of the paid-up capital, with the percentage of beneficial ownership and amount of investments, are as follows:

							Unit : Million Baht
CONSOLIDATED FINANCIAL STATEMENTS							
Company Name	Business Type	September 30, 2010				December 31, 2009	
		Securities	Ownership	Investment	Investment	Investment	Investment
		Investment Type	%	(Cost)	(Equity Method)	(Cost)	(Equity Method)
Associated companies							
Tesco Card Services Limited ⁽¹⁾	Credit card and personal loan	Common stock	49.00	382	675	382	598
Tesco Life Assurance Broker Limited ⁽²⁾	Life assurance broker	Common stock	49.00	-	8	-	7
Tesco General Insurance Broker Limited ⁽²⁾	General insurance broker	Common stock	49.00	-	29	-	27
Quality Life Assurance Broker Limited ⁽¹⁾	Life assurance broker	Common stock	24.99	1	10	1	7
Quality General Insurance Broker Limited ⁽¹⁾	General insurance broker	Common stock	24.99	1	5	1	4
Metro Designee Company Limited ⁽³⁾	Special purpose vehicle	Common stock	21.90	-	-	-	-
Investments in associated companies, net				384	727	384	643

⁽¹⁾ Indirect holding via Ayudhya Capital Services Company Limited

⁽²⁾ Indirect holding via Tesco Card Services Limited

⁽³⁾ The Company which was established for the transfer of the throughout rights as per the concession agreement between MRT and BMCL in case of BMCL breaches agreement with MRT or BMCL breaches the loan agreement with the creditor group.

Unit : Million Baht				
SEPARATE FINANCIAL STATEMENTS				
September 30, 2010				
Company Name	Business Type	Securities	Ownership	Investment
		Investment Type	%	(Cost)
Subsidiaries				
Ayudhya Development Leasing Company Limited	Leasing	Common stock	99.99	929
Ayudhya Auto Lease Public Company Limited	Auto leasing	Common stock Preferred stock	99.79	2,236 500
Ayudhya Capital Lease Company Limited	Auto leasing	Common stock		99.99
Ayudhya Capital Auto Lease Public Company Limited (Formerly GE Capital Auto Lease Public Company Limited)	Hire-purchase and auto leasing	Common stock	99.99	16,281
Ayudhya Total Solutions Public Company Limited (Formerly AIG Retail Bank Public Company Limited)	Hire-purchase	Common stock	99.79	1,529

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS				
September 30, 2010				
Company Name	Business Type	Securities Investment Type	Ownership %	Investment (Cost)
CFG Services Company Limited	Hire-purchase and motorcycle leasing	Common stock Preferred stock	} 99.99	26 1
Ayudhya Card Services Company Limited (Formerly AIG Card (Thailand) Company Limited)	Credit card and personal loan	Common stock	99.99	4
Ayudhya Capital Services Company Limited (Formerly GE Capital (Thailand) Limited)	Credit card and personal loan	Common stock	99.99	5,689
General Card Services Limited	Credit card and personal loan	Common stock	99.99	806
Krungsriayudhya Card Company Limited	Credit card and personal loan	Common stock	99.99	1,304
Siam Realty and Services Company Limited	Car rent and personnel services	Common stock	99.99	100
K.S. Law Office Company Limited ⁽¹⁾	Legal advisory Services	Common stock	99.99	32
Total Services Solutions Public Company Limited	Collection services	Common stock Preferred stock	} 99.99	2,242 295
Ayudhya Fund Management Company Limited	Fund management	Common stock	76.59	204
Ayudhya Asset Management Company Limited	Assets management	Common stock	99.99	6,000
Ayudhya Securities Public Company Limited	Securities	Common stock	86.33	637
Ayudhya Factoring Company Limited	Factoring	Common stock	99.99	100
Associated Company				
Metro Designee Company Limited ⁽²⁾	Special purpose vehicle	Common stock	21.90	-
Investments in subsidiaries and associated companies				41,915
<u>Less</u> Allowance for impairment				(4,212)
Investments in subsidiaries and associated companies, net				<u>37,703</u>

(1) Subsidiary under the liquidation process

(2) The Company which was established for the transfer of the throughout rights as per the concession agreement between MRT and BMCL in case of BMCL breaches agreement with MRT or BMCL breaches the loan agreement with the creditor group.

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS

December 31, 2009

Company Name	Business Type	Securities Investment Type	Ownership %	Investment (Cost)
Subsidiaries				
Ayudhya Development Leasing Company Limited	Leasing	Common stock	99.99	929
Ayudhya Auto Lease Public Company Limited	Auto leasing	Common stock Preferred stock Warrant	99.72	2,233 500 12
Ayudhya Capital Lease Company Limited	Auto leasing	Common stock		3,000
Ayudhya Capital Auto Lease Public Company Limited (Formerly GE Capital Auto Lease Public Company Limited)	Hire-purchase and auto leasing	Common stock	99.99	16,281
Ayudhya Total Solutions Public Company Limited (Formerly AIG Retail Bank Public Company Limited)	Hire-purchase	Common stock	99.76	1,529
CFG Services Company Limited	Hire-purchase and motorcycle leasing	Common stock Preferred stock	99.99	26 1
Ayudhya Card Services Company Limited (Formerly AIG Card (Thailand) Company Limited)	Credit card and personal loan	Common stock		4
Ayudhya Capital Services Company Limited (Formerly GE Capital (Thailand) Limited)	Credit card and personal loan	Common stock	99.99	6,443
General Card Service Limited	Credit card and personal loan	Common stock	99.99	806
Krungsriayudhya Card Company Limited ⁽²⁾	Credit card and personal loan	Common stock	99.99	550
Siam Realty and Services Company Limited	Car rent and personnel services	Common stock	99.99	100
K.S. Law Office Company Limited ⁽¹⁾	Legal advisory services	Common stock	99.99	32
Total Services Solutions Public Company Limited	Collection Services	Common stock Preferred stock	99.99	2,242 295
Ayudhya Fund Management Company Limited	Fund management	Common stock	76.59	204
Ayudhya Asset Management Company Limited	Assets management	Common stock	99.99	6,000
Ayudhya Securities Public Company Limited	Securities	Common stock	86.33	637
Ayudhya Factoring Company Limited	Factoring	Common stock	99.99	100

Unit : Million Baht				
SEPARATE FINANCIAL STATEMENTS				
December 31, 2009				
Company Name	Business Type	Securities Investment Type	Ownership %	Investment (Cost)
Associated Company				
Metro Designee Company Limited ⁽³⁾	Special purpose vehicle	Common stock	21.90	-
Investments in subsidiaries and associated companies				41,924
Less Allowance for impairment				(4,224)
Investments in subsidiaries and associated companies, net				<u>37,700</u>

⁽¹⁾ Subsidiary under the liquidation process

⁽²⁾ Hold indirectly via Ayudhya Capital Services Company Limited 49.99%

⁽³⁾ The Company which was established for the transfer of the throughout rights as per the concession agreement between MRT and BMCL in case of BMCL breaches agreement with MRT or BMCL breaches the loan agreement with the creditor group.

Information about financial position, results of operations and cash flows which is summarized from the financial statements of Ayudhya Asset Management Company Limited is as follows:

AYUDHYA ASSET MANAGEMENT COMPANY LIMITED
CONDENSED BALANCE SHEETS
“UNAUDITED”

Unit : Million Baht

	As at September 30, 2010	As at December 31, 2009
ASSETS		
Cash and deposit at financial institution	35	36
Investments in receivables, net	6,165	7,671
Loans and receivables, net	836	996
Properties foreclosed, net	7,250	7,974
Amounts due from parent company	706	398
Cash advance	179	207
Other assets	75	62
TOTAL ASSETS	<u>15,246</u>	<u>17,344</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Borrowings	12,512	15,019
Other liabilities	147	173
Shareholders' equity	<u>2,587</u>	<u>2,152</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>15,246</u>	<u>17,344</u>

AYUDHYA ASSET MANAGEMENT COMPANY LIMITED
CONDENSED STATEMENTS OF INCOME
FOR THE QUARTERS AND THE NINE-MONTH PERIODS ENDED SEPTEMBER 30,
“UNAUDITED”

Unit : Million Baht

	For the quarters 2010	2009	For the nine-month periods 2010	2009
Interest and dividend income	68	85	278	250
Interest expenses	<u>74</u>	<u>86</u>	<u>233</u>	<u>177</u>
Net interest and dividend income (expense)	(6)	(1)	45	73
Bad debt and doubtful accounts	<u>213</u>	<u>-</u>	<u>234</u>	<u>78</u>
Net interest and dividend income after bad debt and doubtful accounts and loss on debt restructuring (expense)	(219)	(1)	(189)	(5)
Non-interest income	408	228	888	442
Non-interest expenses	<u>104</u>	<u>82</u>	<u>264</u>	<u>195</u>
Net income	<u>85</u>	<u>145</u>	<u>435</u>	<u>242</u>
Basic earnings per share (Baht)	0.14	0.24	0.72	0.40

AYUDHYA ASSET MANAGEMENT COMPANY LIMITED
STATEMENTS OF CASH FLOWS
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30,
“UNAUDITED”

	Unit : Million Baht	
	2010	2009
Cash flows from operating activities		
Income before income tax	435	242
Adjustments to reconcile net income to cash provided by (used in) operating activities		
Bad debt and doubtful accounts	234	78
Gain on sales of properties foreclosed	(223)	(113)
Other income	(1)	(1)
Depreciation and amortization	2	2
Loss on impairment of properties foreclosed	30	27
Interest expenses	233	177
Decrease in accrued non-interest payable	23	(14)
Cash paid for interest expense	(234)	(176)
Cash paid for income tax	(16)	(8)
Profit from operations before changes in operating assets and liabilities	483	214
(Increase) decrease in operating assets		
Investment in receivables	1,687	901
Income from investment in receivable	(195)	-
Loans and receivable	(59)	271
Properties foreclosed	918	(804)
Amounts due from parent company	(309)	(170)
Cash advance	28	(12)
Other assets	1	(1)
Increase (decrease) in operating liabilities		
Amounts due to parent company	(4)	(4)
Deposit for purchase of properties foreclosed	(19)	12
Unearned income for sales properties foreclosed	(26)	-
Other liabilities	1	(1)
Net cash provided by operating activities	<u>2,506</u>	<u>406</u>
Cash flows from investing activities		
Cash paid for purchase of equipment	-	(4)
Net cash used in investing activities	<u>-</u>	<u>(4)</u>
Cash flows from financing activities		
Decrease in borrowings and bank overdraft	(2,507)	(720)
Net cash used in financing activities	<u>(2,507)</u>	<u>(720)</u>
Net decrease in cash and cash equivalents	(1)	(318)
Cash and cash equivalents as at January 1,	36	338
Cash and cash equivalents as at September 30,	<u>35</u>	<u>20</u>

Investments in companies in which the Bank and subsidiaries hold more than 10% of the paid-up capital in each company, classified according to industry groups, are as follows:

Unit : Million Baht		
CONSOLIDATED AND SEPERATE		
FINANCIAL STATEMENTS		
	September 30, 2010	December 31, 2009
Manufacturing	21	21
Total	<u>21</u>	<u>21</u>

In the consolidated and separate financial statements as at September 30, 2010 and December 31, 2009, the Bank and its subsidiary had investments in available-for-sale securities and general investments of 2 companies subject to be delisted from the SET, with costs of Baht 13 million and market price of Baht 0.

5.4 Securities used as collateral

Government and state enterprise securities with face values of Baht 4,919 million and Baht 17,088 million were used as collateral for other commitments with government departments and state enterprises as at September 30, 2010 and December 31, 2009, respectively.

6. LOANS AND ACCRUED INTEREST RECEIVABLES

(1) Classified by products

Unit : Million Baht

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	September 30, 2010	December 31, 2009	September 30, 2010	December 31, 2009
Overdrafts	44,680	44,743	41,748	41,545
Loan against contract	274,346	247,128	381,852	361,839
Trade bill	134,519	161,120	133,474	160,023
Hire-purchase receivable	138,309	130,893	-	-
Lease contract receivable	13,151	11,765	-	-
Factoring receivable	1,962	1,090	-	-
Credit card receivable	23,069	27,229	-	-
Others	4,279	1,176	509	564
Total	634,315	625,144	557,583	563,971
<u>Less</u> Unearned income	(24,009)	(22,684)	(49)	(37)
<u>Add</u> Deferred brokerage fee, net	1,135	1,048	-	-
Total	611,441	603,508	557,534	563,934
<u>Add</u> Accrued interest receivables	1,810	2,210	840	1,196
<u>Less</u> Allowance for doubtful accounts	(37,257)	(38,271)	(23,860)	(24,256)
Revaluation allowance for debt restructuring	(605)	(329)	(43)	(329)
Total	575,389	567,118	534,471	540,545

(2) Classified by remaining maturity

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	September 30,	December 31,	September 30,	December 31,
	2010	2009	2010	2009
Not over 1 year*	287,949	360,824	217,313	245,314
Over 1 year	346,366	264,320	340,270	318,657
Total	634,315	625,144	557,583	563,971
<u>Less</u> Unearned income	(24,009)	(22,684)	(49)	(37)
<u>Add</u> Deferred brokerage fee, net	1,135	1,048	-	-
Total	611,441	603,508	557,534	563,934
<u>Add</u> Accrued interest receivables	1,810	2,210	840	1,196
Total	613,251	605,718	558,374	565,130

* Included those without agreements and past due agreements

(3) Classified by currency and residence of debtors

	CONSOLIDATED FINANCIAL STATEMENTS					
	September 30, 2010			December 31, 2009		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	621,231	948	622,179	615,719	905	616,624
US Dollar	9,980	245	10,225	7,052	281	7,333
Other currencies	318	1,593	1,911	380	807	1,187
Total	631,529	2,786	634,315	623,151	1,993	625,144
<u>Less</u> Unearned income			(24,009)			(22,684)
<u>Add</u> Deferred brokerage fee, net			1,135			1,048
Total			611,441			603,508
<u>Add</u> Accrued interest receivables			1,810			2,210
Total			613,251			605,718

	SEPARATE FINANCIAL STATEMENTS					
	September 30, 2010			December 31, 2009		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	544,500	948	545,448	554,547	905	555,452
US Dollar	9,979	245	10,224	7,051	281	7,332
Other currencies	318	1,593	1,911	380	807	1,187
Total	554,797	2,786	557,583	561,978	1,993	563,971
<u>Less</u> Unearned income			(49)			(37)
Total			557,534			563,934
<u>Add</u> Accrued interest receivables			840			1,196
Total			558,374			565,130

(4) Classified by business type and classification

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS						
September 30, 2010						
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	5,377	121	198	63	1,139	6,898
Manufacturing and trading	139,600	5,707	4,361	2,310	15,422	167,400
Real estate and construction	40,271	846	1,134	754	5,439	48,444
Public utilities and services	92,189	5,451	432	772	3,586	102,430
Housing loans	78,319	1,491	650	744	3,600	84,804
Others	208,937	10,896	2,592	917	997	224,339
Total	<u>564,693</u>	<u>24,512</u>	<u>9,367</u>	<u>5,560</u>	<u>30,183</u>	634,315
<u>Less</u> Unearned income						(24,009)
<u>Add</u> Deferred brokerage fee, net						1,135
Total						611,441
<u>Add</u> Accrued interest receivables						1,810
Total						<u>613,251</u>

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS						
December 31, 2009						
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	5,701	323	204	88	1,454	7,770
Manufacturing and trading	145,663	7,293	1,838	3,716	19,175	177,685
Real estate and construction	37,123	1,671	687	781	6,441	46,703
Public utilities and services	86,784	5,951	898	977	4,313	98,923
Housing loans	72,886	2,257	1,075	1,090	4,228	81,536
Others	196,775	10,188	2,819	1,313	1,432	212,527
Total	<u>544,932</u>	<u>27,683</u>	<u>7,521</u>	<u>7,965</u>	<u>37,043</u>	625,144
<u>Less</u> Unearned income						(22,684)
<u>Add</u> Deferred brokerage fee, net						1,048
Total						603,508
<u>Add</u> Accrued interest receivables						2,210
Total						<u>605,718</u>

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS

September 30, 2010

	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	5,283	113	198	62	381	6,037
Manufacturing and trading	136,670	5,694	4,285	2,255	9,867	158,771
Real estate and construction	39,124	830	1,017	719	3,211	44,901
Public utilities and services	91,723	5,440	432	772	2,204	100,571
Housing loans	73,926	935	590	713	1,709	77,873
Others	168,484	250	148	111	437	169,430
Total	515,210	13,262	6,670	4,632	17,809	557,583
<u>Less</u> Unearned income						(49)
Total						557,534
<u>Add</u> Accrued interest receivables						840
Total						<u>558,374</u>

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS

December 31, 2009

	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	5,700	319	119	87	651	6,876
Manufacturing and trading	142,371	7,043	1,772	3,653	12,569	167,408
Real estate and construction	36,412	1,642	634	762	3,787	43,237
Public utilities and services	86,453	5,941	893	966	2,849	97,102
Housing loans	65,014	1,278	776	1,011	2,091	70,170
Others	176,900	688	246	497	847	179,178
Total	512,850	16,911	4,440	6,976	22,794	563,971
<u>Less</u> Unearned income						(37)
Total						563,934
<u>Add</u> Accrued interest receivables						1,196
Total						<u>565,130</u>

(5) Classified by type of classification

Unit : Million Baht				
CONSOLIDATED FINANCIAL STATEMENTS				
September 30, 2010				
	Loans and Accrued Interest Receivable	Outstanding Balance after Deduction of Collateral	% Set up***	Minimum Allowance per BOT Guideline
Normal - Securities Business receivable	166	166	-	-
Normal	543,380	276,698	1	5,805
Special mention	23,598	10,511	2	1,314
Substandard	9,205	5,123	100	4,641
Doubtful	5,428	2,080	100	1,712
Doubtful of loss	30,339	10,519	100	10,597
Total	612,116	305,097		24,069**
Add Deferred brokerage fee, net	1,135			
Total	613,251			
Surplus Reserve				13,188*
				37,257

Unit : Million Baht				
CONSOLIDATED FINANCIAL STATEMENTS				
December 31, 2009				
	Loans and Accrued Interest Receivable	Outstanding Balance after Deduction of Collateral	% Set up***	Minimum Allowance per BOT Guideline
Normal - Securities Business receivable	152	152	-	-
Normal	524,949	272,814	1	5,376
Special mention	27,066	11,345	2	1,663
Substandard	7,298	3,536	100	3,369
Doubtful	7,886	3,595	100	3,442
Doubtful of loss	37,319	12,781	100	12,897
Total	604,670	304,223		26,747**
Add Deferred brokerage fee, net	1,048			
Total	605,718			
Surplus Reserve				11,524*
				38,271

(* Including allowance for doubtful accounts of loans granted to subsidiaries as at September 30, 2010 and December 31, 2009, at the rate of 1% of Baht 141,211 million and Baht 151,427 million equal to Baht 1,412 million and Baht 1,515 million, respectively, which are not eliminated but treated as surplus reserve in the consolidated financial statements.)

(** Excluding revaluation allowance for debt restructuring as at September 30, 2010 and December 31, 2009, of Baht 43 million and Baht 329 million, respectively, and excluding allowance for doubtful accounts for interbank and money market items as at September 30, 2010 and December 31, 2009, of Baht 14 million and Baht 4 million, respectively, but including allowance for doubtful accounts on a collective approach for hire-purchase loans as at September 30, 2010 and December 31, 2009 of Baht 2,272 million and Baht 3,247 million, respectively.)

(*** % set up is the minimum rate required by the Bank of Thailand for normal loans prior to reflecting the collective approach valuation)

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS AND AYUDHYA

ASSET MANAGEMENT COMPANY LIMITED

September 30, 2010

	Loans and Accrued Interest Receivable	Outstanding Balance after Deduction of Collateral	% Set up	Minimum Allowance per BOT Guideline
Normal	503,249	245,906	1	5,478
Special mention	13,379	744	2	631
Substandard	6,677	2,945	100	2,945
Doubtful	4,643	1,417	100	1,417
Doubtful of loss	29,561	9,962	100	10,038
Total	<u>557,509</u>	<u>260,974</u>		20,509
Surplus Reserve				7,999*
				<u>28,508</u>

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS AND AYUDHYA

ASSET MANAGEMENT COMPANY LIMITED

December 31, 2009

	Loans and Accrued Interest Receivable	Outstanding Balance after Deduction of Collateral	% Set up	Minimum Allowance per BOT Guideline
Normal	498,410	253,025	1	4,854
Special mention	17,299	1,945	2	727
Substandard	4,564	897	100	897
Doubtful	7,056	2,812	100	2,812
Doubtful of loss	36,396	12,190	100	12,307
Total	<u>563,725</u>	<u>270,869</u>		21,597
Surplus Reserve				7,609*
				<u>29,206</u>

(* Including allowance for doubtful accounts of loans granted to Ayudhya Asset Management Company Limited as at September 30, 2010 and December 31, 2009, at the rate of 1% of Baht 12,512 million and Baht 15,019 million equal to Baht 125 million and Baht 150 million, which are not eliminated but treated as surplus reserve in the consolidated financial statements.)

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS

September 30, 2010

	Loans and Accrued Interest Receivable	Outstanding Balance after Deduction of Collateral	% Set up	Minimum Allowance per BOT Guideline
Normal	515,763	258,418	1	5,603
Special mention	13,379	744	2	632
Substandard	6,677	2,945	100	2,945
Doubtful	4,643	1,417	100	1,417
Doubtful of loss	17,912	7,169	100	7,244
Total	558,374	270,693		17,841**
Surplus Reserve				6,019*
				23,860

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS

December 31, 2009

	Loans and Accrued Interest Receivable	Outstanding Balance after Deduction of Collateral	% Set up	Minimum Allowance per BOT Guideline
Normal	513,413	268,043	1	5,004
Special mention	17,252	1,940	2	727
Substandard	4,474	880	100	880
Doubtful	6,989	2,796	100	2,796
Doubtful of loss	23,002	9,039	100	9,156
Total	565,130	282,698		18,563**
Surplus Reserve				5,693*
				24,256

(* Including allowance for doubtful accounts of loan granted to subsidiaries as at September 30, 2010 and December 31, 2009, at the rate of 1% of Baht 141,211 million and Baht 151,427 million, equal to Baht 1,412 million and Baht 1,515 million, respectively.)

(** Excluding revaluation allowance for debt restructuring as at September 30, 2010 and December 31, 2009, of Baht 43 million and Baht 329 million, respectively and excluding allowance for doubtful accounts for interbank and money market items as at September 30, 2010 and December 31, 2009, of Baht 14 million and Baht 4 million, respectively.)

For the nine-month period ended September 30, 2010, the Bank entered into an agreement to sell non-performing loan (NPLs) to the third parties in amount to Baht 2,657 million with book value of Baht 5,275 million and net book value of Baht 2,657 million. Such amount had been received.

As at September 30, 2010 and December 31, 2009, the Bank and Ayudhya Asset Management Company Limited (“AMC”) had non-performing loans which included interbank and money market items as follows:

	Unit : Million Baht		
	September 30, 2010		
	Bank only	AMC	The Bank and AMC
Non-performing loans	29,111	11,524	40,635
Percentage of total loans	4.81	100.00	6.59
Non-performing loans, net	17,504	8,730	26,234
Percentage of total loans, net	2.95	100.00	4.36

	Unit : Million Baht		
	December 31, 2009		
	Bank only	AMC	The Bank and AMC
Non-performing loans	34,210	13,391	47,601
Percentage of total loans	5.65	99.51	7.70
Non-performing loans, net	21,378	10,206	31,584
Percentage of total loans, net	3.61	99.35	5.24

As at September 30, 2010 and December 31, 2009, the Bank and its subsidiaries’ non-performing loans are Baht 44,727 million and Baht 52,080 million, respectively.

(6) Troubled Debt Restructuring

Consolidated financial statements

For the quarter and the nine-month period ended September 30, 2010, the Bank and its subsidiaries had restructured the following debts :

	CONSOLIDATED FINANCIAL STATEMENTS	
	Number	Amount of Debt before Restructuring (Million Baht)
Total debt restructured during the quarter ended September 30, 2010	147,747	5,358
Total debt restructured during the nine-month period ended September 30, 2010	222,449	9,881
Total debtors as at September 30, 2010	3,104,549	613,251

Details of restructured debts of the Bank and its subsidiaries for the quarter ended September 30, 2010 are as follows:

Form of Restructuring	Number	CONSOLIDATED FINANCIAL STATEMENTS		
		Debt per the Accounts Before Restructuring (Million Baht)	Type of Assets Acquired	Fair Value (Million Baht)
Modification of terms	95,870	3,080		
Reduction of principal and interest	51,813	1,401		
Various forms of restructuring (including modification of terms)	64	877	Land and building	126
Total	<u>147,747</u>	<u>5,358</u>		<u>126</u>

Details of restructured debts of the Bank and its subsidiaries for the nine-month period ended September 30, 2010 are as follows:

Form of Restructuring	Number	CONSOLIDATED FINANCIAL STATEMENTS		
		Debt per the Accounts Before Restructuring (Million Baht)	Type of Assets Acquired	Fair Value (Million Baht)
Transfer of assets	1	27	Land and building	26
Modification of terms	143,346	4,870		
Reduction of principal and interest	78,874	3,329		
Various forms of restructuring (including modification of terms)	228	1,655	Land and building	141
Total	<u>222,449</u>	<u>9,881</u>		<u>167</u>

For the nine-month ended September 30, 2010, the Bank and its subsidiaries calculated the net realizable value for the troubled debt restructured by the modification of terms using the present value of future cash flows under the restructured loan agreement, discounted by the market rate, together with the fair value of collateral as follows:

Method	Average Aging (Year)	Number	CONSOLIDATED FINANCIAL STATEMENTS	
			Amount of Debt Before Restructuring (Million Baht)	Amount of Debt After Restructuring (Million Baht)
Present value of future cash flows	0.50	141,912	2,101	1,121
Fair value of collateral	5.79	1,434	2,769	1,821

As at September 30, 2010, the Bank and its subsidiaries had outstanding debts of Baht 8,062 million which had been restructured by modification of repayment terms.

As at September 30, 2010, the Bank and its subsidiaries had restructured outstanding debts of Baht 35,848 million, including debts restructured during the quarter and the nine-month period ended September 30, 2010 of Baht 4,264 million and Baht 7,290 million, respectively. For the quarter and the nine-month period ended September 30, 2010, the Bank and its subsidiaries recognized interest income from debt restructured of Baht 326 million and Baht 1,157 million, respectively and the reversal of loss on debt restructured of Baht 13 million and loss on debt restructured of Baht 316 million, respectively, in the statement of income.

As at September 30, 2010, the balance of such debt restructured included NPLs of Baht 13,212 million.

For the year ended December 31, 2009, the Bank and its subsidiaries had restructured the following debts:

	CONSOLIDATED FINANCIAL STATEMENTS	
	Number	Amount of Debt before Restructuring (Million Baht)
Total debt restructured during the year ended December 31, 2009	43,929	14,083
Total debtors as at December 31, 2009	3,188,277	605,718

Details of restructured debts of the Bank and its subsidiaries for the year ended December 31, 2009 are as follows:

Form of Restructuring	Number	CONSOLIDATED FINANCIAL STATEMENTS		
		Amount of Debt Before Restructuring (Million Baht)	Type of Assets Acquired	Fair Value (Million Baht)
Transfer of assets	8	118	Land and building	75
Conversion to equity	2	13		
Modification of terms	28,414	3,919		
Reduction of principal and interest	15,158	5,177		
Various forms of restructuring (including modification of terms)	347	4,856	Land and building	26
Total	<u>43,929</u>	<u>14,083</u>		<u>101</u>

For the year ended December 31, 2009, the Bank and its subsidiaries calculated the net realizable value for the troubled debt restructured by the modification of terms using the present value of future cash flows under the restructured loan agreement, discounted by the market rate, together with the fair value of collateral as follows:

Method	Average Aging (Year)	Number	CONSOLIDATED FINANCIAL STATEMENTS	
			Amount of Debt before Restructuring (Million Baht)	Amount of Debt after Restructuring (Million Baht)
Present value of future cash flows	0.02	26,933	611	355
Fair value of collateral	6.42	1,481	3,308	2,642

As at December 31, 2009, the Bank and its subsidiaries had debts outstanding of Baht 8,482 million which had been restructured by modification of repayment terms.

As at December 31, 2009, the Bank and its subsidiaries had restructured debts of Baht 61,861 million, including debts restructured for the year of Baht 9,272 million. For the year ended December 31, 2009, the Bank and its subsidiaries recognized interest income from debt restructured of Baht 1,675 million and the loss on debt restructured of Baht 1,088 million in the statement of income.

As at December 31, 2009, the balance of such debt restructured included NPLs of Baht 19,252 million.

Separate financial statements

For the quarter and the nine-month period ended September 30, 2010, the Bank had restructured the following debts:

	SEPARATE FINANCIAL STATEMENTS	
	Number	Amount of Debt before Restructuring (Million Baht)
Total debt restructured during the quarter ended September 30, 2010	800	3,995
Total debt restructured during the nine-month period ended September 30, 2010	2,385	7,849
Total debtors as at September 30, 2010	175,725	558,374

Details of restructured debts of the Bank for the quarter ended September 30, 2010, are as follows:

Form of Restructuring	Number	SEPARATE FINANCIAL STATEMENTS		
		Debt per the Accounts before Restructuring (Million Baht)	Type of Assets Acquired	Fair Value (Million Baht)
Modification of terms	391	2,132		
Reduction of principal and interest	348	1,114		
Various forms of restructuring (including modification of terms)	61	749		
Total	800	3,995		

Details of restructured debts of the Bank for the nine-month period ended September 30, 2010, are as follows:

Form of Restructuring	Number	SEPARATE FINANCIAL STATEMENTS		
		Debt per the Accounts before Restructuring (Million Baht)	Type of Assets Acquired	Fair Value (Million Baht)
Transfer of assets	1	27	Land and building	26
Modification of terms	1,218	3,472		
Reduction of principal and interest	942	2,823		
Various forms of restructuring (including modification of terms)	224	1,527	Land and building	11
Total	2,385	7,849		37

For the nine-month period ended September 30, 2010, the Bank calculated the net realizable value for the troubled debt restructured by the modification of terms using the present value of future cash flows under the restructured loan agreement, discounted by the market rate, together with the fair value of collateral as follows:

Method	Average Aging (Year)	Number	SEPARATE FINANCIAL STATEMENTS	
			Amount of Debt before Restructuring (Million Baht)	Amount of Debt after Restructuring (Million Baht)
Present value of future cash flows	7.65	42	1,321	1,121
Fair value of collateral	7.05	1,176	2,151	1,224

As at September 30, 2010, the Bank had outstanding debts of Baht 6,110 million which had been restructured by modification of repayment terms.

As at September 30, 2010, the Bank had restructured outstanding debts of Baht 33,812 million, including debts restructured during the quarter and the nine-month period of Baht 2,901 million and Baht 5,258 million, respectively. For the quarter and the nine-month period ended September 30, 2010, the Bank recognized interest income from debt restructured of Baht 324 million and Baht 1,046 million, respectively and loss on debt restructured of Baht 28 million and Baht 358 million, respectively, in the statement of income.

As at September 30, 2010, the balance of such debt restructured included NPLs of Baht 11,531 million.

For the year ended December 31, 2009, the Bank had restructured the following debts:

	SEPARATE FINANCIAL STATEMENTS	
	Number	Amount of Debt before Restructuring (Million Baht)
Total debt restructured during the year ended December 31, 2009	2,542	13,204
Total debtors as at December 31, 2009	197,080	565,130

Details of restructured debts of the Bank for the year ended December 31, 2009, are as follows:

Form of Restructuring	Number	SEPARATE FINANCIAL STATEMENTS		Fair Value (Million Baht)
		Amount of Debt Before Restructuring (Million Baht)	Type of Assets Acquired	
Transfer of assets	6	115	Land and building	75
Conversion to equity	2	13		
Modification of terms	1,166	3,172		
Reduction of principal and interest	1,021	5,048		
Various forms of restructuring (including modification of terms)	347	4,856	Land and building	26
	<u>2,542</u>	<u>13,204</u>		<u>101</u>

For the year ended December 31, 2009, the Bank calculated the net realizable value for the troubled debt restructured by the modification of terms using the present value of future cash flows under the restructured loan agreement, discounted by the market rate, together with the fair value of collateral as follows:

Method	Average Aging (Year)	Number	SEPARATE FINANCIAL STATEMENTS	
			Amount of Debt before Restructuring (Million Baht)	Amount of Debt after Restructuring (Million Baht)
Present value of future cash flows	7.04	56	374	355
Fair value of collateral	6.42	1,110	2,798	2,642

As at December 31, 2009, the Bank had outstanding debts of Baht 6,357 million which had been restructured by modification of repayment terms.

As at December 31, 2009, the Bank had restructured outstanding debt of Baht 43,270 million, including debts restructured during the year of Baht 8,396 million. For the year ended December 31, 2009, the Bank recognized interest income from debt restructured of Baht 1,616 million, and loss on debt restructured of Baht 1,101 million in the statements of income.

As at December 31, 2009, the balance of such debt restructured included NPLs of Baht 15,190 million.

7. ALLOWANCE FOR DOUBTFUL ACCOUNTS

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS							
September 30, 2010							
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Surplus Reserve	Total
Beginning balance	5,376	1,663	3,369	3,442	12,897	11,524	38,271
Doubtful accounts	429	(349)	1,423	(1,307)	2,844	3,991	7,031
Bad debts written off	-	-	(108)	(173)	(2,818)	(3,462)	(6,561)
Bad debts reversal	-	-	-	-	-	1,136	1,136
Bad debts written off from							
sales of NPLs	-	-	(43)	(250)	(2,326)	-	(2,619)
Other	-	-	-	-	-	(1)	(1)
Ending balance	5,805	1,314	4,641	1,712	10,597	13,188	37,257

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS							
December 31, 2009							
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Surplus Reserve	Total
Beginning balance	2,732	517	3,594	5,238	13,352	5,977	31,410
Beginning balance of subsidiaries							
as of investment date	652	76	1,893	204	853	1,749	5,427
Doubtful accounts	1,992	1,070	(2,078)	(1,962)	4,167	4,378	7,567
Bad debts written off	-	-	(9)	-	(1,973)	(858)	(2,840)
Bad debts reversal	-	-	-	-	151	278	429
Bad debts written off from							
sales of NPLs	-	-	(31)	(36)	(3,656)	-	(3,723)
Other	-	-	-	(2)	3	-	1
Ending balance	5,376	1,663	3,369	3,442	12,897	11,524	38,271

As at September 30, 2010 and December 31, 2009, the consolidated financial statements included the allowance for doubtful account of hire-purchase loans applying a collective approach basis in the amounts of Baht 2,272 million and Baht 3,247 million, respectively.

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS							
September 30, 2010							
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Surplus Reserve	Total
Beginning balance	5,004	727	880	2,796	9,156	5,693	24,256
Doubtful accounts	599	(95)	2,193	(956)	1,752	327	3,820
Bad debts written off	-	-	(85)	(173)	(1,338)	-	(1,596)
Bad debts written off from							
sales of NPLs	-	-	(43)	(250)	(2,326)	-	(2,619)
Other	-	-	-	-	-	(1)	(1)
Ending balance	5,603	632	2,945	1,417	7,244	6,019	23,860

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS

December 31, 2009

	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Surplus Reserve	Total
Beginning balance	3,027	365	2,370	4,361	9,657	3,049	22,829
Doubtful accounts	1,977	362	(1,459)	(1,529)	2,680	2,645	4,676
Bad debts written off	-	-	-	-	(16)	-	(16)
Bad debts reversal	-	-	-	-	155	-	155
Bad debts written off from							
sales of NPLs	-	-	(31)	(36)	(3,320)	-	(3,387)
Other	-	-	-	-	-	(1)	(1)
Ending balance	<u>5,004</u>	<u>727</u>	<u>880</u>	<u>2,796</u>	<u>9,156</u>	<u>5,693</u>	<u>24,256</u>

As at September 30, 2010 and December 31, 2009, the Bank estimated the minimum total allowance* under BOT Guidelines of Baht 24,687 million and Baht 27,079 million, respectively for the consolidated financial statements and Baht 17,897 million and Baht 18,895 million, respectively for the separate financial statements.

(* Such allowance for doubtful accounts consists of allowance for doubtful accounts for loans and accrued interest receivable, allowance for doubtful accounts for interbank and money market items and revaluation allowance for debt restructuring.)

The Bank and its subsidiaries recorded allowance for doubtful accounts in financial statements as follows:

Unit : Million Baht

	September 30, 2010	December 31, 2009
Consolidated financial statements	37,876	38,603
The Bank and Ayudhya Asset Management Company Limited	28,566	29,538
The Separate financial statements	23,917	24,588

As at September 30, 2010 and December 31, 2009, the Bank and its subsidiaries had loans and accrued interest receivables to companies which have certain problems in financial position and result of operations as defined in the Guideline of the SET dated July 8, 1998 regarding the Quality of Assets and Transactions with Related Parties and the allowance for doubtful accounts for such loans as follows:

Unit : Million Baht

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

September 30, 2010

	Number	Outstanding balance	Appraisal Value of Collateral	Allowance for Doubtful Accounts
Companies subject to be delisted by SET	<u>3</u>	<u>233</u>	<u>162</u>	<u>35</u>
Total	<u>3</u>	<u>233</u>	<u>162</u>	<u>35</u>

Unit : Million Baht

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

December 31, 2009

	Number	Outstanding balance	Appraisal Value of Collateral	Allowance for Doubtful Accounts
Companies subject to be delisted by SET	3	374	175	226
Total	3	374	175	226

8. REVALUATION ALLOWANCE FOR DEBT RESTRUCTURING

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

September 30,
2010

December 31,
2009

Beginning balance	329	897
Increase during the period / year	316	1,088
Amount written off	(40)	(1,656)
Ending balance	605	329

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS

September 30,
2010

December 31,
2009

Beginning balance	329	897
Increase during the period / year	357	1,101
Amount written off	(643)	(1,669)
Ending balance	43	329

9. DEFERRED TAX ASSETS

Deferred tax assets as at September 30, 2010 and December 31, 2009 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		Unit : Million Baht SEPARATE FINANCIAL STATEMENTS	
	September 30, 2010	December 31, 2009	September 30, 2010	December 31, 2009
Deferred tax assets	<u>7,789</u>	<u>7,088</u>	<u>3,208</u>	<u>2,792</u>

Movements in deferred tax assets during the period / year are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS				
	As at January 1, 2010	Balance of Subsidiary as at Purchase Date	Items arising from Business Combination	Items as recognized into Statement of Income	Items as recognized into Shareholders' Equity
Temporary differences					As at September 30, 2010
Impairment of assets	1,967	-	-	(290)	-
Allowance for doubtful debt	3,325	-	-	118	-
Unrealized loss on investment	428	-	-	179	-
Other	1,368	-	-	694	-
Total	<u>7,088</u>	<u>-</u>	<u>-</u>	<u>701</u>	<u>-</u>

	CONSOLIDATED FINANCIAL STATEMENTS				
	As at January 1, 2009	Balance of Subsidiary as at Purchase Date	Items arising from Business Combination	Items as recognized Into Statement of Income	Items as recognized into Shareholders' Equity
Temporary differences					As at December 31, 2009
Impairment of assets	1,260	252	-	455	-
Allowance for doubtful debt	1,338	1,903	-	84	-
Unrealized loss on investment	362	-	-	66	-
Other	1,188	74	236	44	(174)
Total	<u>4,148</u>	<u>2,229</u>	<u>236</u>	<u>649</u>	<u>(174)</u>

				Unit : Million Baht
SEPARATE FINANCIAL STATEMENTS				
	As at January 1, 2010	Items as recognised into Statement of Income	Items as recognised into Shareholders' Equity	As at September 30, 2010
Temporary differences				
Impairment of assets	1,687	(213)	-	1,474
Unrealized loss on investment	420	180	-	600
Other	685	449	-	1,134
Total	<u>2,792</u>	<u>416</u>	<u>-</u>	<u>3,208</u>

				Unit : Million Baht
SEPARATE FINANCIAL STATEMENTS				
	As at January 1, 2009	Items as recognised into Statement of Income	Items as recognised into Shareholders' Equity	As at December 31, 2009
Temporary differences				
Impairment of assets	1,107	580	-	1,687
Unrealized loss on investment	360	60	-	420
Other	1,029	(177)	(167)	685
Total	<u>2,496</u>	<u>463</u>	<u>(167)</u>	<u>2,792</u>

The deferred tax assets which have not been recognized in the balance sheet as at September 30, 2010 and December 31, 2009 are as follows :

		Unit : Million Baht	
CONSOLIDATED		SEPARATE	
FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	September 30, 2010	December 31, 2009	September 30, 2010
Unused tax losses	1,029	1,255	-
Impairment of assets	<u>116</u>	<u>126</u>	<u>-</u>
Total	<u>1,145</u>	<u>1,381</u>	<u>-</u>

Deferred tax assets of liquidating subsidiaries have not been recognized in the consolidated financial statements because these subsidiaries' deferred tax assets cannot be utilized for future economic benefit. Liquidating companies are as follows:

1. K.S. Law Office Company Limited
2. Ayudhya Capital Lease Company Limited

10. SHORT-TERM BORROWINGS

Unit : Million Baht

	CONSOLIDATED STATEMENTS					
	September 30, 2010			December 31, 2009		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Subordinated Debentures	12,000	-	12,000	-	-	-
Senior securities	18,755	-	18,755	33,087	-	33,087
Bills of exchange	21,248	-	21,248	6,000	-	6,000
Other borrowings	1	-	1	3	-	3
Total short-term borrowings	<u>52,004</u>	<u>-</u>	<u>52,004</u>	<u>39,090</u>	<u>-</u>	<u>39,090</u>

Unit : Million Baht

	SEPARATE FINANCIAL STATEMENTS					
	September 30, 2010			December 31, 2009		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Subordinated Debentures	12,000	-	12,000	-	-	-
Senior securities	18,755	-	18,755	33,087	-	33,087
Bills of exchange	23,148	-	23,148	6,000	-	6,000
Other borrowings	1	-	1	3	-	3
Total short-term borrowings	<u>53,904</u>	<u>-</u>	<u>53,904</u>	<u>39,090</u>	<u>-</u>	<u>39,090</u>

As at September 30, 2010, the Bank reclassified short-term borrowings from financial institutions and related interest expenses in the consolidated and separate balance sheets of Baht 2,194 million which were previously presented in interbank and money market items (liabilities) to be presented in short-term borrowings.

Short-term borrowings consist of the following:

- 10.1 On November 5, 2003, the Bank issued subordinated debenture #5 in the amount of Baht 12,000 million with a maturity in November 5, 2013 at the fixed rate of 4% per annum for the years 1-5 and 4.75% per annum for the years 6-10, payable quarterly on the fifth of February, May, August and November of each year. The Bank has the right to redeem debenture #5 before the maturity date subject to the approval of the Bank of Thailand. The Bank of Thailand had approved early redemption in November 2010 according to the resolution of Asset and Liabilities Management Committee No. 6/2010
- 10.2 On April 29, 2003, the Bank had Baht 3 million of borrowings with maturity on June 27, 2010 with no interest bearing. The Bank had already made full repayment.
- 10.3 On November 8, 2006, the Bank had Baht 8 million of borrowings with maturity on January 31, 2011, at the fixed interest rate of 0.50%. The Bank had made partial repayment in the amount of Baht 7 million.
- 10.4 On October 26, 2007, the Bank issued uncollateralized senior securities in the amount of Baht 8,206 million with maturity on October 26, 2010, at the fixed interest rate of 4.25% per annum, payable quarterly in January, April, July and October.

- 10.5 On March 18, 2008, the Bank issued uncollateralized senior securities in the amount of Baht 9,924 million and Baht 5,500 million with maturities on March 18, 2010 and March 18, 2011, at the fixed interest rates of 3.85% and 4.00% per annum, payable quarterly in March, June, September and December. The Bank had made partial repayment in the amount of Baht 9,924 million.
- 10.6 On May 12, 2008, the Bank issued Baht 2,500 million of bills of exchange with maturity on May 12, 2011 at the fixed interest rates of 3.40% per annum from May 12, 2008 to May 12, 2009, and an interest rate of 6 month Fixed Deposit plus 1.25% per annum, from May 12, 2009 to May 12, 2011 with interest payable semi-annually in May and November of each year.
- 10.7 On May 13, 2008 and August 5, 2008, the Bank issued Baht 300 million and Baht 200 million of bills of exchange with maturities on May 13, 2010 and August 5, 2010, at the fixed rates of 4.20% and 4.67% per annum respectively. The Bank had already made full repayment.
- 10.8 On May 22, 2008, the Bank issued Baht 200 million of bills of exchange with maturity on May 22, 2011 at the fixed interest rates of 4.00% per annum from May 22, 2008 to May 22, 2009, and an interest rate of 6 month Fixed Deposit plus 0.1% per annum, from May 22, 2009 to May 22, 2011 with interest payable semi-annually in May and November of each year.
- 10.9 On June 5, 2008, the Bank issued uncollateralized senior securities in the amount of Baht 16,265 million with maturity on June 5, 2010 at the fixed interest rate of 4.25% per annum, payable quarterly in March, June, September and December. The Bank had already made full repayment.
- 10.10 On June 5, 2008, the Bank issued uncollateralized senior securities in the amount of Baht 5,049 million with maturity on June 5, 2011 at the fixed interest rate of 4.50% per annum, payable quarterly in March, June, September and December.
- 10.11 During June 20, 2008 to March 4, 2009, the subsidiary issued Baht 31 million of bills of exchange with maturities during July 16, 2009 to January 4, 2010, at the fixed rates of 2.35% - 5.00% per annum. The subsidiary had already made full repayment.
- 10.12 On January 8, 2009, the Bank issued Baht 305 million of bills of exchange with maturity on January 7, 2010, at the fixed rate of 2.90% per annum. The Bank had already made full repayment.
- 10.13 During April 27, 2009 to December 30, 2009 the Bank has issued Baht 14,259 million of bills of exchange with maturities during June 2, 2009 to August 23, 2010, at the fixed interest rates of 1.00% - 1.50% per annum. The Bank had already made full repayment.
- 10.14 During August 3, 2009 to October 16, 2009, the Bank has issued Baht 1,702 million of bills of exchange with maturities during February 3, 2011 to June 16, 2011, at the fixed interest rate of 1.80% - 2.30% per annum.

- 10.15 On August 31, 2009, the Bank issued Baht 276 million of bills of exchange with maturity on August 31, 2010, at the fixed rate of 1.15% per annum. The Bank had already made full repayment.
- 10.16 During January 5, 2010 to March 31, 2010, the Bank has issued Baht 8,943 million of bills of exchange with maturities during April 5, 2010 to February 8, 2011, at the fixed interest rate of 1.00% - 1.60% per annum and the Bank had made partial repayment in the amount of Baht 8,713 million.
- 10.17 During April 1, 2010 to June 30, 2010, the Bank issued Baht 19,938 million of bills of exchange with maturities during July 2, 2010 to June 24, 2011, at the fixed interest rate of 1.12% - 1.73% per annum and the Bank had made partial repayment in the amount of Baht 17,148 million.
- 10.18 During July 2, 2010 to September 30, 2010, the Bank issued Baht 36,146 million of bills of exchange with maturities during August 2, 2010 to September 29, 2011, at the fixed interest rate of 1.17% - 2.05% per annum and the Bank had made partial repayment in the amount of Baht 20,420 million.

11. LONG-TERM BORROWINGS

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

	September 30, 2010			December 31, 2009		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Subordinated Debentures	20,000	-	20,000	12,000	-	12,000
Senior securities	40,833	-	40,833	29,974	-	29,974
Bill of exchange	5,897	-	5,897	3,402	-	3,402
Other borrowings	192	-	192	220	-	220
Total long-term borrowings	<u>66,922</u>	<u>-</u>	<u>66,922</u>	<u>45,596</u>	<u>-</u>	<u>45,596</u>

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS

	September 30, 2010			December 31, 2009		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Subordinated Debentures	20,000	-	20,000	12,000	-	12,000
Senior securities	21,533	-	21,533	24,300	-	24,300
Bill of exchange	5,897	-	5,897	4,402	-	4,402
Other borrowings	192	-	192	220	-	220
Total long-term borrowings	<u>47,622</u>	<u>-</u>	<u>47,622</u>	<u>40,922</u>	<u>-</u>	<u>40,922</u>

As at September 30, 2010, the Bank reclassified long-term borrowings from financial institutions and related interest expenses in the consolidated and separate balance sheets of Baht 10,806 million and Baht 6,220 million respectively, which were previously presented in interbank and money market items (liabilities), to be presented in long-term borrowings.

Long-term borrowings consist of the following :

- 11.1 On November 5, 2003, the Bank issued subordinated debenture #5 in the amount of Baht 12,000 million with a maturity in November 5, 2013 at the fixed rate of 4% per annum for the years 1-5 and 4.75% per annum for the years 6-10, payable quarterly on the fifth of February, May, August and November of each year. The Bank has the right to redeem before the maturity date subject to the approval of the Bank of Thailand. The Bank of Thailand had approved early redemption of such debentures in November 2010 thus they were reclassified to short-term borrowing in this period.
- 11.2 During November 1, 2004 to September 30, 2009, the Bank had Baht 296 million of borrowings with maturities during January 31, 2011 to March 31, 2015, at the fixed interest rates of 0.00% - 0.50% per annum and the Bank had made partial repayment in the amount of Baht 128 million.
- 11.3 On October 26, 2007, the Bank issued uncollateralized senior securities in 2 tranches with interest payable quarterly in January, April, July and October of each year, as follows:

Tranche	Maturity date	Interest rate	Amount (Million Baht)
1	Oct. 26, 2010	4.25%	8,206
2	Oct. 26, 2011	4.50%	5,788

Tranche 1 senior securities with maturity on October 26, 2010 were reclassified to short-term borrowing.

- 11.4 On March 18, 2008, the Bank issued uncollateralized senior securities in 3 tranches with interest payable quarterly in March, June, September and December of each year, as follows:

Tranche	Maturity date	Interest rate	Amount (Million Baht)
1	Mar. 18, 2010	3.85%	9,924
2	Mar. 18, 2011	4.00%	5,500
3	Mar. 18, 2012	4.25%	4,000

Tranche 1 senior securities with maturity on March 18, 2010 were reclassified to short-term borrowing and the Bank had already made full repayment. Tranche 2 senior securities, with maturity on March 18, 2011 were reclassified to short-term borrowing in this period.

- 11.5 On May 12, 2008, the Bank issued Baht 2,500 million of bills of exchange with maturity on May 12, 2011 at the fixed interest rates of 3.40% per annum from May 12, 2008 to May 12, 2009, and an interest rate of 6 month Fixed Deposit plus 1.25 % per annum, from May 12, 2009 to May 12, 2011 with interest payable semi-annually in May and November of each year. They were reclassified to short-term borrowing in this period.
- 11.6 On May 22, 2008, the Bank issued Baht 200 million of bills of exchange with maturity on May 22, 2011 at the fixed interest rates of 4.00% per annum from May 22, 2008 to May 22, 2009, and an interest rate of 6 month Fixed Deposit plus 0.1% per annum, from May 22, 2009 to May 22, 2011 with interest payable semi-annually in May and November of each year. They were reclassified to short-term borrowing in this period.

- 11.7 On June 5, 2008, the Bank issued uncollateralized senior securities in 2 tranches with interest payable quarterly in March, June, September and December of each year, as follows:

Tranche	Maturity date	Interest rate	Amount (Million Baht)
1	Jun. 5, 2010	4.25%	16,265
2	Jun. 5, 2011	4.50%	5,049

Tranche 1 senior securities with maturity on June 5, 2010 were reclassified to short-term borrowing and the Bank had already made full repayment. Tranche 2 senior securities, with maturity on June 5, 2011 were reclassified to short-term borrowing in this period.

- 11.8 On December 2, 2008, the Bank issued uncollateralized senior securities in 1 tranche with interest payable quarterly in March, June, September and December of each year, as follows:

Tranche	Maturity date	Interest rate	Amount (Million Baht)
1	Dec. 2, 2011	5.10%	11,745

- 11.9 During August 3, 2009 to October 16, 2009, the Bank issued bills of exchange in the amount of Baht 1,702 million, with maturities during February 3, 2011 to June 16, 2011, at the fixed interest rates of 1.80 - 2.30% per annum. They were reclassified to short-term borrowing in this period.

- 11.10 On June 23, 2010, the Bank issued subordinated debenture #1/2010 in the amount of Baht 20,000 million with a maturity in June 23, 2020 at the fixed rates of 4.35% per annum for the years 1-3, 4.75% per annum for the years 4-6 and 5.50% per annum for the years 7-10, payable quarterly on the 23 of March, June, September and December of each year. The Bank has the right to redeem before the maturity date subject to the approval of the Bank of Thailand.

The Bank may redeem the debentures prior to the fifth anniversary of the issue date, if the bank is notified by the Bank of Thailand that the debentures shall not be treated as tier-2 capital or the debentures shall be treated as tier-2 capital less than 50% of tier-1 capital of the Bank.

- 11.11 During June 3, 2010 to June 30, 2010, the Bank issued bills of exchange in the amount of Baht 624 million, with maturities during December 6, 2011 and December 30, 2011, at the fixed interest rates of 1.80% - 2.00% per annum.

- 11.12 During July 2, 2010 to August 5, 2010, the Bank issued bills of exchange in the amount of Baht 5,273 million, with maturities during January 2, 2012 and August 5, 2013, at the fixed interest rates of 1.80% - 3.00% per annum.

- 11.13 On August 17, 2010, the Bank had Baht 24 million of borrowings with maturity on August 31, 2015, at the fixed interest rates of 0.50% per annum.

- 11.14 On October 21, 2009, the subsidiary issued uncollateralized senior securities in 2 tranches with interest payable semi-annually in April and October of each year, as follows:

Tranche	Maturity date	Interest rate	Amount (Million Baht)
1	Oct. 21, 2012	4.00%	5,742
2	Oct. 21, 2013	4.40%	1,558

- 11.15 On February 25, 2010, the subsidiary issued uncollateralized senior securities in 1 tranche with interest payable semi-annually in August and February of each year, as follows:

Tranche	Maturity date	Interest rate	Amount (Million Baht)
1	Feb. 25, 2013	3.33%	7,000

- 11.16 On May 12, 2010, the subsidiary issued uncollateralized senior securities in 1 tranche with interest payable quarterly in August, November, February and May of each year, as follows:

Tranche	Maturity date	Interest rate	Amount (Million Baht)
1	May. 12, 2014	3.68%	5,000

12. PROVISIONS FOR OFF-BALANCE SHEET OBLIGATIONS

The Bank provided reserves for off-balance sheet obligations with high credit risk to comply with the Bank of Thailand's notification No. Sor Nor Sor. 31/2551 Re: Guidelines on Provisioning for Off-Balance Sheet Items dated August 3, 2008 and Thai Accounting Standard No. 37 "Provisions, Contingent Liabilities and Contingent Assets" (previously No.53), which were presented as part of other liabilities in the balance sheets as follows:

	Unit : Million Baht	
	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	September 30, 2010	December 31, 2009
Beginning balance of the period / year	287	389
Increase (decrease) during the period / year	113	(102)
Ending balance of the period / year	<u>400</u>	<u>287</u>

13. DEFERRED TAX LIABILITIES

Deferred tax liabilities as at September 30, 2010 and December 31, 2009 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		Unit : Million Baht SEPARATE FINANCIAL STATEMENTS	
	September 30, 2010	December 31, 2009	September 30, 2010	December 31, 2009
Deferred tax liabilities	<u>3,250</u>	<u>2,722</u>	<u>2,540</u>	<u>2,344</u>

Movement of deferred tax liabilities during the period / year are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS				
	As at January 1, 2010	Balance of Subsidiary as at Purchase Date	Items arising from Business Combination	Items as recognized into Statement of Income	Items as recognized into Shareholders' Equity
Temporary differences					As at September 30, 2010
Asset appraisal surplus	2,141	-	-	-	(54)
Other	581	-	(24)	325	281
Balance at the ending of the period	<u>2,722</u>	<u>-</u>	<u>(24)</u>	<u>325</u>	<u>227</u>

	CONSOLIDATED FINANCIAL STATEMENTS				
	As at January 1, 2009	Balance of Subsidiary as at Purchase Date	Items as recognized into Statement of Income	Items as recognized into Shareholders' Equity	December 31, 2009
Temporary differences					
Asset appraisal surplus	1,632	-	-	509	2,141
Other	551	37	84	(91)	581
Balance at the ending of the year	<u>2,183</u>	<u>37</u>	<u>84</u>	<u>418</u>	<u>2,722</u>

	SEPARATE FINANCIAL STATEMENTS			
	As at January 1, 2010	Items as recognised into Statement of Income	Items as recognised into Shareholders' Equity	As at September 30, 2010
Temporary differences				
Assets appraisal surplus	2,141	-	(55)	2,086
Other	203	(30)	281	454
Balance at the ending of the period	<u>2,344</u>	<u>(30)</u>	<u>216</u>	<u>2,540</u>

Unit : Million Baht			
SEPARATE FINANCIAL STATEMENTS			
	As at January 1, 2009	Items as recognised into Statement of Income	Items as recognised into Shareholders' Equity
	As at December 31, 2009		
Temporary differences			
Assets appraisal surplus	1,632	-	509
Other	293	4	(94)
Balance at the ending of the year	1,925	4	415
			2,344

14. SHARE CAPITAL

14.1 Capital management

The Bank and its subsidiaries' objectives when managing capital are to maintain the Bank and its subsidiaries' ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure for reducing capital's source of funds and to comply with regulator's rules.

For maintenance or restructuring of capital, the Bank may adjust the dividend policy for shareholders to refund its capital to shareholders, issue new shares or sell property in order to reduce debt obligation.

14.2 Capital Fund

The Bank maintains its capital funds in accordance with the criteria, methodologies, and conditions prescribed by the Bank of Thailand. As at September 30, 2010 and December 31, 2009, the Bank's total capital funds can be categorized as follows :

	Unit : Million Baht	
	September 30, 2010	December 31, 2009
Tier 1 capital		
Issued and paid-up share capital	60,741	60,741
Premium on share capital	13,802	13,802
Statutory reserve	711	583
Net profit after appropriations	7,837	4,139
<u>Less deferred income tax assets</u>	<u>(2,789)</u>	<u>(2,792)</u>
Total Tier 1 capital	<u>80,302</u>	<u>76,473</u>
Tier 2 capital		
Assets revaluation surplus	4,242	4,333
Subordinated unsecured floating rate notes	27,200	7,200
Investment revaluation surplus (net) in securities available-for-sale	94	46
Reserve for normal assets	6,020	5,693
Total Tier 2 capital	<u>37,556</u>	<u>17,272</u>
Total capital fund	<u>117,858</u>	<u>93,745</u>

	Percentage	
	September 30, 2010	December 31, 2009
Total capital / Total risk assets (minimum 8.50%)	17.90	14.15
Total tier 1 capital / Total risk assets (minimum 4.25%)	12.19	11.55

Disclosure of capital maintenance information under the Notification of the Bank of Thailand Re :
Public Disclosure of Capital Maintenance for Commercial Bank

Location of disclosure	www.krungsri.com
Date of disclosure	October 29, 2010
Information as of	June 30, 2010

14.3 Dividend payment

At the General Shareholders' meeting held on April 9, 2009, the shareholders approved a resolution authorizing a dividend payment for the second half year ended December 31, 2008 to the shareholders of 6,074,143,747 ordinary shares at Baht 0.15 per share which totaled Baht 911 million, with payment made on April 29, 2009.

The Board of Directors' Meeting No. 8/2009 dated August 26, 2009, had approved a resolution authorizing a dividend payment for the first half year ended June 30, 2009 to the shareholders of 6,074,143,747 ordinary shares at Baht 0.15 per share which totaled Baht 911 million, with payment made on September 22, 2009.

At the General Shareholders' meeting held on April 8, 2010, the shareholders approved a resolution authorizing a dividend payment for the second half year ended December 31, 2009 to the shareholders of 6,074,143,747 ordinary shares at Baht 0.18 per share which totaled Baht 1,093 million, with payment made on May 4, 2010.

The Board of Directors' Meeting No. 8/2010 dated August 25, 2010, had approved a resolution authorizing a dividend payment for the first half year ended June 30, 2010 to the shareholders of 6,074,143,747 ordinary shares at Baht 0.22 per share which totaled Baht 1,336 million, with payment made on September 23, 2010.

15. INCOME TAX

	CONSOLIDATED		Unit : Million Baht SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the nine-month periods		For the nine-month periods ended	
	ended September 30,		September 30,	
	2010	2009	2010	2009
Current tax for the period	3,467	1,208	1,107	401
Deferred tax	(407)	99	(446)	52
Total income tax expense	<u>3,060</u>	<u>1,307</u>	<u>661</u>	<u>453</u>

16. CONTINGENCIES

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

	September 30, 2010			December 31, 2009		
	Baht	Foreign	Total	Baht	Foreign	Total
	Currencies			Currencies		
Avals to bills	3,349	-	3,349	3,623	-	3,623
Guarantees of loans	32	274	306	11	350	361
Other guarantees	34,039	938	34,977	35,156	1,099	36,255
Letters of credit	326	6,320	6,646	131	5,251	5,382
Exchange rate contracts						
Bought	-	129,541	129,541	-	67,509	67,509
Sold	-	141,454	141,454	-	74,747	74,747
Currency swap contracts						
Bought	5,257	1,462	6,719	6,435	1,766	8,201
Sold	676	5,705	6,381	635	7,344	7,979
Interest rate swap						
Bought	13,093	3,252	16,345	13,820	3,623	17,443
Sold	600	2,141	2,741	600	2,652	3,252
Unused overdraft limit	50,754	-	50,754	38,590	-	38,590
Others	36	3,362	3,398	70	2,418	2,488
Total	108,162	294,449	402,611	99,071	166,759	265,830

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS

	September 30, 2010			December 31, 2009		
	Baht	Foreign	Total	Baht	Foreign	Total
	Currencies			Currencies		
Avals to bills	3,349	-	3,349	3,623	-	3,623
Guarantees of loans	32	274	306	11	350	361
Other guarantees	34,075	1,547	35,622	35,167	1,767	36,934
Letters of credit	326	6,462	6,788	130	5,285	5,415
Exchange rate contracts						
Bought	-	129,541	129,541	-	67,509	67,509
Sold	-	141,510	141,510	-	74,747	74,747
Currency swap contracts						
Bought	5,257	1,462	6,719	6,435	1,766	8,201
Sold	676	5,705	6,381	635	7,344	7,979
Interest rate swap						
Bought	13,093	3,252	16,345	13,520	3,623	17,143
Sold	600	2,141	2,741	600	2,652	3,252
Unused overdraft limit	50,934	-	50,934	38,720	-	38,720
Others	36	3,362	3,398	70	2,418	2,488
Total	108,378	295,256	403,634	98,911	167,461	266,372

As at September 30, 2010 and December 31, 2009, the Bank has commitments for information technology in the amounts of Baht 514 million and Baht 250 million, respectively.

17. RELATED PARTY TRANSACTIONS

The Bank has business transactions with subsidiaries, associated and related companies. These transactions are with companies that have shareholding and/or major shareholders and/or joint directors with the Bank and with related persons. Such related transactions are in the normal course of business for the Bank and are priced at market and in common with the same conditions as other customers, including the allowance for doubtful accounts policy. The Bank has complied with the same BOT regulations as those granted to other debtors.

According to the Bank of Thailand's Notification Sor.Nor.Sor. 6/2553 regarding the Guideline on Consolidated Supervision dated June 28, 2010, the Bank is required to disclose the Inter-Group Transactions in the Financial Business Group Policy and the Risk Management for Inter-Group Transaction in the Financial Business Group Policy as follows:

1. The Inter-Group Transactions in the Financial Business Group Policy

The inter-group transaction shall be the same conditions or criteria, including interest rate of service fee charged, as applied when the Bank conducts the transactions with general customers with the same risk level and the Bank does not allow the companies in the financial business group borrow from or lend to each other.

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

The Bank manages risk for all inter-group transactions based on the Credit Risk Management for the Financial Business Policy which covers the key credit risk management process, namely credit risk control, credit risk measurement, and credit risk monitoring, in accordance with the Bank's policy and the Bank of Thailand's requirements.

Related Party Transactions are as follows:

- 17.1 Loans to, commitments and deposits with certain officers from the levels of Bank's Directors, Executive Vice Presidents and higher; and Vice Presidents/equivalent positions and higher in the Finance and Accounting Functions and the companies in which they and/or the Bank directors and/or their related parties and/or the Bank owned 10% or more of each company's paid-up capital are as follows:

	Unit : Million Baht	
	SEPARATE	
	FINANCIAL STATEMENTS	
	September 30,	December 31,
	2010	2009
Loans	148,714	159,271
Allowance for doubtful accounts	2,348	2,422
Commitments	848	813
Deposits	8,161	4,730

Certain information related to the aforementioned loans and commitments as at September 30, 2010 and December 31, 2009, are as follows :

September 30, 2010

	Total Amount (Million Baht)	Maturity Date	Outstanding Balance	
			Secured (Million Baht)	Unsecured (Million Baht)
Loans	148,714	Oct 1, 2010 to Jan 31, 2040	376	149,186
Commitments	848	Oct 1, 2010 to Apr 4, 2013		

As at September 30, 2010, the Bank charges interest rates at 0.10% - 15.00% p.a. on loans to these related parties.

December 31, 2009

	Total Amount (Million Baht)	Maturity Date	Outstanding Balance	
			Secured (Million Baht)	Unsecured (Million Baht)
Loans	159,271	Jan 4, 2010 to Aug 5, 2032	333	159,751
Commitments	813	Jan 31, 2010 to May 27, 2010		

As at December 31, 2009, the Bank charges interest rates at 0.10% - 15.00% p.a. on loans to these related parties.

- 17.2 In addition to Note 17.1, the Bank has loans to, commitments and deposits with the companies which are related to the directors and/or major shareholders of the Bank as identified by having the same executive officers as the Bank and/or the companies in which the directors and/or shareholders of the Bank having significant voting right either direct or indirect.

	Unit : Million Baht	
	SEPARATE	
	FINANCIAL STATEMENTS	
	September 30, 2010	December 31, 2009
Loans	651	381
Allowance for doubtful accounts	8	3
Commitments	288	353
Deposits	11,087	8,714

Certain information related to the aforementioned loans and commitments as at September 30, 2010 and December 31, 2009, are as follows:

September 30, 2010

	Total Amount (Million Baht)	Maturity Date	Outstanding Balance	
			Secured (Million Baht)	Unsecured (Million Baht)
Loans	651	Nov 5, 2010 to Sep 30, 2013	272	667
Commitments	288	Oct 1, 2010 to May 22, 2017		

December 31, 2009

	Total Amount (Million Baht)	Maturity Date	Outstanding Balance	
			Secured (Million Baht)	Unsecured (Million Baht)
Loans	381	Oct 31, 2012 to Sep 30, 2013	381	353
Commitments	353	Jan 2, 2010 to May 22, 2017		

Interest rates on loans as at September 30, 2010 and December 31, 2009, equal to 1.80% - 6.13% p.a. and 5.25% - 6.00% p.a., respectively.

17.3 The Bank has investments in and loans to subsidiaries, associated and related companies as follows:

1. Investment in subsidiaries, associated and related companies.

Consolidated financial statements

September 30, 2010

CONSOLIDATED FINANCIAL STATEMENTS						
Unit : Million Baht						
	Business Type	Registered Share Capital	Ownership (%)	Investment Cost	Investment Book value	Dividend Amount
Associated companies						
Tesco Card Services Limited ⁽¹⁾	Credit card and personal loan	780	49.00	382	675	-
Tesco Life Assurance Broker Limited ⁽²⁾	Life insurance broker	2	49.00	-	8	-
Tesco General Insurance Broker Limited ⁽²⁾	General insurance broker	77	49.00	-	29	-
Quality Life Assurance Broker Limited ⁽¹⁾	Life insurance broker	2	24.99	1	10	-
Quality General Insurance Broker Limited ⁽¹⁾	General insurance broker	2	24.99	1	5	-
Metro Designee Company Limited ⁽³⁾	Special purpose vehicle	-	21.90	-	-	-
Investment in associated companies, net				<u>384</u>	<u>727</u>	<u>-</u>

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS						
	Business Type	Registered Share Capital	Ownership (%)	Investment Cost	Book value	Dividend Amount
Related companies						
(10%-20% holding)						
Ayudhya Insurance Public Company Limited	Insurance	250	10.92	419	412	27
Asian Trade and Leasing Company Limited	Service	150	10.00	- 0 -	-	-
P.P. Parawood Company Limited	Manufacturing	95	10.00	9	-	-
Investments in related companies, net				<u>428</u>	<u>412</u>	<u>27</u>
Related companies from						
Troubled Debt Restructuring						
Wongpaitoon Public Company Limited	Manufacturing	8,683	37.30	93	- 0 -	-
Investments in related companies from troubled debt restructuring , net				<u>93</u>	<u>- 0 -</u>	<u>-</u>

(1) Indirect holding via Ayudhya Capital Services Company Limited

(2) Indirect holding via Tesco Card Services Limited

(3) The Company which was established for the transfer of the throughout rights as per the concession agreement between MRT and BMCL in case of BMCL breaches agreement with MRT or BMCL breaches the loan agreement with the creditor group.

December 31, 2009

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS						
	Business Type	Registered Share Capital	Ownership (%)	Investment Cost	Book value	Dividend Amount
Associated companies						
Tesco Card Services Limited ⁽¹⁾	Credit card and personal loan	780	49.00	382	598	-
Tesco Life Assurance Broker Limited ⁽²⁾	Life insurance broker	2	49.00	-	7	-
Tesco General Insurance Broker Limited ⁽²⁾	General insurance broker	77	49.00	-	27	-
Quality Life Assurance Broker Limited ⁽¹⁾	Life insurance broker	2	24.99	1	7	-
Quality General Insurance Broker Limited ⁽¹⁾	General insurance broker	2	24.99	1	4	-
Metro Designee Company Limited ⁽³⁾	Special purpose vehicle	-	21.90	-	-	-
Investment in associated companies, net				<u>384</u>	<u>643</u>	<u>-</u>
Related companies						
(10%-20% holding)						
Ayudhya Insurance Public Company Limited	Insurance	250	10.92	419	412	23
Asian Trade and Leasing Company Limited	Service	150	10.00	- 0 -	-	-
P.P. Parawood Company Limited	Manufacturing	95	10.00	9	-	-
Investments in related companies, net				<u>428</u>	<u>412</u>	<u>23</u>
Related companies from						
Troubled Debt Restructuring						
Wongpaitoon Public Company Limited	Manufacturing	8,683	37.30	93	- 0 -	-
Investments in related companies from troubled debt restructuring, net				<u>93</u>	<u>- 0 -</u>	<u>-</u>

⁽¹⁾ Indirect holding via Ayudhya Capital Services Company Limited

⁽²⁾ Indirect holding via Tesco Card Services Limited

⁽³⁾ The Company which was established for the transfer of the throughout rights as per the concession agreement between MRT and BMCL in case of BMCL breaches agreement with MRT or BMCL breaches the loan agreement with the creditor group.

Separate financial statements

September 30, 2010

Unit : Million Baht

		SEPARATE FINANCIAL STATEMENTS			
	Business	Registered	Ownership	Investment	Dividend
	Type	Share Capital	(%)	Cost	Amount
Subsidiaries					
Ayudhya Development Leasing Company Limited	Leasing	705	99.99	929	35
Ayudhya Auto Lease Public Company Limited	Auto leasing	2,850	99.79	2,736	-
Ayudhya Capital Lease Company Limited ⁽¹⁾	Auto leasing	3,000	99.99	3,000	-
Ayudhya Capital Auto Lease Public Company Limited (Formerly GE Capital Auto Lease Public Company Limited)	Hire-purchase and auto leasing	1,045	99.99	16,281	707
Ayudhya Total Solutions Public Company Limited (Formerly AIG Retail Bank Public Company Limited)	Hire-purchase	1,197	99.79	1,529	-
CFG Services Company Limited	Hire-purchase and motorcycle leasing	514	99.99	27	-
Ayudhya Card Services Company Limited (Formerly AIG Card (Thailand) Company Limited)	Credit card and personal loan	720	99.99	4	-
Ayudhya Capital Services Company Limited (Formerly GE Capital (Thailand) Limited)	Credit card and personal loan	125	99.99	5,689	1,553
General Card Services Limited	Credit card and personal loan	758	99.99	806	30
Krungsriayudhya Card Company Limited	Credit card and personal loan	1,100	99.99	1,304	630
Siam Realty and Services Company Limited	Car rent and personnel services	100	99.99	100	60
K.S.Law Office Company Limited ⁽¹⁾	Legal advisory services	32	99.99	32	-
Total Services Solution Public Company Limited	Collection service	1,326	99.99	2,537	45
Ayudhya Fund Management Company Limited	Fund management	350	76.59	204	-
Ayudhya Asset Management Company Limited	Assets management	6,000	99.99	6,000	-
Ayudhya Securities Public Company Limited	Securities	600	86.33	637	-
Ayudhya Factoring Company Limited	Factoring	100	99.99	100	-
Associated company					
Metro Designee Company Limited ⁽²⁾	Special purpose vehicle	-	21.90	-	-
				41,915	3,060
Less Allowance for impairment				(4,212)	-
Investments in subsidiaries and associated company, net				37,703	3,060

⁽¹⁾ Subsidiary under the liquidation process

⁽²⁾ The Company which was established for the transfer of throughout rights as per the concession agreement between MRT and BMCL in case of BMCL breaches agreement with MRT or BMCL breaches the loan agreement with the creditor group.

Unit : Million Baht					
SEPARATE FINANCIAL STATEMENTS					
	Business Type	Registered Share Capital	Ownership (%)	Investment Cost	Dividend Amount
Related companies					
(10%-20% holding)					
Ayudhya Insurance Public Company Limited	Insurance	250	10.92	412	27
Asian Trade and Leasing Company Limited	Service	150	10.00	-	-
P.P. Parawood Company Limited	Manufacturing	95	10.00	-	-
Investments in related companies, net				412	27
Related companies from					
Troubled Debt Restructuring					
Wongpaitoon Public Company Limited	Manufacturing	8,683	37.30	93	-
Investments in related companies from troubled debt restructuring , net				93	-

December 31, 2009

Unit : Million Baht						
		SEPARATE FINANCIAL STATEMENTS				
		Business Type	Registered Share Capital	Ownership (%)	Investment Cost	Dividend Amount
Subsidiaries						
Ayudhya Development Leasing Company Limited		Leasing	705	99.99	929	70
Ayudhya Auto Lease Public Company Limited		Auto leasing	2,850	99.66	2,745	-
Ayudhya Capital Lease Company Limited ⁽¹⁾		Auto leasing	3,000	99.99	3,000	-
Ayudhya Capital Auto Lease Public Company Limited (Formerly GE Capital Auto Lease Public Company Limited)		Hire-purchase and auto leasing	1,045	99.99	16,281	1,773
Ayudhya Total Solutions Public Company Limited (Formerly AIG Retail Bank Public Company Limited)		Hire-purchase	1,197	99.76	1,529	-
CFG Services Company Limited		Hire-purchase and motorcycle leasing	514	99.99	27	-
Ayudhya Card Services Company Limited (Formerly AIG Card (Thailand) Company Limited)		Credit card and personal loan	720	99.99	4	-
Ayudhya Capital Services Company Limited (Formerly GE Capital (Thailand) Limited)		Credit card and personal loan	125	99.99	6,443	-
General Card Services Limited		Credit card and personal loan	758	99.99	806	-
Krungsriayudhya Card ⁽²⁾ Company Limited		Credit card	1,100	99.99	550	-
Siam Realty and Services Company Limited		Car rent and personnel services	100	99.99	100	80
K.S.Law Office Company Limited ⁽¹⁾		Legal advisory services	32	99.99	32	-
Total Services Solution Public Company Limited		Collection service	1,326	99.99	2,537	-
Ayudhya Fund Management Company Limited		Fund management	350	76.59	204	-
Ayudhya Asset Management Company Limited		Assets management	6,000	99.99	6,000	-
Ayudhya Securities Public Company Limited		Securities	600	86.33	637	-
Ayudhya Factoring Company Limited		Factoring	100	99.99	100	-
Associated company						
Metro Designee Company Limited ⁽³⁾		Special purpose vehicle	-	21.90	-	-
					41,924	1,923
Less Allowance for impairment					(4,224)	-
Investments in subsidiaries and associated company, net					37,700	1,923

Unit : Million Baht

		SEPARATE FINANCIAL STATEMENTS			
	Business Type	Registered Share Capital	Ownership (%)	Investment Cost	Dividend Amount
Related companies					
(10%-20% holding)					
Ayudhya Insurance Public Company Limited	Insurance	250	10.92	412	23
Asian Trade and Leasing Company Limited	Service	150	10.00	-	-
P.P. Parawood Company Limited	Manufacturing	95	10.00	-	-
Investments in related companies, net				412	23
Related companies from					
Troubled Debt Restructuring					
Wongpaitoon Public Company Limited	Manufacturing	8,683	37.30	93	-
Investments in related companies from troubled debt restructuring, net				93	-

⁽¹⁾ Subsidiary under the liquidation process

⁽²⁾ Including indirect holding via Ayudhya Capital Services Company Limited 49.99%

⁽³⁾ The Company which was established for the transfer of the throughout rights as per the concession agreement between MRT and BMCL in case of BMCL breaches agreement with MRT or BMCL breaches the loan agreement with the creditor group.

2. Loans to the subsidiaries associated and related companies and allowance for doubtful accounts.

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	September 30, 2010	December 31, 2009	September 30, 2010	December 31, 2009
Subsidiaries				
Ayudhya Development Leasing Company Limited	-	-	3,160	3,245
Ayudhya Auto Lease Public Company Limited	-	-	340	1,190
Ayudhya Capital Auto Lease Public Company Limited (Formerly GE Capital Auto Lease Public Company Limited)	-	-	76,109	77,280
Ayudhya Total Solutions Public Company Limited (Formerly AIG Retail Bank Public Company Limited)	-	-	1,400	5,400
CFG Services Company Limited	-	-	2,220	1,630
Ayudhya Card Services Company Limited (Formerly AIG Card (Thailand) Company Limited)	-	-	3,960	6,400
Ayudhya Capital Services Company Limited (Formerly GE Capital (Thailand) Limited)	-	-	15,902	16,338
General Card Services Limited	-	-	10,519	11,448
Krungsriayudhya Card Company Limited	-	-	12,971	12,344
Siam Realty and Services Company Limited	-	-	272	150
Ayudhya Fund Management Company Limited	-	-	-	20
Ayudhya Asset Management Company Limited	-	-	12,512	15,019
Ayudhya Factoring Company Limited	-	-	1,846	983
Total	-	-	141,211	151,447
<u>Less</u> Allowance for doubtful accounts	-	-	(1,412)	(1,515)
Total	-	-	<u>139,799</u>	<u>149,932</u>

Unit : Million Baht

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	September 30, 2010	December 31, 2009	September 30, 201	December 31, 2009
Associated company				
Tesco Card Services Limited	6,250	6,648	6,250	6,648
<u>Less</u> Allowance for doubtful accounts	<u>(63)</u>	<u>(66)</u>	<u>(63)</u>	<u>(66)</u>
Total	<u>6,187</u>	<u>6,582</u>	<u>6,187</u>	<u>6,582</u>
Related companies having joint major shareholders or directors				
Conwood Company Limited	-	60	-	60
Lanna Resources Public Company Limited	79	-	79	-
Grand Canal Land Public Company Limited (Formerly Media of Medias Public Company Limited)	272	321	272	321
Total	<u>351</u>	<u>381</u>	<u>351</u>	<u>381</u>
<u>Less</u> Allowance for doubtful accounts	<u>(4)</u>	<u>-</u>	<u>(4)</u>	<u>-</u>
Total	<u>347</u>	<u>381</u>	<u>347</u>	<u>381</u>
Related companies from Troubled Debt Restructuring				
Wongpaitoon Public Company Limited	1,160	1,128	1,160	1,128
<u>Less</u> Allowance for doubtful accounts	<u>(873)</u>	<u>(841)</u>	<u>(873)</u>	<u>(841)</u>
Total	<u>287</u>	<u>287</u>	<u>287</u>	<u>287</u>

The aforementioned loans carry interest at substantially the same rates and are subject to substantially the same conditions as those granted to other customers.

As at September 30, 2010 and December 31, 2009, the allowance for doubtful accounts of loans granted to subsidiaries of Baht 1,412 million and Baht 1,515 million, respectively, are not eliminated but treated as surplus reserve in consolidated financial statements.

As at September 30, 2010, the Bank granted loans to Ayudhya Asset Management Company Limited as short-term promissory notes of Baht 12,512 million at the interest rates of 2.25% - 2.55% per annum.

As at December 31, 2009, the Bank granted loans to Ayudhya Asset Management Company Limited as short-term promissory notes of Baht 15,019 million at the interest rates of 2.10% - 2.30% per annum.

- 17.4 Account balances and transaction between the Bank and its subsidiaries, associated and related companies in the balance sheets as at September 30, 2010 and December 31, 2009, and in the statements of income for the quarters and the nine-month periods ended September 30, 2010 and 2009, are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at		As at	
	September 30, 2010	December 31, 2009	September 30 2010	December 31, 2009
Balance Sheets				
Subsidiaries				
Other assets	-	-	205	198
Deposit	-	-	6,974	4,111
Interbank and money market items (liabilities)	-	-	423	297
Borrowing	-	-	1,900	1,000
Other liabilities	-	-	806	447
Contingencies	-	-	844	714
Associated companies				
Deposit	234	99	234	99
Related companies				
Other liabilities	-	3	-	-

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	September 30,		September 30,	
	2010	2009	2010	2009
Statements of Income				
For the quarters				
Subsidiaries				
Interest and dividend income	-	-	1,176	2,006
Interest expenses	-	-	17	17
Non-interest income	-	-	66	80
Non-interest expenses	-	-	181	267
Associated companies				
Interest and dividend income	43	250	43	250
Non-interest income	-	92	-	92

Unit : Million Baht

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	September 30,		September 30,	
	2010	2009	2010	2009
Statements of Income				
For the nine-month periods				
Subsidiaries				
Interest and dividend income	-	-	3,497	3,062
Interest expenses	-	-	43	26
Non-interest income	-	-	217	93
Non-interest expenses	-	-	455	402
Associated companies				
Interest and dividend income	136	380	136	380
Non-interest income	-	126	-	126

Significant transactions between the Bank, subsidiaries, associated and related companies are determined using the borrowing cost as in the normal business practice and same conditions as other customers.

- 17.5 For the nine-month periods ended September 30, 2010 and 2009, the Bank has the expenses in the amount of Baht 328 million and Baht 342 million, respectively, paid to the General Electric company Group (“GE”) in connection with improvements in the effectiveness of management and operation of the Bank.

The price and conditions are in line with the agreements. The expenses have been recognized in the statements of income.

- 17.6 For the nine-month periods ended September 30, 2010 and 2009, related party transactions between the Bank, subsidiaries and associated companies include collection services and other services of Baht 845 million and Baht 63 million and office and vehicle rental and facilities service of Baht 375 million and Baht 413 million, respectively.

- 17.7 For the nine-month periods ended September 30, 2010 and 2009, subsidiaries have related party transactions from the licenses relevant to technology and software for Baht 26 million and Baht 35 million, respectively.

- 17.8 For the nine-month periods ended September 30, 2010 related party transactions between the Bank and subsidiaries companies from service level agreement was Baht 529 million and incentive was Baht 96 million.

- 17.9 On May 15, 2010, two subsidiary companies entered into an agreement to sell and buy the hire purchase receivable portfolios between them, in the amount of Baht 735 million, having the net book value at the date of transfer of Baht 722 million. Such amounts have been settled in full.

- 17.10As at September 29, 2010, the Bank purchased shares of Krungsriayudhya Card Company Limited from Ayudhya Capital Services Company Limited for adjusting its shareholding structure in Krungsriayudhya Card Company Limited from direct and indirect holding of 99.99% to direct holding of 99.99%.

18. POSITION AND RESULTS OF OPERATIONS CLASSIFIED BY DOMESTIC AND FOREIGN BUSINESS

(1) Position classified by type of business segment

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2010

	Domestic	Foreign	Elimination	Total
Total assets	887,409	6,133	90,070	803,472
Interbank and money market items	62,860	1,369	-	64,229
Investments, net	79,540	98	-	79,638
Loans	608,655	2,786	-	611,441
Deposits	530,586	397	-	530,983
Interbank and money market items	20,689	-	-	20,689
Borrowings	118,926	-	-	118,926
Total commitments	402,466	145	-	402,611

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2009

	Domestic	Foreign	Elimination	Total
Total assets	779,777	5,485	5,130	780,132
Interbank and money market items	52,346	1,322	-	53,668
Investments, net	67,900	163	-	68,063
Loans	601,515	1,993	-	603,508
Deposits	520,168	347	-	520,515
Interbank and money market items	47,415	-	-	47,415
Borrowings	84,687	-	-	84,687
Total commitments	265,719	111	-	265,830

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS

September 30, 2010

	Domestic	Foreign	Elimination	Total
Total assets	856,008	6,133	90,070	772,071
Interbank and money market items	62,348	1,369	-	63,717
Investments, net	115,347	98	-	115,445
Loans	554,748	2,786	-	557,534
Deposits	537,561	397	-	537,958
Interbank and money market items	19,152	-	-	19,152
Borrowings	101,526	-	-	101,526
Total commitments	403,489	145	-	403,634

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS

December 31, 2009

	Domestic	Foreign	Elimination	Total
Total assets	760,270	5,485	5,130	760,625
Interbank and money market items	48,435	1,322	-	49,757
Investments, net	104,681	163	-	104,844
Loans	561,941	1,993	-	563,934
Deposits	524,339	347	-	524,686
Interbank and money market items	43,549	-	-	43,549
Borrowings	80,013	-	-	80,013
Total commitments	266,261	111	-	266,372

(2) Results of operations classified by business segment

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE QUARTER ENDED SEPTEMBER 30, 2010

	Domestic	Foreign	Elimination	Total
Interest and dividend income	12,402	34	-	12,436
Interest expenses	2,866	1	-	2,867
Net interest income	9,536	33	-	9,569
Non-interest income	5,522	(11)	562	4,949
Non-interest expenses	11,699	32	562	11,169
Income (loss) before tax	3,359	(10)	-	3,349

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE QUARTER ENDED SEPTEMBER 30, 2009

	Domestic	Foreign	Elimination	Total
Interest and dividend income	9,489	26	-	9,515
Interest expenses	2,228	22	-	2,250
Net interest income	7,261	4	-	7,265
Non-interest income	4,287	37	478	3,846
Non-interest expenses	8,665	42	478	8,229
Income (loss) before tax	2,883	(1)	-	2,882

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2010

	Domestic	Foreign	Elimination	Total
Interest and dividend income	35,918	92	-	36,010
Interest expenses	<u>7,798</u>	<u>1</u>	<u>-</u>	<u>7,799</u>
Net interest income	28,120	91	-	28,211
Non-interest income	15,447	(35)	1,546	13,866
Non-interest expenses	<u>33,915</u>	<u>96</u>	<u>1,546</u>	<u>32,465</u>
Income (loss) before tax	<u>9,652</u>	<u>(40)</u>	<u>-</u>	<u>9,612</u>

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2009

	Domestic	Foreign	Elimination	Total
Interest and dividend income	28,538	101	-	28,639
Interest expenses	<u>8,466</u>	<u>88</u>	<u>-</u>	<u>8,554</u>
Net interest income	20,072	13	-	20,085
Non-interest income	11,299	128	1,463	9,964
Non-interest expenses	<u>24,992</u>	<u>141</u>	<u>1,463</u>	<u>23,670</u>
Income before tax	<u>6,379</u>	<u>-</u>	<u>-</u>	<u>6,379</u>

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2010

	Domestic	Foreign	Elimination	Total
Interest and dividend income	8,651	34	-	8,685
Interest expenses	<u>2,498</u>	<u>1</u>	<u>-</u>	<u>2,499</u>
Net interest income	6,153	33	-	6,186
Non-interest income	2,652	(11)	562	2,079
Non-interest expenses	<u>6,967</u>	<u>32</u>	<u>562</u>	<u>6,437</u>
Income (loss) before tax	<u>1,838</u>	<u>(10)</u>	<u>-</u>	<u>1,828</u>

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2009

	Domestic	Foreign	Elimination	Total
Interest and dividend income	7,444	26	-	7,470
Interest expenses	<u>2,237</u>	<u>22</u>	<u>-</u>	<u>2,259</u>
Net interest income	5,207	4	-	5,211
Non-interest income	2,395	37	478	1,954
Non-interest expenses	<u>6,240</u>	<u>42</u>	<u>478</u>	<u>5,804</u>
Income (loss) before tax	<u>1,362</u>	<u>(1)</u>	<u>-</u>	<u>1,361</u>

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2010

	Domestic	Foreign	Elimination	Total
Interest and dividend income	24,808	92	-	24,900
Interest expenses	7,185	1	-	7,186
Net interest income	17,623	91	-	17,714
Non-interest income	7,614	(35)	1,546	6,033
Non-interest expenses	20,447	96	1,546	18,997
Income (loss) before tax	4,790	(40)	-	4,750

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2009

	Domestic	Foreign	Elimination	Total
Interest and dividend income	22,605	101	-	22,706
Interest expenses	8,414	88	-	8,502
Net interest income	14,191	13	-	14,204
Non-interest income	6,572	128	1,463	5,237
Non-interest expenses	18,409	141	1,463	17,087
Income before tax	2,354	-	-	2,354

Income and expenses between the head office and branches or inter-branches are determined by the head office at the rate which approximates actual cost.

19. TRANSFER OF SUB-QUALITY ASSETS TO THAI ASSET MANAGEMENT CORPORATION

On October 12, 2001, the Bank 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 December 31, 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 BOT guidelines. The Bank and 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.

The Bank, its subsidiary and TAMC agreed to allocate any profits or losses from managing the sub-quality assets at the end of the fifth and the tenth year starting from July 1, 2001. In addition, pursuant to the TAMC Decree, in case when profits are realized, the first portion of the profits, not exceeding 20% of the transfer price of the sub-quality assets transferred to TAMC, will be allocated equally between TAMC, the Bank/subsidiary. The second portion of the profits will be allocated in full to the Bank and 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, the Bank/subsidiary. The Bank and subsidiary will absorb the first portion of the losses, not exceeding 20% 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% of the transfer price of the sub-quality assets transferred to TAMC will be shared equally between the Bank 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. As at September 30, 2010 and December 31, 2009, the provisions for possible losses were set up amounting to Baht 2,000 million and Baht 1,400 million, respectively, which were presented under other liabilities in the balance sheet.

20. EVENT AFTER THE BALANCE SHEET DATE

- 20.1 As at October 21, 2010, Ayudhya Capital Services Company Limited (“AYCAP”), the Bank’s subsidiary, has additionally invested in Quality Life Assurance Broker Limited (“QLAB”) and Quality General Insurance Broker Limited (“QGIB”). Upon completion of such transaction, AYCAB will hold 99.99% each in QLAB and QGIB.
- 20.2 As at October 28, 2010, Ayudhya Fund Management Company Limited, the Bank’s subsidiary, has sold all shares in Prima Vest Management Company Limited to the third parties.

21. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements have been approved for issue by the Bank’s authorized directors and the Audit Committee on November 9, 2010.